



## BOOKKEEPING AGREEMENT

This Bookkeeping Agreement (“Agreement”) is entered into by and between **Lone Star Bookkeepers, LLC** ("Agent") and **Autumn Lake Property Owners Association, Inc.**, a Texas Non-Profit Corporation (“The Association”), for the purpose of setting forth the duties and obligations of Agent and the Association in regards to the property known as **Autumn Lake** (“the Property”), effective as of the date set out on Exhibit “A” hereto.

For and in consideration of the mutual terms, covenants and conditions set forth herein below, the Association and Agent agree as follows:

1. **ENGAGEMENT.** The Association hereby appoints Agent as its legal agent, and Agent hereby accepts such appointment, in accordance with and subject to the terms and conditions hereinafter provided.

2. **TERM.** The Agreement commences effective as of December 1st, 2022 and shall continue for 12 months (the “Initial Term”). The Agreement will automatically renew on a year to year basis terminated by either party in accordance with Section 13, 14, or 15.

3. **DUTIES OF THE AGENT.** The Agent undertakes on behalf of the Association under the general supervision of the Board of Directors (“the Board”) of the Association, the following duties:

3.1 **Collection of Maintenance Fees:** The Agent undertakes on behalf of the Association to:

3.1.1 Arrange for the collection of the owner assessments on the designated assessment due date per the Governing Documents and other income from all present and future owners and also any other income or monies due to the Association, and to deposit all such receipts into a separate bank account or accounts in banks whose deposits are federally insured or in secured funds approved by the Board and administered by the Managing Agent.

3.1.2 The Association hereby authorizes the Agent to request, demand and collect for any and all charges and assessments which may at any time be or become due to the Association.

3.1.3 Agent may charge a reasonable fee for collection proceedings on delinquent accounts due the Association at the expense of the lot owner at a set fee per collection letter required to be sent to delinquent owner. This rate is subject to change upon renewal of the contract and is specified in the standard rate sheet.

3.2 **Bookkeeping**

3.2.1 Agent shall provide bookkeeping services, counseling and advice to the Association’s Board of Directors and the liaison designated by the Board of Directors, in



accordance with generally accepted industry standards.

3.2.2 Agent shall provide monthly financial reports, compliance assistance to meet IRS reserve fund accounting guidelines, daily AP data entry, daily input of cash receipts, monthly bank reconciliations, retention of financial records for auditing purposes and compliance with IRS and GAAP guidelines, and the provision of information needed for a CPA audit and/or tax return preparation and filing.

3.2.3 Agent will provide the Association with financial services in accordance with the provisions or policies adopted by the Board of Directors and prevailing industry standards. Agent shall maintain a record of all income and expenses, assets, and liabilities, utilizing a modified accrual method of accounting with a monthly summary statement of the aforementioned items including profit and loss statements reflecting actual versus budget from the commencement of the fiscal year until the date of the report to the Board.

3.2.4 Assist in the preparation of the Annual Budget prior to the end of the fiscal year by providing a budget draft to the Board for review and approval.

3.2.5 Invoice Procedure: All invoices will be approved by the board of directors before payment is made, except for any utility invoices or monthly maintenance contracts that have been set up on an autopayment with the vendor.

### 3.3 Secretarial

3.3.1 Maintain the records and files pertaining to the Association in Agent possession or created and retained by the Agent.

3.3.2 Should Agent be required to provide assistance to Association in connection to a lawsuit, Agent may charge Association at the rate of \$100.00/hour for clerical or research time and \$150.00/hour for court appearance and deposition time.

3.3.3 All Association related records will remain the property of the Association and shall be kept on-site or a contract storage facility at the expense of Association, if so requested.

### 3.4 Administrative

3.4.1 Service Contracts: The Agent may assist in securing contracts for services that do not include property maintenance or repair including insurance, utilities, legal, audit and/or tax preparation.

3.4.2 Insurance: Under the direction of the Board, Agent will recommend insurance coverage for all common elements to protect the Property.

3.4.3 Agent will seek insurance bids at the request of the Board prior to renewal of the Master Insurance and Flood Insurance policies if applicable.

3.4.4 Agent shall receive one percent (1%) of the amount of total damages for the additional financial work entailed in the proper accounting for insurance claims. However, the insurance agent will be expected to handle all insurance aspects of the claim, and the Board will manage the property repair, maintenance, or renovation project(s).

3.4.5 In the event of the Association having funds available the Agent shall pay the annual/monthly insurance premiums;

3.4.6 In the event of the Association having insufficient funds available in their account, the Agent's obligation for payment of annual/monthly insurance premiums will immediately end and the parties agree that the Agent will not be liable for any damages of whatever nature. The Association furthermore acknowledges that any such conduct by the



Agent shall not be construed as negligence.

Notwithstanding anything herein to the contrary, Agent will not provide legal advice or legal opinions.

Agent shall render services and perform duties as an agent of the Association, and all obligations or expenses incurred in connection therewith shall be for the account, on behalf, and at the expense of the Association, except that the Association shall not be obligated to pay overhead expenses of Agent. Any payments to be made by Agent for the account, on behalf, and at the expense of the Association, shall be made out of funds of the Association.

4. **LIAISON WITH THE BOARD.** Agent shall communicate with the Board of Directors, and to the extent practical with the members of the Association, through the Board liaison appointed by Board of Directors, as reflected on Exhibit "A" hereto. Should the Board of Directors fail to designate a Board liaison, or should such Board liaison resign or be removed from such position, then the President of the Association shall become the Board liaison. The Board liaison shall be authorized to act on behalf of the Board of Directors on any matters related to the duties of Agent as set out herein. Agent shall not accept directions or instructions from any person other than the Board liaison or the Board of Directors.

5. **COMPENSATION.** The total compensation to which Agent shall be entitled to receive during the term of the Agreement shall consist of fees for recurring routine services and for non-routine services.

(A) **RECURRING ROUTINE SERVICES.** Agent shall be compensated for recurring routine services in the amounts as shown on Exhibit "A" hereto on a monthly basis, including any applicable taxes. Such compensation represents the overhead expenses of Agent, including salaries of employees, general and administrative expenses, and travel expenses of officers and employees incurred under this Agreement, and covers fees for basic services as further defined in this Agreement and the Exhibits hereto.

(B) In addition to the compensation set out in Exhibit "A" hereto, the Association shall reimburse Agent for all reasonable documented expenses incurred by Agent in performance of its duties contained herein, provided that any single item of such expense of \$100.00 or more shall be approved in advance by the President of the Association or the Board of Directors.

(C) **NON-ROUTINE SERVICES.** Agent shall maintain availability for services related to non-routine services for which the need may or may not arise. Non-routine services may include, but not limited to, the following: Participation in legal actions initiated by the Association. and providing information to a title company or any other party to a transfer of property within the subdivision. The party requesting the information shall be charged a reasonable transfer fee and/or



resale certificate fee not to exceed such fees as typically charged at other similar properties in the area of the property, as set by Agent. The fees shall, when collected, be the property of Agent.

- (D) Any other services requested of Agent that are not covered by Agent's Recurring Routine Service.

Charges for services performed under this Section 5(C) shall be at rates mutually agreed upon by Agent and the Association at the time work is authorized; or at \$100.00 per professional hour expended, unless otherwise mutually agreed in advance of performance of the service to be rendered; plus expenses. Said hourly rate shall be billed at one-quarter hour increments with a one-quarter hour minimum charge. The fee for the completion of any transfer documentation shall be as set from time to time by Agent and any fee collected shall be for the benefit of Agent. Other charges and reimbursable expenses are more fully detailed in the attached Exhibit "A".

6. **INSURANCE.** Agent shall maintain in full force and effect a general liability insurance policy throughout the term of this Agreement and any extensions. The Association shall, at all times that this Agreement is in force and effect, maintain Directors and Officers liability insurance in amounts and by companies acceptable to Agent as a condition of this Agreement. Said Directors and Officers liability insurance shall name Agent as an additional insured while performing acts in the furtherance of the business affairs of the Association.

**7. INDEMNIFICATION.**

**(A) The Association shall defend, indemnify and hold Agent harmless from and against all claims, actions, lawsuits, demands, damages, and any and all sums paid out by Agent to defend, compromise or settle any claim, action, suit or proceeding brought against Agent, which result from any acts or omissions by Agent pursuant to the authority granted to Agent under this Agreement, by law, or otherwise by the Association; provided that nothing herein shall obligate the Association to defend, indemnify or hold Agent harmless from and against any liability arising from any gross negligence, willful, malicious or illegal conduct by Agent.**

**(B) Agent shall defend, indemnify and hold the Association harmless from and against all claims, actions, lawsuits, demands, damages, and any and all sums paid out by the Association to defend, compromise or settle any claim, action, suit or proceeding brought against the Association arising from any acts or omissions by Agent in violation of this Agreement, or any gross negligence, willful, malicious or illegal conduct by Agent.**

**(C) In the event either party receives a demand or other notice of a claim for which a defense or indemnity may be asserted by such party, then notice of the same shall be promptly given to the other party.**



**(D) The indemnity provisions of this paragraph 8 shall apply only to sums not covered by the parties' respective insurance policies and shall not in any way be construed to relieve any insurance company from any obligation under any such insurance policies. Further, the indemnity provisions of this paragraph 8 are specific, personal and exclusive to the Association and the provisions or have any right of subrogation or other similar right to enforce or benefit from such indemnity provisions.**

8. **ROLE OF AGENT.** Agent accepts that its function is to assist the Board of Directors in providing financial services to the Association in accordance with this Agreement, and the exhibits attached hereto. Notwithstanding the express authority granted to Agent in this Agreement, it is understood and agreed that Agent shall at all times confer fully and freely with the Board of Directors through its designated liaison in the performance of the services set forth herein. Prior to the commencement date, the Association shall provide to Agent contact information for the current, to be previous management company for transition of information purposes.

9. **SCOPE OF AUTHORITY.** The Association hereby delegates to Agent all duties and authority granted to the Board of Directors in respect to providing financial services for the Association. Any variance from these set procedures will only be acted upon by Agent when received in writing and approved by the Board of Directors.

10. **ENTIRE AGREEMENT.** This Agreement, including the exhibits attached hereto, contains the full and final agreement between the parties and a complete statement of the terms thereof; all negotiations, considerations and representations between the parties having been incorporated herein. No variation, modification, or changes of the Agreement shall be binding unless the same is in writing and executed by both parties. This agreement will automatically renew for a period of 12 months, unless terminated by either Agent or Association in accordance with the termination policy stated in items 13, 14 or 15.

11. **APPLICABLE LAW/VENUE.** It is understood and agreed that this Agreement shall be construed in accordance with the laws of the State of Texas. Any action arising from or relating to this Agreement or the parties duties and obligations hereunder shall be brought only in the State courts of Harris County, Texas.

12. **CONFLICT OF INTEREST.** Agent shall not accept from any party providing goods and services to the Association, including vendors and independent contractors, any remuneration or consideration in any manner or form, as consideration for or inducement to Agent for using the party's goods or retaining their services on behalf of the Association, all such benefits being rightly due the Association.

13. **DEFAULT BY THE ASSOCIATION/TERMINATION BY AGENT FOR CAUSE.** Should the Association fail to pay to Agent any amounts required to be paid hereunder within ten (10) days of the due date therefor, or should the Association fail to comply with any other of its



duties or obligations herein, the Association shall be in default. Should the Association fail to cure such default within thirty (30) days of receipt from Agent of a notice of default, Agent may terminate this Agreement for cause by giving written notice to the Association, effective as of the date of such notice.

14. **DEFAULT BY AGENT/TERMINATION BY THE ASSOCIATION FOR CAUSE.** Should Agent fail to comply with any of its duties or obligations herein, Agent shall be in default. Should Agent fail to cure such default within thirty (30) days of receipt from the Association of a notice of default, the Association may terminate this Agreement for cause by giving written notice to Agent, effective as of the date of such notice.

15. **TERMINATION WITHOUT CAUSE.** After the initial term, the Association or Agent may terminate this Agreement for any reason, by giving at least sixty (60) days notice of termination to the Agent.

16. **OBLIGATIONS FOLLOWING TERMINATION.** In the event of termination of this Agreement, whether through completion of the term or otherwise as provided herein: (i) all payment obligations of the Association; (ii) all obligations of Agent in regards to the return of the Association's books and records; and (iii) the mutual indemnity provisions contained within this Agreement; shall survive termination of this Agreement.

17. **BANKRUPTCY.** If Agent or the Association shall be adjudicated as bankrupt or insolvent and such adjudication is not vacated within thirty (30) days; or if a receiver or trustee shall be appointed for either party and the same shall not be vacated within thirty (30) days; or if a corporate reorganization of the Association or any arrangement by statute shall be filed, then the same shall act to terminate this Agreement.

18. **NOTICE.** For purposes of notice, Agent shall be sent written correspondence postage prepaid via certified mail, return receipt requested OR hand delivered, at the following address unless otherwise indicated:

LONE STAR BOOKKEEPERS, LLC  
827 ELKHART STREET  
HOUSTON, TX 77091

For purposes of notice, the Association shall be sent written correspondence postage prepaid via certified mail, return receipt requested, at the address stated on the attached Exhibit "A".





AGREED AND ACCEPTED this 15th day of November, 2022

AGENT:  
LONE STAR BOOKKEEPERS, LLC

A handwritten signature in black ink, appearing to be "AS", written over a horizontal line.

Signature - Allison Sandlin, Managing Partner

ASSOCIATION:

AUTUMN LAKE PROPERTY OWNERS ASSOCIATION, INC.

A handwritten signature in black ink, appearing to be "KEN MCARDLE", written over a horizontal line.

KEN MCARDLE (Nov 15, 2022 12:06 CST)

Kenneth McArdle – Board Vice-President



EXHIBIT "A"

ASSOCIATION NAME: **Autumn Lake Property Owners Association, Inc.**  
 MAILING ADDRESS: TBD  
 PROPERTY LOCATION: Pearland, Texas  
 COMMENCEMENT DATE: Effective December 1<sup>st</sup>, 2022  
 INITIAL TERM: One Year

**Monthly Base Fee: \$650.00**

**Initial One-Time Setup Fee: \$650.00**

This will start immediately.

Additional items billed to the Association:

Postage & Third-Party Print & Mailing Services	At cost
Copies / Color Copies	\$0.15 per page / \$0.65 per page
Envelopes / Remit Envelopes	\$0.25 each / \$0.15 each
Printed Statements	\$0.25 per statement
MICR check printing	\$0.25 each
Invoice Processing through Strong Room	\$1.50 per invoice
Special Assessment Maintenance	\$2.00 per lot
1099 Preparation	\$9.00 each
Community Mailout (documents provided by Board in doc, docx, or pdf format)	\$50.00 administration fee and association will pay invoice for 3 <sup>rd</sup> party printer

For Agent:

AS

Initials

For Association:

KEN MCARDLE  
KEN MCARDLE (Nov 15, 2022 12:06 CST)

Initials





Additional items billed to homeowners' accounts:

Collection fee	\$20.00 per month as handled
Return payment fee	\$25.00 each
Certified letter postage	\$9.00 each
Payment plan fee	\$35.00 one-time

Additional items billed to a third party:

Resale Certificate	\$250.00 – includes a Statement of Account
Statement of Account	\$50.00
Transfer Fee	\$175.00
Lender Questionnaire	\$250.00
Refinance Fee	\$75.00 – includes a Statement of Account

\*Only common service fees are listed. Other service fees may apply.

For Agent:

AS  
Initials

For Association:

KEN MCARDLE  
KEN MCARDLE (Nov 15, 2022 12:06 CST)  
Initials






# Bookkeeping Agreement - Autumn Lake

Final Audit Report

2022-11-15

Created:	2022-11-15
By:	Allison Sandlin (allison@lonestarbookkeepers.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAakCZe2scHE1WK8PLOGsTVTQLZW60WfqB2

## "Bookkeeping Agreement - Autumn Lake" History

-  Document created by Allison Sandlin (allison@lonestarbookkeepers.com)  
2022-11-15 - 6:01:16 PM GMT- IP address: 98.44.68.66
-  Document emailed to KEN MCARDLE (kendreams11@aol.com) for signature  
2022-11-15 - 6:01:48 PM GMT
-  Email viewed by KEN MCARDLE (kendreams11@aol.com)  
2022-11-15 - 6:03:14 PM GMT- IP address: 69.147.86.139
-  Document e-signed by KEN MCARDLE (kendreams11@aol.com)  
Signature Date: 2022-11-15 - 6:06:07 PM GMT - Time Source: server- IP address: 73.32.196.232
-  Agreement completed.  
2022-11-15 - 6:06:07 PM GMT