

Premier Association Management Administrative/Management Contract
for Thomas Lake Countryhomes of Eagan

This agreement was made and entered into this 1st day of October, 2024, by and between *Premier Association Management* (hereinafter referred to as "Contractor") Thomas Lake Countryhomes of Eagan, a Minnesota non-profit Corporation (hereinafter referred to as "HOA").

Whereas, Contractor is in the business of providing Administrative/ Management Services for HOA developments; and whereas, HOA is a non-profit Corporation organized under the laws of the state of Minnesota and desires to contract with Contractor to provide the necessary Administrative/Management Services for HOA.

Now therefore, the parties hereto, in consideration of the mutual covenants and agreements herein contained, due hereby agree and acknowledge as follows:

- I. **Scope of Work:** Contractor will furnish all of the materials and perform all of the services specified in the specifications and incorporated herein as part of this agreement. The parties do hereby acknowledge that they have examined and approved said specs. Unless otherwise stipulated therein, Contractor will provide and pay for all materials, labor, and other facilities necessary for the execution and completion of the work. Each party will initial documents and each party shall retain a copy of said specifications.
- II. **Contract Term:** The term of this contract shall be from November 1 1, 2024, through December 31, 2026, inclusive. This includes a one-month overlap with the current management company; required for transition. The work contemplated by this contract shall be administrative and management services.
- III. **Contract Payment:** The HOA will pay the Contractor for the performance of the contract specifications, [REDACTED] per month from November 1, 2024, through December 31, 2026 [REDACTED] Contractor reserves the right to increase this monthly fee up to 5% effective January 1, 2026. There is a one-time transition/data setup fee of [REDACTED]
- IV. **Time of Payment:** The HOA shall pay to Contractor above (HOA responsible for State Tax when applicable). Payment will be made by ACH on the 1st of the month, for services that current month. A late fee of 8% of the balance due will be charged to the account at the time payment is 5 days past due. Extra services charged are approved by the Board prior to paying

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Initials

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Initials

Administrative/Management Contract - continued

- V. **Performance:** Contractor shall meet with the HOA Board as requested to report administrative progress and listen to suggestions.
- VI. **Termination of Contract:** Automatic Termination - If Contractor should be judged bankrupt, make a general assignment for the benefit of its creditors, or a receiver be appointed on account of contractor insolvency, the HOA shall have the absolute right without prior notice to terminate its contract with Contractor. The termination shall be by written notice to Contractor at its offices.

Termination for Cause: Upon failure of Contractor to comply with contract specifications, the HOA shall through its Board of Directors give Contractor written notice of the failure to comply with the contract specifications. If Contractor does not cure the defect within ten working days after receipt of personal notice, exclusive of the day of notice, the HOA may, at its option, declare the contract terminated. If the HOA takes this action, any sums due Contractor for work performed shall first be used for repair of defect.

Termination for No-Cause: Either party may terminate this contract for no cause with a 60 (30 day- first year) day notice, delivered via certified mail or confirmed email to the President of the Association or to the Premier Association Management office.

- VII. **Insurance:** Contractor shall provide evidence of insurance for both Liability and Workers Comp. General Aggregate is set at \$2,000,000.
- VIII. **Equal Opportunity Employer:** Contractor agrees to comply with the provisions of M.S.A. 181.59 regarding prohibition against discrimination on the account of Race, Creed, or Color and certifies that it is an Equal Opportunity Employer.

Contract Specifications

Financial Management

Assessment Collections: To request, demand, collect, receive and offer receipt for any and all assessments, dues, fees and other sums which may at any time be or become due to HOA, and to take such action in the name of HOA by legal process or otherwise, as may be required for the collection of fees and other sums which may at any time be or become due. This includes the authority to take action in the name of HOA by way of the legal process to collect the same, with approval from the Board and a collection procedure agreed to by the HOA. Contractor shall include each month, with the financial reports an itemized list of all accounts, which were delinquent at the end of the prior month. Contractor shall not provide collection services on behalf of HOA, but shall use its best efforts and, upon request of HOA, will arrange for legal services to be taken on behalf of HOA per the collections agreement and HOA approval. Contractor reserves the right to assess HOA a collection fee, to be approved by the HOA, and for the HOA to assess owner for collection of that fee.

Bank Accounts: Contractor shall establish and maintain, on behalf of the HOA, separate bank accounts in a State or Federal bank insured by the FDIC. The Contractor shall ensure that such accounts shall remain separate from the Contractors funds and from the funds of the Contractors other clients. Contractor has an affiliation with US Bank, which minimizes bank charges and allows for ACH services (currently at no charge to HOA). HOA will be responsible for the cost of bank supplies (including, but not limited to Checks, Deposit slips, Deposit Stamp). Bank accounts will be reconciled to bank statements monthly. Contractor will assist in the update of bank Signature cards once per year, if needed, following the annual meeting. A designated officer of the Contractor will be included on the signature cards and on-line banking of all bank accounts for transfer of funds and signing of checks and hold title with the association of co-secretary/treasurer. All contractor actions that transfer funds to third parties must be approved in advance by HOA board. ACH (Auto Pay) will be used to pay routine monthly invoices (e.g. Management Contract, Utilities, etc.).

Accounting: Contractor shall maintain a record of income, expenses, assets and other liabilities of HOA utilizing the cash or accrual method of accounting as stipulated in the association's governing documents and accepted accounting practices.

Budget Preparation: At least 60 days before the beginning of the new fiscal year, Contractor shall prepare and submit to the Board, a recommended operating budget for the coming fiscal year showing anticipated receipts and expenditures, considering the general condition of the property. Contractor will prepare projections based on the approved budget to assist HOA in reviewing its financial status and needs. The approved budget shall also serve as a supporting document for the schedule of monthly dues proposed for the new fiscal year.

Assessment Billing: Contractor will email monthly statements to owners who have a balance at the time Late Fees are assessed at \$1.00/per statement notice. Any items needing to be mailed via USPS will be at current USPS postage rate, plus cost of supplies and printing. All payments not received by a specific date each month, as stipulated in the Documents of the Association, may be assessed as an additional charge based on the Board's directive. The HOA will be assessed the cost and may direct the Contractor to assess the owner this fee.

Assessment Collection and Records: Contractor shall maintain a record of assessment charges, adjustments, and receipts. This information will also show the name of each unit owner in HOA, their unit number and the monthly charges for assessments.

Delinquency Processing: Upon request by HOA, Contractor shall work with the Board of Directors to execute the delinquency policy and procedure for HOA. Contractor will administer the delinquency procedure by charging late fees, assist in securing legal counsel to represent and work for HOA and answering questions regarding accounts. In accordance with Board policy, Contractor shall prepare and forward to the Board, a delinquency report containing the delinquent owners name, unit number and balances owing.


Attorney Liaison: Contractor will serve as a liaison between the Board and the Association's designated attorney regarding legal matters as directed by the HOA

Invoice/Disbursement Procedures: Contractor will receive, review, and approve invoices (in accordance with HOA policy) and other bills received by HOA; prepare checks for payments of approved HOA expenses as permitted and maintain paid bills files with attached checks, copies, and invoices. Check copies and receipts will be emailed to the Board for approval. Contractor is responsible for signing of checks and dispersing payments as approved by the HOA.

Financial Statements: Contractor will prepare and maintain the records to produce monthly-computerized financial statements and provide HOA with copies of the balance sheets, income statements, monthly budget comparison, and listing of all past due accounts. These will be emailed monthly to Board Members. The original of all records is deemed to be the property of the Association.

Tax Preparation/Audit: Contractor will cooperate with HOA's independent certified public accountant in the annual audit and/or tax preparation by making all records, books and files available for inspection and review by certified public accountant. The consequent results will be reviewed, and the certified public accountant's recommended adjustments will be made to the HOA's records. CPA will prepare taxes at same time as Audit. The BOD will approve the audit and taxes once received by the account.

Investments: Contractor will not offer any investment advice; it will assist HOA in obtaining the appropriate information necessary to develop an investment program utilizing savings accounts, money market funds or other investment products. Contractor will assist HOA in preparation of necessary documents required by banking and investment institutions and further implement the investment program selected by HOA for reserve and other funds as appropriate. Management of investment accounts (CDs, Annuities, etc.) will be billed by the minute at \$100/hr. This includes all tasks necessary for the investment process (e.g. rate research, financial assessment to determine amount/term of potential investment, account setup, reconciliations, interest recording, etc.).



Initials



Initials

Administrative Management

Files and Records: HOA is responsible for providing Contractor with complete copies of all governing documents (including declarations, by-laws, rules and regulations together with all amendments or supplements thereto), current resolutions, current and accurate financial information, a current roll of members, owners or tenants, plus other pertinent information requested by Contractor as may be necessary to assist Contractor in performing its obligations. Originals of all records will be maintained by Contractor although they are the property of HOA. Contractor will develop and maintain a filing system of HOA's important papers, such as contracts, resident communications, public agency filings, financial information, and other information, which may be important in future decision making by HOA. Contractor shall keep electronic copies of corporate records which shall include all original minutes, contracts, and financial reports in chronological order. These corporate records shall be returned to the board upon its written request or upon termination of this contract. Contractor will also provide off-site backup of all HOA documents and papers. Contractor will provide HOA Board members access to HOA documents and papers as needed. There is a \$5/month storage fee bill at \$60 on January 1st of each year. If contract is ended early the association would be reimbursed for the amount paid in advance. This amount is subject to change with HOA Board approval.

Correspondence: Contractor will prepare or advise HOA in the preparation of general correspondence dealing with business matters between HOA and residents, contractors, agents, government officials, or other entities. Contractor will maintain files for all such correspondence as well as correspondence received. Contractor will arrange for the mailing or other distribution of notices required by HOA's governing documents or as HOA may direct. Any items needing to be mailed via USPS will be at current USPS postage rate, plus cost of supplies and printing.

Website: Contractor shall create and maintain an HOA website for an agreed upon price if directed to do so by the Board of Directors. The HOA would be responsible for the annual cost associated with holding the domain and the hosting of the website. Contractor shall update the website as directed by the Board of Directors with Association documents, meeting minutes, updates, calendar events, etc. The website would become the property of the HOA. One monthly update is completed at no cost. Additionally monthly updates to the website will be billed by the minute at \$75/hour (rate subject to change). Starting cost to contract an HOA website is \$700.00 if the Board chooses Contractor.

Insurance Administration: Contractor will assist HOA in the selection of an insurance broker and aid HOA and its broker in placing in effect insurance as required by the governing documents of HOA or as otherwise decided by the board of directors. Contractor will work with Agent on insurance claims as directed by the board of directors. In the event of insurance loss, if the Board hires Contractor to implement and coordinate claim and repairs, the Contractor reserves the right to charge a set fee for processing, collections, solicitation of bids, coordinating repairs, and oversight of repair work completed under the claim(s) at a set price or hourly price as agreed up by the HOA..

Rules Administration: Contractor will assist HOA in the development of reasonable and enforceable rules by coordinating with the board of directors, or a designated member, and legal counsel for an agreed upon fee. Contractor will notify homeowners of any rule violations, as may be determined by the board of directors, and take such other actions as may be consistent with HOA policy to assist HOA in the administration of provisions of their governing documents. Each violation will be billed at \$1.00 per violation sent via email and mailing based on costs.



Policy Development: Contractor will inform HOA concerning significant legislation, insurance, financial practices, court decisions, or other such changes in the laws pertaining to community associations, which may come to the attention of Contractor. Contractor will work with the board of directors and offer support of on-going HOA development of resolutions to address important administrative and policy matters and offer advice and direction to HOA regarding their governing process and the responsibilities of the board of directors.

Unit Transition Services: Contractor will provide basic information about HOA as requested by the member who wishes to sell his / her unit, a prospective buyer or their real estate agent(s). Contractor will prepare a resale disclosure certificate, as required by law, on behalf of any unit owner. At time of closing, seller is charged by the HOA a closing fee of \$400 for services provided at a standard 10 day turn around. Closing fees are paid to the HOA at closing and the HOA pays the contractor the received fee. There will be an additional charge of \$100 for Rush requests completed within 3 days. This charge includes a complete package of up-to-date Association documents and unit inspection. This fee will be collected by the HOA and paid out to Contractor. This amount is subject to change with HOA approval. At time of closing, there will be a \$100 new Homeowner setup fee charged to the Buyer, collected at Closing, paid to HOA, and paid out to Contractor. There will be an additional fee charged to the Homeowner for PUD/Condo Questionnaires, whether for resale or refinance, collected at Closing, paid to HOA, and paid out to Contractor. .

NSF Fees: For Bank Fees and additional work required there is a \$30 fee assessed. At time of notification of non-sufficient funds Homeowner is charged by the Contractor an NSF fee of \$30 for services provided. This fee will be collected and paid out to Contractor. This amount is subject to change with HOA Board approval.

Professional Services Coordination: Contractor will aid HOA in selection of consultants to accomplish specialized functions for HOA in the areas of engineering, law, public accounting and other needs of HOA and fully cooperate with those consultants as needed.

Solicitation of Bids: Contractor will solicit up to three competitive bids and negotiate contracts, subject to approval of the HOA Board. Upon the board's request Contractor will provide industry standards to assist with the preparation of bid specifications. Board will provide specifications or arrange to pay contractor to have them prepared. For agreed upon fee, Contractor will prepare specifications for all services, such as ground maintenance, snow removal, painting, etc., as directed by the HOA board. After approval from the HOA the contractor will initiate contract approval to the selected contractor as requested by the HOA.

Credits: When taking bids or issuing purchase orders, Contractor shall always act under the direction of the Board and shall be under a duty to secure for and credit to the Association any discount, commissions or rebates obtainable because of such contract or purchase.



Meetings: Contractor will attend up to 6 meetings per year (in person, zoom or by phone conference call), including the Annual Meeting; no meetings to be attended in the month of December. Contractor will support the operation of the meetings by providing necessary personnel and materials (including preparation of meeting agendas, minutes, financial statements, and any other supporting materials), as well as help the board of directors with procedural questions. Meetings must start by 6pm and will be a maximum of 1.5 hours; includes drive time of 30 min. Any additional meeting time would be billed at \$75 an hour. There is no charge for e-mailing of Board packets at least 3 days before the meeting. If copies of packets or materials are made for the Board and/or owners, there will be a charge to cover current supply/printing costs. Contractor will assist in the preparation of the Annual Meeting of the members; send out notices in accordance with the association By-Laws and reserve location for meeting as directed by Board. H.O.A. will assume the cost of mailing the Annual Meeting Packet at a preparation rate of \$1.00 per unit plus postage and supplies, payable to Contractor. This amount is subject to change without HOA Board approval. Onsite Spring Walk Through is charged at \$70 per hour for each Contractor staff member joining the walk through. In addition, there is a \$50 per hour charge for coordination of spreadsheets for the Board and owner notification letters; mailing fees not included. Additional meetings will be billed at \$75 per hour (in person or by phone).

Maintenance Services: Contractor will perform one (1) drive-through inspection per month of the HOA property to assess contracted services and general rule infractions. Upon Board's request, Contractor will review specific maintenance issues. A spring on-site inspection shall be conducted with representatives of the Board and designated vendors/contractors, to do a more in-depth assessment of the association.

Contractor will respond to maintenance repair and emergency situations within the HOA's responsibility and arrange for needed repairs. Bids will be secured for maintenance projects over \$1,000 or as set by the HOA Board. Contractor will partner with designated Board member for non-emergency repair items; notification sent to entire Board via email.

Contractor will establish and monitor preventative maintenance schedules and recommend changes that will help reduce future maintenance costs and problems, according to generally accepted industry standards. Contractor will assist in overseeing or recommending a 3rd party inspector to enforce the contractual obligation and/or warranties contained within signed contracts, reviewing the quality of workmanship once maintenance projects have been completed at the Association and initiating any follow-up as needed. In addition, the Board shall notify the Contractor in writing of any observations, complaints or suggestions relating to the quality of the performance of any independent contractor or personnel.

Management Report: Contractor will prepare a status report highlighting important items related to financial, administrative and property services for HOA, and make them available to the Board members at the scheduled meeting(s). Financial and Emergency items will be emailed to Board members.



Miscellaneous

Term/Termination: Upon termination of this agreement, Contractor shall cooperate with any successor management agent/HOA to transfer HOA records, documents and undeposited funds in a timely manner and in accordance with the directions from HOA. All HOA records, documents and electronic data files shall remain the property of HOA. Upon advance notice to Contractor, HOA shall have access to any and all records during regular business hours.

Liability: Except for damages caused by the negligent, willful, or wanton misconduct of Contractor agents, or its employees, HOA agrees to indemnify and hold Contractor harmless of all damages and expenses sustained by Contractor when carrying out the provisions of this Agreement, acting under the express or implied direction of HOA or because of the action or inaction of HOA, its contractors, members, or its volunteers. HOA hereby holds Contractor and its officer's shareholders, employees, and agents harmless from and indemnifies them against all losses, damages, expenses which arise due to claims for damages or injury to property except for those actions of Contractor found to be negligent, fraudulent or dishonest.

Insurance: Contractor shall maintain in force for the entire Term of this agreement, such liability and business insurance or a fidelity bond in such amounts, as it deems reasonable.

Compliance: Contractor may take such action as may be necessary to comply with any and all orders or requirements affecting the buildings or land of HOA by federal, state, county or municipal authority having jurisdiction and any other legal orders. The Contractor will remain in good standing with the state of MN and will comply with all licensing standards for HOA administrative and management activities.

In witness whereof, the parties hereto have executed this agreement the day and year first above written.

Contractor: Premier Association Management

By: [REDACTED]
Kimberly Cannon, Senior Property Manager

Premier Association Management
1120 South 2nd St #416
Minneapolis, MN 55415

Date: 9/19/24

Customer: Thomas Lake Countryhomes of Eagan

By: [REDACTED]

Its: President

Date: 9/19/2024

[REDACTED]

Initials

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Initials