

ASSOCIATION MANAGEMENT AGREEMENT

This Association Management Agreement (the “**Agreement**”) is made and entered into by and between **Sky Harbour Homeowners Association Inc.** a Texas non-profit corporation (the “**Association**”) and **The Property Center LLC** (the “**Manager**”) for management of the Association and the Property (as defined below), and is as follows:

RECITALS

A. The Association is a Texas non-profit corporation and operates pursuant to that certain Declaration of Covenants, Conditions, and Restrictions dated December 23, 2013, recorded in the real property records of Hood County, Texas, (the “**Master Declaration**”). All property currently subject to the Master Declaration and any additional property made subject, from time to time and at any time, to the terms and provisions of the Master Declaration is referred to herein as the “**Property**”. The term “**Governing Documents**” as used herein means the Articles of Incorporation and By-Laws of the Association, the Master Declaration, Rules, and Policies filed of record with the county. The “**Association Property**” shall mean and refer to that portion of the Property which constitutes Common Area or Special Common Area (as such terms are defined in the Master Declaration), or any other property held, controlled or maintained by the Association for the benefit of its members and/or the public.

B. The Association and the Manager have reached an agreement, pursuant to which the Manager will assist the Board of Directors of the Association (the “**Board**”) in managing the Association and its Property and carry out other duties, as described below, and the parties desire to set forth their agreement in writing.

FOR AND IN CONSIDERATION of these premises and of the mutual promises and covenants herein contained, the Manager and the Association agree as follows:

AGREEMENT

1. Appointment and Acceptance; Liaison.

a. The Association represents that it is the lawful agent of the owners comprising the Association and that it has the right to collect assessments and manage the residential project known as **Sky Harbour Homeowners Association, Inc.** The Association hereby engages the Manager as the exclusive agent to manage the Property and carry out other specific duties, as set forth below, under the supervision and direction of the Board, and the Manager hereby accepts such engagement, subject to the terms and conditions contained in this Agreement.

b. Manager may engage in agreements with third parties to help subsidize, reduce, or eliminate costs normally incurred by the Association. These activities shall not be considered to be a conflict of interest or otherwise obligate Manager to take any action with respect to the Association or any Owner.

c. The Board shall appoint one (1) member of the Board to communicate with manager on any matter relating to the Association (the “**Liaison**”). If no member of the Board is specifically named, the Board President shall serve as the Liaison. Notwithstanding the appointment of one (1) or more Liaisons, Manager shall communicate with the Board members, officers, and committee chairmen of the Association in the exercise of their mutual and respective responsibilities.

2. Term. The commencement date (the “Commencement Date**”) of this Agreement shall be **July 15, 2024**. The term shall renew on the original date of the agreement for yearly periods of time, unless either party hereto shall notify the other in writing that it elects to terminate this Agreement, in which event this Agreement will thereby be terminated as of thirty (30) days after such notice is given. Notwithstanding anything to the contrary, either party may terminate this Agreement (without cause) upon thirty (30) days written notice to the other at any time during the time hereof.**

3 Manager's Duties and Responsibilities. During the term of the Agreement, the Manager shall provide the following services to the Association:

a. **Deposits.** The Association agrees that for uniform processing and cost efficiencies, Manager will determine the receiving post office, and financial institution(s) into which the Association's operating funds are deposited and maintained. The Association's operating account will be established and maintained in a manner to indicate Manager's custodial nature thereof. The financial institution(s) selected by Manager shall be insured by the federal government; the account(s) 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.

b. **Annual Budget.** At least thirty (30) days prior to the end of each fiscal year (which shall run from September 1 to August 31 of each year), Manager shall prepare and provide to the Board for modification and approval by the Board, in a format selected by Manager and approved by the Board (such approval not to be unreasonably withheld), an annual budget for the Association, with sufficient detail to reflect expected operations for each month during the forthcoming twelve-month period. Any existing budget shall be utilized until the first annual budget is submitted by Manager and approved by the Board. Manager shall have no liability resulting from the Board's failure to approve an annual budget.

c. **Monthly Financial Statements.** The Manager shall, in an electronic format selected by Manager and approved by the Board (such approval not to be unreasonably withheld), prepare monthly financial statements to be made available to the Board on or before the 15th day of the following month which, unless otherwise instructed by the Board, shall include:

Delinquency Reports (Owner Assessments).
Prepaid Assessments.
Income and Expense Report.
Balance Sheet; and
Detailed General Ledger.

d. **Year-End Financial Statements and Audits.** Within sixty (60) days after the end of each fiscal year, the Manager shall deliver a Year-End Statement of Operations for the Association to the Board. A "Year-End Statement of Operations" shall consist of the financial statements identified in Section 3(c) above for the fiscal year then ended and any additional year-end financial statements customarily prepared for non-profit corporations. As directed by the Board, the Manager shall cooperate with the Association's accountant or CPA, which shall be selected by the Board, in the preparation of local, state, and federal tax reports and in the preparation of audits.

e. **Collection of Assessments.** The Manager shall invoice and collect, in the name of the Association, all Assessments levied by the Board in accordance with the Governing Documents. Unless directed by the Board to the contrary, the Manager shall produce and distribute an invoice ("Assessment Notice") to all owners of Units within the Property (the "Owners"). The frequency of Assessment Notices may be changed from time to time by the Board, but in no circumstance shall the Board direct the Manager to send Assessment Notices more than once each month. The Manager shall promptly deposit all collections in the Association's account. The Manager shall mail delinquency notices to any delinquent Owner in accordance with Association policies and procedures. Any collection problems requiring legal action shall be referred to the Association's attorney as recommended by the Manager. The Manager may charge a reasonable fee for collection proceedings on delinquent accounts due the Association. The Association will pay appropriate attorney's fees and filing fees if it is necessary for a lien to be filed on a debt from an Owner and to release the lien once the underlying debt has been collected from the Owner.

f. **Payment of Expenses.** The Manager shall cause disbursements to be made regularly and punctually. The manager 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 to conform to the schedules established by Manager to ensure timely payment of the Association's obligations and effect an audit trail. The Manager is hereby authorized to make expenditures from Association funds (1) in accordance with the annual budget approved by the Board (the "Approved Budget"), (2) for unbudgeted expenditures necessary or appropriate

for the maintenance, operation or care of the Property not exceeding ten percent (10%) per month per item with a maximum of ten percent (10%) total variance per month, and (3) for the following expenditures: (a) any taxes payable, (b) insurance premiums, (c) Manager's monthly compensation for services, reimbursements and expenses, (d) reimbursable payroll and benefits, (e) utilities, (f) emergencies constituting a threat to health or safety, and (g) other expenses that, left unpaid, could adversely impact Manager's reputation or creditworthiness; provided, however, that disbursements for all expenditures shall be paid (i) by check and such check shall be signed by Manager (who may appoint up to three signatories who are authorized by the Manager) or (ii) by electronic payment methods including ePay. The Board shall permit Manager to act as a signatory. Additional expenditures may be approved by a majority of the Board. Manager shall be permitted to rely on the instructions of only one (1) member of the Board in approving any expenditures required to be approved by the Board. The Manager shall not be obligated to make any advance to or for the account of the Association or to pay any sum, except out of Association funds, nor shall the Manager be obligated to incur any liability for the account of the Association without the assurance from the Board that the necessary funds for the discharge thereof will be provided by the Association. All expenses of operation and management, including, without limitation, all expenses incurred by Manager's employees while performing any function incidental or pursuant to this Agreement, shall be obligations of the Association, and Manager shall have no obligation to advance funds to the Association for any purpose whatsoever. Emergency repairs involving manifest danger to persons or property, or immediately necessary for preservation and safety of the Property or Owners, may be made by the Manager irrespective of the cost limitations imposed by this paragraph; provided, however, the Manager shall, as soon as practical, notify the Designated Board Representative (as defined below) regarding such expenditure.

g. **Maintenance of Property.** The Manager shall solicit, analyze and compare a reasonable number of bids (which is acknowledged to be (i) three (3) bids for projects in excess of \$2,000, and (ii) less than three (3) bids for projects of less than \$2,000), and negotiate contracts for execution by the Board for the services of contractors to be provided for the benefit of the Association. Once approved by the Board (which approval shall not be unreasonably withheld), the Manager will engage contractors and ensure that the Association Property is maintained within the guidelines of the Association's budget and in accordance with a maintenance program approved by the Board. All contractors rendering services to the Association will be engaged as independent contractors and shall provide their own insurance at levels recommended by the Manager. The Manager is authorized to purchase on behalf of and in the name of the Association (to the extent reasonably possible) all equipment, supplies, tools, appliances and materials that are necessary in Manager's determination to properly maintain the Property in accordance with the maintenance program approved by the Board. The Manager shall inspect the entire property at least twice per month for violations of the DCC&Rs and take immediate action to have said violations remedied. The Manager will conduct two (2) monthly inspection of the property recording and issuing notices for violations, said violations shall have prior Board approval.

h. **Contracts.** To the extent required by the Association, and as directed by the Board, the Manager will negotiate and administer all leases and licenses of the Property and contracts for services and utilities, which may include contracts for electricity, gas, water, telephone, rubbish hauling, security, pest control, landscaping, and other services.

i. **Books and Records.** The Manager shall maintain full and complete books and records of the Association. All books, records, accounts, computer records, disks, diskettes, software, processes, forms, procedures, domain names, web site content, HTML or other code associated with any web site or information prepared pursuant to this Agreement or for management or administration of the Property, and all digital, photographic or other records prepared by the Manager on behalf of the Association shall be considered the property of the Association, and will be surrendered to the Association upon termination of this Agreement in a form that may be utilized by a successor manager of the Association. All books, records, and accounts of the Association shall at all times during regular business hours upon no less than two (2) business days' prior written notice be open to the inspection of the Board or members of the Association in accordance with the Bylaws of the Association and the Texas Non-Profit Corporation Act.

j. **Long-term Maintenance Plan.** The Manager shall work with and cooperate with a professional engineer or reserve specialist, if engaged by the Board, to establish a long-term maintenance plan, in determining the amount of funds to be set aside to maintain reserves necessary to perform maintenance functions.

k. **Assistance to Board of Directors.** Within a reasonable time after the Board's request, the Manager shall: (i) provide the Owners with copies, at the Association's expense, of any rules, regulations and notices promulgated by the Board from time to time; and (ii) post such rules, regulations and notices on any community bulletin boards. Additionally, the Manager shall advise and consult with the Board and the Association's attorney as to suggested revisions to the Governing Documents that it believes will facilitate operation and administration of the Association and the Property.

l. **Attendance at Board Meetings.** A designated employee or representative of the Manager will attend one meeting of the Board per month, provided that Manager receives written notice in advance of such meeting at least ten (10) business days prior to such meeting. A designated employee or representative of the Manager will be available to attend any additional Board meetings in a given quarter and will be billed at the \$75.00 per hour, provided, however, that any such meetings shall be limited to 2 hours in duration and must be held Monday through Thursday. Notwithstanding the foregoing provision, the Board shall have the right to exclude the Manager from any meeting of the Board. Manager assumes no obligation to cause any meeting of the Board to be held and shall not be liable or responsible for the Board's failure to hold any meeting of the Board as may be required by applicable law or the Governing Documents.

m. **Insurance.** The Board acknowledges that Manager is not a risk management or insurance specialist. However, the Manager shall assist the Association in establishing specifications for the Association's insurance requirements. The Manager shall obtain and present bids for such insurance to the Board; provided, however, that Manager may elect to cause the Association to be insured under Manager's master insurance policy, and each Owner agrees to reimburse Manager for such Owner's proportionate share of the actual costs thereof. The Board shall furnish to the Manager certificates evidencing the existence of adequate public liability and property hazard insurance, directors and officer's liability insurance and an umbrella policy in amounts satisfactory to the Board. The certificates shall have attached thereto an endorsement that the Manager will be given at least ten (10) days prior written notice of cancellation of the policy. The Manager shall obtain recommendations for comprehensive insurance coverage against damage or injury to the Property or persons which might arise out of the management, operation or maintenance of the Association. Recommendations will be solicited from only qualified commercial agencies as directed by the Board and may include, but shall not be limited to fire, extended coverage, boiler and machinery, flood, hazard, wind, hail, tornado and hurricane insurance. All Association insurance shall include the Manager as an "additional insured". All property hazard insurance shall contain a waiver of the Association's rights of subrogation against the Manager in the event the Property is destroyed by fire. In all cases where the Manager carries insurance that would provide coverage for a claim or loss, the Association's insurance will be primary insurance for payment of the claim or loss; provided, however, that this sentence shall not prohibit the Association from submitting any claim to Manager's insurance company if the submission is required to preserve the claim or loss, pursuant to the terms and provisions of the Manager's insurance policy. In the event that Manager 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 Manager act as the administrator, investigator, supervisor, coordinator, processor or follow-up for insurance losses or any other insurance claim matters on the Association's behalf, the Association shall pay Agent compensation for such services in an amount equal to twenty percent (20%) of the amount of such insurance losses, and such compensation shall be included as part of the claim.

n. **Annual Association Meeting.** The Manager shall organize, as directed by the Board, and attend one annual meeting of the members of the Association (the "Annual Meeting") per year. The Manager shall prepare and deliver to each Owner in accordance with the Bylaws of the Association, Annual Meeting notices, proxies, and ballots. The Manager, as directed by the Board, shall prepare the agenda for the Annual Meeting and shall assist in overseeing the election of any new directors. Manager assumes no obligation to cause any Annual Meeting to be held and shall not be liable or responsible for the Association's failure to hold an Annual Meeting as may be required by applicable law or the Governing Documents.

o. **Establishment of Files.** The Manager shall collect, organize and maintain complete files for the Association of all legal documents, lists of Owners, correspondence, community rules, site plans, blueprints, specifications and other documents as the Manager or the Board deems necessary. Manager acknowledges and agrees that any attorney-client privilege shall be a privilege held by the Board on behalf of the Association and any communication between the Association's attorney and the Board shall be segregated from the general books and

records of the Association and shall remain confidential and not released or disseminated to any party without the Board's express written consent.

p. **Bank Account.** The Manager, as directed by the Board, shall establish and maintain bank accounts for the Association's operating, in accordance with the Board's specific instructions. The account shall be in the name of the Association and shall be placed in federally insured accounts at banks or savings institutions as directed by the Board. The Manager shall not commingle any of such funds with any funds or other property of the Manager or of any other person.

q. **Real Estate Taxes.** The Manager shall arrange for the payment of all real estate taxes levied against the Association Property prior to their delinquency. The Manager shall determine the fairness of all real estate assessments and make timely recommendations as to the appropriate action and, with the Board's approval, shall make any appeals to the appropriate governmental entities in a timely fashion. The Association acknowledges that Manager is not an appraiser of property and is not to be held to the standards of an appraiser. The Manager shall advise the Board of the date all taxes are due, shall cause timely payment to be made on such taxes out of the Association's funds, and shall give the Association prompt notice of any need for additional funds.

4. Compensation.

a. **Fees.** The Association shall pay the Manager a monthly fee in accordance with the Management Fee schedule, attached hereto as Exhibit "A" (the "**Management Fee**"). The Management Fee shall be paid monthly in advance and shall be prorated for any partial month. Upon the admittance of a new member to the Association in connection with the sale, transfer, or conveyance of a Unit within the Property, the Manager shall collect a transfer fee in such amount as established by this contract (the "**Transfer Fee**").

b. **Reimbursements.** The Manager shall be reimbursed out of the Association's funds for the actual costs incurred by the Manager for printed forms, ledgers, postage, journals, third party software, accounts payable processing, long distance telephone calls, and other supplies required for operation of the Association and as reflected on the Approved Budget. The costs of Manager for certain supplies are reflected on Exhibit "B", attached hereto, which are subject to change from time to time upon advance written notice to the Board. No other costs shall be charged to the Association unless: (i) authorized by this Agreement; (ii) reflected on the Approved Budget; (iii) set forth on Exhibit "A" or Exhibit "B"; or (iv) approved in advance by the Designated Board Representative. Upon request of the Board, Manager shall provide written substantiation to the Association, in care of the Designated Board Representative, for any compensation, fees, expenses, or reimbursements payable pursuant to the terms of this Agreement. For compensation based on an hourly fee, the monthly written substantiation shall include a description of the services rendered and the hourly fee charged. For the reimbursement of any fees or expenses incurred by Manager necessary for the operation of the Association, the monthly written substantiation shall include detail of each expense and the purpose for which it was incurred, along with third party invoices for such fees and expenses if available. Owners agree that, in the event any Owner makes requests of Manager beyond what is usual and customary in the management of the Association (including, by way of example, requesting that Manager obtain, such Owner shall reimburse Manager for its actual, out of pocket costs incurred in providing the requested services.

5. Termination.

a. **Termination by Association.** This Agreement may be terminated in the Board's sole and absolute discretion without cause provided thirty (30) day notification is delivered to the manager.

b. **Termination by Manager.** The Agreement may be terminated at the Manager's sole and absolute discretion in the event that: (1) the Association materially breaches any of the terms and provisions of this Agreement and such breach continues for a period of thirty (30) days after the Manager has provided the Designated Board Representative with written notice of such breach; (2) there are insufficient funds to continue the operation of the Association and such deficiency continues for a period of thirty (30) days after written notice of such deficiency has been provided to the Board; or (3) the Association commences a bankruptcy proceeding or makes an assignment for the benefit of its creditors.

c. **Actions upon Termination.** Promptly after the termination of this Agreement, the Manager shall deliver immediately to the Board the following items: (1) check book(s) with all blank checks; (2) savings account passbook(s) or Money Market account statements; (3) all keys to the Property; (4) copies of all open purchase orders; and (5) copies of all current Association contracts. Within thirty (30) days from the date of the termination of this Agreement, the Manager shall deliver to the Board the following items: (1) copies of all tax returns of the Association retained by the Manager; (2) all bank statements, canceled checks and other bank records of the Association retained by the Manager; (3) copies of all financial statements not previously provided to the Association; (4) all accounting and legal records of the Association including but not limited to general ledger, general journal, accounts payable information, monthly assessment records, corporate minute book, unit files, unit owner roster, contracts, administrative files and all other documents to which the Association is a party; (5) copies of the Association general ledger, general journal, accounts payable information, and legal records; and (6) all other records, data or files required to be delivered to the Association in accordance with this Agreement (excluding, for purposes of clarification, funds for outstanding checks). Upon termination, any funds belonging to the Association and held by the Manager shall be immediately tendered to the Association. On the date of termination, the Manager shall provide the Association with a listing of each account payable which shall include: (i) the vendor; (ii) a description of the goods or services associated with the account payable; (iii) the date on which the account payable is due; and (iv) the amount of the account payable. Upon termination of this Agreement, the Association will terminate all signatures or deposit authority Manager may have in any bank account of the Association.

6. Employees of the Manager.

a. The Association recognizes that Manager 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 who has displayed abusive behavior, including verbal abuse, toward Manager's employee(s). The Association understands Manager's duty to address such harassment and acknowledges that Manager may limit its employees' communications, telephonic or otherwise, with any individual at Manager's sole and absolute discretion. The Association furthermore agrees to take reasonable measures to assist Manager in precluding recurrence of abusive or harassing behavior.

7. Authorized Agent of Association. The Manager is an authorized agent of the Association and directed to accept directions or instructions with regard to the management of the Association from the following parties in order of priority: (a) first, from the Liaison, (b) second, from the President of the Association, and (c) third, from the Vice President of the Association. The Association hereby designates the President of the Association as the "**Designated Board Representative**". The Manager shall communicate on a regular basis with the Designated Board Representative to review the current activities of the Association and to discuss any Association problems. From time to time, the Board may designate in writing to the Manager an alternate Designated Board Representative.

8. Accounting and Legal Services.

a. **Accountants.** The Association shall be responsible for the engagement of accountants to provide, at the Association's expense, all accounting services not required to be performed by the Manager pursuant to the terms of this Agreement. The Association shall be responsible for the engagement of accountants for tax preparation and audit preparation. The Association shall be responsible for the engagement of an auditor as is required by the bylaws and law. At the election of the Board, the Association may conduct, at its expense, an annual certified audit of the financial statement prepared by the Manager and of the system of internal control used by the Manager in maintaining the Association's records.

b. **Attorneys.** The Manager shall select legal counsel of its own choosing in all matters requiring legal services under this Agreement. Notwithstanding any provision in this Agreement to the contrary, any engagement to provide legal services shall be an engagement directly between the attorney selected by the Board and the Association, e.g., any attorney on retainer or engaged by Manager to provide legal services to Manager's other clients may not be

used to provide services to the Board or the Association unless the Board expressly consents in writing and in advance to the services to be provided by such attorney. It is further understood and agreed that any attorney-client privilege shall be a privilege held by the Board on behalf of the Association and any communication between the Association's attorney and the Board shall be segregated from the general books and records of the Association and shall remain confidential and not be released or disseminated to any party without the Board's express written consent.

9. Indemnities.

a. **INDEMNIFICATION BY ASSOCIATION.** ASSOCIATION AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MANAGER, ITS AGENTS AND EMPLOYEES FROM ALL CLAIMS, DAMAGES, JUDGMENTS AND FEES ARISING FROM THIS AGREEMENT, UNLESS SUCH DAMAGE SHALL BE CAUSED BY MANAGER'S WILLFUL MISCONDUCT, GROSSLY NEGLIGENT ACT, OR FRAUD BY MANAGER. ASSOCIATION AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS MANAGER, ITS AGENTS AND EMPLOYEES FOR ANY LIABILITY, DAMAGES, PENALTIES, COSTS AND EXPENSES, STATUTORY OR OTHERWISE, FOR ALL ACTS PERFORMED BY MANAGER PURSUANT TO THIS AGREEMENT AND IN ACCORDANCE WITH THE INSTRUCTIONS OF THE ASSOCIATION, PROVIDED, IN EACH OF THE FOREGOING INSTANCES, THAT MANAGER PROMPTLY ADVISES THE ASSOCIATION OF ITS RECEIPT OF INFORMATION CONCERNING ANY SUCH INJURY AND THE AMOUNT OF ANY SUCH LIABILITY, DAMAGES, PENALTIES, COSTS, AND EXPENSES. ALL EXCULPATION AND INDEMNITY PROVISIONS CONTAINED HEREIN SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT. MANAGER ASSUMES NO LIABILITY FOR ANY ACTS OR OMISSIONS OF THE BOARD OR THE ASSOCIATION, OR ANY PREVIOUS BOARDS OR CURRENT OR PREVIOUS MEMBERS OF THE ASSOCIATION, OR ANY PREVIOUS MANAGEMENT OR OTHER CONTRACTOR OF EITHER. MANAGER ASSUMES NO LIABILITY FOR ANY FAILURE OF OR DEFAULT BY ANY INDIVIDUAL UNIT OWNER IN THE PAYMENT OF ANY ASSESSMENT OR OTHER CHARGES DUE THE ASSOCIATION OR IN THE PERFORMANCE OF ANY OBLIGATIONS OWED BY ANY INDIVIDUAL UNIT OWNER TO THE ASSOCIATION, PURSUANT TO ANY LEASE OR OTHERWISE. MANAGER DOES NOT ASSUME ANY LIABILITY FOR VIOLATIONS OF ENVIRONMENTAL OR OTHER REGULATIONS THAT ARE EXISTING BUT UNKNOWN AS OF THE DATE OF THIS AGREEMENT BUT THAT MAY BECOME KNOWN DURING THE PERIOD THIS AGREEMENT IS IN EFFECT. ANY SUCH REGULATORY VIOLATIONS OR HAZARDS DISCOVERED BY MANAGER WILL BE REPORTED TO THE ATTENTION OF THE ASSOCIATION IN WRITING. MANAGER WILL HAVE NO DUTY TO INVESTIGATE ANY PRIOR ACTS OR OMISSIONS OF ANY PREVIOUS BOARD OR MANAGEMENT COMPANY.

b. **INDEMNIFICATION BY MANAGER.** MANAGER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE ASSOCIATION, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ASSIGNS FROM AND AGAINST ANY AND ALL LOSSES, COSTS, DAMAGES, LIABILITIES, PENALTIES, EXPENSES, FEES (INCLUDING REASONABLE ATTORNEYS' FEES), CAUSES OF ACTION, CLAIMS FOR DAMAGES, RIGHTS OF ACTION, JUDGMENTS OR CAUSES OF ACTION ARISING OUT OF ANY WILLFUL MISCONDUCT, GROSSLY NEGLIGENT ACT, OR FRAUD BY MANAGER.

c. **Scope of Indemnification.** Notwithstanding any provision herein to the contrary, however, each party agrees that any indemnification obligation shall be limited to the indemnified party's actual damages and expenses and in no event shall the indemnifying party be liable for lost profits, lost business opportunities or other consequential damages or punitive damages.

d. **Survival Provision.** This Section I shall survive the termination of this Agreement.

10. Miscellaneous.

a. **Separate Entities.** The Manager is an agent and independent contractor of the Association, and an employer/employee, partnership, or similar relationship is not created between the parties as a result of this Agreement. Manager shall employ at all times a sufficient number of employees to enable it to properly perform its obligations under this Agreement. All matters pertaining to the employment, supervision, compensation, promotion and discharge

of employees shall be the responsibility of Manager, which is in all respects the employer of such employees, and shall fully comply with all applicable laws and regulations having to do with workers compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other rules and regulations governing the employer-employee relationship. The Board and the Association shall have no liability with respect to any arrangements between Manager and its employees. Manager agrees to hold and save the Board and Association harmless from all liability caused by any damage or injury to any person or property caused by the intentional misconduct of the Manager or its employees.

b. **Successors; Assignment.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Manager and the Association. Neither party is entitled to assign or transfer its interest in this Agreement without the express prior written consent of the other party.

c. **Services Not Included.** Unless otherwise provided herein, the following services shall not be provided by the Manager as part of the services which the Manager shall perform pursuant to the terms of this Agreement and shall constitute "**Other Services**" as set forth in Exhibit "A" to this Agreement:

1. Court appearances or depositions in connection with litigation filed on behalf of or against the Association;

2. All maintenance, landscape, technician, security, or construction services performed for the Association (other than general monitoring duties over the service providers as provided for in this Agreement);

3. Clerical services over and above those to be provided by Manager as described in this Agreement;

4. Services as described within this Agreement to be provided upon payment of additional compensation as specified herein; and

5. Property maintenance services (which may be provided by the Manager if requested in advance and in writing by the Board at the hourly rates specified on Exhibit "A", attached hereto).

All Other Services must be approved in writing and in advance by the Board.

a. **Cumulative Remedies.** The rights and remedies of the parties hereto shall not be mutually exclusive, i.e., the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provision hereof.

b. **Time of Essence.** Time is of the essence for this Agreement.

c. **Attorney's Fees.** If any party to this Agreement obtains a judgment against the other party by reason of breach of this Agreement, a reasonable attorney's fee as fixed by the court shall be included in such judgment.

d. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. In the event, however, that any provision contained in this Agreement is in conflict with the laws of the State of Texas, such provision shall be deemed invalid and superseded by the governing state laws; but in such event, the remaining provisions of this Agreement shall remain in full force and effect.

e. **Force Majeure.** The obligations of the parties are subject to *force majeure*, and neither party shall be in default under this agreement if failure or delay in performance is caused by strike, labor problems, power fluctuations, surges or failures, acts of God, fire, flood, adverse weather conditions, ordinances, laws, regulations, restrictions, condemnation or exercise of rights of eminent domain, war or civil disorder, or any other cause beyond the reasonable control of either party.

a. **Notices.** All notices and other communications provided for in this Agreement shall be in writing and may be personally delivered, or delivered by facsimile transmission, or mailed by certified or registered United States mail, return receipt requested, postage prepaid and addressed as follows (or to such other address as either party shall hereafter designate by notice to the other as herein provided):

If the Association, to: Address: _____

Telephone: _____

If the Manager, to: Address: _____

Telephone: _____

Any notice, demand, or request given by mail shall be effective the date same is deposited in the United States mail as certified or registered mail, return receipt requested, postage prepaid, addressed as provided above. All notices, demands, and requests not so given shall be effective upon receipt.

a. **Security Disclaimer.** MANAGER SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL MANAGER BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE BOARD 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 OR SUBSEQUENTLY INSTALLED) 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 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 MANAGER IS NOT AN INSURER AND THAT EACH OWNER AND OCCUPANT OF ANY LOT 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 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 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.

b. **Entire Agreement.** This Agreement constitutes the full understanding of the parties hereto, and no prior or contemporaneous oral representations or prior written representations made by either party shall be binding. This Agreement may be modified only in a writing executed by both parties.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Executed to be effective as of the 15th day of July, 2024.

ASSOCIATION:

Sky Harbour Homeowner's Association
a Texas non-profit corporation

By: _____
Printed Name: _____
Title: _____
Date: _____

MANAGER:

The Property Center
a Oklahoma limited liability company

By: _____
Printed Name: _____
Title: _____
Date: _____

EXHIBIT "A"

MANAGEMENT FEE AND ADDITIONAL COMPENSATION/REIMBURSEMENT

Management Fee: The Monthly Management Fee shall be \$2,250.00 per month; provided, however, that such Monthly Management Fee shall increase by 3% each year.

Architectural Review Services: \$0 per submission for final house plans, \$0 per submission for all other plans requiring review. This service is limited to the following actions only and no others:

- 1) Receive requests and copies of plans from Owners;
- 2) Forward request to Board Committee;
- 3) Manage the voting and approval process until a decision is reached;
- 4) Notify Owner of the results including approval, contingent approval or rejection.

Other Services: In the event that the Association requests the Manager to provide services other than the services described in this Agreement, such services shall be performed at the rates set forth on Exhibit B.

Construction Management: Association shall pay Manager a construction management fee of 0% of the cost of any project requiring the engagement of contractors to perform work on the Property in excess of \$10,5000.

Transfer Fees and Resale Certificates:

The Manager shall collect from the purchaser of a Lot or Unit within the community the amount set forth on Exhibit "B" attached hereto as a Transfer Fee each time a Lot or Unit is conveyed. In the event the Manager is requested to prepare a resale certificate and Manager prepares such certificate, the purchaser or seller of a property within the community will pay to the Manager a resale certificate fee in the amount set forth on Exhibit "B" attached hereto, which will be remitted to Manager upon the purchaser/seller's receipt of the resale certificate. In the event the Manager is requested to prepare a re-finance certificate and Manager prepares such certificate, the property owner will pay to

the Manager a re-finance certificate fee in the amount set forth on Exhibit "B" attached hereto, which will be remitted to Manager upon the owner's receipt of the re-finance certificate. The Association will not be charged for the costs of reproduction of the documents included with any resale or re-finance certificate prepared by the Manager.

EXHIBIT "B"
LIST OF ADDITIONAL CHARGES

BILLING/NOTICES MAIL-OUT: \$1.12 PER #10 ENVELOPE CONTAINING TWO (2) PAGES

ACCOUNTS PAYABLE PROCESSING: ACTUAL COST

LITIGATION RELATED TIME: \$100.00 PER HOUR

CERTIFIED LETTER: \$2.00 PLUS POSTAGE

RESALE CERTIFICATE FEE: MARKET RATE, AS DETERMINED BY MANAGER

TRANSFER FEE: MARKET RATE, AS DETERMINED BY MANAGER

REFINANCE CERTIFICATE FEE: \$0

SET UP FEE: (\$0)

THIS FEE MAY BE INCREASED IF THERE IS EXTENSIVE AUDITING REQUIRED TO RECONCILE BOOKS AND RECORDS RECEIVED FROM THE PREVIOUS MANAGER, OR IF THERE ARE DELAYS IN RECEIVING THE NECESSARY DOCUMENTATION OR BEGINNING FUNDS.

SOFTWARE FEE ON DEVELOPING HOA: \$0/HOME/MONTH, FOR THE FIRST 12 MONTHS, AFTER 12 MONTHS \$0.32/HOME/MONTH.

MISCELLANEOUS: ANY OTHER INCIDENTAL CHARGES NOT COVERED ABOVE SHALL BE BILLED AT \$75.00/HOUR OR SUCH OTHER REASONABLE AMOUNT TO BE DETERMINED BY MANAGER IN ITS COMMERCIALLY REASONABLE DISCRETION.

EXHIBIT "C"

Collection Process and Cost

Demand Letter: 30 Day or 45 Day \$5.72 postage, \$2.00 fee, Total \$7.72 (certified & regular mail)

Pre-Lien Notice: \$50.00 fee, \$7.36, Total \$57.36 (certified & regular mail)

Assessment Lien: \$125.00 fee, Recording fee \$29.66, Total \$154.66

Foreclosure: Prep Notice of Foreclosure \$125.00 fee

Filing of Notice of Foreclosure \$135.00 cost

Postage, \$14.72, Total \$274.72

Court Appearance and legal actions by attorney are at attorney's rate.

Nothing Follows.....