

Agave Management Solutions/Carrizo Ranches Owners Association Management Contract

This Association Management Agreement is made and entered into this ____ day of _____ 2024, by and between Agave Management Solutions, an Arizona Corporation and Carrizo Ranches Owners Association (the Association).

TERMINATION CLAUSE

Either party may terminate this contract with 30 days' written notice to the other party with cause. This Contract will renew annually with a three percent (3%) increase in the management fee unless terminated by either party.

The management agreement start date is _____.

Whereas the Association, as governed by the Declaration of Covenants, Conditions, and Restrictions (CC&Rs), Articles of Incorporation, and Bylaws of the Association known as Carrizo Ranches Owners Association, requires professional management services; And whereas Agave Management Solutions agrees to provide such services as directed by the Association's Board of Directors (the "Board"), in accordance with the terms and conditions of this Agreement. The parties agree as follows:

MANAGEMENT SERVICES

MANAGERIAL SERVICES (Section A)

- 1.1 Act on behalf of, and in conjunction with, the Association Board of Directors to ensure the duties of the Board of Directors are executed effectively.
- 1.2 Work with the Board of Directors, and appointed Committees to enforce governing documents. The Board of Directors agrees to appoint a Board Member to be the liaison between the management company representatives and the Board of Directors.
- 1.3 Notice and administrate the Annual Meeting of the Members according to Arizona State Law and the Associations governing documents. A member of the Agave staff will attend the Annual Meeting and provide minutes for that meeting.
- 1.4 Acquire and maintain insurance of the Association as directed by the Board of Directors and/or the governing documents.
- 1.5 Act as Statutory Agent and official address for the Association, per the Articles of Incorporation.

MEMBER SERVICES (Section B)

- 2.1 Provide each new member with the available welcome materials, a letter of introduction from Agave Management and Association documents not provided at closing.
- 2.2 Respond to member inquiries promptly, with 24/7 availability for emergencies.

ADMINISTRATIVE (Section C)

- 3.1 Maintain organized Association records and files. Records will be accessible for inspection and duplication by members as authorized by the Board of Directors or as required by the Association's governing documents and Arizona state law.
- 3.2 Maintain an updated roster of members with contact details.
- 3.4 Coordinate completion and filing of required US Government, State of Arizona, Yavapai County Tax reports, etc.

FINANCIAL (Section D)

- 4.1 Establish and maintain operating and reserve accounts for the Association.
- 4.2 Implement collection procedures for all Annual Assessments, Special Assessments, Maintenance Assessments, interest and all other monies due the Association.
- 4.3 Develop and maintain an accounts receivable and accounts payable system to include all revenue and expense related transactions. Execute the payment and collection of monies as directed by the Board, or Board financial representative.
- 4.4 Prepare a monthly financial statement for the Board of Directors to include AR, AP, General Ledger, bank reconciliation and other reports as requested by the Board.
- 4.5 Assist with the completion of an annual audit, review, or compilation in collaboration with a CPA and/or a committee designated by the Board of Directors. Provide any necessary clerical, secretarial, or accounting support as requested and authorized by the Board, in compliance with Arizona State law.

CONTRACT EXCLUSIONS

CONTRACT EXCLUSIONS (Section E)

- 5.1 This contract does not establish any managerial, financial or corporate relationship between the corporate parties, implied or specific, other than the specifics in this agreement.
- 5.2 Include professional services such as legal representation or website development.
- 5.3 Expenses related to certified and/or registered mailings, notices to the membership, filing of liens, registration fees and other Association related legal, and administrative costs will be billed to the Association. Those fees that are Lot specific will be

charged to the Members account for reimbursement to the Association as allowed by the governing documents and Arizona State law.

- 5.4 Agave Management will not have direct fiduciary responsibility for Association accounts receivable and has no direct responsibility for Association financial, legal, or other obligations. Agave Management involvement in these matters is limited to the administrative procedures, not financial obligation for monies owed to the Association or legal matters related to the Association.

MANAGEMENT CONTRACT FEE

FEE STRUCTURE (Section F)

- 6.1 The base management fee will be \$800.00 per month, billed on the first day of each month, payable within 10 days of receipt.
- 6.2 Annual Meeting travel charges will be an additional cost, not to exceed \$600.
- 6.3 In addition to the monthly management fee, Agave Management will collect and retain as a portion of the compensation package, a disclosure fee from the sale of property within Carrizo Ranches Owners Association in the amount of \$350.00 payable by the buyer or the seller.

Note: Disclosure fees are established to compensate Agave Management for involvement included in a typical property ownership transaction. These responsibilities include, but are not limited to:

- a) The actual creation of hard files and computer files for each new owner and the archiving of previous owner documentation.
 - b) Working with the escrow officer and title companies regarding assessment balances, assessment collections at closings, insurance documentation, questionnaire completion, availability to buyers and sellers during the sales period to answer questions and provide needed documentation to complete the transaction.
- 6.4 Association reimbursement to Agave Management for expenses such as out-of-pocket petty cash, Board authorized expenditures, emergency costs, etc. will be provided after written approval from the Board of Directors. These expenses will be documented monthly in the form of an Association Managers expense report invoice. (Per Addendum A)
- 6.5 Any services provided by Agave Management beyond the scope of this agreement will be invoiced to the Association and require prior approval from the Board of Directors. Agave Management will present a detailed scope of work and the associated compensation for any additional services to the Board for approval before commencing the work.

INDEMNIFICATION

INDEMNIFICATION (Section G)

- 7.1 The Association shall indemnify, defend and hold Agave Management harmless from any loss, damage, cost, expense (including attorney fees) or liability arising from: (i) claims for personal injury or property damage in or on the Common Areas, (ii) claims of nonpayment by parties that have entered into contracts with the Association, (iii) claims or liabilities resulting directly from the willful misconduct or negligence of the Board of Directors or the Association.
- 7.2 Agave Management shall indemnify, defend, and hold the Board, the Association and its members, harmless from and against all claims, costs, expenses, actions, suits, proceedings, losses, damages, and liabilities arising out of matters relating to Agave Managements performance or failure to perform its obligations under this Agreement, whether resulting from internal disputes of Agave Management or disputes with third parties, but excludes any claim or liability which arises as a direct result of actions from G-1 in this agreement.

BREACH AND DISPUTE RESOLUTION

BREACH; NOTICE AND CURE

For any claim of breach under this Agreement to be deemed valid, the non-breaching party shall provide the breaching party with written notice specifying the alleged breach in detail and affording a period of not less than ten (10) days to cure the breach or contest the claim. If the breach is not capable of being remedied within this ten (10) day period, the breaching party must initiate corrective action within the specified period and thereafter diligently pursue the resolution to completion.

DISPUTE PROCEDURE.

Any dispute arising between Agave Management and the Association regarding the terms of this Agreement, Agave Management's obligations, or any actual or alleged breach of this Agreement shall be resolved through binding arbitration in the State of Arizona. The arbitration shall be conducted confidentially in accordance with the Commercial Arbitration Rules of the American Arbitration Association, or by such other arbitration process as mutually agreed upon by the parties. Any award or decision rendered from such arbitration shall be in writing and include a detailed explanation of the legal and factual conclusions reached. The arbitration shall also include an assessment of costs, expenses, and reasonable attorneys' fees to be awarded to the prevailing party. The arbitration shall be conducted by an arbitrator with experience in homeowners' association management. A written record of the arbitration proceedings shall be maintained by the arbitrator. The parties retain the right to object to any proposed arbitrator who is employed by or affiliated with a competing entity or

organization. Any arbitration award may be confirmed by the Superior Court of the State of Arizona.

ACCEPTANCE

The undersigned, representing Agave Management Solutions, Inc. and Carrizo Ranches Owners Association , hereby agree to the terms of this Contract in its entirety. In the event of any dispute between the parties, both agree to engage in good faith negotiations to reach a resolution.

The manual signature of either party hereto that is transmitted to the other party by PDF shall be deemed for all purposes to be an original signature.

Jaimie Petty
President, Agave Management Solutions

Date

President – Paul Heidmann
Carrizo Ranches Owners Association

Date

ADDENDUM A

Additional Fees:

1. Association Meetings			
(Annual Meeting travel cost not to exceed \$600)			
*Special Members	*Get Acquainted	*Information	
2. Management Meetings scheduled on			
			\$100/hour
Friday evenings	Weekends	Holidays	Emergencies
3. Creation of Governing Documents			
			\$75/hour
Design Guidelines	Fine System	Collection Policy	
Recreation Center Rules/Regulations	Site Tour Compliance Plan		
*Note: legal review by Association Attorney separate fee			
4. Additional Board Requested Newsletter Creation \$75.00 Does not include Printing			
5. Copies			
			\$.15/page/side
Colored Paper			\$.35/page
Full Color			\$.40/page/side
Board Packets	ARC Packets	Governing Documents (Articles, Bylaws, CC&Rs, other docs)	
*Documents and Postage for Resales not charged to the Association- included in Transfer Fee			
6. Postage			Postal Rate
Supplies			Cost plus 15%
Envelopes- DWE-.40, SWE-.30, #10-.15, 6x9 -.50, 9x12-1.00, - includes stuffing and collating			
Postcards- .1.00, label sheets .60			
7. Delinquency Fees (charged to owner) – Quarterly Assessment Payments			
Rebill First Notice- \$5.00, second attempt \$15.00, Third 1 st Demand- \$20.00			
*Final Demand- \$34.64 (includes certified mail fee)- Delinquency fees are reimbursed to the Association by the Owner.			
*Postage, copies, and supplies related to collection are NOT billed to Association.			
*Preparation of the Owner's file for legal collection turnover- \$50.00 charged to Owner.			
*Lien filing package, includes release of lien fees- \$260.00 charged to Owner			