

ACCOUNTANT: Derek Lease-Trevathan

- 1. Cynthia Judson – Electronic Copy**
- 2. Manager – Signed Copy for Management Files**
- 3. File Copy (Original) – Contract File**
- 4. Association – Electronic Copy to Site Manager**
- 5. Association – Electronic Copy on Server**

MANAGEMENT AGREEMENT

BETWEEN

**THE GATHERINGS AT
WELLINGTON VILLAGE
CONDOMINIUM**

AND

**COMMUNITY MANAGEMENT
CORPORATION**

February 16, 2017

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AGREEMENT

An AGREEMENT, made this 31 day of MARCH, 2017 by and between THE GATHERINGS AT WELLINGTON VILLAGE CONDOMINIUM (hereinafter sometimes called the ASSOCIATION) located in Prince William County, Virginia and COMMUNITY MANAGEMENT CORPORATION, 4840 Westfields Boulevard, Suite 300, P.O. Box 10821, Chantilly, Virginia 20153-0821 (hereinafter sometimes called AGENT).

WITNESSETH THAT:

In consideration of the mutual terms, covenants, and conditions set forth herein below, the Association hereby appoints Community Management Corporation as Agent for certain and specific duties included herein, and Community Management Corporation hereby accepts that appointment in mutual agreement as to all that follows:

ARTICLE I -- CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement and Exhibits thereto, the Founding Documents, Rules and Regulations, and Board Resolutions (to the extent same are provided to Agent) including all properly executed modifications, amendments, and changes issued subsequent to the execution of the Agreement, provided same are supplied to Agent, and further provided that changes in any such documents subsequent to the date hereof shall have the written concurrence of Agent to the degree that such changes alter its responsibilities or rights under the Agreement. In order to facilitate knowledgeable and efficient operation, the Association shall furnish Agent with a complete set of plans and specifications for the Property and its improvements, and will advise Agent if they are not reasonably available. Copies of all guarantees and warranties shall be furnished to Agent upon commencement of this Agreement.

ARTICLE II -- MANAGEMENT DUTIES

Agent accepts the relationship of trust and confidence established between itself and the Association by virtue of entering into this Agreement. Agent agrees to furnish efficient financial business administration as well as supervisory and advisory services consistent with sound management techniques and in a manner consistent with the best interests of the Association and within the scope of industry portfolio-management practice. The Association agrees that it will not unreasonably interfere with Agent's discharge of its duties through implementation of policies and principles inconsistent with traditional business management practice, and specifically agrees that no person other than those designated by Agent shall supervise and direct the activities of staff, if any, and contractors and vendors. The Agent recognizes that it has certain fiduciary obligations with respect to the Association's funds under the Agent's management and control. If embezzlement, theft or defalcation of the Association's funds by Agent's employees is found to have occurred, the Agent agrees that it shall immediately reimburse the Association for the same, together with any direct loss of funds or expenses incurred by the Association necessary to recover funds. All Agent's employees who handle or are responsible for handling the Association's monies

shall be bonded or similarly covered under Agent's insurance coverage. Agent will provide evidence naming the Association as an additional insured. The Association shall also add Community Management Corporation as an additional insured on its insurance policies to ensure there are not gaps in coverage.

Agent shall conduct its duties consistent with the provisions and intents of federal, state and local laws and regulations as they pertain to the operation of the Association.

ARTICLE III -- LIAISON WITH THE BOARD

* It shall be the duty of the Board of Directors of the Association to appoint the President or a designated Director of such Board of Directors as a Liaison with Agent. Agent shall be advised in writing of the identity of such Liaison officer, and to the extent possible and practicable, all communications with Agent shall be made by or delivered to such Liaison officer or the President. If no such director is specifically named, the President shall serve as the Liaison.

Notwithstanding the appointment of one or more Liaisons, Agent shall communicate with the Directors, Officers, and Committee Chairmen in the exercise of their mutual and respective responsibilities.

ARTICLE IV -- COMPENSATION

The compensation to which Agent shall be entitled during the term of this Agreement shall consist of:

1. Fees for routine monthly management services known as Recurring Routine Services, paid monthly in advance;
2. Fees for Periodic Routine Services (Exhibit C), paid on an itemized basis; and
3. Fees for Non-Routine Services (Exhibit D and Section 4.03 of this Agreement), to be negotiated prior to performance, except in the event of emergencies or prior "blanket" authority granted by the Board.

4.01 RECURRING ROUTINE SERVICES

Agent shall be compensated according to the following schedule, the current fees being due and payable in advance from the current assessments collected each month. Such compensation includes the overhead expenses of Agent, including salaries of Agent's off-site employees, local travel expenses to and from the community, and covers fees for routine services, except for those items identified on Exhibit C or Exhibit D, including Financial Management, General Administration and Physical Systems Management as outlined in Articles II, III and IV of General Conditions. Travel expenses incurred for conducting business on behalf of the Association shall be passed through to the Association at an amount not to exceed that which is established by the Internal Revenue Service.

TWO YEAR FULL SERVICE MANAGEMENT AGREEMENT PLUS THREE OPTION YEARS		MONTHLY FEE	ANNUAL FEE
Term Year One	06/01/2017 – 05/31/2018	\$1,730	\$20,760
Term Year Two	06/01/2018 – 05/31/2019	\$1,773	\$21,276
Option Year One	06/01/2019 – 05/31/2020	\$1,817	\$21,804
Option Year Two	06/01/2020 – 05/31/2021	\$1,862	\$22,344
Option Year Three	06/01/2021 – 05/31/2022	\$1,909	\$22,908

4.02 PERIODIC ROUTINE SERVICES - EXHIBIT C

As established by the process adopted by the Board of Directors, the Agent shall perform certain periodic, routine services relating to mailings, photocopying, sending of registered notices to Owners in breach of the Governing Documents and other items according to the fees set forth in Exhibits C. Fees for Periodic Routine Services, which may be changed from time to time, are due and payable within ten (10) days of billing. Revisions to Exhibit C will be in effect annually, on January 1st of each calendar year.

4.03 NON-ROUTINE SERVICES – EXHIBIT D


Agent shall make available services related to certain non routine activities for which the need may or may not arise. Non-Routine Services shall be performed with the prior authorization or implied authorization of the Board of Directors or an officer designated by the Board. Non-Routine Services may include, without limitation, the following:

- (a) Research, court appearances, depositions and consultation with attorneys related to the Association's role as plaintiff, defendant, co-defendant or witness in any action, excluding assessment collection activity prior to a court appearance, covenants enforcement activity prior to a court appearance and additional meetings not provided for herein.
- (b) Insurance claim administration in cases involving property damage and personal injury items covered under the Association's Comprehensive Multi-Peril Policy in cases where Agent is required to spend more than three (3) hours per case.

Fees for services performed under this Section shall be (i) at rates mutually agreed upon by Agent and the Association at the time work is authorized, or (ii) at hourly rates stipulated in Exhibits C and D then in effect, unless otherwise determined. Fees for Non-Routine Services shall be recorded by Agent in an itemized form, billed to the Association on a bi-monthly basis, and made available to the Board of Directors on a monthly basis. Fees for Non-Routine Services shall be due and payable within ten (10) days of billing; however, the Association reserves the right, through its Board of Directors, to identify any billing errors and request an adjustment to any paid bill for Non-Routine Services within thirty (30) days of receipt of the report of the bill for Non-Routine Services. Revisions to Exhibit D will be in effect annually, on January 1st of each calendar year.

ARTICLE V -- COMMENCEMENT AND EXPIRATION

5.01 COMMENCEMENT AND TERM

 This Agreement shall commence on 06/01/2017 and shall expire on midnight, 05/31/2019. This Agreement is for a two (2) year term, which may be extended by exercising an option year, for which there are three (3), to renew under the same terms and conditions as set forth in the schedule in Section 4.01 above, plus any new Exhibits C and D Fees then in effect. Unless either party gives written notice earlier than ninety (90) days prior to the expiration of this Agreement of an intention not to exercise the option year, the Agreement shall remain in force during the successive option period at the agreed upon fee(s) plus any new Exhibits C and D Fees in effect for the term of the option. The term of the Agreement is subject to termination as set forth below in Section 5.02 of this Agreement and Article VII of the General Conditions. Unless either party gives written notice earlier than ninety (90) days prior to expiration of the Agreement of an intention not to renew or renegotiate the Agreement, the Agreement shall automatically renew for a one (1) year period at an increase equal to 4% or the Consumer Price Index, All Urban Consumers (CPI-U) for the Washington, DC-Baltimore area in the previous calendar year plus two (2%) percent, whichever is greater, plus the Exhibits C and D then in effect.

5.02 TERMINATION

This Agreement may be terminated by either party upon thirty (30) days written notice with cause, and ninety (90) days written notice without cause. Any termination is to be effective at the end of a calendar month. Said notice shall be sent by Certified Mail, Return Receipt Requested. Cause shall include, but not be limited to personal dishonesty, willful or intentional misconduct, breach of fiduciary duty, willful or knowing failure or refusal to perform stated duties which results in a material adverse impact upon the other party, willful violation of any law, rule, or regulation which results in a material adverse impact upon such party or a material breach of this Agreement. For termination with cause, written notification on two prior occasions must be given, but not with less than ten (10) days to correct such cause, before termination notice with cause. All fees for Recurring Routine Services, Periodic Routine Services, and Non-Routine Services shall be paid through the termination period for termination with cause or without cause.

ARTICLE VI -- MISCELLANEOUS

6.01 DEFINITIONS

- (a) Terms used in this Agreement shall be defined in the same manner as in state statutes governing the Association, or if not defined therein, as defined in the Founding Documents, or if not defined therein, as defined herein.
- (b) "Founding Documents" shall mean and refer to the Articles of Incorporation (if any), the Declaration and the Bylaws of the Association.
- (c) "Governing Documents" shall mean and refer to the Founding Documents plus resolutions, policy statements and rules and regulations adopted by the Association or its Board of Directors, collectively.
- (d) "Property" shall mean and refer to the General and Limited Common Elements or Common Areas as defined in the Founding Documents.

6.02 CONFLICTS

If any conflict shall rise within the Contract Documents, the Agreement shall control General Conditions.

6.03 NOTICES

All notices regarding termination pursuant to the provisions of Article V, Section 5.01 and 5.02 or otherwise pursuant to this Agreement shall be in writing and mailed by Certified Mail, Return Receipt Requested, or by receipted hand delivery to:

Association

President, Board of Directors
at his/her place of residence,
or the official business address
of the Association, as the case
may be.

Agent

Nicholas J. Mazzarella
President
Community Management Corporation
4840 Westfields Boulevard, Suite #300
Chantilly, Virginia 20151

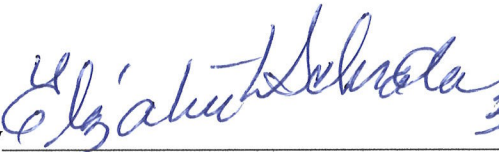
or to such other address as may be made known
to the Association as Agent's official address.


Notice shall be effective upon receipted hand-delivery or three days after the postmark date, except for notice of change of address which shall be effective upon receipt.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

Attest:

FOR THE ASSOCIATION;

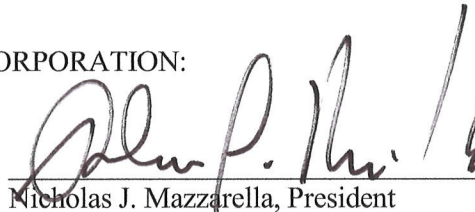
By  3-31-2017
_____, President Date

 3-31-2017
_____, Witness Date

R
E
F Resolution No. ____ cited in
E Minutes Book No. ____ at
R Page ____ and recorded in
E Book of Resolutions, Vol. ____
N at Page ____.
C
E March 31, 2017.

Attest:

FOR COMMUNITY MANAGEMENT CORPORATION:

 4.3.17.
_____, Nicholas J. Mazza, President Date


 4/3/2017
_____, Witness Date

EXHIBIT A

GENERAL CONDITIONS

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ARTICLE I -- GENERAL

A--1.01 STATUS OF AGENT

Community Management Corporation shall be considered an Agent of the Association. However, all legally binding instruments, specifically including but not limited to contracts, shall be executed by the President, Vice President or other designee of the Board of the Association unless there is an emergency or unless Agent, with its concurrence, is specifically directed in writing or by Board resolution to execute such instruments on behalf of the Association.

A--1.02 LIABILITY OF AGENT

Association Indemnification - The Association hereby agrees to indemnify, and thereby hold and save harmless, Agent and Agent's officers, directors, stockholders and employees (collectively, "Agent") from any and all losses, damages, judgments, rulings or settlements, and all costs and expenses, incurred by Agent related to or resulting from any and all third party claims or legal, administrative or regulatory actions and proceedings asserted or brought against Agent in connection with (1) Agent's performance of its obligations or responsibilities under the terms of this Agreement and (2) Agent's actions pursuant to the express or implied direction of the Association and (3) the operation, maintenance, physical condition, ownership of, or any alleged acts, omissions or incidents occurring on or related to, the Property managed by Agent under this Agreement; provided, however, that the foregoing indemnification shall not extend to any settlement entered into by Agent without the prior written consent of the Association, which consent shall not be unreasonably withheld, nor to any case in which Agent's criminal acts, intentional misconduct or gross negligence is the cause for such claim, action or proceeding. The Association further agrees to defend, promptly and diligently, at its sole expense, any such claim, action or proceeding brought against Agent or against Agent and the Association jointly, and to reimburse Agent any monies Agent may decide to advance on the Association's behalf (although nothing herein shall be construed to require Agent to do so) or by law or regulation Agent is required to pay out in order to avoid a fine or penalty or otherwise is paid by Agent in connection with, or as an expense in defense of, any claim, civil or criminal action, proceeding charge or prosecution, law, regulation, requirement, contract or award relating to the maintenance or operation of the Property, including, but without limitation, the hiring and firing of on-site employees, their hours of employment, working conditions and other grievances, fair housing claims and OSHA requirements. In the event a claim is made or an action or proceeding is brought against Agent but not the Association, or Agent is otherwise required to engage separate counsel to protect its interests, the choice of such counsel shall be made by Agent, subject to the prior approval of the Association, which approval shall not be unreasonably withheld. The Association shall promptly pay the costs of such counsel and upon Agent's demand therefore. This indemnification shall be covered by any applicable insurance coverage's and for purposes of such insurance; the Association shall list the Agent as an additional insured party. The provisions of this Paragraph shall survive the termination of this Agreement.

Agent shall maintain in force, for the entire term of the Agreement, liability and business insurance, a crime bond of at least \$6,000,000 and \$6,000,000 public liability.

A--1.03 ROLE OF AGENT

Agent fully accepts that its function is to assist the Board of Directors in the operation and administration of the Association. Notwithstanding the express authority given to the Agent in this Agreement, it is understood and agreed that Agent shall at all times confer fully and freely with the Board of Directors in the performance of the services set forth hereinafter, including but not limited to attendance at Board meetings conducted on Mondays through Thursdays, and as stipulated in Section A-3.03 of this Exhibit.

ARTICLE II -- FINANCIAL MANAGEMENT

Agent shall assist and/or advise the Board in all matters relating to income of any source and expenditures of any nature including but not limited to the following duties.

A--2.01 COLLECTIONS

Agent shall use its best efforts to collect all general and special assessments as they become due and payable from all Owners as identified on the rolls initially provided Agent by the Association, and as such are changed from time to time by notification to Agent of changes in individual ownership, and all monies due from any source which are obligated to or for the benefit of the Association. The Board hereby authorizes Agent, as its Agent, to request, demand, collect, receive, and receipt for any and all charges, assessments, or rents due the Association which may at any time become due by way of legal process or otherwise as may be required for the collection of delinquent assessments from the Owners, except that any refunds that may be due the Association from the IRS shall be monitored and collected by the Association's auditor and all communications with the IRS will be through the Association's independent auditor. The Association agrees to designate an attorney for collection activities related to delinquent accounts, as defined by the Associations Collection Resolution, or in lieu thereof, to accept Agent's designation of an attorney for collections. All expenses related to the collection of delinquent accounts shall be an expense of the Association.

Agent shall maintain an itemized list of all delinquent accounts in accordance with Exhibit B, FP-I.C. Agent shall provide payment coupons for the convenience of the members of the Association for regular Assessments in accordance with Exhibit B, FP-I.A and will also provide direct debit services for assessment payments.

A--2.02 DEPOSITS

Agent shall deposit all receipts from whatever source, including assessments, in a financial institution or institutions designated by Agent and insured by the Federal Government in an account or accounts in the name of the Association and not commingled with funds of any other party. Such account will be established and maintained in a manner to indicate the custodial nature thereof.

A--2.03 DISBURSEMENTS

From the funds collected and deposited in the Association account(s) Agent shall cause disbursements to be made regularly and punctually according to procedures mutually agreed upon by the Association and Agent, except that Agent shall establish and monitor its own internal procedures with regard to purchase orders, data input, response schedule, and generation of payable checks. Disbursements shall include: (1) any taxes payable; (2) insurance premiums; (3) compensation due and payable to independent contractors hired pursuant to the authority herein contained; (4) amounts specified in the approved operating budget for allocation to any reserve fund for replacements or to any other reserve accounts; (5) sums otherwise due and payable as operating expenses in the approved operating budget or authorized to be incurred under the terms of the Agreement or otherwise, including Agent's compensation.

A--2.04 FINANCIAL REPORTS

Utilizing Agent's software, Agent shall maintain a record of all income and expenses, assets, and liabilities, utilizing the modified accrual method of accounting, with a monthly summary statement of the aforementioned items, including a balance sheet and a profit and loss statement reflecting actual versus budget activity on a cumulative basis from the commencement of the fiscal year until the date of the report to the Board. Special reports may incur an additional cost to the Association.

A--2.05 INVESTMENTS

If directed in writing by the Association, the Agent will purchase from time-to-time negotiable instruments, Certificates of Deposit, Treasury Bills and other such investments. Any investment service fees will be at the expense of the Association. Agent shall furnish the Board with a monthly statement showing the status of all investments.

A--2.06 ANNUAL BUDGET AND VARIANCES

The current fiscal year operating budget adopted by the Board shall serve as the supporting document for the schedule of assessments of the Owners for the new fiscal year. The Budget shall constitute the major control under which Agent shall operate, and there shall be no substantial deviations there from, excluding such expenses as utilities, fuel, license fees, insurance and other expenses not within the control of Agent, except as may be approved by the Board or the Agent's Liaison or other such designee. No expenses may be incurred or commitments made by Agent in the name of the Association in connection with the maintenance and operation of the Association significantly in excess of the amounts allocated to the various main classifications of expense in the approved budget, except as herein elsewhere provided.

A--2.07 BUDGET PREPARATION

Agent shall assist the Board of Directors and Treasurer in the preparation of the operating and capital budgets of the Association, including, but not limited to, the following:

Ninety (90) days before the end of the fiscal year Agent shall submit to the Treasurer a baseline budget for the ensuing fiscal year. This proposed budget shall reflect prior years' financial history of the Association, and shall include repair and maintenance needs, operating expenses, and any capital improvements anticipated for that period. Agent shall prepare a baseline budget and a final fiscal year operating budget at no additional charge. Unless otherwise determined by the Board, Agent will apply an inflation factor to the prior year contribution for reserve funding.

A--2.08 CONFORMANCE

Agent shall administer the Association's financial affairs in accordance with the provisions of policies adopted by the Board of Directors, except any policies or changes to those policies that may have a material affect on the workload of the Agent shall have the concurrence of Agent. Association acknowledges that, at its sole discretion, Agent may enhance its business practice by changing its business procedures from time-to-time, including those identified in Exhibit B. Such changes, however, will not materially change the service or level of service provided within the scope of this Agreement and shall not result in additional charges to the Association unless approved by the Board of Directors.

ARTICLE III -- GENERAL ADMINISTRATION

Agent shall assist the Board of Directors in administrative matters. The Association recognizes that Agent cannot reliably predict the magnitude of work/duties required of Agent within the Agreement. The Association therefore agrees that Agent will use its best efforts to systematically respond to the requirements necessary to administer the Association and meet the obligations contained herein. Such administration shall include the following:

A--3.01 FILES AND ROSTERS

Maintain record files containing papers relative to administration and ownership and as notified, update the files as circumstances warrant, but excluding routine electronic mail or Email. Such files shall include a roster of known absentee owners, and other data necessary to properly administer the Association's affairs, to the extent such data have been provided to Agent by the Association, closing attorneys, mortgagees and others at the point of transfer. Should individual owners not willingly cooperate with the Association or Agent in providing information necessary to maintain up-to-date records, any research cost necessary, including internet searches, to accomplish same shall be an additional Association expense.

A--3.02 CORRESPONDENCE

Advise the Board as to, or initiate with the consent of the Board, general correspondence dealing with business matters of the Association between governmental officials, independent contractors, Owners, and other entities with which the Association or its representatives have a business relationship, and maintain a file thereof.

A--3.03 MEETING ATTENDANCE

Agent shall consider the fee provided for in Section 4.01 of the Agreement to include compensation for attendance by Agent's designated Portfolio Manager or other corporate employee Monday through Thursday at meetings of the Board of Directors of the Association up to twelve (12) times annually, at committee meetings, if requested, up to two (2) times annually, and at the annual membership meeting. Any meeting which exceeds two (2) hours in duration is subject to additional compensation at the hourly rates stipulated in Exhibit C at the sole discretion of the Agent.

At the request of the Association, Agent shall attend more frequent meetings for additional compensation at the hourly rates stipulated in Exhibit C for each hour of time expended by Agent in connection with such additional meetings. In addition to the foregoing, the members of the Board of Directors shall be entitled to fifteen (15) hours of meeting time by appointment during normal business hours at Agent's office. However the President of the Board and the Treasurer (on financial matters) shall be entitled to an additional forty (40) hours of meeting time with professional level representatives of Agent who have been assigned responsibilities on behalf of the Association, provided that such meetings are held on a scheduled appointment basis at Agent's offices during business hours.

A--3.04 EXPENDITURE COMMITMENT LIMITS

Except for disbursements authorized in Section 2.03 above, for any one item of repair or replacement, the expenses incurred shall not exceed the sum of Fifteen Hundred Dollars (\$1,500.00) unless specifically authorized by the Board of Directors, provided, however, that emergency repairs involving manifest danger to life or property, or immediately necessary for the preservation and safety of the property or for the safety of residents, or required to avoid the suspension of any necessary services to the Association, may be made by the Agent irrespective of the cost limitation imposed by this Paragraph. Notwithstanding this authority as to emergency repairs, it is understood and agreed that Agent will, if at all possible, confer immediately with the Board of Directors regarding every such expenditure.

A--3.05 GENERAL INFORMATION REPORT TO THE BOARD

Agent will inform the Board, on a periodic basis, of industry information and practices pertaining to associations which may come to Agent's attention in the normal course of business.

A--3.06 OPERATING PROCEDURES

As issues arise Agent shall provide the Board with suggestions for recommended standard procedures, specifications and policies for procurement and operations and other items relating to the operation of Association affairs.

A--3.07 INSURANCE ADMINISTRATION

Agent shall assist the Board and its qualified insurance broker in meeting the Board's obligation to cause to be placed in effect all forms of insurance required by the Founding Documents, and as dictated by prudent business practice. The Association agrees that its qualified insurance broker is responsible for ensuring that the full scope of insurances necessary for the protection of the Association and in keeping with the Association's governing documents, is placed. Agent shall also diligently process all claims for which the Association is responsible.

Agent shall provide the Board with timely reports on all accidents, fires and any and all claims relating to the management, maintenance and operation of the Property.

A--3.08 OWNER COMMUNICATIONS AND PARTICIPATION

Agent shall assist the Board of Directors in the development of good communications with Owners and other residents and in developing a good level of Owner participation in the affairs of the Association. These actions may include general correspondence, and mailing of notices of meetings and reports. Communications with absentee owners shall also be maintained as appropriate. Also, Agent shall cause all notices required by the law and the Founding Documents or as directed by the Board to be sent to the appropriate or designated recipients, according to the fee schedule in Exhibit C to the Agreement.

A--3.09 REQUIRED FILINGS AND REPORTS BY AGENT

Agent shall prepare for execution and filing by the Association:

- (a) All forms, reports, and returns required by law in connection with unemployment insurance, disability benefits, social security and other similar taxes now in effect or hereafter imposed, if any (but specifically excluding any income or property tax returns).
- (b) Resale disclosure packages as may be required by the applicable law within the time period required by law following receipt of an electronic order for same.
- (c) Lenders Questionnaires as may be required by mortgage firms following receipt of an electronic order for same, together with the required fee.

A--3.10 MEETINGS ADMINISTRATION

Agent shall supervise the organization of all general membership meetings and in particular the Annual Meeting of the Association, which may include preparation of reports, selection of materials and procedures. If needed, Agent will secure necessary personnel, and provide technical supervision and support for meetings at which the general membership is to vote at the Association's expense, and shall assist the Board as appropriate in securing good attendance.

A--3.11 GENERAL STATUS REPORT

Agent shall prepare a written status report to be presented prior to each regular meeting of the Board of Directors. The written report shall normally contain the following information:

- (a) Status of Maintenance: site inspection reports when conducted, progress of subcontractor and/or employee repair and maintenance work, emerging problems with grounds and buildings, and recommendations for future action if any.
- (b) Status of Finances: balance sheet, income statement (including monthly and year-to-date income, expenses and budget deviations), general ledger entries, delinquency report, bank statements and account reconciliations, and a written summary of the Association's financial position including future trends in receipts and expenditures and such other items necessary to prudent business interpretations and administration of the Association's financial affairs. (This portion of the monthly status report may not always accompany the other portions of the Report depending upon the date of the Board meeting.)
- (c) Status of Administration: significant violations of the Governing Documents and actions involving security, vandalism, insurance claims, general matters of information, and other matters not falling within the categories of maintenance and finance.

A--3.12 NEWSLETTER PREPARATION

If requested by the Board, Agent shall provide assistance and coordination in the preparation of the Association's newsletter, to include the camera-ready preparation of copy, the typing and editing of copy using Desk Top Publishing computer software and coordination of publication, in accordance fees outlined in Exhibit D. The cost of preparing, printing and mailing the newsletter shall be an expense of the Association.

A--3.13 COMPUTER PROGRAMS

If Agent provides the integrated computer program, C3 or similar software on-site for which Agent holds license(s) and which are connected to Agent's computer network, such programs shall remain the exclusive property of Agent at all times and Association shall take no actions or introduce software or other features which may jeopardize any part of

Agent's computer network. Association shall confer with Agent before instituting any changes to the Association network. The Association shall not make changes that may cause Agent's software to be inoperable on the site or will cause Agent to incur additional expense to protect Agent's network or comply with software requirements contained in this Agreement. If Agent's employees are required to respond to software or hardware issues at the Association's site that are found to be unrelated to the reliable functioning of Agent's software, an hourly charge in accordance with Exhibit C will be applied.

A—3.14 RESALE DISCLOSURE PACKAGES

By law, the selling (or transferring) of property requires a Resale Disclosure Package. The Package is requested by the Seller (or his/her agent) electronically for which a fee is paid for or deferred by the Seller (or his/her agent). If the seller residing in a sub association which lies within a master association, they are required to obtain a Resale Disclosure Package for each association, subject to an additional fee. (The Fee Schedule is determined by statute, the Associations governing documents or the current market. For condominiums that require an interior inspection, up to two (2) attempts will be made to arrange an appointment to gain entry into the unit.

A--3.15 ADMINISTRATION OF RULES

Agent shall assist the Board in drafting resolutions and rules and regulations. Agent, in accordance with Board-adopted policies, and for fees outlined in Exhibit C, shall inform Owners and other residents who may be in violation of the Governing Documents, and shall take such actions to cause cures to such violations. In addition Agent shall assist the Board in the processing of applications for architectural modifications for fees outlined in Exhibit C.

A--3.16 WEBSITE PROGRAMS

While the Association maintains a contractual relationship with Agent, the Agent through an affiliate entity will use its best efforts to provide for the availability of an interactive Website to the Association. The Website will contain information specifically related to the Association. Access to most areas of the Website will be password protected and for the free and exclusive use of Association residents who register for this service through the website. The website will be operated and maintained by the Agent or its service providers, and available by hyperlink from the Agent's website. It will provide various communication tools, which may include directories, calendars, surveys, forums, and other products and services. All data submitted to the Website by Association residents and all content contributed by the Association shall be the property of the Association and are hereby licensed to the Agent for use in operating and maintaining the Website and related services. The Website and all computer programs and code used in the operation of the Website, as well as all intellectual property rights therein, and all revenue generated through the Website, shall be the sole and exclusive property of the Agent and its affiliated service providers. In the event of the termination of this Agreement, the Agent will cause the Website to be shut down and will transfer all related resident data

and Association content, in electronic format, to the party specified by the Association's Board of Directors. In the absence of instructions, the data will be transferred to the Association president. Upon completion of the transfer, the Agent will delete from its databases all proprietary or personally-identifiable data about Association residents collected through the Website. There is a one-time set up administrative fee and a monthly maintenance fee as specified in Exhibit

D – Non-Routine Services.

ARTICLE IV -- PHYSICAL SYSTEMS MANAGEMENT

Agent shall assist and/or advise the Board and/or employees and contractors of the Association in all matters related to the maintenance of the Property, specifically: cause the Property to be maintained according to standards established by state and/or local laws, the Founding Documents, the operating budget, and the Board. The standards and actions related thereto shall include the following:

- (a) Contractors shall typically be solicited pursuant to competitive bidding procedures. Agent shall submit recommendations to the Board containing evaluation of the bids and their adherence to the specifications, information on past experience and such other information as may be available and helpful to the Board in making a final selection. The Board shall execute all written contracts in the name of the Association, unless other arrangements are made.
- (b) After selection, Agent shall oversee the activities of all contractors including but not limited to the receiving of certificates of insurance, copies of bonds, manufacturers' warranties and releases of liens. Review of the visible quality of workmanship shall be the duty of Agent, based on established industry standards. Agent shall assist the Board in the enforcement of contractor warranties. Agent also shall fully cooperate with consultants that may be retained by the Board to accomplish specialized functions for the Association in the areas of law, public accounting, or other areas when the activities of such specialists relate directly to routine operations. Specialized, "one-time" type activities (e.g., reconstruction, new construction), may entail additional fees to be negotiated when the scope of the project is identified.

A--4.01 CONTRACT SUPPLIES AND SERVICES PROCUREMENT

Agent shall develop and maintain procurement procedures mutually agreed upon with the Board of Directors, including the creation of specifications for bids and procurement activities in matters of a routine recurring nature. Such matters may include, routine cleaning, painting, decorating, plastering and other such normal supplies, maintenance and repair work as may be necessary. Specifications for major capital repairs and replacements, capital improvements or other work requiring technical assistance by other professionals shall be developed at the expense of the Association. The exercise of any obligations and authority under the provisions of this paragraph shall be in the name of the Association.

A--4.02 SUPERVISION

Agent shall, based on established industry standards and subject to visual inspection, supervise all routine operations of contractors who perform work for the Association. Supervision of contractors performing unscheduled major work such as may be required due to fire or other calamities, or capital improvements shall be subject to additional charges by Agent.

A--4.03 BUILDING CARE

In conjunction with any other contractors engaged for the maintenance and operation of the Association's facilities, Agent shall assure the cleanliness and working conditions of all common building areas and equipment including, as applicable, central systems, light fixtures, fire extinguishers, entry doors, common facilities and areas, etc. Any serious deficiencies noted shall be reported in writing to the Board of Directors.

A--4.04 GROUNDS CARE

Agent shall make inspections of all ground areas, and landscaping improvements, to determine whether such are receiving adequate care and maintenance and take such measures as necessary to assure same. Any serious deficiencies noted shall be reported in writing to the Board of Directors.

A--4.05 CAPITAL IMPROVEMENTS

Agent shall make recommendations for capital improvements and any other recommendations as may be appropriate for the improvement of the community, typically during the annual budget preparation.

A--4.06 EMERGENCY SERVICES PROGRAM

Agent shall establish and maintain a twenty-four (24) hour, seven-day-a-week (7), emergency system, including the retention of an answering service for communications with Owners. The emergency support system includes a listing of qualified and/or licensed personnel or firms in all trades deemed necessary to respond to emergencies. Emergencies shall include, but are not limited to: no heat, hot water or air-conditioning, electrical failure, smell of gas, fire, broken water pipe or major leak, sewer back-up and property damage or personal injury (i.e. storm damage, etc.). Residents calling the emergency on-call service will be required to provide the Association's name, their name and a phone number where they can be reached.

A--4.07 SERVICE REQUESTS

Regardless of the nature of the request, Agent shall respond to service requests from all Owners pursuant to the procedures and guidelines established by the Board or in systematic fashion.

A--4.08 ADMINISTRATION OF SITE PERSONNEL

Agent shall, on the basis and within the limitations of annual operating budgets, job standards, wage rates and/or a plan of operation previously approved by the Board of Directors, recruit, screen, hire, pay, train, supervise, and discharge the site employees which are necessary to properly maintain and operate the Association.

With respect to costs and liability, such personnel shall be the employees of the Agent. The Association shall reimburse Agent for all of Agent's employees assigned to the Association's site or, by agreement are exclusively dedicated to the Association, including personnel expenses of salaries, benefits, taxes, and payroll/benefits administration costs as outlined in Exhibit C. Agent will provide an accounting of such costs.

If any of Agent's employees are assigned to the Association site or dedicated to the Association, they shall be employees of the Agent in every respect and subject to all requirements and conditions of employment by Agent.

In the case of the General Manager, as applicable, Agent will not hire or discharge without prior discussions with the Board of Directors, or in its absence, the Liaison Officer or his/her alternate. Agent will undertake reasonable care in the selection, training, and supervision of employees. The General Manager will be directed by the Agent, but will confer regularly with the Board. The General Manager will be responsible for the day-to-day operation of the Association including supervision of site employees, as applicable, interactions and oversight of independent contractors, and implementing the directives of the Board of Directors.

As applicable, site employees will operate the association office during normal business hours Monday through Friday. The General Manager, as applicable, will attend meetings Monday through Thursday of the Board of Directors of the Association up to four (4) times annually, committee meetings, if requested, up to two (2) times annually, and the annual membership meeting. In addition, other site staff members, as applicable and as assigned by the General Manager, will attend meetings Monday through Thursday up to four (4) times annually. Any meeting which exceeds two (2) hours in duration is subject to additional compensation at the hourly rates stipulated in Exhibit C at the sole discretion of the Agent.

Notwithstanding the above, Agent's employees will be entitled to all of the benefits of being Agent's employees in accordance with the Agent's personnel handbook, and shall participate in required meetings of Agent at Agent's offices, as well as social and educational functions.

The Board will specifically advise Agent of any dissatisfaction with the performance of site personnel, as applicable. In the case of Agent's personnel, Agent will take whatever corrective measures it deems appropriate to respond to the issue(s) presented by the Board. If the Board remains dissatisfied with the employee, the Board may request a change of employee.

In some instances, the Agent or Association may hire and pay subcontractors who are not considered employees of either the Agent or the Association.

Members of the Board will be mindful of Agent's labor liabilities as well as Agent's obligations herein and will not engage staff, whether Association or Agent's employees, in a manner or take actions as to increase Agent's personnel liability or compromise Agent's ability to perform its duties herein. The Association expressly agrees that it will not hire Agent's employees, or employees who have worked for Agent in the prior eighteen (18) months, nor engage Agent's employees, or those who have worked for Agent in the prior eighteen (18) months to provide services to the Association external to Agent if Agent makes such services available.

A--4.09 JURISDICTIONAL REQUIREMENTS

Agent shall take action as may be necessary to comply promptly with any and all orders or requirements affecting the premises placed thereon by any Federal, state, county or municipal authority having jurisdiction there over, and orders of the Board of Fire Underwriters or similar bodies. Agent shall not be obliged to take any action under the provisions of this paragraph in any event for which Board approval has been requested and not provided, nor whenever the Association is contesting or affirmed its intent to contest any jurisdictional order or requirement. In the event Agent is so relieved of its obligations, the Association shall hold Agent harmless from and indemnify Agent against any and all consequences of such failure to comply.

ARTICLE V -- BOOKS, RECORDS, INSPECTION AND ANNUAL AUDIT

A--5.01 BOOKS AND RECORDS

Agent shall maintain a comprehensive system of office records, books, and accounts reflecting the activities of operation as set forth in this Agreement. Agent will maintain no less than two (2) years of Association financial records on its computer system. Copies (which may be duplicated) of contracts, filings with public agencies and financial books and accounts shall be maintained at the principal office of the Board. Originals of all records will be maintained by Agent; however, they shall be deemed the property of the Association. Electronic communications documenting Board authorization or action and electronic communications evidencing the advice of the Associations legal counsel will be printed and maintained in hard copy for the Associations records. Routine "e-mail" will not be considered official records of the Association and there will be no requirement for the conveyance of such emails during any transition.

Association will provide storage space for the Association's documents and records. Agent may elect to keep current files at Agents corporate office at Agent's expense. If Agent is compelled to provide storage facilities for Association archival records, a monthly charge will be applied.

All computer records of Agent which contain information about the Association shall be backed up regularly and properly stored. Upon termination of this Agreement, Agent shall provide the Association with available hard copy records and an ASCII software file of information contained in Agent's C3 software program.

A--5.02 INSPECTION

All office records, books, and accounts maintained either at the Association's offices or in Agent's offices shall be made available for inspection, pursuant to any state regulations in which this Agreement is written, by any and all Owners or their authorized representatives, upon reasonable notice, during normal business hours.

A--5.03 ANNUAL AUDIT

Agent shall cooperate fully with the independent certified public accountant in the conduct of the annual audit including making all records, books, and accounts available for their inspection and review, and shall do such at no additional expense to the Association provided the audit is completed within ninety (90) days following the close of the fiscal year being audited. Audits will be conducted in the Agent's principal office and auditors will coordinate with agent for scheduling purposes. The Association acknowledges that Agent cannot be responsible for any discrepancy of records that have been removed from Agent's office by the Association or its representatives prior to the conclusion of any audit.

ARTICLE VI -- TERMINATION AND NON-RENEWAL

A--6.01 WORK STATUS

After receipt of a Notice of Termination, or Ninety (90) days prior to the expiration of the Agreement should either party elect not to seek renewal of the Agreement, and except as otherwise directed by the Board of Directors, the Agent shall:

- (a) Begin the process of transition to the party identified and authorized in writing by the Board of Directors.
- (b) Place no further orders with subcontractors for materials, service, or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;
- (c) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontractors, with the approval or ratification of the Board of Directors, to the extent it may be required, which approval or ratification shall be final for all the purposes of this clause;
- (e) Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.

A--6.02 TURNOVER OF RECORDS

- (a) if either party elects not to renew, representatives of the Association (or its designated agent) shall have the obligation to enter the principal premises of Agent to review the Association records and make an itemized claim for the delivery (at Association expense, and not later than the last day of the Agreement period) of such records as the Association's representatives determine. However, records necessary to manage the Association or necessary for the completion of an interim audit shall not be delivered until the last day of the Agreement or the audit completion. In the absence of such an inspection and claim by the Association, Agent shall gather all files in boxes and index the contents. Upon turnover of those records, the Association's representative shall execute a receipt for same, with a copy provided to Agent. The Association agrees that Agent has no further responsibility for any claims for records after the Association executes a receipt for such records. Agent shall not be deemed responsible for maintaining Association files or records not claimed or received by the Association after the audit required by A-6.04 has been completed.
- (b) Agent shall be entitled to reimbursement of reasonable, direct costs relating to turnover of records, necessary to transition the records in an orderly manner.
- (c) If Agent is directed to transition Association records to another professional management company, Agent will provide records to such company at such times as are requested in writing, for an orderly transition into the new company, which shall be concluded upon the final day of this Agreement except for records that are required for the Association's audit, as reflected in A-6.04, and, all funds except for amounts already committed by check but not yet cleared, and deposit accounts. (Except for any escrow account established under Section A-6.03(c).
- (d) If the records will not be transferred to a professional management firm, a date and time shall be set for a meeting to take place in Agent's principal office on or before the last day of the term of the Agreement for the purposes of turning over to the Association all requested records, all funds and deposit accounts, (except for any escrow account established under Section 6.03(c) and to execute any agreements and releases relating to the conclusion of contractual obligations. The Agent will retain in the Association's operating account an amount not less than that which is equal to the outstanding checks the Association has previously issued and any outstanding amounts owed Agent pursuant to A-6.03(c) and Exhibits C and/or D.

A--6.03 TERMINATION ACTIVITIES

- (a) Within four weeks of the Notice of Termination, or such other time as may be mutually agreed, Agent will be available to meet with representatives of the Association if desired at Agent's principal office for the purpose of designing a smooth transition. Items that may be addressed at that meeting include review of the termination procedures of this Agreement, the schedule for termination activities, and assignment of responsibility for the performance of termination and transition activities, such as notification to owners and arranging for the transition audit.

- (b) Agent shall notify utilities banks and primary service providers of the change in management when informed of the new Agent and address for the Association. Notification shall be accomplished prior to the date of termination, provided Agent has received the proper information.
- (c) Agent shall pay all invoices for which the Association is responsible which have been received by Agent as of the normal submission date for the next to last routinely-scheduled check run prior to the termination date. Any invoices received by Agent and not processed on the next to last routinely scheduled check run shall be forwarded to the Association's new Agent for payment. Agent shall not be responsible in any manner for sums due others by the Association. As to any invoices rendered by either Agent or by others which are in dispute, an escrow account equal to the amount of such invoices shall be established from Association funds to secure payment. As to any invoices in dispute by the Association, the Association agrees to retain responsibility to the provider of such services or goods represented by an invoice in contention. Also, the Association shall bear the costs of any legal action between itself and the vendor should such occur. Upon discharge of all obligations as herein cited, any remainder in the escrow account shall be the property of the Association.

Within 30 business days after the date of termination, Agent shall disburse a check or checks payable to the Association reflecting the amounts in the Association's account or accounts less a sufficient amount to allow for clearing outstanding checks. The Association shall designate who shall receive the check(s).

If transition should occur during an Association payroll period, such Association payroll shall be administered and paid by the successive management firm, including dates for which employee hours were incurred during Agent's final weeks of management services.

A--6.04 TRANSITION AUDIT

At the Association's expense, Agent will arrange for the Association's independent certified public accountant to conduct a transition audit, immediately following the last day of the term of the Agreement. Agent agrees to provide assistance to the auditor at no additional expense to the Association provided the audit is initiated within thirty (30) business days of the last day of the term of the Agreement and concluded within sixty (60) days thereafter. Thereafter, Agent shall be entitled to compensation at the hourly rates stipulated in Exhibit C for such time as the auditor requires of Agent. Audits will be conducted in the Agent's principal office and auditors will coordinate with agent for scheduling purposes. Agent will be provided with a full copy of the final audit provided to the Association.

ARTICLE VII -- MISCELLANEOUS

A--7.01 MODIFICATION AND CHANGES

This writing is intended by the parties as a final expression of the Agreement and as a complete statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. No variation, modification, or changes of the Agreement shall be binding unless it is made in writing and executed by both parties.

A--7.02 APPLICABLE LAW

It is understood and agreed that this Agreement shall be construed in accordance with the laws of the state in which the property is located. In the event any litigation is initiated to enforce any provision of this Agreement, the substantially prevailing party as determined by the court shall be entitled to recover reasonable attorney's fees and costs incurred in the litigation.

A--7.03 CONFLICT OF INTEREST

Unless previously disclosed by Agent to the Association, Agent shall not accept from any vendor or independent contractor providing goods and services to the Association any remuneration or consideration in any manner or form as consideration for or inducement to Agent to purchase goods from or engage their services on behalf of the Association.

A--7.04 RELATIONSHIP OF THE AGENT TO OTHER ENTITIES

If the Agent is connected with an entity which performs or delivers goods or services to the Association, the Agent agrees to disclose such relationship to the Board prior to the entering into of a contract with such entity or prior to the delivery of goods or services. Any discount or other economic benefit received by the Agent as a result of any entity doing business with the Association shall be disclosed by the Agent and shall be passed on to the association. If the Agent is connected with or related to a member of the Board of the Association, the Agent agrees to disclose such connection or relationship. Notwithstanding the foregoing to the contrary, the Association acknowledges that the following activities do not constitute a violation of this Paragraph: a) the Agent's employees may accept from entities doing business with the Association an annual holiday gift in accordance with local industry standards, but in no event greater than fifty (\$50.00) dollars in value from any one entity; b) the Agent or its affiliates may earn a profit as a result of operating purchasing plans and programs, the purpose of which is to provide price and quality benefits to the Association and/or its residents, and; c) the Agent, or its affiliates may receive fees from vendors in exchange for the Agent's dissemination of marketing information about such vendors to the Agent's managed associations (including the Association) and their residents. Purchase of any product and/or service which is part of any program or marketing plan operated by the Agent or its affiliates is voluntary and is not in any manner required by the provisions of this Agreement.

A--7.05 BANKRUPTCY

If Agent shall be adjudicated as bankrupt or insolvent and such adjudication is not vacated within thirty (30) days; or if a receiver or trustee shall be appointed and it shall not be vacated within thirty (30) days; or if a corporate reorganization of Agent or any arrangement by statute shall be filed; or if Agent shall make an assignment for the benefit of creditors; then the same shall be cause for termination of this Agreement pursuant to Article 5.02 of the Agreement.

A--7.06 ASSIGNMENT

No assignment, either in whole or in part, of this Agreement, shall be valid without the prior written approval of the Board of Directors. Failure to secure prior approval shall be just cause for termination of this Agreement.

EXHIBIT B

FINANCIAL PROCEDURES

INDEX -- EXHIBIT B

FP - I	<u>Billing and Collections</u>
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B.	Collections
C.	Delinquencies
D.	Special Billings
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FP-I. BILLING AND COLLECTIONS

A. Coupons

Twelve coupons, one for each month of the year, will be mailed to owners at least one week in advance of the Association's accounting year. Initial or replacement coupons as appropriate will be sent to new owners within thirty (30) business days of Agent's receipt of a written notice of new ownership.

B. Collections

Assessment payments will be received monthly at the Agent's designated post office lockbox. Agent utilizes an electronic cash management system, and all checks are deposited on the same day they are received. Agent shall also offer collection services through a direct debit process pursuant to Exhibit C. The date of lockbox posting shall be conclusive guidance for determining timeliness of payments. All deposits will be made into an account set up in the name and Federal tax identification number of the Association.

C. Delinquencies

Agent shall maintain a monthly delinquency report listing past-due accounts. Included in this report will be a list of owners receiving a late fee or service charge, if any. Agent shall mail a reminder notice to all delinquent owners in accordance with procedures established by Board Resolution. Agent will prepare collection notices at time frames established by the Board or as directed by the Association's collection counsel. Delinquency processing is an expense of the Association.

D. Special Billings

Agent has the capability of sending, collecting and reporting special billings and shall do the same upon the request of the Association provided the information is given to Agent at least sixty (60) days in advance of the due date. Such billing to be an additional expense of the Association.

FP-II. ACCOUNTS PAYABLE

A. Purchase Orders

Unless impractical, Agent shall use purchase orders ("PO's") when obtaining materials or services from vendors. Approvals of PO's shall be either by representatives of Agent or supervisory staff, if any, and as designated by Agent, except that site employees will verify by purchase order that supplies have been satisfactorily received as ordered.

B. Invoices

Invoices may be directed by vendors to Agent's office in the name of the Association. Invoices shall be verified and attached to the purchase order. Invoices shall be coded to the Chart of Accounts and entered into the computer weekly. Invoices sent to the Association office shall be verified, coded and attached to a purchase order by the authorizing person at the Association Office who will be responsible for the accuracy of such information.

C. Accounts Payable

Original paid invoices shall be kept in the Agent's office at least until the year-end audit has been completed. Original invoices shall not be released from Agent's control while Agent is responsible for financial accounting activities or until an audit covering that period has been completed.

FP-III. DISBURSEMENTS

A. Red Flag Disbursements

Agent will issue critical or emergency "Red Flag" disbursements on Wednesdays.

B. Month End Disbursement Journal

A disbursement journal, listing all checks issued and not issued (voided) for the Association during that month shall be provided with the month-end financial statements.

FP-IV. FINANCIAL STATEMENTS

A. Modified Accrual Basis

The following books, records and schedules will be set up on the modified accrual basis: Income and Expense Statement, Balance Sheet and General Ledger. Accruals will not be made for minor amounts unless invoices have been received prior to closing the books for the reporting period. Major amounts (e.g., utilities) will be accrued on an estimated amount basis. Statements will be produced through Agent's software, as represented in its marketing materials.

B. Timing of Reports

The Balance Sheet, Income and Expense Statement and General Ledger will be provided not later than the 25th day of the following month unless otherwise agreed to between the Agent and the Board of Directors.

FP-V. PAYROLL (When Applicable)

Site personnel will be set up as stipulated in Section 4.08 of Exhibit A. Agent shall file and deposit all required Federal, State and local returns and taxes. Fees for these services are detailed in Exhibit C. Employees shall be paid on a biweekly basis.

FP-VI. INVESTMENT PROGRAM

Agent will provide the Board of Directors with information on current rates for investments such as Treasury Bills, Treasury Notes, Certificates of Deposit, and Money Market Ready Assets Accounts as requested. Agent will, at its expense other than any service fees charged by brokers used by the Association, make funds transfers relative to investments on a once per month basis. If more frequent transfers are required, Association shall pay Agent at the rate listed in Exhibit C per transaction. Agent is not a professional financial advisor and makes no representation to this effect, and does not purport to substitute for the services of such.

FP-VII. ANNUAL AUDITS

Annual Audit arrangements shall be made by the Association sixty (60) days in advance of the Association's year-end. All audits shall be conducted in the offices of Agent. Any special requests made of the auditor by the Association must be disclosed to Agent in advance of the start of the audit. Mid-year audits or audit activity beyond ninety (90) days after the closing of the year's books shall entail additional charges by Agent based upon the then-in-effect standard rates for accounting personnel excluding delays due to reasons of Agent's failure to provide routine information on a timely basis.

FP-VIII. AGREEMENT

Unless changed by mutual consent, with or without consideration, but in a written amendment to the Agreement, the procedures in this Agreement and any attachments shall reflect the Association's and Agent's understanding and acceptance of the manner in which the Association's financial affairs shall be administered.

EXHIBIT C

ITEMIZED CHARGES FOR PERIODIC ROUTINE SERVICES

EXHIBIT D

ITEMIZED CHARGES FOR NON-ROUTINE SERVICES

Exhibit C — Itemized Charges for Periodic Routine Services - Fees effective 01/01/17

Item	Standard Charge
After Hours Emergency Service Calls	\$25.00 per call
Records Storage	\$3.50 per box per month + Delivery Charge
Coupon Booklets / Direct Debit	\$7.00 per unit
Monthly E-Statements	\$7.50 per unit
Direct Debit Set Up or Account Change	\$10.00 each
Temporary Assessment Coupons	\$2.00 each
Manual Processing of Assessment Payments	\$1.00 each
New Owner Account Set-Up	\$50.00 each
1 st Delinquency Notice ("Friendly Reminder")	\$10.00 per notice
2 nd Delinquency Notice (Exhibit B-Demand & Account Notifications)	\$25.00 per notice
3 rd Delinquency Notice (Exhibit C-Intent to Lien Letter)	\$30.00 per notice
Delinquent Account Turnover to Attorney	\$75 per account
Returned Checks	\$30.00 per check
Community Mailings	time & supplies
Investment Purchase or Redemption (after one per month)	\$25.00 per transaction
Name & Address Labels/Disks/Emails	\$.20 each, minimum \$25.00
Laser Checks	\$.50 each
Materials Reproduction (copies/faxes/scanning)	\$.20 per page - black/white \$1.00 per page - color
1099 Processing	\$15.00 each
Miscellaneous Supplies	\$5.50 per month
Communications (cell phones)	\$15.00 per month
Notice by Certified Mail	\$10.00 + postage
Postage	direct postage costs
Pool, Parking, or Recreation Passes	\$3.50 each (If processed by CMC corporate staff)
Emergency Checks	\$25.00 per check
CMC Executive Staff	\$150.00 per hour
CMC Managers	\$100.00 per hour
CMC Staff	\$65.00 per hour
CMC Consulting (Engineering, Insurance, etc)	\$125.00 per hour

Payroll & Benefits Administration	
<u>Association Employees</u> Payroll & Benefits Administration (Including 941 tax filings, regulatory filings & W2's)	\$3,500 initial set up Admin/placement fee of initial salary up to 15% \$550.00 minimum monthly administrative fee \$25.00 per new employee set up \$10.00 garnishment processing fee Personnel actions / fee based on scope of work
<u>CMC Site Dedicated Employees</u> Payroll & Benefits Administration (Including 941 tax filings, regulatory filings & W2's)	Payroll pass-through Administrative fee: 12% of gross salary \$20.00 per person per payroll \$25.00 per new employee set up \$10.00 garnishment processing fee Personnel actions / fee based on scope of work

Architectural Administration and Compliance	
Site Inspections and Data Entry	\$35.00 per hour plus portal to portal mileage \$1.00 per photo
Application Processing	\$35.00 per application plus \$5.00 per additional issue on same application \$10.00 per letter + postage
Violation Processing	\$10.00 per letter + postage
Customer Support	\$10 per call/e-mail

Resale and Disclosure Certificates	
Exterior Inspections: VA/MD HOA/Condo; DC Condos only	Statute or Market Rate+ postage, mileage, delivery <i>All payments by personal check, e-check, credit card, or (VA only) at settlement through the Virginia Deferred Payment Plan. No cash please</i>
Completion of FHLMC "Addendum B" (Form 465) or Other Federal Mortgage Agency Forms or Letter	Market Rate

Additional services are provided as may become available at the prevailing rate or as mandated by law

Exhibit D — Itemized Charges for Non-Routine Services

Item	Standard Charge
Maintenance Services	\$65.00 per hour
Education & Training Programs: Board Organization/Long Range Planning Employee Training/Owner Orientation	Fee to be quoted
VOLO Village (community messaging system)	Fee to be quoted
Loan Placement Fee (negotiation/securing loan for client)	.25% of loan value, or \$3,500.00, whichever is greater
Newsletters, Directories, Desktop Publishing - Black & White	\$250.00 per issue plus \$25.00 per page over 8 pages
Newsletters, Directories, Desktop Publishing - Color	\$350.00 per issue plus \$45.00 per page over 8 pages
Newsletter ad design/camera ready art work	\$35.00 per hour, 1 hour minimum
Web Site Development & Monthly Maintenance	Fee to be quoted
Social Media Facilitation (Facebook, Twitter)	Fee to be quoted
Management Information System (C3 Software On-Site) Installation, training, maintenance, upgrades, help desk Associa Board Access is included	Initial installation & training fee \$500. \$250.00 per month
Reserve Studies, Project Mgmt, Preventive Maintenance Programs	Fee to be quoted
Computer Staff	\$75.00 per hour
Special Assessment or Assessment Refund Services	Fee to be quoted
Records Reconstruction	Fee to be quoted
Benchmarking – Per DC Law, owners of all large private buildings must annually benchmark their energy and water efficiency and report the results to DOEE for public disclosure.	\$1,000 per year

Additional services are provided as may become available at the prevailing rate or as mandated by law

Affiliated Entities

Advanced Technology Group
Associa Abstract Services, Inc.
Associa Advantage, Inc.
Associa Client Shared Services Center, Inc.
Associa Community Association Websites, Inc.
Associa Community Watch
Associa Developer Services, Inc.
Associa OnCall
Associa Supports Kids
Association Times, Inc.
Associations Insurance Agency, Inc.
Avid Xchange, Inc.
Community Archives, Inc.
First Associations Bank
First National Bank of Kemp
HOA Collection Services, Inc.
Lincoln Hancock Restoration, LLC
Mutual of Omaha Bank
Pacific Premier Bank
PayLease
Platinum Title Services, LLC
Union Bank

*Other entities as periodically may be disclosed
through amendment of the Agreement or as
published on Agent's website.

Board of Directors
Gatherings at Wellington Village Condominium
Resolution Worksheet:
Meeting Date: March 24, 2017 *31*

SUGGESTED MOTION

GAW BOD Approval of Community Management Corporation Contract date February 16, 2017

Motion By: Malcolm Kirsop

Seconded By: Joe Phoenix

SUMMARY: The Gatherings At Wellington Village Condominium Board of Directors has approved the agreement contract dated February 16, 2017. This approval is for four years period between The Gatherings At Wellington Village Condominium and Community Management Corporation (CMC). This approval is contingent upon CMC agreeing to provide the board a written monthly statement of itemized funds transferred to CMC by the board and association.

VOTE:

	In Favor	Opposed	Abstain	Absent
Liz Schrader	<i>Liz Schrader</i>			
Malcolm Kirsop	<i>AK Kirsop</i>			
Joe Phoenix	<i>Joe Phoenix</i>			
Kay Witt	<i>Kay Witt</i>			
Sue Berg	<i>S9 Berg</i>			