

THE BARRACKS AT ROCK PRAIRIE COMMUNITY MANAGEMENT AGREEMENT

THE BARRACKS AT ROCK PRAIRIE OWNERS ASSOCIATION, INC

This Community Management Agreement (the "**Agreement**") is made and entered into by and between **The Barracks at Rock Prairie Owners Association, Inc.**, a Texas non-profit corporation (the "**Association**") and **The Barracks Management Group LLC** (the "**Manager**") for management of the Association, and is as follows:

RECITALS

A. The Association is the owners association comprised of the owners of the Barracks at Rock Prairie community (the "**Community**") that administers the terms and provisions of that one certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Barracks at Rock Prairie, recorded as Document No. 1255960, Official Public Records of Brazos County, Texas, as amended (the "**Declaration**"). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Declaration.

B. The Manager is engaged in the business of managing community associations and has reviewed the terms and provisions of the Declaration and other applicable rules and restrictions applicable to the Community (the "**Restrictions**").

C. The Association and the Manager have reached an agreement, pursuant to which the Manager will assist the Board of Directors of the Association (the "**Board**") in managing the Association, maintaining portions of the Property designated to be maintained by the Association, and carrying out other duties, as described below, and the parties desire to set forth their agreement in writing.

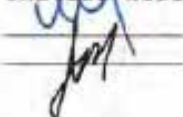
FOR AND IN CONSIDERATION of these premises and of the mutual promises and covenants herein contained, the Manager and the Association agree as follows:

ARTICLE I

Appointment and Acceptance

The Association does hereby engage the services of the Manager as the Association's agent to assist the Board in the management of the Association, maintaining portions of the Property designated to be maintained by the Association, and carrying out other specific duties, as set forth below, and the Manager does hereby accept such engagement, subject to the terms and conditions contained in this Agreement.

Initial Here:



ARTICLE II

Term

The commencement date (the "**Commencement Date**") of this Agreement shall be June 15th, 2023, which date shall constitute the time that the Manager will be required to begin performance of its duties hereunder. This Agreement shall be for an initial term of twenty-four (24) months.

Unless otherwise terminated in accordance with Article V herein, the initial term shall be renewed annually for a twelve (12) month period, unless either party gives notice to the other party of its election to terminate or to renegotiate the terms of this Agreement at least sixty (60) days before the termination of the term then in effect. The term of this Agreement, as it may be renewed from time to time, may be referred to in this Agreement as the "**Term**".

ARTICLE III

Manager's Duties and Responsibilities

1. **General.** The Manager shall assist the Board in the management of the Association during the Term of this Agreement, and the Manager shall perform its duties in an efficient and economical manner, subject to the direction of the Board of Directors and the terms and provisions of this Agreement.

2. **Manager's Designated Employee.** On the effective date of this Agreement, the Manager has designated Evagail Calvert as the Association's primary contact for the coordination and provision of services under this Agreement. The designee of Manager is referred to herein as the "**Manager Designee**". Manager will be entitled to designate other employees to perform services under this Agreement with the express written consent of the Board.

3. **Management Services.** During the Term of the Agreement, the Manager shall provide the following services to the Association for and in consideration of the Management Fee:

(A) **Annual Budget.** The Manager shall prepare, in a format selected by Manager and approved by the Board (such approval not to be unreasonably withheld), an annual cash flow budget for the Association, with sufficient detail to reflect expected operations for each month during the forthcoming twelve-month period, and shall furnish such proposed annual budget to the Board at least sixty (60) days prior to the end of the current fiscal year, for modification by and approval of the Board. The initial annual budget shall be prepared by the Manager and furnished to the Board within thirty (30) days after the Commencement Date. At least once per month, the Manager shall analyze and compare, on a monthly and cumulative basis, actual and anticipated operating receipts and disbursements to the Approved Budget (defined below) and, as directed by the Board but no more than twice per year, prepare revised

Initial Here:



annual budgets taking into account actual to date and anticipated financial activities through the budget period.

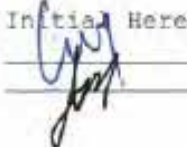
(B) **Monthly Financial Statements.** The Manager shall, in an electronic format selected by Manager and approved by the Board (such approval not to be unreasonably withheld), prepare monthly financial statements to be made available to the Board on or before the 15th day of the following month which, unless otherwise instructed by the Board, shall include:

- Cash Receipts Schedule;
- Cash Disbursements Schedule;
- Reserve Account Balances;
- Bank Account Reconciliations;
- Copies of Paid Invoices;
- Delinquency Reports (Owner Assessments);
- Schedule of Accounts Payable;
- Profit and Loss Variance Statement;
- Balance Sheet; and
- Detailed General Ledger.

(C) **Year-End Financial Statements and Audits.** Within sixty (60) days after the end of each fiscal year, the Manager shall deliver a Year-End Statement of Operations for the Association to the Board. A "Year-End Statement of Operations" shall consist of the financial statements identified in Article III, Section 3(B) above for the fiscal year then ended and any additional year-end financial statements customarily prepared for non-profit corporations. If requested by the Board, the Manager shall coordinate obtaining an independent audit of the Association's records at least annually. Such audit shall be at the Association's expense. The Manager shall cooperate with the Association's accountant or CPA, which shall be selected by the Board, in the preparation of local, state, and federal tax reports and in the preparation of audits.

(D) **Collection of Assessments.** The Manager shall invoice and collect, in the name of the Association, all Assessments levied by the Board in accordance with the Restrictions. The Manager shall produce and distribute an invoice ("Assessment Notice") to all Owners. The frequency of Assessment Notices may be changed from time to time by the Board, but in no circumstance shall the Board direct the Manager to send Assessment Notices more than once each month. The Manager shall promptly deposit all collections in the Association's account. All checks or other cash equivalent funds accepted by the Manager on behalf of the Association shall be made payable to the Association. The funds of the Association shall be maintained in a checking account held separate and apart from all other accounts maintained by the Manager, and the Manager shall not commingle any of such funds with any funds of the Manager or the funds of any third party. The Association hereby authorizes the Manager to bill and collect, in the name of the Association, any and all charges which may at any time come due to the

Initial Here:



Association. The Manager shall mail delinquency notices to any delinquent Owner in accordance with Association policies and procedures. Any collection problems requiring legal action shall be referred to the Association's attorney as directed by the Board.

Manager further acknowledges that in certain cases it will be required to send Assessment Notices with respect to a particular to both the Owner and such Owner's tenant. The Association will notify the Manager when Assessment Notices will need to be sent to a tenant and provide the Manager with such tenant's contact information.

(E) **Payment of Expenses.** The Manager is hereby authorized to make expenditures from Association funds in accordance with the annual budget approved by the Board (the "**Approval Budget**"); provided, however, that disbursements for all expenditures shall be paid by check and such check shall be signed by Manager Designee or a designee of Manager approved by the Board. Manager shall not be responsible for any payments that are past due as a result of the necessity of obtaining the signature of a Board member, nor shall Manager be obligated for any penalties, late charges or financial disincentives for payments made late due to circumstances beyond the control of the Manager. However, Manager shall be responsible for making all normal and expected business expenses (such as utilities, contracted payments and similar regularly due expenses) and payments in a prompt and timely manner. The Manager shall not be obligated to make any advance to or for the account of the Association or to pay any sum, except out of Association funds, nor shall the Manager be obligated to incur any liability for the account of the Association without the assurance from the Board that the necessary funds for the discharge thereof will be provided by the Association. Except as authorized by the Approved Budget or otherwise by this Agreement, Association funds shall be disbursed only as the Board may direct. Notwithstanding the foregoing provision, the Manager is hereby authorized to disburse Association funds not otherwise reflected on the Approved Budget, so long as: (i) such disbursements do not exceed \$1,000.00 per occurrence; (ii) the non-budgeted disbursement is associated with a bona fide Association expenditure; and (iii) the non-budgeted expenditure is supported by an invoice or other documentation from the recipient of the disbursement. Emergency repairs involving manifest danger to persons or property, or immediately necessary for preservation and safety of the Property or Owners, may be made by the Manager irrespective of the cost limitations imposed by this paragraph; provided, however, the Manager shall, as soon as practical, notify the Designated Board Representative (as defined below) regarding such expenditure, and in no event shall the Manager make any emergency expenditure exceeding \$5,000.00. Furthermore, the Manager shall not incur liabilities which will at any time exceed, in the aggregate, \$1,000.00 (except in cases of emergencies as set out above in which event the amount may not exceed \$5,000.00), or any liability maturing more than one year from the creation thereof, without first obtaining approval of the Board.

(F) **Property Review and Resident Relations.** The Manager Designee will walk the Property on a regular schedule, with a minimum of one review or inspection per month, and will be available to meet with Owners and Residents (collectively, "**Residents**") by appointment. The Manager Designee will inspect the Common Area and will be available to meet

Initial Here:

A handwritten signature in blue ink, appearing to be 'J.M.', is written over two horizontal lines.

with Residents by appointment as directed by the Board. The Property shall also be reviewed for compliance with the Documents. Any violation of the Restrictions and the Manager's actions in response thereto shall be reflected on a violation log (the "**Violation Log**") which shall include: (i) the date and time the violation was observed; (ii) the property on which the violation exists; (iii) a description of the violation; (iv) a description of any contact, oral or written, between the Manager and/or the Manager Designee and the alleged violator; and (v) any other information which the Board or the Manager deems relevant to the violation. Manager shall forward a copy of the completed Violation Log to the Designated Board Representative (as defined below) and the Association's attorney on a monthly basis. The Manager shall send a violation notice, on the Association's prescribed form, to the Resident of the property on which the violation exists in accordance with policies adopted by the Board. During subsequent reviews, the Manager Designee shall ascertain whether the noticed violation has been corrected and timely report corrected and uncorrected violations to the Designated Board Representative for further action. A detailed review checklist will also be prepared by the Manager to meet the Association's requirements which shall be consistent with Board-approved policy for violations, notices and fines. The Manager shall be responsive to the Residents' requests and feedback and shall assist in resolving individual Resident's problems as they are applicable to the Association, portions of the Property maintained by the Association, or the Restrictions, including but not limited to assisting with all hearings as required by Texas law. The Manager agrees to maintain a local telephone number with voice message capabilities to receive complaints 24 hours a day, 7 days a week. The Manager Designee or an alternate representative of Manager approved by the Board will be available to the Board and its officers 24 hours a day via mobile phone or e-mail. Manager will promptly investigate complaints of a serious nature, and report those which Manager believes to be sufficiently important to warrant notifying the Designated Board Representative. On a quarterly basis the Manager shall prepare a written report and make recommendations concerning the portions of the Property maintained by the Association and shall deliver such report to the Board at its next regularly scheduled meeting.

(G) **Maintenance by the Association.** The Manager shall solicit, analyze and compare bids, and negotiate contracts for execution by the Board for the services of contractors. Subject to Article IX, Section 4 of this Agreement, once approved by the Board, the Manager will engage contractors and ensure that all portions of the Property designated for maintenance by the Association, is maintained within the guidelines of the Association's budget and in accordance with a maintenance program approved by the Board. All contractors rendering services to the Association will be engaged as independent contractors and shall provide their own insurance at levels recommended by the Manager and approved by the Board. The Manager shall review the performance of all contractors. As directed by the Board, the Manager shall place orders for all equipment, supplies, tools, and materials that are necessary to properly maintain the portions of the Property designated for maintenance by the Association. All such contracts and orders shall be made in the name of the Association, if possible, and shall be subject to the limits set forth in Article III, Section 3(E) of this Agreement. When taking bids or issuing purchase orders, the Manager shall act at all times under the direction of the Board, and shall have a duty to secure for the Association and inform the Board of all discounts, commissions, or rebates

Initial Here:

A handwritten signature in blue ink, appearing to be 'Gail', is written over a horizontal line.

attainable as a result of such purchases or contracts. The Manager shall implement, with the Board's approval, a procedure for resolving both emergency and non-critical maintenance requirements.

(H) **Contracts.** To the extent required by the Association, and as directed by the Board, the Manager will negotiate and administer all contracts for services and utilities, which may include contracts for electricity, gas, water, telephone, internet, rubbish hauling, security, pest control, landscaping, and other services.

(I) **Books and Records.** The Manager shall maintain full and complete books and records of the Association. All of the Association books, records, and account information prepared pursuant to this Agreement or for exclusive use, benefit and/or management or administration of the Declaration and the Property, and all digital records prepared by the Manager on behalf of the Association shall be considered the property of the Association, and will be surrendered to the Association upon termination of this Agreement in a form that may be utilized by a successor manager of the Association. Manager agrees that all corporate documents, forms, policies and procedures must be prepared or reviewed by the Association's attorney and the Board. Notwithstanding the foregoing, any software, processes, procedures, forms, website content or information prepared by Manager shall remain the sole and exclusive property of Manager.

In addition, and upon termination of this Agreement, the original data files (or a copy of such files residing at the Manager's principal place of business), including owner listings, financial information and all other records of the Association stored in digital format will be tendered to the Association and all remaining digital records stored in the Manager's principal place of business will be permanently erased on or before sixty (60) days after the termination of this Agreement (the Board will be entitled to request from the Manager an affidavit that such destruction has taken place). All books, records, and accounts of the Association shall at all times during regular business hours be open to the inspection of the Board or members of the Association in accordance with the Bylaws of the Association and applicable law. Manager will not sell, transfer or offer for financial gain or any other purpose any information pertaining to the names or addresses of owners and residents, the properties, financial data or any other information obtained by Manager in the course of the day to day operation of the Association. In addition, Manager shall maintain locally all general Association records available from inception of the Association to present. Manager shall adhere to any reasonable document retention policy established by the Board.

(J) **Long-term Maintenance Plan.** The Manager shall prepare and maintain a general maintenance (reserve) schedule for the portions of the Property maintained by the Association and shall recommend to the Board the amount of funds to be set aside to fund the general maintenance plan. The Manager shall work with and cooperate with a professional engineer or reserve specialist, engaged by the Board to establish a long-term maintenance plan,

Initial Here:



in determining the amount of funds to be set aside to maintain reserves necessary to perform maintenance functions.

(K) **Assistance to the Board of Directors.** The Manager shall provide reasonable administrative support services to the Board which shall include notifying each Director of Board meetings, assisting with the preparation of agendas for Board meetings, preparing minutes of each Board meeting, and circulating such minutes to Board members. Upon the Board's request, the Manager shall: (i) provide the Residents with copies, at the Association's expense, of any rules, regulations and notices promulgated by the Board from time to time; and (ii) post such rules, regulations and notices on any community bulletin boards and the Portal (as defined below). Additionally, the Manager shall advise and consult with the Board and the Association's attorney as to suggested revisions to the Restrictions that it believes will facilitate operation and administration of the Association and the Property.

(L) **Attendance At Board Meetings.** The Manager Designee will attend, virtually, by conference call, or in-person, all meetings of the Board, but shall not be required to attend more than four meetings each fiscal year (unless otherwise compensated in accordance Exhibit "A"). Notwithstanding the foregoing provision, the Board shall have the right to exclude the Manager from any meeting of the Board.

(M) **Emergencies.** The Manager will establish and implement a procedure for resolving, on a 24-hour basis, any emergencies which are the Association's responsibility. The Manager shall inform Residents of such emergency procedures in writing. Emergencies shall mean any matter that endangers the Association Property or any other property to which the Association is required to maintain.

(N) **Insurance.** Board acknowledges that Manager is not a risk management or insurance specialist. However, the Manager shall assist the Association in establishing specifications for the Association's insurance requirements. The Manager shall obtain and present bids for such insurance to the Board. The Board shall furnish to the Manager certificates evidencing the existence of adequate public liability and property hazard insurance, non-owned automobile insurance, workers compensation, directors and officer's liability insurance and an umbrella policy in amounts satisfactory to the Board. The certificates shall have attached thereto an endorsement that the Manager will be given at least ten (10) days prior written notice of cancellation of the policy. The Manager shall obtain recommendations for comprehensive insurance coverage against damage or injury to the Common Area or persons which might arise out of the management, operation or maintenance of the Association. Recommendations will be solicited from only qualified commercial agencies as directed by the Board and may include, but shall not be limited to fire, extended coverage, boiler and machinery, flood, hazard, wind, hail, tornado and hurricane insurance. All Association insurance shall include the Manager as an "additional insured". All property hazard insurance shall contain a waiver of the Association's rights of subrogation against the Manager in the event the any portion of the Property maintained by the Association is destroyed by fire. In all cases where the Manager carries insurance that

Initial Here:



would provide coverage for a claim or loss, the Association's insurance will be primary insurance for payment of the claim or loss; provided, however, that this sentence shall not prohibit the Association from submitting any claim to Manager's insurance company if the submission is required to preserve the claim or loss, pursuant to the terms and provisions of the Manager's insurance policy.

(O) **Annual Association Meeting.** The Manager shall organize, as directed by the Board and the Association's attorney, and attend one annual meeting of the Association (the "Annual Meeting") per year. The Manager shall prepare and deliver, in accordance with the Bylaws of the Association, Annual Meeting notices, proxies and ballots. The Manager as directed by the Board shall prepare the agenda for the Annual Meeting.

(P) **Establishment of Files.** The Manager shall collect, organize and maintain complete files for the Association of all legal documents, lists of Owners, correspondence, community rules, site plans, blueprints, specifications and other documents as the Manager or the Board deems necessary. Manager shall adhere to any reasonable document retention policy established by the Board. The Association shall pay for any necessary expenses related to maintaining the files required by this section, such as copying costs and file folders. Manager acknowledges and agrees that any attorney-client privilege shall be a privilege held by the Board on behalf of the Association and any communication between the Association's attorney and the Board shall be segregated from the general books and records of the Association and shall remain confidential and not released or disseminated to any party without the Board's express written consent.

(Q) **Bank Account.** The Manager, as directed by the Board, shall maintain bank accounts for the Association's operating and reserve funds in accordance with the Board's specific instructions. The accounts shall be in the name of the Association and shall be placed in federally insured accounts at banks or savings institutions as directed by the Board. The Manager shall not commingle any of such funds with any funds or other property of the Manager or of any other person. Currently, the Board anticipates the use of two (2) separate accounts: (i) an operating account and (ii) a reserve account. Unless otherwise directed by the Board, the operating account will be used for the deposit of the operation expense component of regular assessments, transfer fees, collection costs, fines, use fees and payment of customary operating expenditures. Unless otherwise directed by the Board, the reserve account will be used for the deposit of the reserve component of regular assessments.

(R) **Clerical Services.** The Manager shall provide reasonable clerical services required by the Association, including the typing and circulation and posting of notices, minutes and general correspondence of the Association as directed by the Board.

(S) **Association Committees.** The Manager Designee will provide consulting, administrative and secretarial services required by each committee established by the Board or the Restrictions, which shall include but not be limited to the adoption of policies and procedures,

Initial Here:

A handwritten signature in blue ink, appearing to be 'Gail', written over a horizontal line.

the preparation of written communications with Residents, assisting Residents in their compliance with committee rules and procedures, and other functions as may be requested by such committees.

(T) **Technology Platform.** The majority of information held, services provided, and duties performed by the Manager shall be controlled, managed, communicated, and delivered using the Portal (as defined below), including the receipt and processing of Assessments from Owners. The Portal shall mean the centralized internet-based information portal, Condo Cafe, Yardi, or a similar platform, owned, maintained, and paid for by the Association and used by the Manager as the primary method of communication, exchange of documents, and delivery of the Manager's services. For the avoidance of doubt, Manager shall exclusively use the existing Portal platform provided by the Association regardless of whether or not Manager owns or has used its own portal platform in the past; provided, however, the Association shall continue to pay the monthly fees associated with the maintenance and operation of the Portal. Notwithstanding the foregoing, the Manager must comply with the terms of this Agreement, regardless of whether such effort may be duplicated on the Portal. All Owners are encouraged to use the Portal to set up automatic monthly Assessment payments to the Association by electronic transfer of funds, on or before the 10th day of each month. Owners who choose other payment options may be charged a monthly processing fee as determined by the Association from time to time. The Portal shall be for exclusive password protected use of the Association and accessible to all authorized Board members, Residents, and other persons authorized by the Board, from any computer connected to the internet. The Board shall determine the level of information access authorized for officers of the Board, Board members, and Residents.

ARTICLE IV

Compensation

The Association shall pay the Manager a monthly fee in accordance with the Management Fee schedule, attached hereto as Exhibit "A" (the "**Management Fee**"). The Management Fee shall be paid monthly in advance and shall be prorated for any partial month.

The Manager shall be reimbursed out of the Association's funds for the actual costs incurred by the Manager for printed forms, ledgers, postage, journals, checks, long distance telephone calls, and other supplies required for operation of the Association and as reflected on the Approved Budget. In the event that the Board requests Manager to send a mass mailing or distribution not otherwise contemplated by this Agreement, then the Board shall approve in advance and in writing the cost associated therewith, including any necessary supplies. The charge for certain supplies are reflected on Exhibit "B", attached hereto, and are subject to change from time to time upon sixty (60) days advance written notice to the Board. No charges will be incurred by the Association for facsimiles sent by Manager to a number in which long distance toll charges do not apply. Furthermore, Manager shall be reimbursed out of the Association's

Initial Here:



funds for the actual costs incurred by the Manager in the performance of Other Services (defined below). No other costs shall be charged to the Association unless: (i) authorized by this Agreement; (ii) reflected on the Approved Budget; (iii) set forth on Exhibit "A" or Exhibit "B"; or (iv) approved in advance by the Designated Board Representative. Manager shall provide monthly written substantiation to the Association, in care of the Designated Board Representative, for any compensation, fees, expenses, or reimbursements payable pursuant to the terms of this Agreement. For compensation based on an hourly fee, the monthly written substantiation shall include a description of the services rendered and the hourly fee charged. For the reimbursement of any fees or expenses incurred by Manager necessary for the operation of the Association, the monthly written substantiation shall include detail of each expense and the purpose for which it was incurred, along with third party invoices for such fees and expenses if available.

ARTICLE V

Termination of Agreement

1. **Termination by Association.** This Agreement may be terminated in the Board's sole and absolute discretion with ten (10) days prior written notice to Manager in the event that:

(A) The Manager materially breaches any of the terms and provisions of this Agreement and such breach continues for a period of ten (10) days after the Board has provided Manager with written notice of the breach; or

(B) The Manager commences a bankruptcy proceeding or makes an assignment for the benefit of its creditors.

2. **Termination by Manager.** The Agreement may be terminated at the Manager's election in the event that there are insufficient funds to continue the operation of the Association and such deficiency continues for a period of thirty (30) days after written notice of such deficiency has been provided to the Board.

3. **Termination by Manager or Association.** Either party shall be entitled to terminate this Agreement for any or no cause on not less than sixty (60) days prior written notice to the other party, in which event neither party shall have any further rights or obligations hereunder other than the obligations set forth in Article V, Section 4. If the Association elects to terminate this Agreement prior to the expiration of the Term then in effect, the Association shall pay the Manager fifty percent (50%) of the Base Monthly Management Fee per Lot or Unit (as indicated in Exhibit "A") for the remainder of such Term as well as fifty percent (50%) of the Base Monthly Management Fee per Lot or Unit for one (1) additional month to compensate the Manager for the transition of Association and Community records to the Association's new manager. Notwithstanding the foregoing, the termination fees described above will not apply within the first year of the initial Term of this Agreement if the Community utilizes a condominium form of ownership.

Initial Here:



4. **Actions upon Termination.** Upon termination of this Agreement, the Manager shall deliver immediately to the Board the following items:

- (A) Check Book(s) with all blank checks;
- (B) Savings Account passbook(s) or Money Market account statements;
- (C) Copies of all open purchase orders;
- (D) Copies of all current Association contracts; and

Within thirty (30) days from the date of the termination of this Agreement, the Manager shall deliver to the Board the following items:

- (F) Copies of all tax returns of the Association retained by the Manager;
- (G) All bank statements, canceled checks and other bank records of the Association retained by the Manager;
- (H) Copies of all financial statements not previously provided to the Association;
- (I) All accounting and legal records of the Association including but not limited to general ledger, general journal, accounts payable information, monthly assessment records, corporate minute book, owner files, owner roster, contracts, administrative files and all other documents to which the Association is a party;
- (J) Copies of the Association general ledger, general journal, accounts payable information, and legal records; and
- (K) All other records, data or files required to be delivered to the Association in accordance with this Agreement.

Within thirty (30) days from the date of the termination of this Agreement, the Manager shall vacate and terminate its use of the Portal, the exclusive ownership and use of which shall be retained by the Association.

Upon termination, any funds belonging to the Association and held by the Manager shall be immediately tendered to the Association. On the date of termination, the Manager shall provide the Association with a listing of each account payable which shall include: (i) the vendor; (ii) a description of the goods or services associated with the account payable; (iii) the date on which the account payable is due; and (iv) the amount of the account payable. Upon termination of this Agreement, the Association will terminate all signatures or deposit authority Manager may have in any bank account of the Association.

Initial Here:



ARTICLE VI

Employees of the Manager

1. **Employees of Manager-General.** The Manager shall hire employees and/or subcontractors, at its complete discretion to carry out its duties under this Agreement. Unless otherwise provided in this Article VI, all compensation, including benefits, employment taxes, and any additional fees or expenses associated with the employment or engagement of any employee or subcontractor hired by Manager to discharge the duties and obligations specified in this Agreement is included in the Management Fee.


2. **Fidelity Bond.** The Manager shall obtain a fidelity bond covering all personnel of the Manager who have access to Association funds. The cost of such fidelity bond will be paid for by the Association. The bond shall be obtained from a company rated A or better by Best Insurance Guide, or the equivalent, in an amount no less than one-quarter of the annual Regular Assessments (as defined in the Restrictions) plus all Association reserve funds on hand. The amount of the bond shall be reviewed annually and increased, if approved by the Board, to the amount required by the foregoing sentence. The Association shall be named as an additional insured or as a beneficiary on the fidelity bond, and a copy of the bond shall be provided to the Association. In the event of termination of the fidelity bond by the Manager or the Manager's insurance company, notification of such cancellation shall be provided by the Manager to the Association at least fifteen (15) days prior to its cancellation or upon Manager receiving such notification, whichever is less. In the event of cancellation, however, the Manager shall immediately obtain a substitute fidelity bond. In the event the Manager fails to obtain a substitute fidelity bond on or before ten (10) days after cancellation, the Board shall be entitled to terminate this Agreement upon written notice to Manager.

ARTICLE VII

Authorized Agent of Association

The Manager is an authorized agent of the Association and directed to accept directions or instructions with regard to the management of the Association from any member of the Board. The Association hereby designates the President of the Association as the representative of the Board and the usual and normal contact person and the individual who shall be authorized to deal with the Manager on any matter pertaining to the obligations of either party to this Agreement ("**Designated Board Representative**"). The Manager shall communicate on a regular basis with the Designated Board Representative to review the current activities of the Association and to discuss any Association problems. From time to time, the Board may designate in writing to the Manager an alternate Designated Board Representative.

Initial Here:

A handwritten signature in blue ink, appearing to be 'J. Smith', is written over a horizontal line.

ARTICLE VIII

Accounting and Legal Services

The Association shall be responsible for the engagement of accountants to provide, at the Association's expense, all accounting services not required to be performed by the Manager pursuant to the terms of this Agreement.

The Association shall select legal counsel of its own choosing in all matters requiring legal services under this Agreement. Notwithstanding any provision in this Agreement to the contrary, any engagement to provide legal services shall be an engagement directly between the attorney selected by the Board and the Association, e.g., any attorney on retainer or engaged by Manager to provide legal services to Manager's other clients may not be used to provide services to the Board or the Association unless the Board expressly consents in writing and in advance to the services to be provided by such attorney. It is further understood and agreed that any attorney-client privilege shall be a privilege held by the Board on behalf of the Association and any communication between the Association's attorney and the Board shall be segregated from the general books and records of the Association and shall remain confidential and not be released or disseminated to any party without the Board's express written consent.

At the election of the Board, the Association may conduct, at its expense, an annual certified audit of the financial statement prepared by the Manager and of the system of internal control used by the Manager in maintaining the Association's records.

ARTICLE IX

Miscellaneous Provisions

1. **Separate Entities.** The Manager is an agent and independent contractor of the Association, and an employer/employee, partnership, or similar relationship is not created between the parties as a result of this Agreement. Manager shall employ at all times a sufficient number of employees to enable it to properly perform its obligations under this Agreement. All matters pertaining to the employment, supervision, compensation, promotion and discharge of employees shall be the responsibility of Manager, which is in all respects the employer of such employees, and shall fully comply with all applicable laws and regulations having to do with workers compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other rules and regulations governing the employer-employee relationship. The Board and the Association shall have no liability with respect to any arrangements between Manager and its employees. Manager agrees to hold and save the Board and Association harmless from all liability caused by any damage or injury to any person or property caused by the intentional misconduct of the Manager or its employees.

2. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Manager and the Association.

Initial Here:



3. **Assignment.** Neither party is entitled to assign or transfer its interest in this Agreement without the express prior written consent of the other party.

4. **Disclosure of Financial Interests.** It is hereby acknowledged by the Manager and the Association that Manager and/or its principals, including, but not limited to, Manager's own internal servicing divisions, may contract with the Association or individual Owners to perform Other Services (defined below), including, but not limited to, maintenance, rubbish hauling, leasing, and other such services on the Owner's Lot or the areas designated for maintenance by the Association, as applicable, at a cost that is approved in advance by the Association from time to time and in accordance with industry standards. In the event that the Manager establishes any additional financial interest with companies not contemplated by the parties herein, which will provide goods or services to the Association at a future date during the Term of this Agreement, the Manager shall disclose such interests immediately to the Board.

5. **Services Not Included.** Unless otherwise provided herein, the following services shall not be provided by the Manager as part of the services which the Manager shall perform pursuant to the terms of this Agreement and shall constitute "Other Services" as set forth in Exhibit "A" to this Agreement:

(A) Court appearances or depositions in connection with litigation filed on behalf of or against the Association;

(B) All maintenance, landscape, rubbish hauling, technician, security, or construction services performed by the Manager and/or its principals for the Association (other than general monitoring duties over the service providers as provided for in this Agreement);

(C) Clerical services over and above those to be provided by Manager as described in this Agreement;

(D) Services as described within this Agreement to be provided upon payment of additional compensation as specified herein; and

(E) Maintenance services to portions of the Property designated for maintenance by the Association (which may be provided by the Manager if requested in advance and in writing by the Board at the amounts or rates approved in advance by the Association from time to time).

All Other Services must be approved in writing and in advance by the Board.

6. **Indemnities.**

(A) Association agrees to indemnify, defend and hold harmless Manager, its agents and employees from all claims, damages, judgments and fees arising from this Agreement, unless such damage shall be caused by Manager's acting outside the scope of its duties as defined

Initial Here:



in this Agreement. Actions outside the scope of this Agreement include, but are not limited to, any willful misconduct, grossly negligent act, omission or fraud by Manager.

Association agrees to indemnify, defend and hold harmless Manager, its agents and employees for any liability, damages, penalties, costs and expenses, statutory or otherwise, for all acts performed by Manager pursuant to this Agreement and in accordance with the instructions of the Association, provided, in each of the foregoing instances, that Manager promptly advises the Association of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs, and expenses. All exculpation and indemnity provisions contained herein shall survive any termination of this Agreement.

Manager assumes no liability for any acts or omissions of the Board or the Association, or any previous Boards or current or previous members of the Association, or any previous management or other contractor of either. Manager assumes no liability for any failure of or default by any individual Owner in the payment of any assessment or other charges due the Association or in the performance of any obligations owed by any individual Owner to the Association, pursuant to any lease or otherwise. Manager does not assume any liability for violations of environmental or other regulations that are existing but unknown as of the date of this Agreement but that may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Manager will be reported to the attention of the Association in writing. Manager will have no duty to investigate any prior acts or omissions of any previous Board or management company.

(B) Manager shall indemnify, defend and hold harmless the Association, its directors, officers, employees, agents and assigns from and against any and all losses, costs, damages, liabilities, penalties, expenses, fees (including reasonable attorneys' fees), causes of action, claims for damages, rights of action, judgments or causes of action arising out of or to the extent attributable to the Manager's acting outside the scope of its duties as defined in this Agreement. Actions outside the scope of this Agreement include, but are not limited to, any willful misconduct, grossly negligent act, omission or fraud by Manager.

Notwithstanding any provision herein to the contrary, however, each party agrees that any indemnification obligation shall be limited to the indemnified party's actual damages and expenses and in no event shall the indemnifying party be liable for lost profits, lost business opportunities or other consequential damages or punitive damages.

7. **Cumulative Remedies.** The rights and remedies of the parties hereto shall not be mutually exclusive, i.e., the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provision hereof.

8. **Time of Essence.** Time is of the essence for this Agreement.

Initial Here:

9. **Attorney's Fees.** If any party to this Agreement obtains a judgment against the other party by reason of breach of this Agreement, a reasonable attorney's fee as fixed by the court shall be included in such judgment.

10. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. In the event, however, that any provision contained in this Agreement is in conflict with the laws of the State of Texas, such provision shall be deemed invalid and superseded by the governing state laws; but in such event, the remaining provisions of this Agreement shall remain in full force and effect.

11. **Notices.** All notices and other communications provided for in this Agreement shall be in writing and may be personally delivered, or delivered by facsimile transmission, or mailed by certified or registered United States mail, return receipt requested, postage prepaid and addressed as follows (or to such other address as either party shall hereafter designate by notice to the other as herein provided):

If the Association, to:

The Barracks at Rock Prairie Owners Association,
Inc.
350 Deacon W Drive
College Station, Texas 77845
Email: _____

With Required Copy to:

Kristi E. Stotts
Winstead P.C.
400 Congress Ave., Suite 2100
Austin, Texas 78701
Telephone: (512) 370-2800
Telecopy: (512) 370-2850
Email: kstotts@winstead.com

If the Manager, to Management

The Barracks Management Group, LLC
514 Deacon Drive West

College Station, TX 77845

Email: hoa@barrackstownhomes.com

Any notice, demand, or request given by mail shall be effective the date same is deposited in the United States mail as certified or registered mail, return receipt requested, postage prepaid, addressed as provided above. All notices, demands, and requests not so given shall be effective upon receipt.

12. **Security Disclaimer.** MANAGER SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY.

Initial Here:



NEITHER SHALL MANAGER BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE BOARD OF DIRECTORS ON BEHALF OF THE ASSOCIATION, ALL OWNERS AND OCCUPANTS OF ANY DWELLING, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT MANAGER DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT OR SUBSEQUENTLY INSTALLED) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. THE BOARD OF DIRECTORS ON BEHALF OF THE ASSOCIATION, EACH OWNER AND OCCUPANT OF ANY DWELLING AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT MANAGER IS NOT AN INSURER AND THAT EACH OWNER AND OCCUPANT OF ANY LOT OR UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO HOMES AND TO THE CONTENTS OF SUCH OWNERS HOME AND FURTHER ACKNOWLEDGES THAT MANAGER HAS MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS THE ASSOCIATION, ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL, SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

13. **Entire Agreement.** This Agreement constitutes the full understanding of the parties hereto, and no prior or contemporaneous oral representations or prior written representations made by either party shall be binding. This Agreement may be modified only in a writing executed by both parties.

Initial Here:

A handwritten signature in blue ink, appearing to be 'J. M.', is written over two horizontal lines.

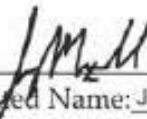
Executed to be effective as of the 15th day of June, 2023.

ASSOCIATION:

By: 
[Name, Title] SAMUEL LUKE MARVEL, PRESIDENT

Date: 6/6/2023

MANAGER:

By: 
Printed Name: Jay Maxwell
Title: CEO
Date: 6/2/2023

Initial Here: 

EXHIBIT "A"

MANAGEMENT FEE AND ADDITIONAL COMPENSATION/REIMBURSEMENT

Managing Agent shall receive the following compensation as follows for services performed under this Agreement:

Fees Payable to Managing Agent by Association:

Base Monthly Management Fee per Lot or Unit: \$12.50

*Management Fee to increase \$0.50/unit/year over the next 5 years (increase to occur in June of each year starting June 2024)

Initial one-time Property set up fee: \$1,000

Fees Payable to Managing Agent by Owners:

Certificate of Account Status	_____ payable by Owner or buyer
Resale Certificate Package	_____ payable by Owner or buyer
Resale Certificate Update	_____ payable by Owner or buyer
Escrow/Real Estate Questionnaires:	_____ payable by Owner
Transfer Fee:	<u>\$200BMG/\$195HMH</u> payable by Owner

Insurance Investigation Services:

If requested in writing by the Board, the Manager agrees to coordinate the investigation, negotiation, and settlement of all claims which arise as a result of damages to the Common Area at a rate of \$75.00 per hour for management support and \$25.00 per hour for clerical services.

Clerical Services:

Clerical services for the preparation of minutes for Board or Member meetings (other than quarterly Board meetings and the Annual Meeting of the Association), if specifically requested by the Designated Board Representative, shall be billed at the rate of \$50.00 per hour for clerical support and \$75.00 per hour for management support. Copies of documents specifically requested by the Board shall be billed to the Association at a rate of \$0.10 per page.

Other Services:

In the event that the Manager and/or its principals provide services other than the services described in this Agreement, such services shall be performed at rates or amounts that shall be approved in advance by the Association from time to time.

Initial Here:



EXHIBIT "B"**SUPPLY ITEM COST LIST**

Item Description	Billing Category	Cost/Unit
Checks	Checks	\$.25
Coupons	Coupons/Statements	\$4.00
Invoices/Statements	Coupons/Statements	\$.35
Business Reply Envelope	Envelopes	\$.12
Bubble Envelopes	Envelopes	\$.50
Envelopes	Envelopes	\$.12
Medium Envelopes	Envelopes	\$.15
Large Envelopes	Envelopes	\$.35
Scans	Faxes	\$.10
Faxes	Faxes	\$1.00
Color Copies	Reimb-Copies	\$1.00
B/W Copies	Reimb-Copies	\$.10
Records Storage	Reimb-File Storage	At Market Cost as Used
Records File Retrieval/Return	Reimb-File Storage	Varies by Delivery Time & Boxes
Labels	Reimb-Labels	\$.08
Labels-Large	Reimb-Labels	\$.25
Boxes	Reimb-Office Supplies	\$1.83
Binder Clips-large	Reimb-Office Supplies	\$1.00
Binder Clips-Medium	Reimb-Office Supplies	\$.75
Binder Clips-Small	Reimb-Office Supplies	\$.50
Binders-3"	Reimb-Office Supplies	\$4.31
Binders-2"	Reimb-Office Supplies	\$3.69
Binders-1"	Reimb-Office Supplies	\$1.49
Copy Paper-Per Ream	Reimb-Office Supplies	\$2.99
Dividers	Reimb-Office Supplies	\$.10
Expand-a-File-Legal Size	Reimb-Office Supplies	\$11.99
Manila Folders	Reimb-Office Supplies	\$.12
Hanging File Folders	Reimb-Office Supplies	\$1.00
Miscellaneous Office Supplies	Reimb-Office Supplies	At Market Cost as Used
Rubberbands-1 Box	Reimb-Office Supplies	\$3.26
Tablets-Legal Size	Reimb-Office Supplies	\$.58
Pressboard Folders	Reimb-Office Supplies	\$4.00
B/W Photos	Reimb-Office Supplies	\$.35
Courier Service	Reimb-Office Supplies	Varies by Requested Delivery Time
Overnight Shipping	Reimb-Office Supplies	At Market Cost as Used
Postcards	Reimb-Office Supplies	\$.10
Parking/Tow Tags	Reimb-Office Supplies	\$1.00
Welcome Packet	Reimb-Office Supplies	\$3.00
SASE (Self Addressed Stamped Envelope)	Reimb-Postage	\$.97
Postage	Reimb-Postage	At Market Cost as Used
Prepaid Postage	Reimb-Postage	At Market Cost as Used
Certified Mail	Reimb - Postage	At Market Cost plus \$1.00
New Address Card	Reimb-Postage	\$.70
Telephone/Long Distance	Reimb-Telephone	At Market Cost as Used

Initial Here:

