

ACKERMANN CREATIVE MANAGEMENT SERVICES
MANAGEMENT AGREEMENT FOR

This agreement made this _____ day of _____ by and between _____, hereinafter called the "Association", and **ACKERMANN CREATIVE MANAGEMENT SERVICES**, hereinafter called the "Agent".

WITNESSETH:

In consideration of the terms, conditions, and covenants herein set forth, the Agent hereby agrees to execute this Management Agreement with the Association, for a period of ___ years, commencing _____, for the herein described services.

1. ADMINISTRATIVE DUTIES:

A. Attendance at meetings: The Agent will have in attendance a representative knowledgeable to the Agent's activities with the Association at the following meetings:

1. All regular Board of Directors meetings.
2. Any special meeting of the Board of Directors when requested by the

President of the Association upon notice to the Agent at least seventy two (72) hours in advance of such meeting.

3. Annual meeting of the Association which the Agent hereby agrees to organize.

B. The Agent will assist in the preparation and distribution of the minutes to the meetings of the Board of Directors. However, it will not be the responsibility of the Agent to record or transcribe the minutes of said meeting.

C. The Agent will maintain an inventory of all equipment and/or property owned by the Association.

D. The Agent, in accordance with the documents for the Association and the State of

Maryland, will prepare specifications, obtain and analyze bids for insurance coverage, make recommendations, prepare claims, handle payment of settlements and other activities involved with insurance policies carried by the Association.

E. The Agent will prepare on behalf of the Association disclosure statements required by law or required by an Owner. The Agent shall be entitled to charge a fee to the Owner requesting such disclosure statements in accordance with State Law or the itemized charges for services outlined in this proposal.

F. The Agent will assist the Board of Directors of the Association in the resolution of problems pertaining to the Community's common elements and individual units.

G. The Agent will collect, organize and maintain a complete file of all legal documents, insurance policies, owners list, correspondence, rules and regulations, blue prints and specifications of the Association.

H. The Agent will maintain a system of records, in accordance with sound business practices, satisfactory to the Board of Directors concerning all operations of the Association.

I. The Agent will provide, at the expense of the Association, a coupon payment book or equivalent to each unit owner for payment of monthly assessments.

J. The Agent will maintain and provide, as needed, a current roster of all units and the owners thereof, together with any other information required by the Board of Directors of the Association.

II. FINANCIAL:

A. The Agent will receive, and collect dues and assessments, administer and supervise the financial records of the Association, including accounts receivable for monthly assessments and other income, make deposits and maintain accounting records of all deposits, withdrawals and/or financial transactions of the Association.

B. The Agent will make disbursements, when due, from the operating funds

available, for all operating expenses and authorized expenditures of the Association.

C. The Agent will make diligent effort to collect delinquent assessment accounts and, when necessary, will assist the attorney of the Association in the legal process for the collection of delinquent assessments and accounts.

D. The Agent will prepare and distribute to the Board of Directors by the 15th of each month a monthly cash flow financial statement and delinquent listing.

E. The Agent will prepare, before the beginning of each fiscal year, an annual operating budget, with projections and other supporting data of income and disbursements for the operation of the Association during the upcoming fiscal year. The prepared budget will be submitted to the Board of Directors, for consideration, at least ninety (90) days prior to the beginning of the fiscal year. A copy of the approved Annual Operating Budget for the Association will be mailed to all unit owners of record at least thirty (30) days prior to the beginning of the fiscal year.

F. The Agent will assist a CPA (chosen by the Board of Directors at the expense of the Association) in the performance of the annual audit, preparing tax reports and filing of local, state and federal tax reports as required by law.

G. The Agent will prepare and furnish to each Unit Owner an annual financial report of the prior year's financial activities of the Association by March 15th of each year.

H. The Agent will assist the Finance Committee in the review and preparation of reserve schedules and investment recommendations and statements.

I. The Agent agrees that any expenditure, other than regular monthly or quarterly budgeted expenses, shall be approved by the Board of Directors for any amount over Five Hundred Dollars (\$500.00); excepting however, that emergency repairs, involving manifest danger to life or property or required to avoid suspension of any necessary service to the Association, may be made by the Agent, irrespective of the cost limitation imposed by this

paragraph. However, notwithstanding this authority as to emergency repairs, it is understood and agreed that the Agent will, as soon as possible, confer immediately with the Board of Directors and/or Board Liaison regarding every such expenditure.

III. OPERATIONAL:

A. The Agent will make monthly inspections of the property and report to the President of the Board of Directors, as to the condition of the property and will make recommendations for the improvements thereof.

B. The Agent will write specifications, solicit, analyze, negotiate and make recommendations regarding bids for service and repair contracts.

C. The Agent will oversee and take direct responsibility for assuring that contract work is performed according to the specifications set forth in the contracts entered into by the Association and will report immediately to the Board of Directors, should he have any reason to believe that any contract is not being performed according to specifications.

D. The Agent will receive and make recommendations concerning any request for modification to units in conjunction with the Architectural Control Committee.

E. The Agent will, in a supervisory capacity, assure that the property is maintained in a condition satisfactory to the Board of Directors.

F. The Agent will establish and implement a preventive maintenance program for the Association.

G. The Agent will assist in the enforcement of Rules and Regulations of the Association.

IV. MISCELLANEOUS / SPECIAL:

A. The Agent will propose, review and make recommendations for updating and amending current governing documents, rules and regulations, and By-Laws of the Association.

B. The Agent, if requested by the Board, will establish and carry out a new Unit Owner orientation program for the Association.

C. The Board of Directors shall designate a single individual as a Board Liaison with the Agent. The Agent is to be directed not to accept directions or instructions with regards to the management of the Association from any one else, except from the Board acting as a whole.

In the absence of any other designations by the Board, the President of the Association shall have this authority.

D. The Agent shall not be obligated to make any advance to or for the account of the Association or to pay any sum, except out of funds held and provided aforesaid, nor shall the Agent be obligated to incur any liability or obligation for the account of the Association without the assurance that the necessary funds for the discharge thereof will be available.

V. MANAGEMENT FEE:

A. The compensation which the Agent shall be entitled to receive for all services performed under this Agreement shall be a fee of \$ _____ per month.

B. Charges for services not included in the basic Agreement are as follows:

1. Resale disclosure certificate (charged to the Owner involved) \$ _____ plus reproduction cost of any required documents @ \$ _____ per page

2. Special assessment or additional assessment over one (1) per year ---- \$ _____ per unit plus reproduction and postage cost

3. Community mailings including assessments ---- Supplies, reproduction cost and postage

4. Material reproduction (photocopying) ---- \$ _____ per single page copy; \$ _____ per page double sided copy

5. Postage for assessments, collections, rules, architectural enforcement, Newsletter and community mailings, etc. - cost

6. Property Managers time for performance of services not included as a part of this proposal, i.e., court appearances, depositions, organizational meetings, drafting of Architectural Guidelines, Rules and Regulations, or other special duties or assignments as may be designated by the Board of Directors ---- \$ _____ per hour

VI. STANDARDS OF OPERATION:

The Agent agrees to abide by the following standards of Operations:

A. Cash accounts of the Association will not be commingled with any other accounts of the Agent.

B. No remuneration shall be accepted from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise.

C. Any discounts earned or received for goods or services will be for the benefit of the Association and will be credited to their account.

D. Any financial or other interest which the Agent may have in any firm providing goods or services to the Association shall be disclosed promptly by the Agent to the Board of Directors.

E. The Agent agrees to obtain and maintain a fidelity bond in such amount as stipulated by the Association. The cost of such bond shall be absorbed by the Association. In the event such fidelity bond is terminated for any reason whatsoever, except nonpayment of the premium by the Association, the Association shall have the right to terminate this Agreement upon mailing of such termination notice to the Agent.

F. It is agreed between the parties that the Agent shall not be liable for any negligent act or omission on his part or the part of any of his agents or representatives, except that the Agent shall be liable for any of his acts or the acts of his employees constituting gross negligence.

G. INDEMNIFICATION

1. Except as shall arise in any manner from any fraud, misrepresentation, negligence or other tortious conduct on the part of the Agent, its employees and/or agents, and except for any criminal fine or award for punitive damages; the Association shall indemnify, defend and save the Agent and its employees, and/or agents harmless from any and all costs, expenses, damages, claims or liabilities whatsoever (including court costs and attorney's fees) arising from or with respect to the management and operational activities to be performed by the Agent under this Agreement or arising in, about, or in connection with, the Association's property. Subject to the limitations stated in the previous sentence, such indemnification shall include all such costs, expenses, damages, claims or liabilities incurred by the Agent by reason of the performance of any instructions, written or oral, received from the Board.

2. The Agent, its employees and/or agents shall be named as additional insured on any public liability or workers compensation insurance policy carried by the Association.

3. The provisions of subsections of this Section shall survive any termination of the parties contractual relationship pursuant to the Agreement.

H. It is agreed between the parties that the Association shall obtain insurance coverage sufficient to protect the Agent from claims for damages because of bodily injury, including death, to all others including employees of the Agent and from claims for damage to property any or all of which may arise out of or result from ownership of any interest in the Association or the management or operation of the Association or because of any injury or damage sustained on or attributable to the property of the Association.

I. It is agreed by both parties that this Agreement constitutes the complete agreement between the parties, and that neither party has or is relying upon any statement or representation of the other party not contained in this Agreement.

J. This Agreement has been made under and shall be governed by the laws of the State of Maryland.

K. Upon termination of this Agreement, the Agent agrees to forthwith return all books and records to the Association.

L. In the event that the Agent avails himself of any bankruptcy or insolvency statute or makes an assignment for the benefit of creditors, the Association shall have the right to immediately terminate this Agreement.

M. LIMITED POWER OF ATTORNEY

The Board and the Association hereby designate and appoint the Agent as their true and lawful attorney-in-fact for the limited purpose of facilitating the management services described in this Agreement, to act in its name, place and stead, and hereby grants the Agent the authority, subject to the limitations herein as follows:

1. To demand, collect, receive, and receipt for all sums of money, checks, accounts, interests, dividends and demands due or owing to the Association;
2. To establish such bank accounts in the name of the Association as may be necessary from time to time to conduct the business of the Association, and to deposit funds into and disburse funds from such accounts on behalf of the Association;
3. To contract for repair and maintenance services for the Association;
4. To take any and all other action necessary on behalf of the Association as may be authorized by the Board or the Association in connection with the management of the Association; and
5. To prepare, execute, and deliver any and all documents necessary to accomplish the foregoing, including but not limited to contracts, claims, leases, satisfactions, and full or partial releases of liens.

Any third party may rely upon this document as evidence of the Agent's

authority to continue to exercise the powers granted herein until the termination date of this Agreement, unless a revocation has been recorded in the public records of _____ County, or unless such third party has actual notice of its revocation.

VII. CANCELLATION AND/OR TERMINATION:

The Association and the Agent hereby agrees that for cause or unsatisfactory performance, this Agreement may be canceled, by either party, upon the giving of a thirty (30) days written notice of cancellation, and without cause or at the expiration of the term herein created, upon the giving of a ninety (90) days written notice of termination. The payment of all fees, expenses, and advances due to the Agent by the Association shall be due and payable with the giving of said notice. If required notice of termination is not provided by either party at the expiration of the term herein created or any extension thereof, this agreement will automatically renew for an additional one (1) year term.

IN WITNESS whereof, the parties hereto have caused this agreement to be signed in their respective behalf by their proper officers.

ACKERMANN CREATIVE MANAGEMENT SERVICES

WITNESS

J. Robert Ackermann
Owner

WITNESS

President
Board of Directors