

HEARTHSTONE PLACE SECTION ONE COMMUNITY
ASSOCIATION
LARGE CONTRACT BID SOLICITATION POLICY

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

WHEREAS, Hearthstone Place Section One Community Association, a Texas nonprofit corporation (the "Association") is the governing entity for Hearthstone Place, a Subdivision in Harris County, Texas (the "Subdivision"); and

WHEREAS, the Association is charged with administering and enforcing those certain covenants, conditions and restrictions contained in the recorded Declaration for the Subdivision; and

WHEREAS, all terms used herein that are defined in Chapter 209 of the Texas Property Code shall have the meanings as defined in the statute; and

WHEREAS, Section 209.0052 of the Texas Property Code was amended to require property owners association to establish a bid process for any proposed contract for services that will cost more the \$50,000.00; and

WHEREAS, to the extent any existing governing documents or dedicatory instruments do not conflict with this policy or Section 209.0052 of the Texas Property Code, such provisions remain in full force and effect; and

WHEREAS, this Dedicatory Instrument represents Restrictive Covenants as those terms are defined by Texas Property Code §202.001, et. seq, and the Association shall have and may exercise discretionary authority with respect to Restrictive Covenants; and

WHEREAS, this Large Contract Bid Solicitation Policy is applicable to the Subdivision and Association.

NOW, THEREFORE, in light of the foregoing and in compliance with the Texas Property Code, the Association hereby adopts and imposes on the Subdivision and the Association the following *Large Contract Bid Solicitation Policy*:

1. The following criteria apply to determine whether a service contract will cost more than \$50,000.00:
 - a) The bid process is applicable to service contracts which upon the execution of the agreement obligates the Association to pay more than \$50,000.00 during the term of the contract.
 - b) The ability of the Association to terminate a service contract without cause prior to incurring costs in excess of \$50,000.00 does not relieve the Association of the obligation to follow the process in this policy if the stated

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term and total cost of the contract during the initial term is in excess of \$50,000.00.

- c) Contingent amounts under the service contract are not included in determining the amount the contract will cost. Costs which are unfixed, but certain, shall be estimated to the best of the Association's ability.
 - d) Amounts which may be incurred in the future, such as upon renewal of the service contract, will not be included in determining the amount the contract will cost.
2. A proposed service contract that will cost more than \$50,000.00 shall be approved using the following process:
- a) The Association shall make diligent efforts to obtain a minimum of three (3) bids or proposals from contractors or vendors for the service(s) desired;
 - b) Contractors or vendors providing bids or proposals must be insured against liability, have experience providing the service(s), and have the proper licensing and qualifications as required by law;
 - c) If diligent efforts are made to obtain the minimum number of bids or proposals and the Association is unable to obtain said bids or proposals from contractors or vendors, the Board may consider the bids or proposals obtained and approve the contract;
 - d) On a case-by-case basis, the Association may determine the specific process it will use to seek bids or proposals from contractors or vendors. If there are not three (3) qualified contractors or vendors in the market area for a particular service, the Association may limit the solicitation process to only contractors or vendors that are qualified;
 - e) In the event of an emergency, the Association may secure a contractor or vendor to resolve the emergency without abiding by this policy;
 - f) The Board of Directors is not obligated to approve the contract with the lowest bid. The Board of Directors must consider all relevant factors, including, but not limited to, the contractor or vendor, references, warranty, and terms of the bid or proposal.

This Policy is effective upon recordation in the Public Records of Harris County, Texas. Except as affected by Section 209.0052 and/or by this Policy, all other provisions contained in the Declaration or any other dedicatory instruments of the Association shall remain in full force and effect.

CERTIFICATION

I, the undersigned, being the President of the Hearthstone Place Section One Community Association hereby certify that the foregoing Policy was adopted by at least a majority of the Hearthstone Place Section One Community Association's Board of Directors at a properly noticed, open Board meeting, at which a quorum of the Board was present.

Approved and adopted by the Board of Directors on the 14th day of October 2021.

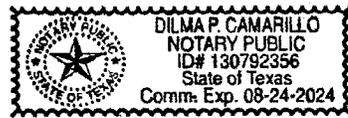
Shannon Beeler
Shannon Beeler, President of Hearthstone
Place Section One Community Association

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Before me, the undersigned authority, on this day personally appeared Shannon Beeler, President of Hearthstone Place Section One Community Association, a Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she had executed the same as the act of said corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 14th day of October 2021.

Dilma P. Camarillo
Notary Public, State of Texas



AFTER RECORDING, RETURN TO:

ESG | SEARS
BENNETT
& GERDES, LLP

6548 GREATWOOD PKWY.
SUGAR LAND, TEXAS 77479

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e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$26.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Teneshia Hudspeth
COUNTY CLERK
HARRIS COUNTY, TEXAS

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