

ASSOCIATION MANAGEMENT AGREEMENT ACCOUNTING PLUS

THIS ASSOCIATION MANAGEMENT AGREEMENT, having an effective date of September 1, 2023, is made by and between Casa Verde Co-Housing Community, a Colorado nonprofit corporation (herein referred to as the "Association"), and Advance HOA Management, Inc., a Colorado corporation, (herein referred to as "Manager").

RECITALS

1. Association, through its Board of Directors (the "Board") is charged under its governing documents with the duty of administering the operation of all its common areas and facilities.
2. Manager is engaged in the operation and management of properties including, but not limited to, homeowners associations.

For and in consideration of the performance of the duties and obligations hereunto by the parties kept and performed, the parties agree:

AGREEMENTS

Now, therefore, in consideration of the mutual covenants hereinafter contained, the parties, intending to be legally bound, agree and covenant each with the other as follows:

1. Engagement:

Manager is engaged as exclusive Manager of the Association. The role of management is to implement the decisions and the policies established by the Board, but Manager shall be entitled to exercise its discretion as to the means of implementation of such policies within the scope and intent of this Agreement.

2. Duties and Responsibilities:

Manager shall perform all duties set forth herein, and as designated in Exhibit B, or as the Board may otherwise reasonably direct, to the best of its ability and as promptly as circumstances allow. The Board shall designate one or more of its members as its representative to deal with Manager in connection with Manager's performance of its duties and obligations under this agreement (the "Board Liaison"). In the absence of such a designation, the President of the Association shall be the Board Liaison. Any notice given by Manager to the Board Liaison shall be deemed to be notice to the Board. Manager shall be entitled to rely upon instructions from the Board Liaison in performing its duties and obligations under this Agreement. The Board may at any time designate another person to act as the Board Liaison by giving written notice thereof to the Manager. Notwithstanding the appointment of a Board Liaison, Manager may communicate with the other directors and committee chairmen in the

In no event shall Manager be responsible for the management, development or operation of any common area elements or individual residence unless specifically directed to do so by the Board or the Board Liaison. The Association shall provide the Manager upon execution of this Agreement, with a copy of the governing documents, including but not limited to the Declaration or CC&R's, the Articles of Incorporation, the Bylaws, the Rules and Regulations and the Architectural or Design Guidelines. The Manager shall have no authority to take actions in connection with the management of the community that contravene or violate any provisions of the governing documents.

3. Personnel:

a) Manager's Employees

Employees, managers, supervisors or other personnel (hereinafter referred to as employees), who perform the duties imposed herein upon Manager, shall be the exclusive employees of Manager. Manager has the exclusive right to investigate, hire, supervise and discharge any employee. In recognition of the training investment Manager has made in each of its employees, Association agrees to refrain, during the pendency of and for a period of one year after the termination of this Agreement, from employing any employee of Manager in any capacity except employees of Manager who were employees of Association at the commencement of the relationship between Manager and Association.

4. Services Rendered:

Manager agrees to provide the following services and perform or cause to be performed, the following duties:

a) Service Requests and Complaints:

Manager agrees to record and investigate all accounting service requests and complaints from members of the Association and respond to or reasonably correct those matters, subject to the limitations imposed herein. Any such request or complaint which cannot be corrected due to the limitations imposed herein, or which in the opinion of Manager is frivolous, unreasonable or impractical shall be reported to the Board. Manager shall respond to after-business-hours emergencies by maintaining a 24-hour a day answering service with a community manager available to either respond or coordinate a response through the proper parties.

b) Insurance:

Association shall keep in affect all insurance required by the Association or the governing documents, including, but not limited to, directors' and officers' liability, fidelity bond, general liability, workers' compensation, property, fire and extended coverage insurance. All insurance coverage shall be subject to any conditions, restrictions, and limitations contained in the governing documents or State law. Manager may charge a reasonable fee for processing claims, as

approved by the Board, which shall be included in such claim and submitted to the insurance underwriter. In addition, Manager may charge a fee for management of projects related to claims that require major capital replacements, which may be included in the claim and submitted to the insurance underwriter, and as approved by the Board. Manager shall be named as additional insured on the Association's general liability and fidelity insurance policies. The Association insurance is primary and non-contributory, except for gross negligence by the Manager.

c) Funds:

Manager shall receive the periodic payments resulting from assessments imposed or enacted by the Association or the Board. Manager shall deposit all monies received in a banking institution insured by the Federal Deposit Insurance Corporation, unless otherwise instructed by the Association or the Board. The deposits shall be made in the following manner:

1. To an Operating Checking Account in the name of the Association from which operational obligations of the Association shall be paid, including Manager's compensation. Monies from the interest bearing account shall be deposited in this disbursement account from time to time as needed. Disbursements from the Operating Account shall require the electronic approval of the designated Board Member(s) and shall require the signature of Manager. Manager is authorized to reimburse itself from Association operating funds for any undisputed management fee and supplemental fees on or before the first and the fifteenth of each month, respectively. Board may authorize transfer of funds to a petty cash account or accounts.
2. To an interest bearing reserve account(s) of monies deposited from time to time from the above Operating Account. This account shall require the approval of designated officers of the Association for making any withdrawals and shall require the signature of the Manager, unless specified otherwise by the Board.

d) Collection of Assessment:

1. The Association, through its Board, expressly authorizes Manager to:
 - a. Take such action or to engage such assistance as may be necessary to collect unpaid periodic assessments which result from assessments enacted by the Association Governing Documents or its Board;
 - b. Engage such assistance as may be necessary to impose liens and other encumbrances upon real property, said costs to be paid by Association and charged back to the individual homeowner;
 - c. With prior Board approval, institute legal proceedings on behalf of the Association for the foreclosure of those liens or other encumbrances or for collection of unpaid assessments.

Approval of the Board is required for the retaining of an attorney. Once an attorney is retained, Manager may accrue legal fees to the Association's account not to exceed an amount authorized by the Board. Said amount must be conveyed to Manager in writing.

2. Manager has the authority to charge the Association for collection costs, court preparation and appearance time on all cases for Small Claims, Justice or any Court; said cost to be first authorized and then paid by the Association. If applicable, said cost will be charged back to the individual homeowner.

e) Books and Records:

1. All documents and Association records are the property of the Association. Manager shall maintain, in its office, current account records including files, ledgers, journals, correspondence, governing documents and other records, all of which shall be maintained in electronic form, unless provided in paper form by prior management, per the record retention policy of Manager. All accounting records will be in accordance with generally accepted accounting principles and a modified-accrual basis of accounting will be used for maintaining all accounts and records. Manager further agrees to provide each Board Member monthly balance sheet, income and expense statements, aged reports, cash disbursement reports, accounts payable report, bank reconciliations, invoices, bank statements, and general ledger activity. Additional reports may be produced upon the request of the Board. Manager may impose a reasonable charge, which may be collected in advance and may cover the costs of labor and material, for copies of the Association documents and association records being maintained by the Manager. All Association records and documents must be made available to the Association. Manager shall keep and retain a copy of the electronic Association documents and Association records maintained and producing during the management of the Association for a minimum of three years following termination of service, at no cost to the Association.
2. A reasonable transfer fee, as specified in Exhibit A, shall be payable to Manager at close of each lot sold or refinanced. These fees are to expedite the necessary forms customarily used in a Real Estate transaction. These charges shall be billed directly to the title company or owner. These are not Association charges and further Association shall not be responsible for non-payment of said fees, unless otherwise agreed or provided for.
3. Records and documents maintained by the Manager will be held in electronic format to the extent reasonably possible. All Association records and documents must be made available to the Association upon request. Any paper documents received by Association at effective date of this Agreement will be returned to the Association 30 days following effective termination date of Management Agreement. Within 30 days following effective termination date of Management Agreement, Manager must produce all documents and Association records related to the management services to the Association, with any associated costs approved by the Board.

f) Annual Budget:

Prior to the beginning of the Association's fiscal year and in accordance with the governing documents, Manager, with the assistance of the Treasurer of the Association, shall prepare a proposed annual budget for the Association. This budget shall contain projected receipts together with projected disbursements, including both current operating expenses and capital expenditures. The proposed budget shall be submitted to the Board sufficiently prior to the fiscal year so that the Board may determine whether or not a change in assessments is necessary. Manager shall perform its obligations and duties under this Agreement in accordance with the budget as approved by the Board. Any variance therefrom must be authorized by the Board. Manager shall not be held liable for non-performance of any of the duties expressed or implied herein when: 1) Relieved of responsibility therefor by prior express direction of the Board; 2) Such actions would exceed the stated and approved budget for any one year; 3) There are insufficient funds in the operating account to provide goods or services required under this Agreement.

5. Compensation:

- a) Monthly management fee as set forth in Exhibit A – Compensation and Administrative Fee Schedule, payable on the first of the month.
- b) Miscellaneous Administrative Fees as set for in Exhibit A as set forth in Exhibit A, payable on the 15th of each month.
- c) Payments of the monthly management fee received after the 10th of each month shall be subject to a late fee, which shall accrue at a rate of one and one-half percent (1.5%) per month.

6. Term:

Upon execution by all parties, this Agreement shall become effective for a term of one (1) year commencing ~~November 1, 2023~~ unless earlier terminated according to the provisions contained in this Agreement. On each successive anniversary date, this Agreement shall automatically renew for an additional term of the same length of the previous term unless either party delivers written notice to the contrary to the other party not later than thirty (30) days prior to the expiration of the current term, and the monthly management fee will increase by 2.5% or to be negotiated and agreed upon by both parties to be effective in the annual renewal period (January 1 following a full calendar year of service).

7. Termination:

This Agreement may be terminated at any time by either of the parties hereto, with or without cause, upon thirty (30) days written notice to the other party, sent electronically or by regular, First Class US Mail. Notice under this section shall be given to the addresses set forth in Paragraph 15.

a) Duties After Termination:

Upon termination of this Agreement, Manager shall, within thirty (30) days of the termination date, or as the parties may otherwise agree prior to the termination of this Agreement, submit to the Board a final income statement and balance sheet which reflects all monies held by Manager on behalf of the Association. After the effective date of termination of this Agreement, each party shall return to the other party any and all records, keys, tools, equipment or any other property belonging to the other party within ten (10) days. Manager shall provide association records in whichever form Manager maintains said records, which will be either readable electronic form or paper form. Manager shall take all reasonable steps to transfer the duties and responsibilities set forth herein to such successor of the management agent as the Board shall designate in writing. Manager shall also promptly forward any monies received on behalf of the Association after the effective date of termination. Manager's obligations under this Paragraph shall survive the expiration or termination of the Agreement.

8. Entire Agreement:

This written Agreement, including Exhibit A and Exhibit B, shall constitute the entire Agreement between the parties. No variance or modification hereof shall be valid except by supplemental written agreement executed in the same manner as this Agreement. This Agreement shall constitute a binding obligation upon the contracting parties, as well as their respective successors or assigns.

9. Registered Agent:

Manager may be appointed Registered Agent for the Association for the purpose of accepting all process on behalf of the Association. The Association reserves the right to change their Registered Agent at any time by notifying Manager, in writing, of the change and the effective date thereof. This paragraph is not applicable if service of process is issued by Manager against the Association. In such instance, service of process may be made upon the President of the Association.

10. Indemnification:

a) Association hereby defends, indemnifies and holds harmless Manager and its officers, directors, stockholders, members, employees and managers (hereinafter individually "Manager Party" and collectively "Manager Parties") from and against any and all losses, claims, damages, liabilities, judgments, costs and expenses (including without limitation, fees and other disbursements of counsel and other expenses incurred by Manager Parties or any of them in connection with any judicial, governmental or regulatory investigation or proceeding) for any act or omission by one or more Manager Parties or by one or more of Association's members, officers, directors, committee members, employees and owners (hereinafter individually an "Association Party" and collectively "Association Parties") that results from:

1. Any act or omission by one or more Association Parties, or Association residents or their invitees, licensees or guests, that violates any law, ordinance, statute, regulation or ruling of any county, municipal, state, federal, or governmental authority;
2. Any act by Manager undertaken in compliance with instructions of the Board or within the scope of Manager's duties herein, which does not amount to breach of contractual duty on the part of a Manager Party; or
3. Negligence on the part of one or more Association Parties or Association residents or their invitees, licensees or guests.

b) Neither Manager nor any of its officers, directors, stockholders, members, employees, managers or agents shall be personally liable in any fashion for any contract made in compliance with the provisions of this Agreement so long as the contract, at the time it was entered into, was in the best interest of the Association.

c) All exculpation and indemnity provisions contained herein shall survive any termination of this Agreement.

11. Waiver of Contractual Right:

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

12. Execution of Agreement:

For the convenience of the parties, this Agreement shall be executed in exact duplicate. The parties agree that each fully executed original copy of this Agreement may be introduced into evidence in any Court of competent jurisdiction for any purpose.

13. Time of Essence:

At all times, time is of the essence.

14. Governing Law:

The parties agree that the laws of the State of Colorado shall govern all questions of law or disputes arising from or connected with this Agreement.

15. Notices:

All notices required or permitted under this Agreement shall be in writing and shall be delivered in person or deposited in the United States Mail, postage prepaid, addressed as follows:

For the Manager:

Advance HOA Management, Inc.
Attn: Judy Smeltzer

Association in accordance with this Agreement. Furthermore, the Association represents and warrants that the undersigned representative(s) of the Association is duly authorized to execute this Agreement on behalf of the Association and that the representations and warranties contained in this paragraph shall be evidenced by the Board.

Casa Verde Co-Housing Community

a Colorado nonprofit corporation

Advance HOA Management, Inc.

a Colorado corporation

BY: Angela Sullivan

Association President

Print Name: Angela Sullivan

Date: 7/14/23

BY: Schuyler Smeltzer

Schuyler Smeltzer

President

Date: 7-18-2023

Exhibit A

Compensation and Administrative Fee Schedule
Casa Verde Co- Housing Community
Accounting Plus

Monthly Management Fee:	\$500 per month
Postage:	At cost
Paper/Copy Costs:	\$.25 per copy
Envelopes:	Reg Ltr \$.15; 6x9 \$.25; 9x12 \$.30
Coupon Books, if applicable	\$6.00 per book, including postage/envelope
Statements, if applicable	Paper Statement \$1.25; E-statements \$.75; Monthly Balance Statement \$1.75 (includes both Paper and Email); Special Assessment statements \$3.50; Utility billing \$2.50
Collection Notices:	\$20.00 each
Notice of Delinquency/Lien Intent Notices:	\$50.00 each (Charged back to Owner)
Lien Filings/Release:	\$100.00 (Charged back to Owner)
Delinquency Physical Posting:	\$60.00 each (Charged back to Owner)
Delinquency Notice Translation Cost:	At Cost (BOD approval)
Collection Agency:	\$100.00 (BOD approval, billed to Owner)
Transfer Account to Attorney:	\$50.00 each (BOD approval, billed to Owner)
Returned Check Fee:	\$20.00 per occurrence (billed to Owner)
Lockbox/Bank Fees:	No Charge
Debit Card Reconciliation:	\$20.00 per month per debit card
Tax Filing Coordination:	\$50.00
Audit Facilitation:	\$150.00, as applicable
Annual State Filings (SOS/DORA):	\$120.00 per year
Transfer Fee:	\$350 Paid at Closing. Not an Association Charge.
Special Projects:	Based on size and scope of project.
Association Website/Admin:	No Charge
Document Scanning/Record Storage	No Charge up to 10 boxes. \$20.00 per 10 additional boxes.
Meetings, including minutes:	\$150.00 each, by request.
Additional Staffing Hours:	\$35.00 Administrative per hour; \$65.00 Manager per hour; \$75.00 Senior Management per hour, as requested and pre-approved by Board.
Additional Trip Charges/Inspections:	\$25.00 per hour plus \$.445 per mile, by request
Compliance Notices:	\$5.00 per notice (created and generated by Manager)
Architectural Requests:	\$15 per application (created and generated by Manager)
Virtual Meeting Hosting – Webinar:	\$15.00 for up to 100 participants; \$20.00 for up to 500 participants
Virtual Meeting Hosting – Regular:	No Charge

CondoCerts In addition to the current documents we provide to homeowners related to real-estate transactions, we fulfill requests from title companies, realtors and lending institutions. To ensure timely processing, delivery and record retention required to meet state regulations, all resale requests are processed through CondoCerts as requested by title companies and lending institutions. Fees on CondoCerts, of which a portion of the fees (15-20%) are retained by CondoCerts, and the remainder is to Advance HOA Management, are listed below. Please note that owners are able to obtain association documents on HOA website or per request from manager at no charge.

- Association Document Package: \$105
- Status Letter/Document Package: \$150
- Premier Lender Questionnaire Package: \$270
- Limited Lender Questionnaire Package: \$200
- Structural Safety and Soundness Document Package: \$50
- Rush/Update Fees: \$50-\$100

First Citizens Bank. Advance HOA derives a benefit from its deposit relationship with First Citizens Bank, to include a portion of the 2.95% convenience fee charged by First Citizens Bank for credit card payments.

VIVE. Advance HOA derives a benefit from its relationship with Vendor Information Verification Experts (VIVE), a vendor requirement management service.

Note: Exhibit A fees are provided to give Association an indication of cost for supplies and ancillary services and are subject to change with notice.

Association Initial: ap
Date: 7/14/23

Manager Initial: BS
Date: 7-18-2023

Exhibit B **Duties and Responsibilities**

FISCAL MANAGEMENT

- 1 Assessment Collection and bank deposits
- 2 Processing and handling of delinquencies and follow-up
- 3 Lien filings and foreclosure proceedings
- 4 Receipt, review and processing of invoices for payments
- 5 Preparation of monthly financial statements
- 6 Preparation of year-end financial report
- 7 Preparation of draft annual budget for presentation to Board
- 8 Coordination of annual tax return and audit
- 9 State Annual Filings
- 10 Prompt handling of Owner inquiries

ADMINISTRATIVE MANAGEMENT

- 1 Preparation for and attendance at annual meetings, and annual elections, including required notice, agenda preparation, ballot preparation, and retention of documents, **if requested**.
- 2 Association member roster maintenance
- 3 Records and files maintenance per approved retention schedule of HOA
 - All documents and Association records are the property of the Association.
 - Manager maintains copies of such documents and Association records in their own files for the duration of management.
 - Records and documents maintained by the Manager will be held in electronic format to the extent reasonably possible.
 - All Association records and documents must be made available to the Association.
 - Manager must keep and retain a copy of the electronic Association documents and Association records maintained and produced during the management of the Association for a minimum of three years following termination of the Association Management Agreement, at no cost to the Association.
 - Any paper documents received by Association at effective date of Association Management Agreement will be returned to the Association 30 days following termination of Management Agreement.
 - Within 30 days Manager must produce all documents and Association records related to the management services to the Association, with any associated costs approved by the Board.
- 4 Preparation and distribution of Welcome Package
- 5 Community website hosting and document posting
- 6 Vendor Referrals
- 7 Special Mailings with content provided by Board
- 8 Liaison with association attorney, as requested
- 9 Liaison with insurance company for renewals
- 10 Assistance with Board incoming/outgoing correspondence
- 11 Seminars/Workshops
- 12 Provide information and guidance regarding planning, policies and procedures as requested

Association Initial: _____
Date: _____

Manager Initial: 
Date: 7-18-2023

11 Seminars/Workshops

12 Provide information and guidance regarding planning, policies and procedures as requested

Association Initial: AP
Date: 7/14/23

Manager Initial: SH
Date: 7-18-2023