

MANAGEMENT CONTRACT

residential property

This Agreement made and entered into this 5th day of May, 2006, by and between Neighborhood Services Corporation (hereinafter referred to as "NSC") and Homeowners Association of Brasswood, Inc., (hereinafter referred to as "ASSOCIATION").

WHEREAS, NSC is in the business of providing management and maintenance services to Homeowner's Associations; and

WHEREAS, the ASSOCIATION desires to employ NSC's services for management of the ASSOCIATION upon the following stated terms and conditions.

BE IT THEREFORE AGREED AS FOLLOWS:

1. **Services.** NSC agrees to provide the services as shown on Exhibit "A" attached to this contract. NSC is hereby granted the authority and powers necessary for the performance of the tasks described on Exhibit "A".

2. **Term.** This Management Contract shall be for a term of Twelve (12) months commencing on May 1, 2006 and ending April 30, 2007.

3. **Cost.** In consideration of the services to be performed NSC shall be paid the following sums for the whole term:

Level I services	<u>\$1,200.00</u>
Level II services	<u>\$1,500.00</u>
Level III services	<u>Not Included</u>
Predator Watch Program	<u>Not Included</u>
Security Gate Services	<u>Not Included</u>
Web Site Services	<u>Included – Free</u>
Other	<u>\$250.00 set up fee</u>

Total **\$2,950.00**

The total sum described above in the amount of \$2,950.00 shall be paid as follows:

_____ on the first day of each month, or

1st: \$737.50 on July 30, 2006.

2nd: \$737.50 on October 30, 2006.

3rd: \$737.50 on January 30, 2007.

4th: \$737.50 on April 30, 2007.

Dated this _____ day of _____, 20____.

NEIGHBORHOOD SERVICES
CORPORATION

Bob Shoemaker, President

ASSOCIATION

President

EXHIBIT "A"

BASIC LEVEL SERVICES (LEVEL I):

\$1200.00

Use coupon books to be obtained by NSC at cost OR

Prepare and mail dues invoices (Quarterly)
billing frequency

Pursue delinquent accounts (one friendly reminder, 2nd notice, 3rd and final notice, lien)

Deposit dues payments to Associations account bi-monthly (around the 10th & 25th)

Act as registered agent (\$25.00 transfer fee not included)

Act as contact with title company for all dues request letters; follow up to insure collection of correct dues amounts; obtain and keep permanent file of signed acknowledgment letters (**NO CHARGE IS MADE TO THE HOA FOR THIS SERVICE, NSC CHARGES A \$20.00 FEE TO THE TITLE COMPANY FOR RESEARCH AND PREPARATION OF THE LETTER WHICH IS COLLECTED AT CLOSING AND PAID DIRECTLY TO NSC**)

Prepare and deliver to Board a monthly report showing

- > Status of delinquent accounts
- > Detail of deposits made that month
- > Name and address of new homeowners

Mail Welcome Letter to new homeowners; Advise Owners of web site service where they can get hard copies of the Bylaws and CC&Rs; furnish other information supplied by Board as requested.

Discount on Web Site services (as soon as available)

INTERMEDIATE LEVEL SERVICES (LEVEL II):

1500.00

Assist Treasurer with preparation of Annual budget

Pay approved bills

 Treasurer signs checks, NSC may not sign
(checks will be prepared by NSC for Treasurer to pick up)

 X NSC signs checks previously approved by Treasurer

Prepare and submit with monthly report the following financial reports:

- > All Reports included in Level I, and
- > Balance Sheet
- > Income statement showing previous month and year to date
- > Monthly Detail of Checks and Deposits
- > Budget vs. Actual comparisons (Monthly &/or Yearly)

Prepare and mail notices of annual meeting including proxies

Attend and assist Board with preparation for annual meeting

Retain and store copies of all corporate records

Prepare and file Form 1120H (annual tax return) & 1099s

Writing letters to homeowners is NOT included in Level II (it is a part of the Level III service). However, NSC will prepare and mail letters regarding covenant violations for a fee of \$25.00 for letters from NSC. Letters are sent both first class and certified mail. The cost of mailing is also charged to the

HOA.

At Level II the Association will have access to our maintenance staff. NSC is not in the “maintenance loop”, will not take phone calls from residents and is not responsible for repairs or maintenance. However, if you wish to utilize our maintenance staff we will make someone available. That person will work be covered by NSC’s liability and workers compensation and will work directly with someone on the Association Board.

HOA MAINTENANCE & OTHER SERVICES (LEVEL III)

Not Included

EXCEPT AS NOTED HEREIN ALL SERVICE CALLS BY MAINTENANCE PERSONNEL ARE BILLED TO THE HOA. SEE EXHIBIT “B” FOR OUR SCHEDULE OF SERVICES AND FEES

At Level III NSC is in the “maintenance loop” and is responsible for repairs and maintenance of the Common Areas AS DIRECTED BY THE BOARD. Level III services include taking the maintenance calls from the residents and consulting with the Board as necessary to determine Association responsibility. Level III services also include:

A. Obtain bids for annual mowing, fertilization and spraying, landscaping, pool, security and insurance contracts, as applicable, for Board approval. NSC will obtain a minimum of two bids on most contracts and when available three to four bids. NSC will provide form contracts for use by the Association and the contractor. Service calls by maintenance personnel necessary to acquaint contractors with the neighborhood and services requested are included (no extra charge).

B. NSC will assist the Board with supervision of the contracted duties. NSC will take necessary steps, at the direction of the Board, to require performance by the contractor of its contracted duties.

C. If NSC does not have maintenance personnel familiar with the property, NSC will conduct periodic “walk-throughs” of the property to check on performance of contracted duties and for items that need repair or maintenance, and make recommendations to the Board as to current and future maintenance needs.

D. Help the Board develop and update a 5 year repair and replacement reserve study to insure that the funds are available to meet the long term needs of the Association.

E. NSC will provide maintenance services on an as needed – when needed basis from our maintenance department or by contacting experts in the particular area if NSC does not have the expertise to perform that particular service.

F. Associations that contract for Level III services will be able to utilize NSC’s 24 hour 7 day a week emergency phone service. NSC will respond immediately to calls from Association that are a true emergency, i.e. gushing water either into or out of a home/unit. All non-emergency calls will be referred to the Board for direction. Any expenses incurred by NSC in an emergency situation will be paid by the Association. NSC will assist the Association with reimbursement from the homeowner if problem was not due to an Association common expense.

G. Consult with the Board regarding current and anticipated maintenance needs.

H. Write letters to residents and contractors regarding violations of neighborhood rules and property restrictions. Work with and advise the Board regarding possible violations and resolutions.

SECURITY GATE SERVICES:

Not Included

Security gate programming services are not included in the regular fees but are billed extra

depending on the type of gate, software and whether we are able to access your system. Typical services include the following: (i) programming entry codes for residents, (ii) setting open/close times, (iii) purchasing openers for sale to homeowners as directed by the Board, and (iv) responding to maintenance problems by contacting repair company. Price is based on reasonable usage and time requirement. Price does not include rolling over codes on a neighborhood wide basis which will be quoted upon request. All changes that must be made at the gate will be done at our regular rate for service calls

THE PREDATOR WATCH PROGRAM:

Not included

The Predator Watch Program is one tool a neighborhood can use to help provide additional security to its residents. NSC will check your neighborhoods name and address list against the State of Oklahoma Registered Sex Offender database at least four (4) times per year. If a potential match is found NSC will follow up by checking all available resources, including direct contact with the potential match, to verify the identity of the possible sex offender. Most of the time we will be able to verify that the resident/owner is NOT the same person that appears on the Sex Offender List. If we are able to verify that a registered sex offender lives in your neighborhood we will notify the Board for their consideration.

NSC will contact those Owners that do not occupy their residence in an attempt to ascertain the occupants. HOA understands there is no legal recourse as to an Owner that refuses to give us this information, and that if a neighborhood wishes to force the issue changes will have to be made to the Covenants.

As a part of the program the Association will be allowed to lease one or more signs to place in the neighborhood advising the public of that neighborhoods membership and participation in the Predator Watch Program. There is a one-time cost for lease and installation of each sign of \$125.00.

NSC has available to the Association language the Association may wish to consider adopting as a part of the property restrictions that will better enable the Association to verify who is living in the neighborhood. We will provide a consultant to work with the Association to adopt and consider property restrictions that will raise the Associations comfort level.

WEB SITE SERVICES:

Included - Free

All Associations receive a web page free with every management contract which includes the following: (i) a general description of the Association, (ii) two photos of the neighborhood and amenities, (iii) the Bylaws in pdf format for viewing, downloading or printing by Adobe Reader, and (iv) the Property Restrictions (CCRs or Covenants) in pdf format for viewing, downloading or printing by Adobe Reader.

Additional items such as the financial statements, newsletters, photos of neighborhood activities, minutes, etc. can be placed on the web site and updated monthly for an extra charge. Go to the Example Neighborhood at www.NeighborhoodsPlus.com for further information.

Setup Fee: \$ _____

Extra or upgrade on signs \$ _____

**Currently there is no extra maintenance fees for this service.
If this changes you will receive at least 60 days notice.**

ADDITIONAL SPECIAL SERVICES:

\$250.00

INITIAL SET UP FEE

GENERAL MATTERS (ALL LEVELS):

- > Except as stated above copies, postage and mailing cost will be billed separately. Copies are currently billed at 15 cents each. Mailings are contracted out and billed at cost. Cost is currently 45 cents per piece for a one page mailer and 50 cents per piece for a two page mailer. The per piece charge includes postage, printing, labor for stuffing and sealing, envelopes and delivery to post office. No charge is made for routine correspondence.
- > Mailing labels are provided to you at 5¢ each.
- > Mail Delivery Instructions: (Choose one)

Association will utilize address provided by NSC

XX

NSC does not receive mail, Association officer will
deliver checks to NSC weekly

This contract may not be modified or terminated except as stated herein. This contract may be terminated for cause upon thirty (30) days written notice to NSC. We ask that you not terminate for any other reason during the first six (6) months of the contract period. Although the payments are spread out throughout the contract period most of the work is done during the first part of the contract. After the first six (6) months of the contract period either party may terminate this contract for any reason upon sixty (60) days written notice.

PLEASE NOTE - ALL NSC EMPLOYEES, INCLUDING MAINTENANCE EMPLOYEES, HAVE SIGNED A NON-COMPETE AGREEMENT WHICH PROHIBITS NSC EMPLOYEES FROM GOING TO WORK FOR NSC CUSTOMERS FOR A PERIOD OF ONE (1) YEAR FROM TERMINATION DATE.

Legal Services for NSC clients are available at reduced fees (Example - a letter concerning a violation of the neighborhood property restrictions would be sent for a \$25 flat fee charge)