

Association Management Inc.

**COMMUNITY ASSOCIATION MANAGEMENT
SERVICES AGREEMENT**

This agreement is made and entered into by and between

**BELLAVITA AT GREEN TEE
HOMEOWNERS' ASSOCIATION, INC.**

A Texas Non-Profit Corporation
(The "Association")

and

ASSOCIATION MANAGEMENT, INC.

A Texas Corporation having its registered office at
5295 Hollister Street, Houston, Texas 77040
("AMI")

In respect of that certain community known as

BELLAVITA

(The "Community")

In consideration of the terms, conditions and covenants herein contained, the parties mutually agree as follows:

ARTICLE I

APPOINTMENT OF MANAGING AGENT

- 1.1 The Association hereby appoints AMI and AMI 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 achieve the objectives as hereinafter set out.
- 1.2 The Board of the Association is the primary interface to AMI for all requested actions of AMI and shall be the final authority for any questions relative to requests for actions by committee members or homeowners. The Treasurer of the Board will be the primary contact with the AMI accounting department for resolution and actions relative to financial issues.

ARTICLE II

RESPONSIBILITIES OF MANAGING AGENT

The role of the Managing Agent is to implement the 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 and as amplified or clarified by resolution and approved policies of the Association. Subject to direction by the Board of the Association, AMI's objectives and duties may include the following:

- 2.1 **Administrative Services:**
 - 2.1.1 Organize meetings of Owners, including preparation of notices, agendas, and other necessary documents.
 - 2.1.2 Organize meetings of the Board of the Association, including the preparation of notices, agendas and other necessary documents. AMI shall participate in the regular Board meetings and provide a report of status of the management agent issues and actions at each called meeting.
 - 2.1.3 Guide and assist members of the Board in the performance of their obligations. Additionally, AMI shall provide timely support to Board requests for action. AMI shall also provide support to the Board in resolving homeowner requests and concerns.
 - 2.1.4 Guide and assist the Board in the development of policies and procedures.
 - 2.1.5 As requested by the Board, to the extent practical, assist in the administration of the provisions of the Declaration, Articles of Incorporation, By-Laws, rules and regulations and policies of the Association (the "Governing

Documents") and keep the Board advised of current legal requirements and changes to requirements for an association of this nature of which AMI is or becomes aware.

- 2.1.6 Keep all records of the affairs of the Association and the Board, including, but not limited to, the Governing Documents, minutes of meetings, copies of contracts, financial records, etc. (which initial documents are to be provided to AMI by the Association) and maintain all such documents in a current status. All such records shall belong to the Association. Scan and make available documents and records of the Association and backup all electronic files, minutes, records, and documents with copies as requested by the Board and store these files for the Association.
- 2.1.7 Maintain registers of Owners, Officers and Directors and such other registers or schedules as may be required by the Governing Documents, the initial information for all of which is to be provided to AMI by the Association.
- 2.1.8 Attend to necessary correspondence.
- 2.1.9 Assist in resolving individual Owner requests as they pertain to the administration of the Association, the Common Elements, and the Governing Documents. This shall include providing a 24-hour hot line for

requests, recording and tracking of requests, initiating request actions for resolution, and reporting of requests and actions at each Board meeting. The 24-hour hotline is provided exclusively for emergency situations and purposes.

- 2.1.10 As necessary or required by law file with appropriate legal authorities on behalf of the Association all legal documentation of the Association following adoption by the Board and facilitate a legal review when requested by the Board prior to filing.

2.2 **Fiscal Services:**

- 2.2.1 Assist in the development of the annual budget and any updates during the year. The budget shall be based on prior operating expenditures, estimated future expenses, and required or needed reserves for capital replacement or improvements as determined by the Association. AMI 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 for its consideration and adoption.
- 2.2.2 Account for all assessments and other charges due by or received from Owners. This will include assisting with collection and management of the monthly maintenance fund assessments and other collections. AMI shall issue the maintenance fee

assessment booklets to homeowners, collect and record the payments, maintain accounts receivable records on a current basis, report delinquencies to the Board monthly at Board meetings, and initiate collection procedures for past due accounts in accordance with the Board's duly adopted policies and procedures.

2.2.3 Maintain checking, savings and other investment accounts in the name of the Association at a bank named by AMI with at least two members of the Board being amongst the authorized signatories on behalf of the Association and maintain records thereof; each of such accounts to be separate and apart from all other accounts of Association's served by AMI and the amounts therein shall not to be commingled with any funds of other Associations served by AMI or funds of AMI.

2.2.4 Mail notice of delinquency to an Owner in arrear and take such reasonable action for the collection of the delinquent assessments and for other charges or fees due the Association as the Board may determine in accordance with the Governing Documents and adopted policy procedures.

2.2.5 Make all disbursements from the Association's funds for normal recurring expenses of the Association. All expenditures from the replacement/reserve fund shall require Board

approval. Disbursements for all expenses shall be managed by AMI such that late penalties are not incurred and duplicate payments do not occur. Make all disbursements for the Association's funds for one of a kind contracted expenses after receiving approval from the Board or person authorized by the Board to accept the work. The Association official shall agree in writing (email acceptable form) that the work is complete and the invoice represents the correct amount. AMI shall assume responsibility for any late payment penalty, incorrect payment, or duplicate payments not authorized by the Association and shall initiate action to resolve these issues with the payee provided that the approved invoice is received by AMI at least 7 days prior to the due date for payment.

2.2.6 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 by fund.

2.2.7 Invest the funds of the Association as directed by the Board in accordance with the approved Association investment policy.

2.3 **Common Area Management:**

2.3.1 On behalf of the Association and as authorized by the Board, direct and order to be done those things that are necessary to maintain the



property in accordance with the operating budget. AMI shall not be responsible for taking any action unless directed by the Board.

- 2.3.2 On behalf of the Association, and as authorized by the Board, monitor the performance of Association employees. Any employee hired for the Association may be an employee of the Association or of AMI as may be mutually agreed upon. All remuneration, payroll taxes, benefits, burden and other employee expenses shall be payable as an operating expense of the Association and shall be paid by AMI out of the funds of the Association or shall be reimbursed to AMI, if paid by AMI.

On behalf of the Association and when requested by the Board, AMI shall interview and hire (following acceptance by the Board), employees of the Association, for on-site support of Club Bella Vita and its facilities. The employees presently supporting Club Bella Vita are considered employees of the Association, Employees' duties shall be identified in accordance with the Association's job descriptions.

- 2.3.3 As authorized by the Board, negotiate and execute, on behalf of the Association, contracts for water, electricity, landscaping, trash removal, and such other services for the Community as may be necessary and advisable.

AMI shall also purchase on behalf of the Association such equipment, tools, appliances, materials and supplies for the proper maintenance of the Community. All such purchases and contracts shall be in the name and at the expense of the Association. If an employee of AMI executes such contracts or authorizes work for the Association, the Association hereby authorizes them to do so as an agent for the Association and agrees to indemnify and hold AMI harmless from any costs associated with such contracts/work.

- 2.3.4 If requested by the Association AMI shall review identified common property and/or facilities to observe and record any readily visible maintenance needs. If this is requested, this activity shall be conducted in accordance with schedule A. Association acknowledges that AMI personnel are not engineers or mechanical or construction consultants; that AMI does not provide and guaranty or warranty the work of any contractor; and that AMI shall have no liability for failure to detect needed repair or maintenance requirements, or for failure to determine that any work was not performed properly or at all. The Association Facilities Committee shall be advised 48 hours prior to each review and provided the capability to assist the reviewer.

- 2.3.5 AMI has not been given control of the Common Areas and

amenities and shall not be considered an owner for any purpose. AMI may only implement the decisions of the Board.

2.3.6 It is the Association's obligation to comply with all laws, regulations, ordinances, and other matters of a governmental nature ("Laws"). The Association shall indemnify AMI to the full extent provided by the indemnity contained in this agreement for its violations of any such Law(s). AMI shall not be responsible for determining if the Community is in compliance with any and all local, state and federal laws, regulations and codes.

2.4 **Deed Restrictions**

2.4.1 Physically visit the Community to observe, record, and monitor, readily visible deed restriction violations from Common Area streets, driveways, or sidewalks. This includes entering data and maintenance of computerized reports of violations, sending notices to owners, maintaining current status of violations, and interacting with the Neighborhood Preservation Committee (NPC) and/or the Board of the Association regarding violations. AMI shall review Bella Vita monthly per Schedule A and the NPC shall be advised 48 hours prior to an impending visit and provided the capability to assist the reviewer.

2.4.2 Coordinate and assist in the administrative and secretarial functions of the Architectural Review Committee (ARC), including preparation of standard applications, correspondence to owners requesting ARC compliance or completion of applications, and correspondence with the ARC to assist in their functions. The Association ARC and Board shall be promptly advised of any Home Improvement Approval applications rejected by AMI on behalf of the Association. All decisions by AMI on behalf of the ARC shall be conveyed in writing by AMI to the applicant and shall include a statement of the condition(s) under which the application is approved, if any, or the primary reason(s) for disapproval of the application. A listing of pending or approved/disapproved ARC actions shall be provided to the Board at each monthly Board meeting.

2.5 **Expenditures**

Notwithstanding anything to the contrary contained in this Agreement and the limitations herein imposed, AMI 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 Community within a reasonable time of becoming aware of the condition, but only to the extent that the Association has funds on deposit to pay for such expenditures.

2.6 **Clarity of Duties**

Everything done by AMI under the provisions of this Article 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 AMI hereunder shall be made out of such sums as are available in the banking or investment accounts of the Association. AMI 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 AMI 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.

2.7 **Degree of Care**

AMI shall not be held to a higher degree of care in regards to the performance of its tasks than a Director of the Association as provided in the Texas Non-Profit Corporation Act. Specifically, AMI shall discharge its duties, in good faith, with ordinary care, in accordance with good business

judgment and in the manner that AMI believes to be in the best interest of the Association. **AMI IS NOT DEEMED TO HAVE THE DUTIES OF A TRUSTEE OF A TRUST WITH RESPECT TO THE ASSOCIATION, ITS MEMBERS, OFFICERS AND DIRECTORS. SIMILARLY, AMI 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 MANAGEMENT AGREEMENT.**

2.8 **Information Technology**

On behalf of the Association and when requested by the Board, AMI shall provide Information Technology (IT) support for selected computer programs and records of the Association. See Schedule A for fees. Additionally, AMI shall provide IT support to facilitate IT systems development and maintenance at the Association's facilities. This IT support shall also include data backup and operations support as outlined in 2.1.6. The Association reserves the right to decline or discontinue this supplemental service at its sole discretion at any time by providing 30 days written notice.

2.9 **Human Resources**

AMI shall provide Human Resource (HR) support to the Association personnel at Club Bella Vita per the HR standards and practices of AMI. All remuneration, payroll taxes, benefits, burdens and other



employee expenses shall be payable as an operating expense of the Association and shall be paid by AMI out of the funds of the Association. AMI shall provide HR counseling to the Association's employees if an employee or the Board requests assistance. The Association reserves the right to decline or discontinue this supplemental service at its sole discretion at any time by providing 30 days written notice.

2.10 **Performance Review**

During or about September of each year AMI and the Association shall meet to discuss the AMI's performance of this contract and AMI's desire for clarification of duties and objectives. This shall be deemed a progress review for discussion of both performance and clarifications for both parties. Major agenda topics shall be exchanged 5 days prior to the meeting. No extra fee shall be charged for time spent on this review.

ARTICLE III

INSURANCE

3.1 AMI 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 Community and shall prepare claims when required and follow-up on

payment. Investigating, reporting, and following-up on payment of insurance claims as directed by the Board of the Association shall be subject to the hourly charge in accordance with Schedule A, which shall be regarded as part of the loss and shall be included in the claim.

3.2 AMI agrees to carry at its own expense --

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

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

3.2.3 Auto Liability Insurance.

3.2.4 Fidelity Bond coverage in an amount of \$500,000.

3.3. The premium in regard to any increase in the amount of coverage set forth in paragraph 3.2 above required by the Association shall be paid by the Association and shall be considered as an expense of the operation of the Community.

3.4. AMI shall be named an additional insured on the Association's Directors and Officers liability insurance, which policy shall be maintained in full force and effect during the entire term of this management agreement and in such amounts as the Association and AMI may agree. The Association's

insurance shall be considered primary coverage for the benefit of AMI.

- 3.5. AMI shall be named an additional insured on the Association's general liability and excess or umbrella liability insurance policies which policies shall remain in full force and effect during the entire term of this management agreement and in such amounts as the Association and AMI may agree. The Association's insurance shall be considered primary coverage for the benefit of AMI. If the Association participates in the general liability program arranged through AMI, then the Association will be named as an additional insured on AMI's general liability insurance policy which policy shall be maintained in full force and effect during the entire term of this management agreement and in such amounts as the Association and AMI may agree. The cost of this insurance coverage will be as determined by the insurance carrier.

ARTICLE IV

TERM OF AGREEMENT

This agreement shall commence on January 1, 2010 and shall continue for a period of one year. If neither party has given the other 90 days' written notice of its desire to terminate this agreement at the end of the initial period of one year, then the term shall be automatically renewed for additional one year terms and such renewals shall continue on a

year-to-year basis unless terminated as hereinafter provided. Notwithstanding the foregoing, either party may give the other 90 days' written notice to terminate this agreement. Upon termination, all obligations hereunder shall cease except liabilities or claims that accrued or arose prior to such termination. AMI 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 termination. Any services requested of AMI after termination of this agreement shall be subject to AMI's then current fees.

ARTICLE V

COMPENSATION

- 5.1 For AMI's services under this agreement, AMI shall receive the amounts specified in Schedule "A", "B" and "C" attached hereto, which amounts shall be payable monthly in advance.
- 5.2 The monthly management fee and compensation schedules (Schedules A, B, and C) shall be negotiated each year as part of the annual budget developed in accordance with paragraph 2.2.1 hereof.
- 5.3 In addition to the compensation payable by the Association to AMI in accordance with Schedule "A," AMI shall be entitled to charge fees, costs and expenses for services provided to an Owner or anyone else arising out of or ancillary to this Agreement or caused or created as a result of the

action or inaction of an individual Owner, at AMI's then standard rates which amounts shall be charged to the Owner or the person to or for whom the service is provided. The fees reflected in Schedule "B" shall be charged by AMI to the Association; shall be paid by the Association; and shall be collected by the Association from the individual Owner. The fees reflected in Schedule "C" shall be collected by AMI from the individual Owner. AMI's current fees for such services are set forth in Schedules "A" "B" and "C" attached hereto. Any additional services not listed in Schedules A, B, or C may be provided when requested by the Association and an equitable fee negotiated by the parties prior to the service being provided. Such service can then be provided as routine once the fee is agreed upon. .

- 5.4 AMI is authorized and directed to deduct or obtain payment of such compensation when due from the Association's funds regardless of any other payments then required to be made.

ARTICLE VI

MISCELLANEOUS

6.1 **Notices:**

Any notice or communication hereunder must be in writing, and shall be personally delivered, or sent by telegram, telex, e-mail 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 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 addresses:

To the Association at the address of the President of the Association at the date of the notice or communication.

To AMI at
Association Management, Inc.
Attention: David Regenbaum,
5295 Hollister Street,
Houston, Texas 77040-6205.
Any party may at any time, by giving ten days 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.

6.2 **Hold Harmless/
Indemnification**

6.2.1 To the fullest extent permitted by applicable law, Association shall and does hereby agree to indemnify, protect, hold harmless and defend AMI, 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 Association, any of their respective employees, agents, servants, officers, directors, members or anyone that either 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 INDEMNITEE, WHETHER PREDATING THIS AGREEMENT OR NOT, AND WHETHER OR NOT SUCH SOLE OR CONCURRENT NEGLIGENCE, FAULT OR STRICT LIABILITY WAS ACTIVE OR PASSIVE.** However, the Association does not indemnify, protect, hold harmless or defend the managing agent, its officers, directors or employees for instances involving gross negligence.

6.2.2 Association shall promptly advise AMI in writing of any action, administrative or legal proceeding or investigation as to which indemnification may apply, and Association, at 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 AMI, provided, however, that Indemnitees shall have the right, at their own option, to be represented therein by advisory counsel of their own selection and at their own expense.

6.2.3 In the event of the failure by Association to fully perform its obligations in accordance with this Agreement, Indemnitees, at their option, and without relieving Association of its obligations hereunder, may so perform, but all costs and expenses so incurred by Indemnitees in that event shall be reimbursed by Association to Indemnitees, together with interest, on the same from the date any such expense was paid by Indemnitees until reimbursed by Association, at the highest lawful rate of interest allowed under applicable usury laws of the State of Texas (or if no maximum rate is applicable, at the rate of eighteen percent (18%) per annum). The 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 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.

6.3 The provisions of paragraph 6.2 shall survive the termination of this agreement, and shall continue in full force and effect subsequent to the termination of this agreement.

6.4.1 **Security:**

AMI SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL AMI BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR 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 AMI 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 UNDERSTANDS THAT AMI IS NOT AN INSURER AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT AMI 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 SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY. The Association shall indemnify AMI to the full extent provided by the indemnity contained in this agreement for any claims arising out of security within the Community.

6.4.2 **Environmental Conditions**



AMI shall not in any way be considered an insurer or guarantor of environmental conditions or indoor air quality within the Community and shall not be held liable for any loss or damage by reason of or failure to provide adequate indoor air quality or for any adverse environmental conditions. The Association and its Board of Directors on behalf of all owners, occupants, guests and invitees of any premises within the Community acknowledges that AMI does not represent or warrant that the construction or any work performed, construction materials, air filters, mechanical, heating, ventilating or air conditioning systems and chemicals necessary for the cleaning or pest control of the Community will prevent the existence or spread of biological organisms, mold, mildew, cooking odors, animal dander, dust mites, fungi, pollen, tobacco smoke, dust or the transmission of interior or exterior noise levels. The Association further acknowledges that AMI is not an insurer and that each owner and occupant of any premises within the Community and each tenant, guest and invitee of any owner assumes all risks for indoor air quality and environmental conditions and acknowledges that AMI 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 or merchantability or fitness for any

particular purpose, relative to the air quality within the Community. The Association shall indemnify AMI to the full extent provided by the indemnity contained in this agreement for any claims arising out of environmental conditions within the Community.

6.5 **Disclosure:**

AMI may from time to time have maintenance performed or have services provided 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, AMI 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 AMI, 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. AMI continues to believe that it, not only has a right, but the duty to obtain the most competitive bids at the best possible prices for the Association.

6.6 **Employees of AMI:**

The Association acknowledges that AMI spends a great deal of time and expense to hire and train employees to provide the Association and other associations the services contemplated in this agreement. The Association derives the



benefits of AMI's experience and of such hiring and training procedures. The Association agrees that during the term of this agreement and for a period of eighteen (18) months thereafter, it will not, without the prior written consent of AMI, hire or attempt to hire as an employee or leased employee or engage as an independent contractor or use the services of, in any way whatsoever, whether directly or indirectly, any person who was an employee of AMI during the preceding twelve (12) month period. In the event that the Association breaches the provisions of this covenant, the Association agrees to pay AMI, as liquidated damages and not as a penalty, an amount equal to six (6) times the monthly salary paid to the employee by AMI at the time of the breach. This liquidated damages provision is recognition by the parties of the difficulty of ascertaining damages in the context of personal employment, training and hiring costs incurred by AMI and the unique nature of AMI's business.

6.7 Dispute Resolution

To avoid the emotional and financial costs of litigation and arbitration, the Association and AMI agree to encourage the amicable resolution of any disputes involving their relationship. Accordingly, each Party hereby covenants and agrees not to initiate any proceeding against the other before a judicial or administrative tribunal seeking redress or resolution of its claim,

prior to complying with the terms of this Article, which will survive the termination of this agreement.

6.7.1 Negotiation.

The party asserting the claim must notify the other party in writing of the claim/dispute, stating plainly and concisely the nature and basis of the claim/dispute and what it wants the other party to do or not do to resolve the Claim.

Representatives of each of the parties, who are authorized to settle the claim/dispute, will make every reasonable effort to meet in person at a mutually acceptable place within thirty (30) days of the delivery of the written notice, to resolve the claim/dispute by good faith negotiation.

6.7.2 Mediation.

If the parties negotiate but do not resolve the claim through negotiation within sixty (60) days from the date of delivery of the written notice (or within such other period as may be agreed on by the parties), either party will have thirty (30) additional days within which to submit the claim/dispute to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the claim/dispute. If the claim/dispute is not submitted to

mediation within the 30-day period, the claim is deemed to have been waived and the party against whom the claim was asserted is released and discharged from any and all liability in regard to the claim/dispute. The costs of the mediator shall be share equally by the parties.

6.7.3 Termination of Mediation.

If the parties do not settle the claim within thirty (30) days after submission to mediation or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. Thereafter, the party asserting the claim may file suit, initiate arbitration, or commence administrative proceedings on the claim/dispute as appropriate.

6.8 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.

6.9 Applicable Law:

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

6.10 Assignment:

AMI 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, AMI shall be released from any and all liabilities by the Association.

6.11 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 Chief Executive Officer or President of AMI and by the duly authorized representative of the Association.

6.12 Effective Date

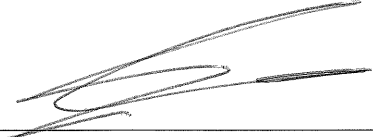
This agreement shall commence and be effective on the 1st day of January, 2010.

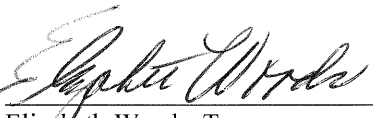
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on this the 18th day of JANUARY, 2010.

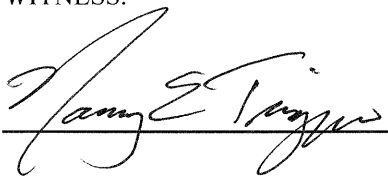
FOR: **BELLAVITA AT GREEN TEE HOMEOWNERS' ASSOCIATION, INC.**

FOR: **ASSOCIATION MANAGEMENT, INC.**

BY: 
Ruth Southard, President

BY: 
David Regenbaum, Chairman/CEO

BY: 
Elizabeth Woods, Treasurer

WITNESS:


WITNESS:


SCHEDULE "A"

COMPENSATION

Fees and Charges Payable by the Association to AMI

1.	A one time origination fee due and payable upon acceptance of the terms of this agreement	\$ WAIVED
2.	Our monthly fee for providing the full range of our services for the Association	\$452.10 plus \$5.28 per assessable lot
3.	Additional charges:	
3.1	Postage	U.S. First Class Postal Rates
3.2	Photocopies	\$.12 cents per copy
3.3	Color Copies	\$.80 cents per page
3.4	Facsimile Transmissions	No charge
3.5	Long Distance Telephone	At cost
3.6	Messenger Service	At cost
3.7	Community mailing (except for mailing of payment coupons and notice of annual meeting)	\$.40 per Unit plus copying & postage
3.8	Payment Coupon Booklet Payment Coupon Statement Payment Coupon	\$2.00 each \$1.00 each \$1.00 each
3.9	Special Assessments – Set-up Special Assessment Statement Special Assessment Payment Booklet (Multiple Payments) Special Assessment – payment processing	\$2.50 per Unit subject to a minimum of \$250. \$0.75 each \$1.75 each \$1.50 per unit per payment
3.10	Check printing charge	\$0.35 per check
3.11	Customizing Financial Reports	Hourly fee
3.12	Bank Loan negotiation	Hourly fee
3.13	Length of Meetings included in Monthly fee	2 hours
3.14	Number of Board Meetings included in Monthly Fee Number of Member Meetings included in Monthly Fee	1 per month 1 per year
3.15	Attendance at additional Meetings or Meetings exceeding length stated above.	Hourly fee
3.16	Number of visits to the Community to perform Property Management functions Number of visits to the Community to perform Deed Restriction enforcement functions	1 per month 1 per month
3.17	Additional visits to the Community	Hourly fee
3.18	Preparation for and appearance at depositions, alternate dispute resolutions, hearings and in court.	Hourly fee
3.19	Recruiting employees dedicated to the Association	10% of Annual Salary



	Payroll and Human Resource Administration for employees dedicated exclusively to the Association (in addition to reimbursement of salary, taxes, benefits and expenses).	10% of salary
3.20	Storage of Association records.	\$15 per Bankers box per year
3.21	Preparation and distribution of 1099s	\$10.00 per Vendor
3.22	Franchise Tax Exemption Application	Hourly Fee
3.23	Reinstatement of Corporate Status	Hourly Fee
3.24	Tax Exempt Status Filing	Hourly fee
3.25	Property Tax – Nominal value appraisal application	Hourly fee
3.26	Arranging for recording of Management Certificate	\$75.00 per filing
3.27	Arranging for recordation of Rules, Policy Resolutions, etc.	\$50.00 per filing
3.28	Arranging for Certificate of recordation of Governing Documents	\$75.00 per filing
3.29	Assisting with amendments to Governing Documents	Hourly fee
3.30	Programming access control system – per Owner	\$5.00 per Owner
3.31	Issuing pool tags/access control devices	\$5.00 per Owner
3.32	Insurance claim administration	Hourly fee
3.33	Utility sub-metering – billing – per Utility	\$2.00 per Unit
3.34	Preparing newsletter	Hourly fee
3.35	Remote access to AMI’s software programs and systems	\$75.00 per month
3.36	Managing Catastrophic Events	\$75.00 per hour
3.37	Event coordinating	Hourly fee
3.38	Copying Association’s Electronic data to CD	\$150.00
3.39	Reimbursement for reasonable out-of-pocket expenses made on behalf of the Association.	At cost
3.40	The Association shall pay any applicable sales taxes in regard to the compensation payable by the Association to AMI if and when such taxes are determined payable.	At applicable rates
3.41	Hourly Fees – The lowest applicable hourly fee will be used whenever an Hourly Fee is billed - Principals and Executives Directors Community Managers Information Technology Others	\$225.00 \$150.00 \$90.00 \$85.00 \$75.00

SCHEDULE "B"

Costs for services billed to the Association and charged back to the individual Owner.

1.	Assessment Collections	
1.1	Late letter	\$0.00
1.2	Certified letter	\$15.00
1.3	Return check fee	\$25.00
1.4	Attendance at hearing	Hourly fee
1.5	Referral to Attorney	\$25.00
2.	Violation Enforcement	
2.1	First letter	\$0.00
2.2	Photographing Violation	\$1.50
2.2	Certified letter	\$15.00
2.3	Attendance at hearing	Hourly fee
2.4	Referral to Attorney	\$25.00
3	Hearings	
3.1	Scheduling Hearing	\$25.00
3.2	Attending Hearing	Hourly fee
3.3	Implementing Decision	Hourly fee
3.4	Processing fine	\$15.00

SCHEDULE "C"

Costs for services provided by AMI billed directly to the Owner (or anyone else arising out of or ancillary to this Management Agreement).

1.	Preparation of Resale Certificate	\$150.00
2.	Completion of Mortgage Questionnaire	\$150.00
3.	Transfer of Ownership Fee	\$150.00
4.	Refinance Fee	\$100.00
5.	Expedited service for the above services – same day response	\$50.00
6.	Review Architectural Control Application for compliance with Governing Documents and Architectural Guidelines	
6.1	Modifications or additions to existing residential improvements	Included in monthly fee
7	Miscellaneous	
7.1	Recording re-assignment of Limited Common Element	\$125.00
7.2	Reservation of clubhouse/facilities if performed by managing agent	\$25.00
7.3	Reprogramming access control system – per Owner – if performed by managing agent	\$5.00
7.4	Issuing individual duplicate access control device – Plus cost of device – if performed by managing agent	\$10.00

