

Defendant, **Prime Site, Incorporated** is a Texas corporation doing business as *Associa*

Principal Management Group of Houston, in Harris County, Texas, and may be served with process through its registered agent, **CT Corporation System**, 1999 Bryan St., Ste. 900, Dallas, Texas 75201, or wherever the Defendant/registered agent may be found.

Defendant, **Parker & Company, Inc.**, is a Texas corporation doing business as *Principal Management Group of Houston* and *Associa Principal Management Group of Houston*, in Harris County, Texas, and may be served with process through its registered agent, **CT Corporation System**, 1999 Bryan St., Ste. 900, Dallas, Texas 75201, or wherever the Defendant/registered agent may be found.

3. This suit involves the intentional misappropriation of monies and negligent vendor payments by a fiduciary management company of a condominium association, Principal Management Group of Houston and/or Associa Principal Management Group of Houston, which includes the conversion and unlawful payments made by the fiduciary to itself and or its wholly owned affiliate company from the Association's monies and bank account which Principal Management Group of Houston and/or Associa Principal Management Group of Houston had access and control as a fiduciary of the Association.

FACTUAL BACKGROUND

Parties/The Parties' Contract

4. On or about September 9, 1977, there was filed for record with the Harris County Clerk a Declaration of Covenants, Conditions and Restrictions for The Pines Condominium, Inc. ("Declaration"). The Declaration and Amendments are recorded under Harris County Clerk's File No. F290906 and Film Code 175-02-1378 of the Harris County Real Property Records and are incorporated herein by reference for all purposes.

5. The condominium regime consists of 24 individual buildings containing a total of 254 condominium units.

6. **The Pines Condominium Association, Inc.** (“Association”) is a Texas non-profit corporation existing for the purposes of, among other things, to administer and operate the affairs of the Association, the management, maintenance, preservation and architectural control of the residential units, common elements and common area within the condominium regime.

7. The Association is managed by a Board of Directors elected annually by the Association members/owners. The Board consists of 9 individual condominium owners who hold various offices including president, vice president, secretary and treasurer. The Association through its Board of Directors is authorized by the Declaration to delegate by written agreement such of its duties, powers and functions to any person or entity to act as Managing Agent of the Association at an agreed compensation.

8. To that end, on or about November 26, 2023 and eff. December 1, 2023, the Association and **Prime Site, Incorporated d/b/a Principal Management Group of Houston** and **Associa Principal Management Group** and/or **Parker & Company, Inc. d/b/a Associa Principal Management Group of Houston** (jointly “PMG of Houston/Associa PMG of Houston”) entered into a homeowner’s association management and operation agreement/Management Agreement (“Contract”) for the day-to-day financial management of the Association by PMG of Houston/Associa PMG of Houston in coordination with the Association’s then onsite manager and employees, which included, among other things, administering all financial matters of owner assessment collections, deposits, disbursements and vendor payments. [see Contract; Exhibit A attached]

9. On or about July 12, 2024, by written correspondence from PMG of Houston/Associa PMG of Houston and its “Branch President” Bill Miller, without prior notice or contractual right to cure being made as required by the Contract, PMG of Houston/Associa PMG of Houston notified the Association of their unilateral termination of the parties’ Contract effective

on July 31, 2023. Subsequently, by written correspondence dated July 17, 2024, the Association expressly revoked PMG of Houston/Associa PMG of Houston's authority to sign checks, initiate ACH or EFT payments or other drafts of monies from the bank account(s) of the Association provided by the Management Agreement or otherwise.

**PMG of Houston/Associa PMG of Houston's
Wrongful Self-Payments, Negligent Payments from Association Monies**

10. The parties' Contract provided for the payment of a monthly Management Fee to PMG of Houston/Associa PMG of Houston for its management services i.e. Contract ¶2, and for those "Recurring Routine Services" as expressly set forth in "Exhibit A" to the Contract. Additionally, the Contract provided for payment to PMG of Houston/Associa PMG of Houston for certain delineated "Periodic Routine Services," "Non-Routine Services" [*Contract ¶¶2(b) and 2(c); Exhibit A attached*] and Administrative Services [*Contract ¶3; Exhibit A attached*]. After the effective termination date of the Contract, and after much delay by PMG of Houston/Associa PMG of Houston in delivering all the books and records, accounting ledgers, bank account statements etc. to the Association, the Association learned and found that monies were wrongfully taken and paid from the Association's monies contrary to the express terms of the Contract and actual revoked authority provided by the Association.

11. The Contract did not include any "onsite manager" services by PMG of Houston/Association PMG of Houston as the Association then had in its employ its own on-property manager for the condominium regime and property. After entry of the Contract the then onsite property manager voluntarily resigned his position leaving a vacancy in the needed onsite manager's position for the property and its 254 condominium unit owners. The Association undertook to employ a full-time onsite property manager intended to be an employee of the Association and began to review person's resumes and subsequent interviews from candidates

given to the Association by PMG of Houston/Associa PMG of Houston. The Association agreed to employ an individual however unknown to the Association the individual was made an employee of PMG of Houston/Association PMG of Houston and not a direct hire by the Association; this was not agreed to by the Association and was not contemplated when the parties entered into the Contract.

12. Despite the manner and unagreed unilateral modification of the Contract by PMG of Houston/Associa PMG of Houston, the Contract has a line-item provision for payment by the Association of the costs for “onsite staff” to the Association’s management property office on a bi-monthly basis. The express payment/charge provision delineates that the charge is applicable for “onsite staff,” however, but for the month of April 2024 and 5 days between May 25 and June 7, 2024, the purported assigned PMG of Houston employee-staff was in fact not ever “onsite” in the Association’s management offices as required by the terms of the Contract. Nonetheless, PMG of Houston/Associa PMG of Houston issued six (6) Invoices to the Association and paid to itself from the Association’s bank account a total of \$18,251.27 for the cost of an ‘onsite manger’ when no such individual/manager was present at the Association’s management offices. PMG of Houston/Associa PMG of Houston, without authority from the Association, wrongfully paid the referenced Invoices from the Association’s funds totaling \$18,251.27 which sum is owing to the Association by PMG of Houston/Associa PMG of Houston.

13. Beginning in April 2024, the Invoices to the Association from PMG of Houston/Associa PMG of Houston contained numerous line-item charges that were wrongfully charged, were not provided and/or were not authorized by the Association resulting in wrong line-item charge entries. As provided by the Contract [¶2(c)] the Association’s authorized agent timely disputed various charges on each monthly Invoice from PMG of Houston/Associa PMG of Houston to the Association for ‘Non-Routine Services’ both verbally and by emails to PMG of

Houston/Associa PMG of Houston's branch vice president. The Association did not approve the various disputed line-item charges on the Invoices and PMG of Houston/Associa PMG of Houston was specifically instructed not to "auto-draft" from Association bank accounts paying itself on the disputed line-item charges. Despite the known disputed line-item charges, and instructions not to pay such items until agreed by the Association, on September 12, 2024 (after the effective date of termination of the Contract), PMG of Houston/Associa PMG of Houston without authority drafted the Association's bank account and paid itself all such disputed and erroneous line-items charges. PMG of Houston/Associa PMG of Houston without authority wrongfully paid the disputed line-item charges from the Association's funds totaling \$9,462.59, which sum is owing to the Association by PMG of Houston/Associa PMG of Houston.

14. The parties' Contract additionally provided that PMG of Houston/Associa PMG of Houston was entitled to payment of compensation on a monthly basis delineated as "Recurring Routine Services," "Periodic Routine Services," "Non-Routine Services" and Administration of Services. However, PMG of Houston/Associa PMG of Houston failed to provide at least the following contractual services to the Association: failed to transfer utility accounts to PMG of Houston/Associa PMG of Houston payment system during 'onboarding' of Association vendors; failed to have transferred or opened bank accounts for many months after Contract commencement; no property deed restriction services or prepared reports were provided to the Association; the Association did not use PMG of Houston/Associa PMG of Houston's work order and maintenance management software for the property work orders; PMG of Houston/Associa PMG of Houston employees provided incorrect addresses for invoices to vendors causing Association vendor's invoices going unpaid for months at a time; PMG of Houston/Associa PMG of Houston failed to timely set and notice the annual meeting of member owners of the Association; and, PMG of Houston/Associa PMG of Houston failed to provide timely accurate financial reports

to the Association/board of directors for the months of February – June 2024, some reports being grossly inaccurate and/or missing numerous paid expenses of the Association. As a result, the Association asserts that the services actually provided to the Association was valued at only ½ of PMG of Houston/Associa PMG of Houston's contractual monthly Management Fee [\$1,900.00]; therefore, the Association is entitled to ½ the Management Fees for the months of February – August 2024 and paid from the Association's funds totaling \$6,650.00, which sum is owing to the Association by PMG of Houston/Associa PMG of Houston.

15. Part of PMG of Houston/Associa PMG of Houston contractual management duties included the timely payment of various vendor invoices, however, PMG of Houston/Associa PMG of Houston failed to make payments properly and, in some cases, made payments untimely causing the Association to incur (and pay) significant late fees to multiple utility vendors. The Association incurred, and PMG of Houston/Associa PMG of Houston paid from the Association's funds, late fees to City of Houston/water dept. [\$2,307.41], late fees to Republic Waste trash services [\$318.51] and late fees to City of Houston Permitting (Pool) Dept. [\$120.00]. PMG of Houston/Associa PMG of Houston's untimely payment of the referenced vendor bills resulted in late charges paid from the Association's funds totaling \$2,745.92, which sum is owing to the Association by PMG of Houston/Associa PMG of Houston.

CAUSES OF ACTION AND DAMAGES

16. The actions, conduct, omissions and misrepresentations of PMG of Houston/Associa PMG of Houston described hereinabove constitute (a) breach of contract, (b) negligent performance of contract, (c) conversion, and (d) money had and received, each of which was the proximate cause of the actual and consequential damages sustained by the Association. The Association has sustained actual and consequential damages in the amount of at least \$37,109.78.

17. All conditions precedent to the Association's claims against PMG of Houston/Associa PMG of Houston have been performed or have occurred.

ATTORNEYS' FEES

18. As a result of the acts, conduct and misrepresentations alleged above, the Association was required to retain the services of the undersigned counsel. As provided by TEXAS CIVIL PRACTICE & REMEDIES CODE §38.001, *et seq.*, the Association is entitled to receive reasonable and necessary attorneys' fees incurred in the prosecution of this suit, together with reasonable and necessary attorneys' fees incurred in prosecuting an appeal to the Court of Appeals and to the Texas Supreme Court. A reasonable fee for attorneys' services rendered and to be rendered through the time of trial is the sum of at least \$20,000.00, for which the Association hereby sues PMG of Houston/Associa PMG of Houston.

WHEREFORE, PREMISES CONSIDERED, Plaintiff requests that upon final trial hereof, the Court enter a judgment as follows:

1. Plaintiff be granted judgment against **Prime Site, Incorporated d/b/a Principal Management Group of Houston** and **Associa Principal Management Group** and/or **Parker & Company, Inc. d/b/a Associa Principal Management Group of Houston**, jointly and severally, in the sum of at least \$37,109.78, as actual and consequential damages.
2. Plaintiff be granted judgment against **Prime Site, Incorporated d/b/a Principal Management Group of Houston** and **Associa Principal Management Group** and/or **Parker & Company, Inc. d/b/a Associa Principal Management Group of Houston**, jointly and severally, in the sum of at least \$20,000.00 for reasonable and necessary attorney's fees through trial, together with reasonable and necessary attorney's fees incurred in prosecuting an appeal to the Court of Appeals and to the Texas Supreme Court.
3. Plaintiff be granted judgement for pre-judgment and post-judgment interest at the highest amount allowed by law.
4. Plaintiff be granted judgment for all costs of Court.
5. Plaintiff be granted such other and further relief, both general or special, at law or in equity, to which Plaintiff may be shown justly entitled.

Respectfully submitted,

CHESNEY LAW FIRM, P.L.L.C.

A handwritten signature in black ink, appearing to read "Wm Chesney III", is written over a horizontal line.

William S. Chesney III

State Bar No. 04186550

9225 Katy Freeway, Ste. 314

Houston, Texas 77024-1510

Ph.: 713.814.5309

Email: wchesney@chesneylaw.com

ATTORNEYS FOR PLAINTIFF



MANAGEMENT AGREEMENT

On 11/26/2023 | 6:17 AM PST, The Pines Condominiums Association, Inc. (the "Association"), located in or about 12633 Memorial Dr, Houston, Texas, 77024 United States and Principal Management Group of Houston, ("Agent"), located at 4700 West Sam Houston Parkway North, Suite 100, Houston TX 77041 United States, hereby enter into this Management Agreement (the "Agreement"), under which the Association hereby appoints Principal Management Group of Houston as its sole and exclusive managing agent. Agent shall perform the following services in the name of and on behalf of the Association, and the Association hereby gives Agent the authority and power required to perform these services.

1. **TERM.** This Agreement shall be effective as of December 01, 2023, and is for a 1 year term (the "Initial Term"). Upon expiration of the Initial Term, this Agreement shall automatically renew for successive twelve (12) month periods (the "Renewal Term"), unless either party gives written notice not more than ninety (90) days and not less than sixty (60) days prior to the expiration of the then current term of the Agreement of its intention not to renew the Agreement. The Management Fee, as defined below, shall increase on the first day of each successive Renewal Term by a minimum of 3.00%, or by such higher amount as approved by the Board of Directors.

2. **COMPENSATION.** The compensation to which Agent shall be entitled shall consist of the following:

- (a) **Recurring Routine Services.** For Recurring Routine Services, Agent shall be compensated according to the following schedule (the "Management Fee"), the current Management Fee being due and payable monthly in advance. Such compensation covers the overhead expenses of Agent, including salaries of Agent's employees (excluding the compensation for reimbursable On-Site Personnel specifically provided for in Section 9); local travel expenses to and from the Property, as defined in Section 4; fees for basic services (other than those identified in Exhibit A), which shall include financial management, as defined in Section 6; and general administration and day-to-day physical systems management. The Association shall also reimburse Agent for all other travel expenses incurred for conducting business on behalf of the Association at the then-current per-mile rate established by the IRS.

AGREEMENT PERIOD	MANAGEMENT FEE
	\$1,900.00 per month
December 01, 2023 – November 30, 2024	With Onsite Staff billed at All direct cost plus 6%.
Onboarding Fee: \$1,000	Board Meetings: twelve (12)
Current Unit Count: 254	Inspections: 12

- (b) **Periodic Routine Services.** Agent shall perform certain periodic, routine services, including but not limited to mailings, photocopying, sending of registered notices to owner members of the Association (the "Owners"), and other items according to the fees set forth in Exhibit A. Changes in fees for Periodic Routine Services will become effective January 1st of each year.
- (c) **Non-Routine Services.** Agent shall maintain availability for services related to certain non-routine activities, which shall be performed with the prior or implied authorization of the Association's Board of Directors (the "Board"). Non-Routine Services may include, but are not limited to, the following: research, court appearances, depositions, subpoenas, discovery, consultation with attorneys related to the Association's role as plaintiff, defendant, co defendant or witness in any action (including court appearances, depositions, and witness testimony), preparation and development of special reports, collation and/or dissemination of records and compilation of information requested by the Board, the Association's attorney, or others, insurance claim administration, and administration and enforcement of rules or other obligations of the Association or its membership.

EXHIBIT

A

Charges for services performed under this Section shall be at (i) rates mutually agreed upon by Agent and the Association at the time work is authorized, or (ii) hourly rates stipulated in Exhibit A then in effect. Fees for Non-Routine Services shall be recorded by Agent in an itemized form and billed on a monthly basis. Invoices shall be due and payable within ten (10) days of billing. The Association must identify any billing errors or request any adjustment to any paid bill for Non-Routine Services within thirty (30) days of receipt; otherwise, all bills shall be deemed correct and any rights to adjustments waived. Outstanding obligations to Agent fifteen (15) or more days beyond the due date will incur a monthly charge of 1.50% of the total outstanding amount due Agent, to be calculated on the first day of each month.

3. ADMINISTRATION OF SERVICES. Agent will provide the Association with the services described in this Agreement in a competent manner consistent with the terms of this Agreement and standard professional practices in the property management industry. Agent will use its best efforts to systematically respond to the requirements necessary to administer the Association and meet the obligations contained herein. Agent will establish its own internal methods and processes, and the Association agrees that it will not unreasonably interfere with Agent's discharge of its duties. When regarded as necessary in its professional opinion, Agent is authorized to consult with the Association's legal counsel concerning the operation of the Association. Agent does not have the authority to provide and shall not be responsible for providing legal advice to the Association regarding the interpretation or application of law.

Agent shall administer the Association's affairs in accordance with the provisions of policies adopted by the Board and this Agreement, except any changes by the Board that may have a material effect on the workload of Agent or its schedule shall have the concurrence of Agent's President in writing. The Association acknowledges that, at its sole discretion, Agent may enhance its business practice by changing its business procedures from time to time. Such changes, however, will not materially change the service or level of service provided within the scope of this Agreement and shall not result in additional charges to the Association unless approved by the Board or unless such charges are the direct result of measures required to maintain the security of the Association's funds or data, in which case Agent shall immediately advise the Board.

Agent may utilize an online portal to ensure that third-party vendors engaged on behalf of the Association comply with Agent's minimum standards of professionalism ("**Associa Vendor Access**"). Associa Vendor Access enables third-party vendors to self-manage their business information, including but not limited to W-9's and insurance certificates. Associa Vendor Access allows the Association to have access to a searchable vendor database and improved payment processing efficiency by allowing for direct upload of invoices into Agent's payment system, with the ability to monitor the payment status of all invoices. The Association acknowledges and agrees that all third-party vendors engaged to perform services or provide goods to the Association shall enroll through Associa Vendor Access.

4. CONTRACT DOCUMENTS. Upon commencement of this Agreement, the Association shall provide Agent with:

- (a) Specifications for the general and limited common elements (in the case of a condominium association) or common areas (in the case of a homeowners association) and its improvements (the "**Property**");
- (b) Copies of all guarantees and warranties in effect;
- (c) Copies of the recorded Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions and the Bylaws of the Association, as amended (collectively, the "**Founding Documents**");
- (d) Copies of resolutions, policy statements, and rules and regulations in effect that have been adopted by the Board on behalf of the Association, including all properly executed modifications, amendments, changes, or supplements thereto issued subsequent to the execution of the Agreement (collectively, with the Founding Documents, the "**Governing Documents**"); and
- (e) Copies of opening balances, Owner records, books of resolutions, financial reports, and Association state and federal tax returns.

The information and records provided to Agent by any source designated by the Board during the transition to Agent are deemed to be accurate and correct.

5. LIAISON WITH THE BOARD. The Board shall appoint a designated Director of the Board to communicate with Agent on any matter relating to the Association (the "**Liaison**"). If no Director is specifically named, the Board President shall serve as the Liaison. Notwithstanding the appointment of one or more Liaisons, Agent shall communicate with the Directors, Officers, and Committee Chairmen of the Association in the exercise of their mutual and respective responsibilities.

6. FINANCIAL MANAGEMENT. Agent shall assist and/or advise the Board in all matters relating to Association income of any source and expenditures of any nature, including but not limited to the following duties:

- (a) **Collections.** Agent shall use its best efforts to collect all general and special assessments as they become due and payable from all Owners as identified on the rolls initially provided Agent by the Association, and as such

are changed from time to time by written notification to Agent of changes in individual ownership, and monies due from sources which are obligated to or for the benefit of the Association. Agent is not liable for ownership changes or charges to units or homes for which Agent has not been notified. The Board authorizes Agent to request, demand, collect, receive, and issue a receipt for charges, assessments, or rents due the Association which may at any time become due by way of legal process or otherwise as may be required for the collection of delinquent assessments from the Owners, except that any refunds that may be due the Association from the IRS shall be monitored and collected by the Association's independent auditor/accountant, and all communications with the IRS will be through the Association's independent auditor/accountant. All expenses related to the collection of delinquent accounts shall be an expense of the Association.

- (b) **Deposits.** The Association agrees that for uniform processing and cost efficiencies, Agent will determine the receiving post office, lockbox, and financial institution(s) into which the Association's operating funds are deposited and maintained. All of the Association's account(s) will be established and maintained in a manner to indicate Agent's custodial nature thereof. The financial institution or institutions selected by Agent shall be insured by the federal government; the account or accounts shall be in the Association's name and federal tax identification number; and the Association's funds shall not be commingled with funds of any other party. Association agrees that such financial institutions may include Partner Institutions (as defined in Section 19) and acknowledges the disclosures in Section 19 regarding Agent's relationships with such Partner Institutions. Except as otherwise directed by the Association in accordance with paragraph (e) of this Section 6, Agent will maintain Association reserves and savings in deposits or certificates of deposit with such financial institution(s) as the Board may designate, which financial institution(s) may include Partner Institutions
- (c) **Disbursements.** Agent shall cause disbursements to be made regularly and punctually. Agent shall establish and monitor its internal procedures with regard to purchase order processes, data input, schedules, and generation and disbursement of payable checks. The Association agrees that Agent may pay the Association's obligations via electronic payment methods including ePay. The Association agrees to conform to the schedules established by Agent to ensure timely payment of the Association's obligations and effect an audit trail. Agent is authorized to effect automatic payments, which will require no further action by the Board, for disbursements consisting of: (i) any taxes payable; (ii) insurance premiums; (iii) Agent's monthly compensation for services and expenses; (iv) reimbursable payroll and benefits; (v) utilities; (vi) emergencies constituting a threat to health or safety; and (vii) other expenses that, left unpaid, could adversely impact Agent's reputation or creditworthiness.
- (d) **Financial Reports.** Agent shall maintain a record of all income and expenses, assets, and liabilities with a monthly financial statement consisting of a balance sheet, profit and loss statement, and general ledger reflecting actual versus budgeted activity on a cumulative basis from the commencement of the fiscal year until the date of the report to the Board. Agent shall not be obligated to prepare a tax return but may do so at an additional expense if requested. Agent will reconcile the Association's operating accounts on a monthly basis and will timely reconcile Association's investment accounts for which the financial institution does not issue monthly statements, upon Agent's receipt of such statements.
- (e) **Investments.** If directed by the Association, Agent will purchase negotiable instruments, certificates of deposit, treasury bills, or such other investments as the Association may specify. The Association will designate the specific investments and amounts to be purchased and, in the case of investments that are securities, the brokerage and custodial institutions through which such investments are to be executed and maintained in the name of the Association. Any investment service fees will be at the expense of the Association. Agent is not an investment or financial advisor and makes no representation to this effect, and Agent does not purport to substitute for the services of such. All risks associated with the decision to buy such financial products shall be borne by the Association.
- (f) **Annual Budget and Variances.** No less than thirty (30) days before the end of the fiscal year, Agent shall submit to the Board's Treasurer a baseline budget for the ensuing fiscal year. The current fiscal year operating budget adopted by the Board shall serve as the supporting document for the schedule of assessments of the Owners for the new fiscal year. The budget shall constitute the major control under which Agent shall operate, and there shall be no substantial deviations therefrom, excluding such expenses as utilities, taxes, fuel, license fees, insurance and other expenses not within the control of Agent, except as may be approved by the Board. Agent shall prepare a baseline budget and a final fiscal year operating budget at no additional charge. Agent shall not be responsible for variances between the budget and actual income or expenditures since the budget is an estimate to be used only as a guide and management tool. It is understood by Agent and the Association that the Association has final approval and is responsible for any omissions or revisions to its budget.

The annual budget adopted by the Board, as well as this Agreement, shall be the conclusive authorization for Agent to cause routine maintenance of the Property to be performed. Agent shall advise the Board in appropriate detail of all such maintenance in the next monthly management report and as reflected in the monthly financial statement.

7. GENERAL ADMINISTRATION. Agent shall establish internal procedures to systematically respond to service requests from the Board, Committees, and Owners, consistent with the obligations contained herein. Agent shall assist the Board in the following administrative matters:

- (a) **Files and Rosters.** Agent shall maintain records and files of information relative to the administration of the Association and will update the files as circumstances warrant, excluding routine e-mail. Electronic communications such as e-mail or voicemail will not be considered official records of the Association. Such files shall include a roster of known absentee Owners and other data necessary to properly administer the Association's affairs, to the extent that such data has been provided to Agent by the Association, closing attorneys, mortgagees, and others at the point of transfer. Should individual Owners or others not willingly cooperate with the Association or Agent in providing information necessary to maintain up-to-date records, any research cost, including internet searches, to accomplish same shall be an additional Association expense. All office records, books, and accounts maintained either at the Association's offices or in Agent's offices shall be made available for inspection, pursuant to any state regulations, by any and all Owners or their authorized representatives or contract purchasers upon reasonable notice, during regular business hours.
- (b) **Meeting Administration and Attendance.** Agent shall supervise the organization of all general membership meetings and, in particular, the Annual Meeting of the Association. Agent shall record the minutes of any meeting if requested by the Board of Directors. Agent shall attend up to twelve (12) Board meetings and all membership meetings annually. Unless otherwise agreed in advance, evening meetings will be conducted Monday through Thursday. Any meeting which exceeds two (2) hours in duration is subject to extra charges in accordance with the rates in Exhibit A.
- (c) **Expenditure Commitment Limits.** Except as otherwise provided in this Agreement, the expenses incurred by Agent for benefit of the Association shall not exceed the sum of \$1,500 for any one item of repair or replacement, unless specifically authorized by the Board or its Liaison or provided for in the approved budget of the Association, provided that emergency repairs that involve manifest danger to life or property, are immediately necessary for the preservation and safety of the Property or Owners and their guests, or are required to avoid the suspension of any necessary services to the Association, may be made by Agent irrespective of the cost limitation imposed by this Section.
- (d) **Insurance Administration.** Agent shall assist the Board and its qualified insurance broker, which Agent may designate at its discretion on behalf of the Association, in meeting the Board's obligation to acquire and maintain all forms of insurance required by the Governing Documents and as dictated by prudent business practice. The Association agrees that its qualified insurance broker is responsible for ensuring the placement of the full scope of insurance necessary for the Association's protection and as required by the Association's Governing Documents.

Agent shall diligently process all claims for which the Association is responsible. Should Agent perform the tasks of a general contractor, including, but not limited to, acting as the supervisor for construction or reconstruction activities for the Association, or should Agent act as administrator, investigator, supervisor, coordinator, processor, or follow-up for insurance losses or any other insurance claim matters on the Association's behalf, Agent shall be compensated at additional hourly rates for such services as outlined in Exhibit A or at a rate of twenty percent (20%) of the loss, whichever is greater. The compensation for this administration shall be included as part of the claim.

- (e) **Required Filings and Reports by Agent.** Agent shall prepare for execution and filing by the Association:
 - (i) All forms, reports, and returns required by law in connection with unemployment insurance, disability benefits, Social Security, and other similar taxes now in effect or hereafter imposed, if any (but specifically excluding any income tax returns);
 - (ii) Resale certificates, as may be required by applicable law, following receipt of a written/electronic request together with the required fee plus postage and inspection for such;
 - (iii) Mortgage lender letters as may be required by mortgage firms, following receipt of a written/electronic request together with the required fee for such from the mortgage company or other responsible party; and

- (iv) Other information, upon written/electronic request, associated with the sale, leasing, or financing of units/homes, as available and when requisite fees are paid.
- (f) **Computer Programs.** If Agent provides the computer program C3 or similar software for which Agent holds a license(s), implemented on-site and connected to Agent's computer network, such program shall remain the exclusive property of Agent at all times, and the Association will not take actions or introduce software or other features which may be deemed by Agent to jeopardize any part of Agent's computer network. The Association will confer with Agent before instituting any changes to the Association's network. The Association will not make changes that may cause Agent's software to be inoperable on the site or violate the security of the system or data, or cause Agent to incur additional expense to protect Agent's network, or may interfere with Agent's software requirements necessary to meet the requirements contained in this Agreement. If Agent's employees are required to respond to software or hardware issues at the Association's site that are found to be unrelated to the reliable functioning of Agent's software, an hourly charge in accordance with Exhibit A will be incurred.
- (g) **Information Processing.** Agent shall work directly with parties associated with resale processing, lender questionnaires, and other resale related services. Agent may charge such parties a fee for its work related thereto, and such fees will be the direct income of Agent. The Association shall have no right to such fees.
- (h) **Administration of Rules.** Agent, in accordance with Board-adopted policies and Exhibit A, shall inform Owners and other residents who may be in violation of the Governing Documents and shall take such actions to attempt to cure such violations as are consistent with Board policy.
- (i) **Emergency Services Program.** Agent shall establish and maintain a twenty-four (24) hour, seven (7) days a week, emergency system for communications with Owners. Emergencies include, but are not limited to, no heat, hot water or air-conditioning, electrical failure, suspected gas leaks, fire, broken water pipe or major leak, sewer back-up, property damage (i.e. storm damage, vandalism, etc.) or personal injury. Residents calling the emergency on-call service will be required to provide the Association's name, their name, and a telephone number at which they can be reached. After-hour responses to non-emergencies will be billed in accordance with Exhibit A.

8. PHYSICAL SYSTEMS MANAGEMENT. Agent shall assist the Board and/or the Association's employees and contractors in matters related to the maintenance of the Property.

Agent has no authority or responsibility for maintenance of or repairs to individual dwelling units. Such maintenance and repairs shall be the sole responsibility of the Owners. Each Owner may contract with Agent or Agent's affiliates on an individual basis for the provision of certain maintenance and other related services which will be paid for in accordance with the agreement between Agent and the Owner.

On behalf of the Association, Agent shall secure contracts for the maintenance and physical plant operation of the Property, typically through a competitive bidding process, for Board approval. Agent shall oversee these contracts to ensure the cleanliness and working conditions of all common building areas and equipment, including, as applicable, central systems, light fixtures, fire extinguishers, entry doors, common facilities and areas, etc. Agent shall make periodic inspections of all ground areas and landscaping improvements to determine whether such are receiving adequate care and maintenance. In accordance with the Association's annual budget, Agent may take reasonable steps on the Association's behalf to cure any routine deficiencies noted. Deficiencies of a serious nature will be brought to the attention of the Board.

Notwithstanding anything to the contrary contained herein or elsewhere in this Agreement, Agent shall not perform, nor be expected to perform, the services that normally would be performed by a construction manager and/or an engineer on construction projects undertaken, or to be undertaken, by the Association.

9. PERSONNEL. Agent and the Association agree that:

- (a) **On-Site Personnel.** On the basis of annual operating budgets, job standards, wage rates, and/or a plan of operation previously approved by the Board or its Liaison, Agent may directly hire, pay, train, supervise, investigate, and discharge the on-site employees who are necessary to properly maintain and operate the Association (the "On-Site Personnel"). With respect to costs and liability, such On-Site Personnel, though employees of Agent, shall be the financial responsibility of the Association, unless specifically provided otherwise herein. The Association shall reimburse Agent for all of Agent's On-Site Personnel assigned to the Association; such reimbursement shall include salaries, taxes, payroll, benefits, workers' compensation, and Agent's administration costs. Any non-exempt employee working in excess of forty (40) hours per week will be paid at time and one-half. The Association authorizes the regular funding of employee expenses by electronic means prior to issuance of payroll in accordance with Agent's payroll and benefits schedules. There

shall be no replacement personnel required during routine periods of vacation or sick leave; and

- (b) **Association Employees.** In situations where the Association has its own employees (the "**Association Employees**"), the Association grants Agent the authority to exercise discretion in hiring, paying, training, supervising, investigating, and discharging the Association Employees; Agent agrees that it will act within the Association's policies and guidelines when exercising this discretion on behalf of the Association. The Association shall bear any and all costs and liability with respect to the Association Employees, and all expenses associated with the Association Employees shall be paid from the funds of the Association under the Association's payroll tax identification number.

The Association recognizes that Agent is legally obligated to take reasonable measures to protect its employees from harassment. On rare occasions, those measures may include limiting communications with an Owner or member of the Board of Directors who has displayed abusive behavior, including verbal abuse, toward Agent's employee(s). The Association understands Agent's duty to address such harassment and acknowledges that Agent may limit its employees' communications, telephonic or otherwise, with any individual at Agent's sole discretion. If feasible in such a situation, the Association furthermore agrees to take reasonable measures to assist Agent in precluding recurrence of abusive or harassing behavior.

10. **AGENT'S EMPLOYEES.** Agent spends significant amounts of time and money to hire and train its employees, subcontractors, partners, officers, and co-owners (collectively, "**Partners**"), and those Partners of its affiliates, for the operation of this and other associations. The Association derives and benefits from Agent's experience in managing and its hiring and training procedures.

Therefore, if, during the Placement Fee Period, defined below, the Association, either directly or through another management company or similar third party, hires, retains, or contracts, in any capacity, with a past or present Partner who worked directly or indirectly with the Association during the term of this Agreement, then the Association agrees to pay a Placement Fee, which shall be equal to the greater of (i) one (1) year of the Management Fee or (ii) six (6) months of the Partner's compensation from Agent. Both parties agree that the Placement Fee is a reasonable sum due to the extensive training and tradecrafts that Agent provides, as well as expectation of the continued income and allotment of resource.

For purposes of this provision, the Placement Fee Period shall be defined as the Initial Term of this Agreement, any and all subsequent Renewal Terms, and eighteen (18) months immediately following the earlier of (i) the termination of this Agreement for any reason, or (ii) the termination of the Partner's relationship with Agent and its affiliates. In no event shall the Association be obligated to pay the Placement Fee if it hires retains, or contracts with a party who was not a Partner of Agent or its affiliates during the eighteen (18) month period immediately preceding the termination of this Agreement.

11. **CONTRACT SUPPLIES AND SERVICES PROCUREMENT.** In matters of a routine recurring nature, Agent shall develop and maintain procurement procedures, including the creation of specifications for bids and procurement activities. Such matters may include routine cleaning, painting, decorating, plastering, and other such normal maintenance and repair work as may be necessary, subject to any changes imposed by the Board. Specifications for major capital repairs and replacements, capital improvements, or other work requiring technical assistance by other professionals shall be developed at the Association's expense. The exercise of any obligations and authority under the provisions of this Section shall be in the name of the Association.

12. **ANNUAL AUDIT.** The Association will have an annual audit performed at its own cost annually. Agent shall cooperate fully with the independent certified public accountant in the conduct of the annual audit, including making all records, books, and accounts available for their inspection and review, and any expense due to Agent by Association for the aforesaid services shall be as set forth in Exhibit A. Audits will be conducted in Agent's principal office, and auditors will coordinate with Agent for scheduling purposes. The Association acknowledges that Agent cannot be responsible for any discrepancy of records that have been removed from Agent's office by the Association or its representatives prior to the conclusion of any audit.

13. **INDEMNIFICATION.** The Association, at its sole cost, agrees to indemnify, defend, and hold harmless Agent and its affiliates, and their respective shareholders, members, directors, managers, officers, employees, agents, attorneys, representatives, and assigns (individually and collectively, the "**Agent Indemnitee**") from and against any and all losses, damages, judgments, rulings or settlements, and all reasonable costs, expenses and attorneys' fees (collectively, "**Damages**"), incurred by any Agent Indemnitee related to or arising out of any and all claims or legal, administrative, or regulatory actions and proceedings and subpoenas asserted or brought against such Agent Indemnitee in connection with (a) the performance of the obligations or responsibilities of Agent under the terms of this Agreement, (b) any action taken by any Agent Indemnitee pursuant to the express or implied direction of the

Association, or any act or omission taken by any Agent Indemnatee reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Association, and (c) the operation, maintenance, physical condition, or ownership of the Property, or any alleged acts, omissions, or incidents occurring during or related to the management by Agent under this Agreement; provided, however, that the foregoing indemnification shall not extend, with respect to any Agent Indemnatee, to any Damages that are caused by such Agent Indemnatee's criminal acts, willful misconduct, gross negligence, or material breach of this Agreement by Agent. The Association's obligation to defend, indemnify, and hold harmless any Agent Indemnatee is subject to the condition that as to any particular event: (x) the Agent Indemnatee shall notify the Association in writing as soon as practicable after notice of any such claim is received, and (y) no Agent Indemnatee shall take any steps which could prejudice the defense thereof or otherwise prevent the Association from fully conducting such defense. In the event a claim is made or an action or proceeding is brought against an Agent Indemnatee but not the Association, or legal ethical requirements would require separate counsel for an Agent Indemnatee to adequately protect its interests, the choice of such counsel shall be made by Agent, subject to the prior approval of the Association, which approval shall not be unreasonably withheld. The Association shall promptly pay the costs of such counsel. The provisions of this Section shall survive the termination of this Agreement.

14. INSURANCE. The Association will, at its sole cost and expense, maintain in full force and effect the following insurance coverages:

- (a) Comprehensive general liability coverage with limits of no less than \$1,000,000, and \$2,000,000 in the aggregate;
- (b) Umbrella or excess liability insurance with limits of no less than \$5,000,000 per occurrence and in the aggregate;
- (c) Directors and officers insurance with limits of no less than \$1,000,000 per occurrence and in the aggregate;
- (d) Fire and extended coverage for all Association Property; and
- (e) Coverage for all claims related to the employment of employees, whether those of Agent or the Association.

The Association shall name Agent as an additional named insured on the Association's policies of comprehensive general liability, umbrella or excess liability, directors and officers, and employment-related insurance, and said insurance policies will cover Agent for any and all claims and losses indemnified by the Association pursuant to this Agreement. The Association shall provide Agent with insurance certificates identifying Agent as additional named insured showing the amount of coverage to be furnished to Agent.

The Association's general liability insurance coverage and umbrella or excess liability coverage shall be the primary insurance with respect to Agent and its officers, directors, and employees. Any insurance or self-insurance maintained by Agent shall be in excess of, and not contributing with, the Association's insurance.

If the Association fails to maintain insurance coverages as specified above, Agent, at its discretion and upon written notice to the Board, will be released from this Agreement, and the Association will pay Agent an early termination payment equal to three (3) months of the Management Fee.

15. TERMINATION. This Agreement may be terminated by:

- (a) Written notice of an intent not to renew not more than ninety (90) days and not less than sixty (60) days prior to the expiration of the then current term of the Agreement;
- (b) Mutual written consent of Agent and the Association;
- (c) Delivery of written notice to the other party (the "**Defaulting Party**") in the event that the Defaulting Party has breached this Agreement, and the Defaulting Party's failure to cure or make diligent efforts to cure, within thirty (30) days after delivery to the Defaulting Party of such notice; or
- (d) Written notice from Agent to the Association in the event that there are insufficient operating funds to continue the operation of the Association, and continuation of such deficiency for a period of ten (10) days after such notice.

Any termination of this Agreement for any reason shall be effective on the last day of the month. Except for termination pursuant to Section 15(b) or termination pursuant to Section 15(c) where Agent is the Defaulting Party, the Association shall be responsible for all Management Fees and fees for Periodic Routine Services and Non-Routine Services through the end of the Initial Term or Renewal Term. All such fees shall be paid no later than five (5) business days prior to the termination date. Agent, in its sole discretion, shall have the right to suspend services under the terms of this Agreement after thirty (30) days of non-payment by the Association until such time as payment is received in full by Agent.

16. TRANSITION. After receipt of a Notice of Termination, or sixty (60) days prior to the expiration of the Agreement should either party elect not to renew the Agreement, and except as otherwise mutually agreed by Agent and the Association, Agent shall:

- (a) Begin the process of transition to the party identified and authorized by the Board;
- (b) Be entitled to reimbursement of costs relating to turnover of records, such as expenses for file folders, boxes, labels, etc., necessary to transition the records in an orderly manner;
- (c) Unless otherwise instructed in writing, pay all invoices for which the Association is responsible which have been received by Agent as of the date of the last routinely scheduled disbursement prior to the last day of the term of the Agreement, except for any invoices in dispute. Agent shall not be responsible in any manner for sums due others by the Association. With respect to any invoices or outstanding sums due Agent which are in dispute, a separate escrow account equal to the amount of such invoices or outstanding sums may be established by Agent from the Association's funds in order to secure payment. As to any other invoices in dispute by the Association, the Association agrees to retain ultimate responsibility to the provider of such services or goods represented by such invoice. Additionally, the Association shall bear the costs of any legal action between itself and the vendor, should such occur, and the Association shall hold harmless and defend Agent from any such obligations. Upon discharge of all obligations as herein cited, any remainder in the escrow account shall become the property of the Association; and
- (d) Arrange, at the Association's expense, for the Association's accountant to conduct a transition audit immediately following the last day of the term of the Agreement. Agent agrees to assist the auditor at no additional expense to the Association, provided the audit is initiated within thirty (30) calendar days and concluded within sixty (60) calendar days of the term of the Agreement. Thereafter, Agent shall be entitled to compensation at the hourly rates stipulated in Exhibit A for such time as the auditor requires of Agent. Audits will be conducted in Agent's principal office, and auditors will coordinate with Agent for scheduling purposes. Agent shall be provided with a full copy of the final audit provided to the Association.
- (e) Submit to the Association copies of any outstanding invoices due and owed by the Association to Agent. Agent then is authorized to effect automatic withdrawal of an amount equivalent to one (1) month's Management Fee, which will require no further action by the Board, from the Association's financial account to be held in escrow for disbursement against any of the aforesaid outstanding invoices. Once all outstanding invoices due and owed by the Association to Agent are paid in full, any outstanding balance of funds held in escrow shall be returned to the Association.

17. DIGITAL PRODUCTS.

- (a) Within a reasonable period after the execution of this Agreement, Agent will cause an interactive digital product (the "**Digital Product**") to be made available to the Association that will contain information specifically related to the Association. Access to most areas of the Digital Product will be password protected, for the free and exclusive use of the Association's residents who register for this service through the Digital Product. The Digital Product will be operated and maintained by Agent or its service providers and available by hyperlink from Agent's website. The Digital Product will provide various communication tools, which may include directories, calendars, surveys, and forums. All data submitted to the Digital Product by the Association residents and all content contributed by the Association shall be the property of the Association and are hereby licensed to Agent for use in operating and maintaining the Digital Product and related services. The Digital Product and all computer programs and code used in the operation of the Digital Product, as well as all intellectual property rights therein, shall be the sole and exclusive property of Agent. Revenue generated from the Digital Product through Association-solicited advertising will be the sole property of the Association. All other revenue shall be the sole property of Agent. Associa sponsored programs, including but not limited to Associa Advantage, and Associa Supports Kids, are not Association-solicited advertisements as contemplated by the revenue sharing language above.
- (b) The Digital Product may contain links to other websites. Use of these websites is at the user's own risk. Agent is not responsible for and does not endorse the content, products, or services of any third

party websites and does not make any representations regarding their quality, content, or accuracy. Agent is not liable for the materials, information, and opinions provided on, or available through, the Digital Product (the “**Site Content**”). Reliance on the Site Content is solely at the user's own risk. Agent disclaims any liability for injury or damages resulting from the use of any Site Content. The Digital Product, the Site Content, and the products and services provided on or available through the Digital Product are provided on an “AS IS” and “AS AVAILABLE” basis. Agent makes no warranty or representation with respect to the quality, accuracy, or availability of the Digital Product and disclaims all warranties of any kind, express or implied, including any warranties of merchantability, fitness for a particular purpose, or non-infringement. In no event will Agent or its licensors or contractors be liable for any damages of any kind, under any legal theory, arising out of or in connection with the use of, or anyone's inability to use, the Digital Product, the Site Content, or any services provided on or through the Digital Product or any linked site, including any direct, indirect, incidental, special, consequential, or punitive damages.

- (c) Cancellation of the Digital Product requires thirty (30) days' written notice by the Association. In the event of the cancellation of the Digital Product, Agent will cause the Digital Product to be shut down. If the Association had a domain name managed by Agent, Agent will transfer the domain name to a designated Association contact at no fee.
- (d) Exhibit A sets forth the fees that shall be paid by the Association for the Digital Product.

18. STATUS OF AGENT. All legally binding instruments shall be executed by the Board's President, Vice President or other authorized designee unless there is an emergency or unless Agent is specifically directed in writing or by Board resolution to execute such instruments on behalf of the Association, in which case only Agent's President is authorized by Agent to execute such instruments

19. AGENT'S RELATIONSHIP TO OTHER ENTITIES. As a benefit to its clients, Agent may engage in agreements with third-parties to help subsidize, reduce or eliminate costs normally incurred by the Association. Agent has various affiliations and business arrangements, including the following:

- (a) Exhibit B (as updated from time to time by supplemental disclosure, amendment or as published on Agent's website) contains a list of:
 - i. Certain entities (“**Affiliated Entities**”), as of the date of this Agreement, that may perform or deliver goods or services (other than management services) to the Association and with which Agent is affiliated.
 - ii. Certain financial institutions (“**Partner Institutions**”) with which Agent has established partnerships intended to secure the provision of reliable and cost efficient banking services for Agent's client associations. Under depository services agreements with the Partner Institutions, in consideration for the maintenance of deposits by Agent's clients, the Partner Institution agrees to provide depository and commercial banking services to Agent's clients without charge and also provides the Agent with cost renumeration for any additional account maintenance costs incurred by Agent (i.e. deposit processing, transaction reconciliations, exception processing, software integrations, etc.).
- (b) Agent or its affiliates may earn a profit as a result of operating purchasing plans and programs, the purpose of which is to provide price and quality benefits to the Association and/or its residents. Purchase of any product and/or service which is part of any program or marketing plan operated by Agent or its affiliates is voluntary and is not in any manner required by the provisions of this Agreement.
- (c) Agent or its affiliates may receive fees from vendors in exchange for Agent's dissemination of marketing information about such vendors to Agent's managed associations (including the Association) and their residents.

The Association acknowledges the disclosure of the relationships, affiliations, and activities described above and agrees that such relationships, affiliations, and activities do not constitute a violation of this Agreement or a conflict of interest.

20. JURISDICTIONAL REQUIREMENTS. Agent shall take action as may be necessary to comply promptly with any and all orders or requirements affecting the Property placed thereon by any federal, state, county or municipal authority having jurisdiction over the Association. Agent shall not be obliged to take any action under the provisions of this Section in any event for which Board approval has been requested and not provided, nor whenever the Association is contesting or has affirmed its intent to contest any jurisdictional order or requirement. In the event Agent is so relieved

of its obligations, the Association shall hold Agent harmless from and indemnify Agent against any and all consequences of such failure to comply.

21. NO WAIVER. Except as otherwise provided herein, no action or failure to act by either of the parties shall constitute a waiver of any right or duty according any of them under this Agreement, nor shall any such action or failure to act constitute a continuing waiver or an approval of any breach hereunder, except as may be specifically agreed in writing.

22. NO THIRD PARTY BENEFICIARIES. As stated herein, this Agreement is by and between the Association and Agent, and there are no third party beneficiaries intended by the terms of this Agreement, and no such beneficiary status shall be implied to any individual or entity other than the Association. An individual or entity's status as a member of the Association or a resident of the Property shall not confer standing to enforce the terms of this Agreement.

23. ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Agent shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business or a transfer to an affiliated company. In the event of a sale, Agent shall be released from all liability hereunder upon the expressed assumption of such liability by its assignees

24. CHOICE OF LAW. This Agreement shall be construed in accordance with the laws of the state in which the Property is located. In the event any litigation is initiated to enforce any provision of this Agreement, the substantially prevailing party as determined by the court shall be entitled to recover reasonable attorneys' fees and costs incurred in the litigation.

25. SEVERABILITY. The invalidity in whole or in part of any provision(s) in this Agreement shall not affect the validity of the remaining portions or the application of such provisions in different circumstances.

26. NOTICES. All written notices required under the Agreement shall be in writing and mailed by Certified Mail, Return Receipt Requested, or by receipted hand delivery to the addresses provided at the end of the Agreement. Notice shall be effective upon delivery, except for notice of change of address which shall be effective upon receipt.

27. AMENDMENTS. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless in writing and signed by both a duly authorized representative of Agent and a duly authorized representative of the Association.

28. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties prior to this Agreement and contains the entire agreement of the parties. No oral or written statements whatsoever prior to the execution hereof shall be considered a part hereof.

29. SIGNATURE. The manual signature of either party that is transmitted to the other party by facsimile or PDF shall be deemed for all purposes to be an original signature. Either party that delivers a signature page by facsimile or PDF agrees to deliver an original, manually-signed counterpart of such party's signature page to the party who requests it promptly after receipt of such request.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

ASSOCIATION:

Date: 11/24/2023 | 11:17 AM CST

By: Erik Calderon

Name: Erik Calderon

Title:

Address: 12633 Memorial Dr, Houston, Texas, 77024 United States

AGENT:

Date: 11/26/2023 | 6:17 AM PST

By: John Miller

Name: John Miller

Title: Branch President

Address: 4700 West Sam Houston Parkway North, Suite 100,
Houston TX 77041 United States

Exhibit A**Itemized Charges for Periodic Routine Services***Menu of Services*

Effective January 1, 2024

Item	Charge
Records Storage	\$5.00 per box per month (standard bankers size)
Electronic Record Storage, Electronic Record Security, Technology Fees	\$.99 per unit per month
Records Delivery/Retrieval from Storage, if applicable	Pick up \$20.00; Delivery fees + \$5.00 per box; \$5.00 per new box supply fee
Supplies/Direct Pass Expense	Cost plus 25%
Materials Reproduction (copies/scanning)	\$.25 per page - black/white; \$1.00 per page - color
Envelopes	\$.25 each; #10 Envelope (standard letter)
Folding and Stuffing	\$1.00 each all nonstandard sizes
Postage	USPS postage rate
Notice by Certified Mail	\$25.00 including USPS postage
Account Maintenance Fee	\$1.15 per unit per month
Coupon Books and Statements	Coupon Books and Statements included in Account Maintenance Fee \$11.00 Replacement Coupon Book \$1.15 per Electronic Billing Statement
Returned Checks	\$35.00 per check, billed back to owner
Check Stock	\$2.00 each
Emergency Checks	\$25.00 each
Notary Services	\$6.00 per notice
1099 Processing	\$25.00 each
Direct Debit Processing	Included in the Base Management Fee.
Reservation Fee (Clubhouse/Pool)	\$20.00 per reservation; No charge if performed by onsite staffing.
Access System Monitoring/Management	\$50.00 per month; No charge if performed by onsite staffing.
Pool, Gate, Parking, or Recreation Pass/Device and/or Homeowner Directory Update	\$3.50 each (If processed by Branch/Corporate staff); No charge if performed by onsite staffing.
Return Mail Processing	\$3.50 each piece to include CAD search; No charge if performed by onsite staffing.

Delinquency Processing (per Texas state statute)-billed back to homeowners

Late Statement/Friendly Reminder	\$3.25 each
First Demand Letter	\$20.00 each
Title Search (billed back to owner)	\$70.00 each
Intent to Lien (billed back to owner)	\$60.00 each
Lien (Billed back to owner)	\$165.00 each
Final Demand Letter (billed back to owner)	\$35.00 each
Attorney Turnover Process (billed back to owner)	\$50.00 each
Monthly Delinquency Fee/Handling Charge ***Associa collects when the owner pays the fee	\$10.00 per month per delinquent unit
3 rd Party Credit Bureau Filing (billed back to owner as pass through) ***Associa collects when the owner pays the fee	\$60.00+tax

Architectural Administration and Compliance	
Application Processing: Compliance, ARC or ACC, Townsq Processing	\$25.00 per application (can be paid by resident)

Non-Routine, Special and Alternative Services	
Education & Training Programs: Board and Association Employees	Included in the Base Management Fee
TownSq Voting Platform	\$250 flat rate per voting instance
Loan Placement Fee (negotiation / securing loan for client)	1% of loan value
Newsletters, and/or Directory Production	Fee to be quoted
Special Assessment Administration	\$5.00 per unit per month
Agent's Senior Staff (VP's, Division Directors)	\$175.00 per hour
Agent's Managers	\$100.00 per hour
Agent's Staff	\$60.00 per hour
Meeting Time exceeding 2.0 hours Contract includes two hours meeting time for Board Meetings and Annual Membership Meeting, as stated in Section 7(b).	\$100.00 per hour
Meeting Attendance-Friday, Saturday, Sunday	\$300.00 flat fee + \$100.00 per hour
Court and Deposition Appearances	\$150.00 per hour
Policies, Other Governing Document and Mandated Filings	\$75.00 plus postage and filing fees
Transition Out Admin Fee	\$500
Management Certificate (New and Amended)	\$250.00 plus filing fees
Management Certificate Annual Review (if not amended)	\$50.00
Secretary of State Filing	\$25.00
Project Oversight (Administration and Support)	10% of the total project
Hearing Appeal preparation/administration	\$150.00
Tax Return Process	Market Rate
Tax Return Admin Fee (if non partnered CPA used)	\$75
Franchise Tax Report Preparation/Filing or Franchise Tax Exemption Preparation/Filing	\$250.00

Legacy Account Closing, Post Closing, Resale and Disclosure Certificates	
Exterior Inspections: <i>Covenants Compliance Inspections</i>	Statute or Market Rate+ postage, mileage, delivery
Legacy Account Closure Fee	Market Rate
Post-Closing Fee (Developer-new unit sale)	Market Rate
New Owner Account Set-Up Fee	Market Rate, billed back to owner
Completion of FHLMC "Addendum B" (Form 465) or Other Federal Mortgage Agency Forms or Letter	Market Rate

Website (Optional)	
Monthly Charge	\$60.00
Basic Set Up Fee	\$300.00
Domain Name Transfer and Basic Set Up Fee	\$250.00
New Domain Name and Basic Set Up Fee	\$250.00 plus cost of domain name registration

Additional services are provided as may become available at the prevailing rate or as mandated by law. All fees listed on this Exhibit A are subject to reasonable change, from time to time, without prior notice.

Exhibit B

Affiliated Entities

Advanced Technology Group, Inc.
Amtek Engineering Services, LLC
Architectural Review Corporation
Associa Abstract Services, Inc.
Associa Advantage, Inc.
Associa Client Shared Services Center, Inc.
Associa Community Watch
Associa Developer Services, Inc.
Associa Digital Services, Inc.
Associa Financial Solutions, Inc
Associa Green
Associa OnCall
Associa Supports Kids
Association Capital Advisors
Associations Insurance Agency, Inc.
Avid Xchange, Inc
Comdata
Community Archives, Inc
Community Credit Tracker, Inc.
Community Policyholders
HOA Collection Services, Inc.
HOAM Ventures, Inc.
Lincoln Hancock Restoration, LLC
Lincoln Hancock Restoration, LP
Optimal Outsource, Inc.
PayLease
Platinum Title Services, LLC
TownSq
Urjanet

Partner Institutions

Alliance Association Bank
Bank United
CIT Bank
City National Bank
Enterprise Bank & Trust
First Associations Bank
Harmony Bank
New First Bank
Mutual of Omaha Bank
Pacific Premier Bank
Pacific Western Bank
Union Bank

*This Exhibit B shall be updated from time to time by supplemental disclosure, amendment or as published on Agent's website and shall be deemed to include such updates.

Certificate Of Completion

Envelope Id: 0E8FCAFC26D94B8C92CF005BFCB2804A

Status: Completed

Subject: Signature Request for Principal Management Group of Houston_The Pines Condominiums Association, Inc.

Source Envelope:

Document Pages: 14

Signatures: 2

Envelope Originator:

Certificate Pages: 5

Initials: 0

Veronica LeBlanc

AutoNav: Enabled

veronica.leblanc@associa.us

Envelope Stamping: Enabled

IP Address: 209.112.106.2

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Record Tracking

Status: Original

Holder: Veronica LeBlanc

Location: DocuSign

11/22/2023 11:33:49 AM

veronica.leblanc@associa.us

Signer Events**Signature****Timestamp**

Erik Calderon

escalderson@gmail.com

Security Level: Email, Account Authentication
(None)*Erik Calderon*

Sent: 11/22/2023 11:46:26 AM

Resent: 11/22/2023 12:34:17 PM

Viewed: 11/22/2023 12:42:04 PM

Signed: 11/24/2023 9:17:22 AM

Signature Adoption: Pre-selected Style

Using IP Address: 73.255.46.25

Electronic Record and Signature Disclosure:

Accepted: 11/22/2023 12:42:04 PM

ID: f419f290-55e9-4f4a-8596-497a084c6d95

John Miller

jmiller@pmghouston.com

Branch President

Security Level: Email, Account Authentication
(None)*John Miller*

Sent: 11/24/2023 9:17:24 AM

Viewed: 11/26/2023 6:16:42 AM

Signed: 11/26/2023 6:17:02 AM

Signature Adoption: Uploaded Signature Image

Using IP Address: 12.69.190.13

Electronic Record and Signature Disclosure:

Accepted: 7/5/2022 5:39:53 AM

ID: a9050505-09de-4c7b-8b50-07b7aafc8a8

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Angela Wise

Angela.Wise@associa.us

Security Level: Email, Account Authentication
(None)**COPIED**

Sent: 11/26/2023 6:17:03 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
<p>Surina Wright Surina.Wright@associa.us Vice-President Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 6/28/2021 12:14:56 PM ID: 15517ddc-3983-4d5f-ac2e-3a7779fab3bb</p>	COPIED	Sent: 11/26/2023 6:17:04 AM
<p>Harold Albaugh HAlbaugh@pmghouston.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 11/26/2023 6:17:04 AM
<p>Natanael Herrera NHerrera@pmghouston.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 11/26/2023 6:17:05 AM
<p>Sarai Sloan sarai.sloan@associa.us Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 11/26/2023 6:17:06 AM
<p>Erica Morgan Erica.Morgan@associa.us Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 11/26/2023 6:17:06 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	11/22/2023 11:46:26 AM
Envelope Updated	Security Checked	11/22/2023 12:34:11 PM
Certified Delivered	Security Checked	11/26/2023 6:16:42 AM
Signing Complete	Security Checked	11/26/2023 6:17:02 AM
Completed	Security Checked	11/26/2023 6:17:06 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Associa (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Associa:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: colleen.burnsed@associa.us

To advise Associa of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at colleen.burnsed@associa.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Associa

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to colleen.burnsed@associa.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Associa

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to colleen.burnsed@associa.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Associa as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Associa during the course of your relationship with Associa.