

ADM  
Scanned  
09/23/2020

**ADMINISTRATIVE AGREEMENT**

This Administrative Agreement ("Agreement"), made in Harris County, Texas on this 1<sup>st</sup> of OCTOBER 2020 ("Effective Date"), by and between WILLIAMSBURG SETTLEMENT MAINTENANCE ASSOCIATION, hereinafter called "Association" or "Board", and Crest Management Company AAMC, hereinafter called "Agent" (Association and Agent may each be referred to herein as a "Party", and may collectively be referred to herein as the "Parties").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, Association and Agent agree as follows:

**TERM**

Association employs Agent to exclusively manage the property of Association for an initial period of twelve (12) months, beginning OCTOBER 1, 2020 and shall continue from year to year thereafter unless earlier terminated in writing. Contracts which automatically extend past the initial period may have the service fees in Exhibit "A" adjusted upward as agreed upon by both parties.

**AGENT'S FEE**

Association agrees to pay Agent's fee and to reimburse out of pocket costs as set forth in Exhibit "A" as attached hereto and incorporated herein for all purposes. All fees shall be paid on or before the fifteenth (15<sup>th</sup>) of the month following the month in which they were incurred or ten (10) days after an invoice has been presented to Association, whichever is later.

**AGREEMENT TO BE CHANGED IN WRITING ONLY**

This Agreement shall constitute the entire agreement between the Parties and no variance or modification thereof shall be valid and enforceable except by an agreement in writing executed by the Parties.

**INFORMATION**

Association will furnish to Agent all information, records, financial statements, ownership lists or other items which Agent may reasonably request for use in connection with the management of Association property. Agent shall not be held accountable for verification of data pertaining to transactions prior to the Effective Date of this Agreement. All records of Association shall remain the property of Association and, as may be requested by Association, shall be returned to Association in a timely manner. However, Agent shall have the right to retain the originals or facsimiles thereof to allow performance of Agent's duties. Association shall not hold Agent liable for loss of records arising out of occurrences including, but not limited to, fire, theft and/or acts of God unless such loss is caused by the

gross negligence or willful misconduct of Agent. Agent will provide all necessary information, to title companies and appropriate 3<sup>rd</sup> parties, for sales or refinance upon request, for an additional charge to the appropriate 3<sup>rd</sup> parties, to ensure Association receives funds due to Association upon the closing or refinance of a home or lot. Agent will regularly furnish all new owner information including, but not limited to, names, addresses, contact information such as telephone numbers and email addresses, to Association at no additional charge.

### **AGENT'S DUTIES AND RESPONSIBILITIES**

The role of Agent is to advise Board, implement the decisions and the policies established by Board and Association and perform the following services.

1. Receipt of Revenue - Agent shall collect and, as necessary, issue receipts for all revenue due Association for operation of Association other than payments from concessioners, if any, provided that Agent shall have no responsibility for collection of delinquent assessments or other charges except for sending notices of delinquency. The Association may require a surety bond, if in its judgment a surety bond is necessary, the costs of which shall be borne and paid for by the Association.
2. Employees - Unless otherwise agreed, all employees of the Agent will be paid for by and the responsibility of Agent. Other employees, being those working only on Association property, will be paid by, and responsible to, Association except Agent will have the authority to direct their day-to-day activities.
3. Financial - Agent shall maintain records showing all of its receipts and expenditures relating to Association and shall submit to Board, by the fifteenth (15<sup>th</sup>) of the following month, a financial statement including a balance sheet, income statement, budget comparison and check register. In the case where the Association holds its regularly scheduled board meeting prior to the 15<sup>th</sup> of the month, Agent will make every effort to have financial statements prepared for presentation at the meeting. Such reports shall be presented in accordance with Generally Accepted Accounting Principles (GAAP).
4. Records - Agent shall provide the storage and retention of past and present Association documents and records subject to rates shown on "Exhibit A" as attached hereto.
5. Budget - Agent shall prepare and submit to Association, in October of each year, a recommended budget for the next succeeding year showing anticipated receipts and expenditures for such year.



6. Maintenance - Subject to the direction and at the expense of Association, Agent shall cause the common elements of Association to be maintained according to appropriate standards of maintenance consistent with the contracts executed by Association. In this regard, Agent shall perform monthly inspections of the common elements and as otherwise may be requested by Association.
7. Architectural Review Committee ("ARC") - Agent shall serve as receiving Agent for ARC applications, package such information and send the documents to designated person(s). Additionally, Agent shall provide a historic log of all ARC applications and send responses to all owners.
8. Deed Restrictions - Agent shall prepare letters concerning deed restriction violations and with Board approval, if necessary, coordinate with the Association's attorney to the enforcement of restrictions. Agent shall submit a report of the status of all deed restriction violations to the Board, along with Agent's monthly report, each month. (Court attendance, if required, is charged on an hourly basis as defined herein.) Agent shall perform monthly deed restriction inspections and as otherwise may be requested by Association.
9. Meetings - Agent shall attend meeting as specified in Exhibit "A" as attached hereto. (Meetings exceeding 2 hours and/or starting after 6:30 P.M. will be billed at \$100.00 per hour.) Annual and Board meetings to be held between the hours of 5:00 P.M. Friday and 9:00 A.M. Monday will be billed at \$100.00 per hour per person attending the meeting from Crest. Agent shall be responsible for maintaining Association's minute book reflecting any and all corporate acts authorized by Board and preparing minutes of all Board meetings, etc. for which Agent is in attendance. Otherwise, minutes will be submitted from Board for minute book entry.
10. Contracts - Subject to the direction of Board, Agent shall negotiate on behalf of Association, contracts for refuse removal, lawn care, pest control, amenities care, water, electricity, gas, telephone and such other services for the common elements of Association as may be necessary or advisable. Agent shall purchase on behalf of Association such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the common elements. All such purchases and contracts shall be in the name of and at the expense of Association and shall be executed by Association.
11. Limit of Expenditures - In discharging its responsibilities, Agent shall not make any expenditures nor incur any nonrecurring contractual

obligations exceeding Two Hundred and 00/100 Dollars (\$200.00) without the prior consent of Board. Notwithstanding these limitations, Agent may, on behalf of Association without prior consent, expend any amount or incur a contractual obligation to cure or attempt to cure a condition which may involve a danger of life or property or may threaten the safety of Association or the owners and occupants or may threaten the suspension of any necessary service to the Association.

12. Office Staff - Agent shall provide office, staff and telephones to communicate with any party regarding Association business during normal business hours. Agent will act as the point of contact for any communication with regard to Association business. Agent will assist in the resolution of any problems or complaints on behalf of Association.
13. Office Hours - The office hours are 9:00 A.M. - 5:00 P.M., Monday thru Friday, excluding holidays.
14. Deposits - All monies collected by Agent on behalf of Association shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation separate and apart from Agent's own funds or funds of other clients of Agent.
15. Expenses - All expenses of operation and management will be paid from Association's funds. Utility bills, to include, but not limited to water, electricity, phone, internet, will be paid/reimbursed by Association without further approval from the Board. Agent shall have no obligation to advance funds to Association for any purpose whatsoever.
16. Checking Account - Agent will maintain the check register and checks of Association, causing checks to be prepared for all proper obligations of Association as received and paid for from assessments collected. The checks will be prepared for signature by Board members. Management company principals will sign on the checking account for the purpose of paying utilities only.
17. Additional Bank Accounts - Agent will maintain an operating account, a money market account, and a capital reserve account with Agent's core bank as part of this contract. There will be an additional charge for any account with other than Agent's core bank, as set forth in Exhibit "A" as attached hereto.
18. Welcome Letter - Agent will send a welcome letter to all new residents providing information regarding Association.



19. Provide New Board Member Orientation in Agent's office during normal business hours at no additional charge to Association.
20. Agent will provide a method for homeowners to register their e-mail address to receive e-mail notification of Board meetings and will post board meeting notice on community page of Agent's website in compliance with Texas Property Code 209 (see Exhibit "A" attached hereto for applicable charge).

#### **INDEMNIFICATION OF AGENT**

(a) ASSOCIATION EXPRESSLY AGREES TO INDEMNIFY, SAVE AND HOLD AGENT, ITS OFFICERS, DIRECTORS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION OR JUDGMENTS, OF ANY KIND OR CHARACTER, INCLUDING REASONABLE LEGAL FEES, EXPENSES AND COSTS RESULTING FROM AGENT'S PERFORMANCE OF ITS DUTIES UNDER THIS AGREEMENT AND/OR UNDERTAKEN BY AGENT ON BEHALF OF ASSOCIATION; INCLUDING, BUT NOT LIMITED TO CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS OR JUDGMENTS ARISING FROM THE NEGLIGENCE, GROSS NEGLIGENCE OR INTENTIONAL ACTS OF THE ASSOCIATION OR THE NEGLIGENCE OF THE AGENT WHETHER SUCH NEGLIGENCE IS SOLE OR MIXED WITH THE NEGLIGENCE OF OTHERS. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, SUCH INDEMNIFICATION DOES NOT APPLY TO CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS OR JUDGMENTS, ARISING FROM AND ATTRIBUTABLE TO GROSSLY NEGLIGENT OR WILLFUL AND WANTON ACTS COMMITTED BY AGENT OR ANY ACT BY AGENT OUTSIDE THE SCOPE OF AGENT'S AUTHORITY UNDER THIS AGREEMENT. FURTHER, AGENT SHALL BE LISTED AS AN ADDITIONAL-INSURED ON ANY GENERAL LIABILITY POLICY AND DIRECTORS AND OFFICERS LIABILITY POLICY ISSUED ON BEHALF OF ASSOCIATION. ASSOCIATION'S INSURANCE SHALL BE RECOGNIZED AS THE PRIMARY SOURCE IN THE EVENT OF CLAIMS COVERED UNDER THIS SECTION.

(b) ASSOCIATION SHALL NOT HOLD AGENT LIABLE FOR ANY LOSSES OR DAMAGES, JUDGMENTS, CAUSES OF ACTION, SUITS, DEMANDS OR CLAIMS OF ANY CHARACTER OR KIND, INCLUDING STRICT LIABILITY, OR THE NEGLIGENCE OF AGENT, ANY THIRD PARTY AND/OR THE ASSOCIATION, ARISING OUT OF OR ATTRIBUTABLE TO THE NEGLIGENT, GROSSLY NEGLIGENT OR WILLFUL ACTS OR OMISSIONS OF THIRD PARTIES CONTRACTED WITH TO PERFORM SERVICES IN FULFILLMENT OF THE SERVICES PROVIDED TO THE ASSOCIATION. THIS INDEMNITY ALSO SHALL APPLY TO ANY CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, OR JUDGMENTS OF ANY KIND OR CHARACTER, WHETHER RIGHTLY OR WRONGLY BROUGHT, INCLUDING REASONABLE LEGAL FEES, EXPENSES AND COSTS AS A RESULT OF THE ACTS OR OMISSIONS OF THIRD PARTIES CONTRACTED WITH TO PERFORM SERVICES IN FULFILLMENT OF AGENT'S DUTIES DESCRIBED HEREIN AND/OR UNDERTAKEN BY AGENT ON BEHALF OF

ASSOCIATION WHETHER THE THIRD PARTY HAS CONTRACTED DIRECTLY OR INDIRECTLY WITH THE ASSOCIATION, AGENT, OR ANY OTHER PERSON OR ENTITY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(c) AGENT AGREES TO INDEMNIFY ASSOCIATION AGAINST ACTUAL DAMAGE, LOSS, AND EXPENSE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AGENT OR ITS EMPLOYEES DURING THE TERM OF THIS AGREEMENT WHERE A COURT HAS FOUND THAT SUCH LIABILITY WAS CAUSED BY AGENT'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR CRIMINAL ACT(S) UNLESS THE CAUSE OF SUCH LOSS WAS THE RESULT OF AGENT FULFILLING DIRECTION GIVEN BY ASSOCIATION OR WITHIN THE SCOPE OF THIS AGREEMENT.

### **INSURANCE**

Final responsibility to have the common elements adequately insured remains with Association and not with Agent. Agent shall be listed as an Additional Insured on Association's General Liability Policy, Directors and Officers Policy, Fidelity Bond and Crime Policy as applicable and required under the terms of this Agreement.

Agent Insurance Coverage: Agent shall carry in full force and effect at all time the following minimum insurance coverage:

- 1.) General Liability with Hired and Non-owned Auto: \$1,000,000 per occurrence and in the aggregate
- 2.) Commercial motor vehicle insurance \$1,000,000 per occurrence and in the aggregate
- 3.) Errors and Omissions Insurance: \$1,000,000 per occurrence
- 4.) Crime: \$50,000 per occurrence
- 5.) Excess/Umbrella: \$1,000,000 per occurrence
- 6.) Workers compensation in the statutory amounts
- 7.) Employer liability insurance: \$1,000,000 per occurrence

### **SECURITY**

Agent shall not in any way be considered an insurer or guarantor of security within the Association property. Neither shall Agent be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken unless such loss or damages are caused by Agent's gross negligence or willful misconduct.

### **MISCELLANEOUS PROVISIONS**

1. No Assignment. Agent shall have no right or authority to assign, in whole or in part, any of its rights or obligations hereunder, or any portion of this Agreement, to any third party without the prior written consent of Association.



2. Severability. If any provision of this Agreement, or portion thereof, shall be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall attach only to such provision or portion thereof, and shall not in any manner affect or render invalid or unenforceable any other provision of this Agreement or portion thereof, and this Agreement shall be carried out as if any such invalid or unenforceable provision or portion thereof were not contained herein. In addition, any such invalid or unenforceable provision or portion thereof shall be deemed, without further action on the part of the Parties hereto, modified, amended or limited to the extent necessary to render the same valid and enforceable.
3. Waiver. No waiver by a Party of a breach or default hereunder by the other Party shall be considered valid, unless expressed in a writing signed by such first Party, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or any other nature.
4. Governing Law. This Agreement, and all of the rights and obligations of the Parties in connection with the relationship established hereby, shall be governed by and construed in accordance with the substantive laws of the State of Texas, with venue proper in Harris County, without giving effect to principles relating to conflicts of law.
5. Counterparts. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument.
6. In the event of cancellation, termination or failure to renew this contract, Association agrees, for a period of one (1) year from the date of termination, not to employ, or attempt to employ anyone who is employed by Agent, or was employed by Agent within one (1) year previous to the date of termination for the performance of services identical to or substantially similar to these described in this contract. In the event of a breach of the foregoing covenant, both parties agree that Association shall pay to Agent, as liquidated damages, an amount equal to twelve (12) times the monthly compensation agreed to in Exhibit "A".

### AUDIT RIGHTS

Association reserves the right, and Agent hereby agrees that Association shall have the right, at the sole expense of Association, to conduct examinations and/or audits of the books and records maintained by Agent for Association. Should Association discover any material errors in record keeping, Agent, at Agent's sole expense, shall correct such discrepancies either upon discovery or within a reasonable time thereafter. Agent shall inform Association in writing of the action taken pursuant to this section.

**RELATIONSHIP OF AGENT TO ASSOCIATION**

The relationship between the parties is that of principal and agent. Agent acts on behalf of Association in performing the duties outlined in this Agreement. Agent is not an employee of Association, nor is Agent required to bear any losses in connection with its service rendered under this Agreement unless otherwise agreed within this Agreement.

Agent shall be protected in acting in accordance with the provisions of this Agreement upon any notice, requisition, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and to have been signed by or sent by the proper person or persons.

Agent reserves the right to terminate this Agreement if the Association, its Board members, its officers, its owners and/or its residents create a hostile work environment, which includes sexual or other harassment, discriminatory language or actions, bullying, and disruptive and abusive verbal or physical interactions, which may include electronic communications, with Agent or others during Agent's performance of its duties. Agent recommends Board develop and adopt a "Code of Conduct Policy" for Board members to act as a guide to appropriate behavior and civil discourse.

**NOTICES**

Any and all notices, consents or directives by either Party intended for the other shall be sent by registered or certified mail, return receipt requested. Notices to Association shall be to the address for the President of the Board of Directors of the Association. Notices to Agent shall be to the address set forth hereinafter. Either Party may designate different addresses by serving written notice of change of address on the other Party by registered or certified mail, return receipt requested.

**INITIAL NOTICE, IF TO ASSOCIATION:**

WILLIAMSBURG SETTLEMENT  
C/O CO HOLT  
22426 WETHERBURN LANE  
KATY, TX 77449

**IF TO AGENT:**

CREST MANAGEMENT COMPANY  
P.O. BOX 219320  
HOUSTON, TX 77218-9320

**SALES TAX**

Association acknowledges that sales tax must be paid, as required by state law, on certain products and services. All sales tax collected by Agent shall be timely remitted to the State Comptroller by Agent. Agent shall make a good faith effort to determine and collect sales tax due; however, in the event of an audit by the State Comptroller regarding sales tax, all sums determined to be due by Association shall be paid by Association.



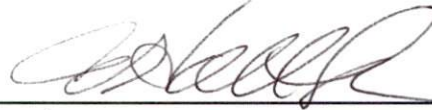
**TERMINATION**

This Agreement shall be terminated and, except as to liabilities or claims which shall have occurred or arisen prior to such termination, all obligations hereunder shall cease upon the happening of any of the following events:

Termination by Thirty (30) Day Notice. Either party may terminate this Agreement by giving written notice of termination at least thirty (30) days in advance to the other Party. Such notice shall be effective when delivered in accordance with the notice provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures as of this date September 22, 2020

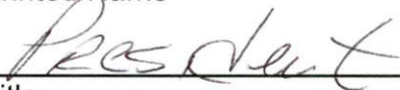
Association: **WILLIAMSBURG SETTLEMENT  
MAINTENANCE ASSOCIATION**



Signature

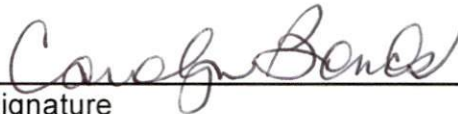


Printed Name

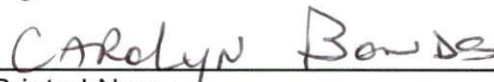


Title

Agent: **CREST MANAGEMENT COMPANY**



Signature



Printed Name



Title

**EXHIBIT "A"**

EFFECTIVE DATE: OCTOBER 1, 2020

ASSOCIATION NAME: WILLIAMSBURG SETTLEMENT  
MAINTENANCE ASSOCIATION

ASSOCIATION LOCATION: 22426 WETHERBURN LANE  
KATY, TX 77449

TERM OF AGREEMENT: TWELVE (12) MONTHS

INITIAL LIAISON: CO HOLT

BOARD/ANNUAL MEETINGS  
TO BE ATTENDED: ELEVEN (11) BOARD AND ONE (1) ANNUAL

INSPECTIONS ONCE PER MONTH

COMPENSATION: \$2,500.00 PER MONTH

This Monthly Fee is based upon the number of lots at the inception of this Agreement.  
The number of lots as of the execution of this Agreement is 763.

**ADDITIONAL CHARGES****ADMINISTRATIVE**

Postage	Reimbursed at the actual expense of Agent
Photocopying charges	\$ 0.15 per copy + tax
Labels/Envelopes larger than #10	\$ 0.15 each
Custom Stationery/Office Supplies	Per actual invoice
Community Mailouts (supplies/labor included)	\$ 0.45 each
Manual Checks, Rush Checks (over 4)	\$10.00 each



**EXHIBIT "A"**  
**PAGE 2**

**COLLECTION COSTS**

Assessment billing	No Charge – Included in contract
Collection Reminder Notices (billed to owner)	\$25.00 each
Collection Certified Letter (billed to owner)	\$50.00 each
Collection Final Demand Letter (billed to owner)	\$25.00 each
Attorney Account Preparation Fee (billed to owner)	\$50.00 each
Payment Plan (billed to owner)	\$50.00/3 months
Insufficient Check (billed to owner)	\$50.00 each

**DEED RESTRICTIONS**

Certified Notice/Special Letters	\$15.00 each
Deed Restriction Final Demand Letter	\$10.00 each
Color Photos	\$ 0.75 each
Additional Monthly DRV Inspection	\$1,000.00
Fine Letters	\$30.00 each

**ADDITIONAL SERVICES**

Preparation and Attendance for Court Appearance, Dispute Resolution, or Special Meetings, Special Projects	\$100.00 per hour
Administer Accounts at other than Agent's core bank	\$15.00 per month per account

**RECORDS**

Title Search	\$25.00
Retrieval, Refiling or Permanent withdrawal of records in storage	Per actual invoice

**EXHIBIT "A"**  
**PAGE 3**

Records Storage/Maintenance (1 <sup>st</sup> two (2) years included in fee)	\$15.00/month at year 3 \$ 5.00/month additionally for each year thereafter, not to exceed \$60.00/month
--	---

**The following are OPTIONAL SERVICES, not included in this contract.  
Please write your initials on the line next to those you wish to add.**

- |   |                         |
|---|-------------------------|
| _____ - Gate/Remote Access Administration | \$100.00 per month      |
| _____ - Clubhouse Reservations            | \$75.00 per Rental      |
| _____ - ARC/ACC Review and Approval       | \$50.00 per application |

Pool Tag Distribution:

- |   |          |
|---|----------|
| X _____ - 100% On-line application with Mail Out of tags  | \$500.00 |
| _____ - Handling of only late pool tag requests following Association's two-day on-site distribution. | \$250.00 |

**COMMUNITY WEB PAGE**

- |   |                              |
|---|------------------------------|
| X _____ - <b><u>Basic Community Page on Crest Website</u></b><br>Includes the following:<br>Crest Team contact information<br>Access to community information<br>Governing documents<br>Board meeting notices | <b><u>No Charge</u></b>      |
| _____ - <b><u>Enhanced Community Page on Crest Website</u></b><br>Includes all information on Basic Community Page<br>plus Calendar for community events,<br>News feed and E Blast access                     | <b><u>\$100.00/month</u></b> |
| _____ - <b><u>Link to Existing Community Web Page on Crest Website</u></b>  | <b><u>No Charge</u></b>      |