

Third Addendum to Management Agreement

This Third Addendum to Management Agreement (“Second Addendum”) is attached to and made a part of the Management Agreement (“Agreement”) entered into by and between Escena Community Association, a California non-profit mutual benefit corporation (“Association”) and Desert Resort Management (“Agent”) on November 30, 2017, effective January 1, 2018, and as amended by the Addendum to Management Agreement (“Addendum”) signed on August 27, 2024 and the Second Addendum to Management Contract (“Second Addendum”), signed on February 4, 2025. Association and Agent are collectively referred to herein as “Parties.” The Agreement, the prior Addendum, the Second Addendum, and this Third Addendum together shall constitute the “Amended Contract.” All terms and conditions within this Third Addendum shall supersede and prevail over any inconsistent or conflicting terms within the Agreement.

Recitals

- A. The Parties have been negotiating an extension of the Agreement subject to additional terms and conditions as set forth in this Third Addendum.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The expiration date of the current Renewal Term currently set for June 1, 2025 is extended to November 30, 2025. The Management Fee for the current Renewal Term will not increase during the term of the Renewal Term extension.
2. In addition to the services provided by Agent to the Association under the Amended Contract, Agent will perform the minimum service level agreements (“SLA”) set forth on Exhibit “D” to the Amended Contract, which is being added by this Third Addendum and incorporated herein by reference. Should Agent not perform the minimum SLA in accordance with Exhibit “D,” then the Association is entitled to penalties as indicated on Exhibit “D.” Payment of any penalty must be reflected as credit(s) on Agent’s invoice(s) within thirty (30) days from the date the Association provides written notification to Agent that a penalty has been incurred.
3. In addition to the services provided by Agent to the Association under the Amended Contract, Agent will provide the Association with a dedicated administrative assistant, Sophia Beverly. The administrative assistant shall work a forty (40) hour work week and must be assigned to the Association for all forty (40) hours effective June 1, 2025. The administrative assistant may work onsite at one of the gates at a frequency determined by the Board at no additional cost, except for direct costs needed to work onsite, such as equipment and services that have been approved in writing by the Board.

4. Agent will continue to provide the Association with a dedicated, community manager Jayme Fakehany, to perform the services outlined in the Amended Contract. Association understands that the community manager will be assigned to work on other accounts at Agent's company.
5. The term "emergencies" when referenced in the Amended Contract also means conditions or unexpected circumstances that require immediate action and/or response to prevent or limit harm/damage to property, persons, environment, cause negative financial impact and/or request classified by a Board member as an emergency. Examples of emergencies include, but are not limited to, irrigation leaks, malfunctioning gates or call boxes, no gate attendant at the gate, etc.
6. The term "day-to-day" when referenced in the Amended Contract also means the routine functioning and management of resources and processes necessary to ensure the expected and planned outcomes of a business or system. Day-to-day can be both simple and complex. Examples of day-to-day include, but not limited to, creation of reports, questions about accounts, simple inquiries, opening/closing of work orders and ensuring all requests are completed according to SLAs or completed in a reasonable time, if they are not covered by a specific SLA.
7. The term "project" when referenced in the Amended Contract means planning and resource allocation that due to its complexity and nature may require additional direction and support outside of the operational routine. Projects involve research and the changing of systems or operational flows. Any project or research which identifies error(s) or omission(s) by Agent such as misclassifying invoices to the wrong party will not result in fees to the Association. Any activity required by the Association to remedy error(s) or omission(s) by Agent will not result in fees to the Association. Any request classified by Agent as a project requires prior written approval by the Board Treasurer or Board President.
8. Beginning July 1, 2025, Agent must provide the following reports in the timeframes to the entity and person(s) indicated in this Section 8:

Report	Frequency	Provide To
a. List of New Homeowners: New Homeowner Name(s), address, effective date of ownership, Previous Homeowner Name(s).	Monthly	Board
b. Community Access Report: List of gate entry codes used (successful, denied, name assigned, date, time, gate, name of current homeowner)	Monthly	Safety & Security Committee Board Liaison

Report	Frequency	Provide To
c. Community Access Report: List of access cards used (successful, denied, name assigned, date, time, gate, name of current homeowner)	Monthly	Safety & Security Committee Board Liaison
d. Work Order Report: List of calls and requests to include date, time, request information, status - open, in progress, closed, days open to close, requestor name	Weekly	Management Review Committee
e. Incident Report: List of incidents reported to Management company and/or Security Company to include date, time of incident, name of person reporting, homeowner name(s), address of property, details on incident, actions taken by Management company	Weekly	Board
f. Rental Properties Report - include homeowner name(s), tenant name(s), property address, rent start date, rent end date, rental duration (number of days), automatic renewal status (yes/no), automatic renewal terms (if any)	Monthly	Board
g. Rule Violations Report - include date reported, homeowner name(s), property address, tenant name(s) if applicable, rule violation history on property, if applicable - specify number of violations and issues, date(s), date(s) courtesy letter sent, status (issue resolved, closed, open)	Monthly	Board
h. Assessment Delinquency Report - include homeowner name(s), property address, month(s) and dollar amount, number of days delinquent, total amount delinquent, date(s) notice to homeowner(s), and collection actions taken.	Monthly	Board
i. Invoice Approvals - List of all invoices/bills in the past three (3) months (rolling three (3) months) showing status (approvals needed, approvals completed, payment in process, paid). The report must show each approver and the invoice status.	Monthly	Board Treasurer

9. On a monthly basis, Agent, through its Chief Executive Officer must meet with the Board President and the Association's management review committee chair to review Agent's performance.

10. The invoice approval process set forth on Exhibit "E," which is being added by this Third Addendum and incorporated herein by reference, must be implemented by Agent within thirty (30) days from full execution of this Third Addendum.

All other provisions of the Management Agreement not inconsistent with this Third Addendum shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF this Third Addendum is executed as of the date set forth below.

AGENT

Desert Resort Management

Wm. [Signature]

Signature

CEO

By Its

Mark Dodge

Print name

5/30/25

Date

ASSOCIATION

Escena Community Association

Rick A. [Signature]

Signature

President

President, Board of Directors

Richard Gordon

Print name

6/2/2025

Date

Exhibit “D”

Service Level Agreements

#	Task	Service Level	Penalty	Report Provided Y/N
GENERAL				
1	Phone calls from residents, Board members, and Committee members	<p>EMERGENCY CALL - Return call within 2 hours.</p> <p>NON-EMERGENCY CALL - Return call no later than end of next business day.</p>	\$250/ per incident	Yes, on Account Notes
2	Requests generated on TownSquare	<p>EMERGENCY REQUEST - Confirm action is taken and change status to in progress or closed within 4 hours.</p> <p>NON-EMERGENCY REQUEST - Confirm action is taken and change status to in progress or closed by end of next business day.</p>	\$250/ per incident	Yes, on Work Order report
3	Emergency repairs to facility issues, including gate, irrigation, and electrical malfunctions.	<p>BOARD APPROVAL NOT REQUIRED</p> <p>1) Open repair work order with vendor within 4 hours from receipt of request. Repair completed by end of next day.</p> <p>BOARD APPROVAL REQUIRED</p> <p>Inform the Board within 2 hours from receipt of request.</p>	\$250/ per incident	Yes, on Work Order report
FINANCE COMMITTEE				

#	Task	Service Level	Penalty	Report Provided Y/N
4	Funds Management: Execute transfer of funds between existing accounts	No later than 2 business days after transfer order approved by authorized HOA representative(s).	\$250/ per incident + loss income	Yes, on Work Order report
5	Funds Management: Open new operational savings accounts and CDs	No later than 5 business days after request has been approved by authorized HOA representative(s)	\$250/ per incident + loss income	Yes, on Work Order report
6	Funds Management: Provide broker with approved board resolutions	No later than 5 business days after Board resolution has been approved.	\$250/ per incident + loss income	Yes, on Work Order report
7	Funds Management - Reserve Contributions: Receipt of funds by broker	No later than 5 business days after check has been produced, if applicable. Note: Currently transitioning to EFT as of July 2024.	\$250/ per incident + loss income	Yes, on Work Order report
8	Board Resolutions	Execute within 5 business days of Board approval.	\$250/ per incident	Yes, on Work Order report
LANDSCAPE COMMITTEE				
9	Work order irrigation repairs on notice of leak, etc.	Same day	\$250/ per incident	Yes, on Work Order report
SAFETY & SECURITY COMMITTEE				
10	Gather information & complete Incident Report	Same day reported	\$250/ per incident	Yes, on daily pass down and incident reports
11	Report Incident to Board	Same day reported	\$250/ per incident	Yes, on daily pass down and incident reports
12	Address security breach for investigation to Board	Within 72 hours	\$250/ per incident	Yes, on daily pass down and incident reports

Exhibit “E”

Invoice Approval Process

Level	Approval Limit	Board Policy or Civil Code	Operating Account	Reserve Account	Authorized Person/Entity
A	All invoices/bills below \$500 may be approved by the Management Company Community Manager responsible for Escena Community Association.	Board Policy	Yes		Community Manager only
B. i	All invoices/bills that are \$500 or more require the Board Committee Liaison (Board Member)* to approve the invoice to ensure the Association is the correct party to be billed, the work description is accurate, the work performed is acceptable and the expense is in the Committee's budget.	Board Policy	Yes		Board Committee Liaison only
	OR				
	Any invoice/bill \$500 or more that does not have Committee ownership	Board Policy	Yes		Finance Committee Chair and Board Treasurer
	OR				
	Any non-budgeted expense \$500 or more	Board Policy	Yes		Finance Committee Chair and Board Treasurer
	AND				
B. ii	All invoices/bills that are \$2,500 or more require Finance Committee Chair** approval to ensure there are funds available in the Committee's budget and the approval of the Board Treasurer*** approval.	Board Policy	Yes		Committee Chairperson and Board Treasurer

Level	Approval Limit	Board Policy or Civil Code	Operating Account	Reserve Account	Authorized Person/Entity
	AND				
B. iii	All invoices \$10,000 or greater- requires written approval from the Board	Civil Code 5502	Yes	Yes	Board Treasurer and Board President and Finance Committee Chairperson
C	All reserve invoices/expenses require Finance Committee Chair**, Board Treasurer*** and Board President approval on the Financial software after the Board has approved the withdrawal.	Civil Code 5510	N/A	Yes	Board Treasurer and Board President and Finance Committee Chairperson

Additional Instructions:

*Alternate approver to Board Committee Liaison will be Board Treasurer.

**Alternate approver for Finance Committee Chair is designated Finance Committee Member

***Alternate approver for Board Treasurer is Board President;

Alternate approver for Board President is Board Vice President

BP- Board Established Procedure

§ 5510 Civil Code - Two Signatures to Withdraw Reserve Funds

§ 5502 Civil Code - Approval for Large Transfers