

MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into as of this 30th day of June, 2001, by and between the HUNTER'S PARK HOMEOWNERS ASSOCIATION, a nonprofit corporation formed under the laws in the State of Texas, hereinafter called the "Association", and CANION - HICKS ENTERPRISES, INC. dba CLC PROPERTY MANAGEMENT COMPANY, a corporation formed under the laws in the State of Texas, hereinafter called the "Agent." In consideration of the terms, conditions and covenants set forth, the Association and the Agent mutually agree as follows:

1. APPOINTMENT OF MANAGING AGENT. The Association hereby appoints Agent and Agent hereby accepts the appointment on the terms and considerations hereinafter provided as exclusive Agent of the Association. Agent shall make its best effort to supervise the management of the property in accordance with the highest standards achievable, consistent with the overall policies established by the Association and the applicable budget approved by the Association from time to time.

2. TERM. The initial term of this Agreement shall be one (1) year commencing August 1, 2001 and ending July 31, 2002. Either party to this Agreement may terminate this Agreement by giving the other party at least thirty (30) days written notice of such termination, which notice shall state the default on which such notice is founded.

3. COMPENSATION. The Association shall pay Agent, as compensation for the services to be performed hereunder, the sum of \$200.00, (Two Hundred and No/100 Dollars), per month. Compensation shall begin on August 1, 2001. All future compensation shall be payable on the first of each month, and shall continue on a monthly basis for the term of this Agreement.

4. NECESSARY PERSONNEL. On behalf of the Association, and based upon the Budget, job standards and wage rates approved by the Association, Agent shall investigate, hire, pay, supervise and discharge all on-site personnel necessary to be employed by the Association

in order to properly maintain, repair, replace, administer and otherwise operate the Property, hereinafter called "necessary personnel". All compensation for the services of such necessary personnel shall be paid by and be considered an operating expense of the Association.

Notwithstanding the foregoing, all such necessary personnel shall be supervised, in every instance, exclusively by the Agent, unless otherwise directed by the Board of Directors for the Association.

5. DUTIES AND SERVICES. Agent shall perform the following duties and services as well as those Duties and Services included in Appendix "A":

- (e) Collect and receive all annual assessments, special assessments and other charges due to the Association from its members, and collect and receive any sums, which may become due from Property Owners for other services or the use of facilities provided by the Association. The Association hereby authorizes the Agent to request, demand, collect, receive and receipt for any and all assessments, charges, rents or other such sums which may at any time be or become due to the Association, and to take such action with respect thereto as the Association may have at any time against any Property Owner for unpaid assessments.
- (f) Cause the Property to be maintained according to recognized standards, including repair work as may be necessary, subject to limitations imposed by the Association in addition to those contained herein. The Association hereby authorizes Agent to enter into agreements on behalf and in the name of the Association for the purpose of maintaining the property according to said standards. Except as provided below, Agent shall not cause the Association to incur any cost other than as provided in the Budget or except as otherwise specifically approved by the Association, provided however that, notwithstanding the foregoing, Agent may cause the Association to incur any cost or expense for any emergency repair or replacement which may be necessary for the preservation and safety of the Property or any part thereof, or the safety of its Occupants, or which may be required to avoid the suspension of any

vital service to the Property or its Occupants. It is specifically understood that Agent shall not cause the Association to incur any capital expenditure (as determined under standard accounting practices) unless set forth in the Budget or otherwise specifically approved by the Association.

- (c) Take such action as may be necessary to promptly comply with any order or requirement, affecting the Property, by any governmental agency having jurisdiction thereof, unless the Association gives Agent specific notice that it intends to contest such order or requirement and specifically instructs Agent not to comply with same. Agent promptly shall notify the Association of any such order or requirement upon Agent's receipt of actual notice thereof, and shall promptly submit to the Association, a copy of such notice received in written form by Agent.
- (g) From the funds of the Association, cause to be paid regularly and punctually:
 - a. All taxes due and payable by the Association, subject to the provisions of paragraph 8 below,
 - b. Cost of postage shall be charged back to the Association,
 - c. All sums which become due and payable constituting operating costs, expenses or other obligations incurred by Agent on behalf of the Association, including without limitation, Agent's compensation hereunder; and,
 - d. Such other amounts or charges as may be authorized by the Association from time to time.
- (h) In conjunction with such accounting personnel as may be employed by the Association, prepare for execution and filing by the Association, all forms, reports, and returns required by law in connection with unemployment insurance, Workmen's Compensation insurance, disability benefits, social security, withholding taxes and other similar taxes not in effect or hereafter imposed; and such other

required forms, reports and returns as may relate to the management of the Property and the employment of necessary personnel by the Association.

- (f) Maintain a system of accounts in accordance with accepted practices, which records shall be subject to examination by the officers, directors and duly authorized agents of the Association during reasonable business hours. On a monthly basis, Agent shall submit to the Association, a statement of the receipts and disbursements with respect to the Property during the prior month.
- (g) Prepare and submit to the Association such information as the Association may reasonably request for its use in preparing an annual budget of anticipated receipts and disbursements with respect to the Property, to serve as the basis upon which the Board of Directors of the Association may establish the annual assessment to be paid by Property Owners.
- (h) Provided such insurance has been specifically authorized and approved by the Association in writing, cause to be placed and kept in force any and all insurance necessary to protect the Association, with limits approved by the Association, including without limitation, Workman's Compensation insurance, public liability insurance, plate glass insurance, boiler insurance, fire and extended coverage insurance and burglary and theft insurance.
- (i) Promptly investigate and notify the Association of any accident or claim for damages which Agent has actual notice of, relating to the ownership, operation and maintenance of the Common Elements of the Property, including any damages or destruction thereto, and cooperate with and make such reports as are required by an insurance company in connection therewith.
- (j) Agent shall make reasonable efforts to assure compliance by the Property Owners and Occupants of the Property, with the Declaration, the By-Laws of the Association and such rules or regulations established by the Association from time to time.

(k) Examine, supervise and keep the Board of Directors of the Association advised regarding the status of all common area contract services related to the Property.

6. GENERAL AUTHORITY. The Association hereby authorizes Agent to:

(a) Enter into agreements on behalf of the Association for water, electricity, gas, telephone, vermin extermination, and any such other services as may be necessary or as the Association may determine advisable. All such agreements shall be in the name of the Association.

(b) Cause to be placed and kept in force any and all insurance authorized and approved by the Association in writing and necessary to protect the Association, including, but not limited to, insurance listed in paragraph 5 (h) above. All such insurance shall be placed and kept in force in the name of the Association.

7. BANK ACCOUNTS. The Association authorizes Agent to establish in a manner as to indicate the trust or custodial nature thereof, and to maintain the funds of the Association on deposit in one or more accounts, and in one or more banks having deposits insured by the Federal Deposit Insurance Corporation. The Association hereby authorizes Agent to prepare checks to discharge any liabilities or obligations incurred by the Association or Agent pursuant to this Agreement (including without limitation, the Association's obligations hereunder to pay Agent's compensation). All such liabilities or obligations shall be paid out of said account, and if the funds on deposit in said account are inadequate, the Association agrees to provide additional funds.

8. TAXES. The Agent assumes responsibility for and shall prepare and file all tax returns related to the Property. The Association shall assume responsibility for and shall make such payment as may be required in connection therewith, including, but not limited to, federal, state and local income tax returns and returns in connection with capital stock taxes, franchise taxes and personal property taxes.

9. MEETINGS. Unless directed otherwise by the Board of Directors for the Association, at least one employee of Agent shall attend each annual, quarterly, monthly or special meeting of the Board of Directors and each annual meeting of the Property Owners.

10. AGENT'S SCOPE OF DUTY. All acts performed by Agent pursuant to the provisions of this Agreement shall be performed solely as Agent on behalf of the Association, and all obligations or expenses thereby incurred shall be solely for the account of, and on behalf and at the expense of, the Association. Agent shall not be obligated to make any advances to or for the account of the Association, or discharge any liability or obligation of the Association unless the necessary funds for discharging the same are provided to the Agent, in accordance with paragraph 7 hereof. Agent's duties, obligations and responsibilities shall not encompass any involvement with construction details or any other work that may be necessary for any Property Owner. Agent's duties, obligations and responsibilities under this Agreement are limited and restricted to the management of the Common Elements of the Property.

11. INDEMNIFICATION. The Association shall indemnify and hold Agent harmless from and against all operating costs, court costs, attorney's fees, penalties or damages, of any kind whatsoever, incurred in connection with or resulting from:

- (a) the management of the Property, except for any such costs, fees, penalties or damages which are incurred or result from the misfeasance, negligent act or omission of Agent,
- (b) liability arising out of injuries sustained by persons or to property in or about the Property,
- (c) use or occupancy of the Property by any person,
- (e) any violation of federal, state or municipal law, regulation or ordinance and,
- (f) any claim for taxes or other charges, which may be made against Agent by reason of or related to the management of the Property. Amounts payable to Agent hereunder shall be paid by the Association in advance of the final disposition of the matter related thereto, upon receipt of an undertaking by or on behalf of Agent to repay

such amount if it shall ultimately be determined that the Agent is not entitled to be indemnified therefore by the Association, as provided hereunder. The indemnification provided for herein shall not be deemed exclusive of any other rights to which Agent may be entitled, and shall continue after Agent has ceased to be employed under this Agreement.

12. NOTICES. All notices desired or required to be sent pursuant to the provisions of this Agreement shall be in writing and shall be either delivered personally or deposited in the United States Mail, sent certified, return receipt requested, addressed as follows:

If to the Association: HUNTER'S PARK HOMEOWNERS ASSOCIATION

Carolyn Huppertz, President
1206 Hunters Park Way
Houston, TX 77055
(This will be updated from time to time)

If to the Agent: CLC PROPERTY MANAGEMENT COMPANY
1311 Antoine, Suite #219
Houston, Texas 77055

or addressed to such other address as the party to receive such notice may direct, from time to time.

13. CAPTIONS. The captions and heading of various paragraphs of this Agreement are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

14. DEFINITIONS. Any reference in this Agreement to any action, approval, authorization or determination by or right of the "Association" shall be deemed to refer, respectively, solely to the action, approval, authorization or determination of or the right

assertable by the Association acting by its duly elected Board of Directors, pursuant to resolution duly adopted thereby, or by its duly authorized officer. Except as otherwise provided herein, the terms used in this Agreement shall have the same definition as set forth in the Declaration, to the extent such terms are defined therein.

15. SEVERABILITY. If any provision in this Agreement is found by a court of a competent jurisdiction to be illegal, invalid, unlawful, void or unenforceable as then written, it is the parties' intent that such provision shall be given force to the fullest possible extent that it is legal, valid, lawful and enforceable; that the remainder of this Agreement shall be constructed as if such illegal, invalid, unlawful, void or unenforceable provision were not contained therein; and that the rights, obligations and interests arising under the remainder of this Agreement shall continue in full force and effect.

16. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties as to the subject matter hereof. All prior negotiations and all prior understandings and agreement with respect to such subject matter are hereby deemed merged into this Agreement. Amendments, revisions and riders hereto, if any, shall be deemed binding only if in writing and executed by all the parties to this Agreement.


17. REVISION OF AGREEMENT. This Agreement shall be reviewed annually and adjusted on the basis of negotiation between the parties, as stated in a written agreement.

IN WITNESS THEREOF, each party hereto has caused this Agreement to be executed on its behalf by its responsible officer as of this date and year first above written.

HUNTER'S PARK HOMEOWNERS
ASSOCIATION

CLC PROPERTY MANAGEMENT COMPANY

By: 

By: 
Kenneth G. Hicks, President

APPENDIX "A"
DUTIES AND SERVICES REQUIRED BY
HUNTER'S PARK HOMEOWNERS ASSOCIATION

FISCAL MANAGEMENT

1. Payment of all invoices for budgeted or otherwise authorized expenditures after verifying their accuracy and satisfaction with services performed.
2. Handle negotiations with vendors over any bills in dispute.
3. Maintain cash disbursements journal and general ledger.
4. Reconcile bank statements to verify accuracy.
5. Prepare monthly statement of cash receipts and disbursements.
6. Keep Board apprised of all association fee or other delinquencies.
7. Prepare annual budget and analysis of required reserves.
8. Preparation of annual statement of income and expenses.

PHYSICAL MANAGEMENT

1. Agent will assume control of common area. Grounds shall be well maintained at all times in order to protect owner investments and to keep property values as high as possible.
2. Negotiate contracts and supervise all services of landscaping, and other maintenance contractors as required. Inspection of such services will be made at regular intervals.
3. Maintain 24-hour emergency telephone number.
4. Make property inspections of common areas, and advise Board of problem areas.
5. Check references of contractors and submit recommendation for action to Board.

OTHER MATTERS

1. Agent shall prepare statements for annual assessments and mail to Property Owners. The cost of postage shall be charged back to the Association. Additional postage required in connection with the collection of assessments shall be charged back to the Association.