



**COVINGTON WOODS COMMUNITY ASSOCIATION, INC.
LARGE CONTRACT BID SOLICITATION POLICY**

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

WHEREAS, Covington Woods Community Association, Inc. (hereinafter the "Association") is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declarations for the various sections of Covington Woods (hereinafter the "Subdivision"), a subdivision in Fort Bend County, Texas (referred to collectively as "Declarations"); and

WHEREAS, the Large Contract Bid Solicitation Policy is applicable to Association and the Subdivision; and

WHEREAS, all terms used in this Policy that are defined in Chapter 209 of the Texas Property Code shall have the same meaning as defined in said statute;

WHEREAS, Section 209.0052 of the Texas Property Code was amended, effective September 1, 2021, to require a property owners association to establish a bid process for any proposed contract for services that will cost in excess of \$50,000.00;

WHEREAS, to the extent that this Policy conflicts with any existing governing document or dedicatory instrument of the Association or Subdivision, this Policy controls over such provision. To the extent that any existing governing document or dedicatory instrument does not conflict with this Policy, such provision shall remain in full force and effect; and

WHEREAS, this Dedicatory Instrument constitutes a Restrictive Covenant as that term is defined by the Texas Property Code §202.001, and the Association shall have and may exercise discretionary authority with respect to this Restrictive Covenant;

NOW, THEREFORE, in consideration of the foregoing and in compliance with the Texas Property Code, the Board of Directors of the Association ("Board") hereby approves, adopts and imposes on the Association and the Subdivision the following:

1. The following criteria are applicable in determining whether a services contract will cost in excess of \$50,000.00:
 - a. The bid process is applicable to service contracts which, upon execution of the agreement, obligates the Association to pay in excess of \$50,000.00 during the term of the contract.

- b. The ability of the Association to terminate a service contract, without cause, and prior to incurring costs in excess of \$50,000.00, does not relieve the Association of the obligation to adhere to the bid process of this policy if the contract is for a stated term and the total cost of the contract during the initial term requires the Association to pay in excess of \$50,000.00.
 - c. Amounts to be incurred by the Association under a service contract that are contingent are not to be used in determining the amount the contract will cost. Costs to be incurred by the Association under a service contract which are unfixed, but certain, shall be estimated, to the best of the Association's ability, in determining the amount of the contract.
 - d. Amounts that may be incurred at a future time under a service contract, e.g. in the event that the Association renews the contract, are not to be included in determining the amount of the contract.
2. A proposed service contract that will costs in excess of \$50,000.00 shall be awarded under the following process:
- a. The Association shall attempt to obtain a total of three (3) bids or proposals from contractors for the services being sought;
 - b. Contractors providing bids or proposals shall be required to carry adequate liability insurance, have experience providing the services being sought, and maintain a current license(s) where required by law;
 - c. If, after diligent attempts are made to obtain three (3) bids or proposals, the Association is unable to obtain a total of three (3) bids or proposals from qualified contractors, the Board may consider the bids or proposals obtained in order to award the contract being sought;
 - d. The Association may determine, on a case-by-case basis, specific steps it will use to contact potential contractors and solicit bids or proposals. However, in all cases, at least three (3) contractors shall be contacted and bids or proposals solicited. In the event that there are not three (3) qualified contractors for the service(s) being sought in the market area, the Association may limit the process to only those contractors that are qualified;
 - e. In the case of an emergency, the Association may employ a contract to best resolve the emergency without following the bid/proposal process; and
 - f. The Board is not obligated to award a contract to the low bidder, but is required to use due diligence in considering all relevant factors regarding the

contractor and its bid or proposal.

This Policy is effective upon the later of either the date of recording in the Public Records of Real Property of Fort Bend County, Texas, or September 1, 2021, and supersedes, to the extent applicable, any policy for Large Contract Bid Solicitation which may have previously been in effect. Except as affected by Section 209.00505 and/or by this Policy, all other provisions contained in the Declarations or any other dedicatory instrument of the Association shall remain in full force and effect.

Approved and adopted by at least a majority of the Board, at an open meeting duly noticed and at which meeting a quorum of the Board was present, on this 11th day of October, 2021.

[Signature]
Ricardo A. Bravo, President [printed name]
Covington Woods Community Association, Inc.

STATE OF TEXAS §
 §
COUNTY OF Fort Bend §

Before me, the undersigned authority, on this day personally appeared Ricardo A. Bravo, President of Covington Woods Community Association, Inc., a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that s/he has executed the same as the act of said corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 11th day of October, 2021.

[Signature]
Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:

Lori E. Alderson
1523 Avenue A
Katy, Texas 77493

