

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is effective as of the April 18th, 2023, by and between VIG REAL MANAGEMENT, LLC, a Texas limited liability company ("Manager") and THE VINTAGE AT LAKE ROAD PROPERTY OWNERS ASSOCIATION, INC., a Texas nonprofit corporation (the "Association").

RECITALS:

WHEREAS, the Association is the property owners' association (as that term is used and defined in Section 202.001 of the Texas Property Code) for The Vintage at Lake Road subdivision in Harris County, Texas (the "Subdivision"), as established under the Declaration of Covenants, Conditions, and Restrictions for The Vintage at Lake Road Subdivision, recorded under Clerk's File No. 804989970, Official Public Records of Harris County, Texas (the "Declaration"); and

WHEREAS, the Association desires to engage Manager to assist the Association in the management of the Subdivision, and the Manager desires to be so engaged pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Association and Manager hereby agree as follows:

ARTICLE 1 APPOINTMENT OF MANAGING AGENT

The Association hereby appoints Manager, and Manager hereby accepts such appointment, on the terms and conditions herein contained, as the Managing Agent of the Association in accordance with the terms and provisions of this Agreement and to otherwise perform the obligations as hereinafter set out.

ARTICLE II RESPONSIBILITIES OF MANAGING AGENT

The role of the Managing Agent is to implement decisions and the policy established by the Board of Directors of the Association. The Board of Directors of the Association has control of all common areas and amenities and is responsible for the administration of the programs, services, and activities of the Association as established in the Association's Governing Documents (as hereinafter defined) and as amplified or clarified by resolution of the Board of Directors. Subject to direction by the Board of Directors of the Association, Manager's functions, duties, responsibilities, and authority may include the following:

1. Administrative Services
 - 1.1 Organize meetings of owners, including the preparation of notices, agendas, and other necessary documents.

- 1.2 Organize meetings of the Board of Directors of the Association, including the preparation of notices, agendas, and other necessary documents.
- 1.3 Guide and assist members of the Board of Directors in the performance of their obligations.
- 1.4 Guide and assist the Board of Directors in the development of policies and procedures.
- 1.5 As requested by the Board of Directors, to the extent practical, assist in the administration of the provisions of the Declaration and the Certificate of Formation, Bylaws, rules and regulations, and policies of the Association (collectively, the "Governing Documents").
- 1.6 Keep all records of the affairs of the Association and the Board of Directors, including, but not limited to, the Governing Documents, minutes of meetings, copies of contracts, financial records, etc., and maintain all such documents in a current status. All such records shall belong to the Association.
- 1.7 Maintain registers of owners, Officers, Directors, and such other register or schedules as may be required by the Governing Documents.
- 1.8 Attend to necessary correspondence.
- 1.9 Assist in resolving individual owner requests as they pertain to the administration of the Association, the common areas, and the Governing Documents.

2. Fiscal Services

- 2.1 Prepare a recommended annual budget at least thirty (30) days prior to year-end. The budget shall be based on prior operating expenditures, estimated future expenses, and required or needed capital reserves. Manager shall not be responsible for any discrepancies between the budget and actual expenses, the budget being an estimate to be used only as a guide. The budget shall be submitted to the Board of Directors for its consideration and adoption.
- 2.2 Account for all assessments and other charges due by or received from owners.
- 2.3 Maintain checking, savings, and other investment accounts in the name of the Association with at least one (1) member of the Board of Directors being amongst the authorized signatories on behalf of the Association and maintain comprehensive records thereof; each of such accounts to be separate and apart from all other accounts of Manager and the amounts therein not to be commingled with any other funds controlled by Manager.
- 2.4 Mail notice of delinquency to any owner in arrears and take such reasonable action for the collection of the delinquent assessments and for other charges or fees due the Association as the Board of Directors may determine in accordance with the Governing Documents and adopted policy procedures.
- 2.5 Make all disbursements from assessments collected for normal recurring expenses. All

capital expenditures shall require Board of Directors approval. Approval shall be deemed on acceptance of the monthly financial statement at the subsequent meeting of the Board of Directors.

2.6 Furnish a monthly financial statement prepared on a modified accrual basis which will include all income and expenses and will reflect the net cash position of the Association.

3. Physical Management

3.1 As authorized by the Board of Directors, direct and order to be done those things, which are necessary to maintain the Subdivision in accordance with the provisions of the operating budget. Manager shall not be responsible for taking any action unless directed by the Board of Directors.

3.2 On behalf of the Association, direct employees dedicated exclusively to the Association, if any. Any employee hired for the Association may be an employee of the Association or of Manager as may be mutually agreed upon. All remuneration payable to such employees and/or salaries, tax, and other expenses payable on account of such employees shall be operating expenses of the Association and shall be paid by Manager out of the funds of the Association.

3.3 As authorized by the Board of Directors, negotiate and execute, on behalf of the Association, contracts for water, electricity, landscaping, trash removal, and such other services for the Subdivision as may be necessary and advisable. Manager shall also purchase on behalf of the Association such equipment, tools, appliances, materials, and supplies for the proper maintenance of the Subdivision. All such purchases and contracts shall be in the name and at the expense of the Association.

3.4 Manager has not been given control of the common areas and amenities and shall not be considered an owner for any purposes. Manager may only implement the decisions of the Board of Directors, and Manager shall not be responsible for determining if the Subdivision follows any and all local, state, and federal laws.

4. Deed Restrictions

4.1 Issue notices of violations to the Subdivision on a twice-monthly basis to record, monitor, and observe deed restriction violations that have been provided by the Board of Directors. This includes entering data and maintenance of the computerized reports of violations, sending notices to owners, maintaining current status of violations, and interacting with the Board of Directors regarding violations.

4.2 Coordinate and assist in the administrative and secretarial functions of the Architectural Control Committee (ACC), including preparation of standard applications, correspondence to owners requesting ACC compliance or completion of applications, and correspondence with the ACC to assist in their functions.

5. Expenditures

Notwithstanding anything to the contrary contained in this Article II and the limitations herein imposed, Manager may, but shall have no obligation, on behalf of the Association without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions, which may involve a danger to life or property, or may threaten the suspension of any necessary service to the Subdivision within a reasonable time of becoming aware of the condition.

6. Clarity of Duties

Everything done by Manager under the provisions of this Article II shall be done as an agent for the Association, and all obligations or expenses incurred hereunder shall be for the account on behalf, and at the expense, of the Association. Any payments to be made by Manager hereunder shall be made out of such sums as are available in the banking or investment accounts of the Association. Manager shall not be obliged to make any advance to or for the account of the Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall Manager be obliged to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided.

7. Degree of Care

Manager shall not be held to a higher degree of care in regard to the performance of its tasks than a Director of the Association as provided in the Texas Business Organizations Code. Specifically, Manager shall discharge its duties, in good faith, with ordinary care, and in the manner that Manager believes to be in the best interest of the Association. Manager is not deemed to have the duties of a trustee of a trust with respect to the Association, its members, Officers, and Directors. Similarly, Manager shall not be deemed to be a trustee for any of the tasks that it shall perform for the Association, including, but not limited to, those tasks set out in this Agreement.

ARTICLE III INSURANCE

1. Manager shall cooperate in investigating and reporting all accidents or claims for damage relating to the Association's ownership, operation, and maintenance of real or personal property within the Subdivision and shall prepare claims when required and follow up on payment.

2. Manager agrees to carry at its own expense:

2.1 Worker's Compensation Insurance in compliance with Texas Employers Liability Act and all amendments thereto.

2.2 Public Liability Insurance with minimum limits of liability of \$1,000,000.00.

2.3 Auto Liability Insurance.

2.4 Crime and Dishonesty Insurance of \$500,000.00.

3. The premium in regard to any increase in the amount or coverage set forth in Section 2 above required by the Association shall be paid by the Association and shall be considered as an expense of the operation of the Subdivision.

4. Manager shall be named an additional insured on the Association's general liability insurance policies and Directors' and Officers' liability insurance, which policies shall be maintained in full force and effect during the entire term of this Agreement and in such amounts as the Association and Manager may agree. The Association's insurance shall be considered primary coverage for the benefit of Manager.

ARTICLE IV TERM OF AGREEMENT

This Agreement shall commence on the date first written above and shall continue for a period of five (5) years. If neither party has given the other at least ninety (90) days' prior written notice of its desire to terminate this Agreement at the end of the initial term, then the term shall be automatically renewed for an additional term and such renewals shall continue on that basis unless terminated as hereinafter provided. Manager may terminate this Agreement on at least sixty (60) days' prior written notice given to the Association. Manager is hereby authorized and directed to take such action as may be necessary to fulfill and/or complete any obligations that accrued or arose prior to such terminations.

ARTICLE V COMPENSATION

For Manager's services under this Agreement, Manager shall receive the amounts specified in Exhibit "A" attached hereto, which amounts shall be payable monthly in advance. Manager is authorized and directed to deduct or obtain payment of such compensation when due from the Subdivision's funds regardless of any other payments then required to be made.

ARTICLE VI MISCELLANEOUS

1. Notices

Any notice or communication hereunder must be in writing, and shall be personally delivered, or sent by email or facsimile, or by registered or certified mail, return receipt requested, and if given by registered or certified mail, same shall be deemed to have been given and received three (3) days after its mailing, postage prepaid to the address listed below. Such notices or communication shall be given to the parties hereto at the following address:

To the Association: The address of the Registered Agent of the Association

To Manager: 4200 Research Forest Dr., Ste. 196, The Woodlands, Texas 77381

Any party may at any time, by giving ten (10) days' prior written notice to the other party,

designate any other address in substitution of the foregoing address to which such notice or communication shall be given.

2. Hold Harmless/Indemnification

2.1 To the fullest extent permitted by applicable law, the Association shall and does hereby agree to indemnify, protect, hold harmless, and defend Manager, its officers, directors, and employees, hereinafter referred to as "Indemnitees" from and against all claims, demands, damages, injuries, losses, liens, causes of action, suits, judgments, penalties, liabilities, debts, costs, and expenses, including court costs and attorneys' fees (collectively, "Liabilities"), of any nature, kind, or description, whether arising out of contract, tort, strict liability, misrepresentation, violation of applicable law, and/or any cause whatsoever (including, without limitation, claims for injuries to or death of any person, or damages to or loss of any property) of any person or entity directly or indirectly arising out of, caused by, in connection with, or resulting from any act or omission of the Association, any of their respective employees, agents, servants, Officers, Directors, members, or anyone that either the Association controls or exercises control over. The obligations of the Association under this Section shall apply to Liabilities even if such Liabilities are caused in whole or in part by the sole, joint, or concurrent negligence, fault, or strict liability of any indemnities, whether predating this Agreement or not and whether or not such sole or concurrent negligence, fault, or strict liability was active or passive.

2.2 The Association shall promptly advise Manager in writing of any action, administrative, or legal proceeding or investigation as to which indemnification may apply, and the Association, at the Association's expense, shall assume on behalf of Indemnitees and conduct with due diligence and in good faith the defense thereof with board certified civil trial counsel satisfactory to Manager; provided, however, that Indemnitees shall have the right, at their own option, to be represented therein by advisory council of their own selection and at their own expense.

2.3 In the event of failure by the Association to fully perform its obligations in accordance with this Agreement, Indemnitees, at their option, and without relieving the Association of its obligations hereunder, may so perform, but all costs and expenses so incurred by Indemnitees in that event shall be reimbursed by the Association to Indemnitees, together with interest, on the same from the date any such expense was paid by Indemnitees until reimbursed by the Association, at the highest lawful rate of interest allowed under applicable usury laws of the State of Texas (or if no maximum rates applicable, at the rate of eighteen percent (18%) per annum). This indemnification shall not be limited to damages, compensation, or benefits payable under insurance policies. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Section, such legal limitations are made a part of these indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

2.4 The provisions of this Section 2 shall survive the termination of this Agreement, and shall continue in full force and effect subsequent to the termination of this Agreement.

3. Security

Manager shall not in any way be considered an insurer or guarantor of security within the Subdivision, and Manager shall not be held liable for any loss or damage by reason of failure to provide adequate security nor the ineffectiveness of security measures undertaken. The Board of Directors on behalf of the Association, all owners and occupants of any dwelling, tenants, guests, and invitees of any owner, as applicable, acknowledge that Manager does not represent or warrant that any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems (if any are present) will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise, nor that fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems will in all cases provide the detection or protection for which the system is designed or intended. The Board of Directors on behalf of the Association, each owner and occupant of any dwelling, and each tenant, guest, and invitee of an owner, as applicable, acknowledges and understand that Manager is not an insurer and that each owner and occupant of any dwelling and each tenant, guest, and invitee of any owner assumes all risks for loss or damage to persons, to dwellings, to the contents of dwellings, and further acknowledges that Manager has made no representations or warranties nor has the Association, any owner, occupant, tenant, guest, or invitee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire protection, burglar alarm system, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems recommended or installed or any security measures undertaken within the Subdivision.

4. Disclosure

Manager may from time to time have maintenance performed or obtain quotes and/or bids from companies or other entities in which it, its officers, directors, or shareholders may retain a financial interest. At all times, Manager will endeavor to use its best efforts to obtain competitive bids from at least two parties. If, at any time, a bid involves a company or entity which Manager, its officers, directors, or shareholders have an interest, such disclosure will specifically be made at the time the bid is presented to the Board of Directors.

5. Severability

If any provision of this Agreement shall be determined to be invalid and unenforceable to any extent, the remainder of this Agreement, other than that which is determined invalid or unenforceable, shall not be affected thereby, and the remaining provisions hereof shall remain in full force and effect.

6. Applicable Law

This agreement shall be construed in accordance with and enforced under the laws of the State of Texas.

7. Assignment

Manager shall not assign its interest under this Agreement except with the sale of all or a substantial part of its management business. In the event of such assignment, Manager shall be released from any and all liabilities by the Association.

8. Amendments


This Agreement constitutes the full understanding of the parties and no prior or contemporaneous oral or written representations made by either party shall be binding. This Agreement may be modified only in writing signed by the duly authorized representatives of Manager and the Association.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

ASSOCIATION:

THE VINTAGE AT LAKE ROAD
PROPERTY OWNERS ASSOCIATION,
INC.

By: 
Name: ERNESTO GREY
Title: Manager

MANAGER:

VIG REAL MANAGEMENT, LLC


By: 
Name: Veronica Grey
Title: Manager

Exhibit "A"

COMPENSATION

- Property Management Services – \$120.00 per month per building effective the day every property is in possession of the buyers.
- There will be a 3% increase per year starting on June 1st of 2024 until this Property Management Agreement expires.