Association Management Agreement

This Agreement is made on _____________ by and between BERKELEY REALTY PROPERTY MANAGEMENT, INC. (hereinafter referred to as "Berkeley Realty") and Owners Association, Inc. (hereinafter referred to as "the Association").

WHEREAS, the Association is responsible for the collection of dues from its Members; and the maintenance, repairs and replacement of buildings, limited common elements and the common areas in the development commonly known as Owners Association, and;

WHEREAS, the Association wishes to employ Berkeley Realty as its agent to assist in the discharge of the Association's day-to-day responsibilities,

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is hereby agreed:

1. As of the Effective Date, herein defined, the Association hereby appoints Berkeley Realty Property Management, and Berkeley Realty Property Management does hereby accept appointment, as Association Manager of the Owners Association, Inc. Berkeley Realty Property Management shall appoint an individual liaison for handling communication with the Association on behalf of Berkeley Realty Property Management.

2. Berkeley Realty Property Management shall:

a. Contract, on behalf of the Association upon approval of the Board of Directors, with other independent contractors and service providers to provide for community service and/or general maintenance necessary for the common areas, landscaping, resident safety and welfare of which the Board is required to or elects to afford its members.

b. Prepare Vendor Requests for Proposals (RFP’s) with direction from the Board of Directors. Obtain and submit to the Board of Directors, bids for recurring, routine service and maintenance tasks as required by the Association as well as bids for RFP’s. Berkeley Realty Property Management shall obtain, when possible, three (3) bids for contracts over an annual minimum of $3,000.00; and will assist in analyzing the bids and qualifications of the vendors and make recommendations to the Board of Directors. All discounts offered by vendors for work or supplies for, or at, the Association shall convey to the Association. The management of large scale projects outside the scope of day to day operations is available for an additional fee of ten (10) percent of the project expense. Examples of these projects include but are not limited to: paving/sealing of roadways; insurance claims, building renovations.
c. If repairs are required to the common area, Berkeley Realty is authorized to contract on behalf of the Association for said repairs in an amount not to exceed $500.00 for any single item of repair without any specific authorization from the Association. In the event that an emergency repair is necessary, Berkeley Realty is authorized to expend any amount not to exceed $1,000.00 for an individual item of emergency repair without specific authority or direction from the Association. As used herein, "emergency repair" shall mean any repair necessary to preserve the property of the Association or eliminate eminent danger to life or property, or maintain necessary services.

d. Collect all assessments, or dues owing to the Association from its members. Berkeley Realty Property Management's responsibility in this respect shall extend to mailing notices of delinquency in accordance with the governing documents of the community. For administrative costs associated with the collection of delinquent fees, Berkeley Realty Property Management will collect from the delinquent owner a fee of $35.00. This will be an expense of the owner and not the Association.

The Association authorizes Berkeley Realty to bill and receive assessments and other amounts due to the Association. Receipts shall be deposited in an operating account under the Association’s name and not commingled with funds of any other party, including Berkeley Realty. The checking and money market accounts shall be in a financial institution that is insured by an agency of the federal government and selected by Berkeley Realty.

All reserve funds invested in other accounts, certificates, or other investment vehicles shall be under the sole control of the Association and not Berkeley Realty. Berkeley Realty’s signature authority shall be limited to the Association’s operating checking account and money market accounts, unless authorized in writing by the Association.

e. After notification has been sent to a delinquent owner, including a final demand, Berkeley Realty Property Management will initiate legal action for the collection of any delinquent dues by forwarding needed information to the Association’s collection attorney as directed by the Board and/or collection policy of the community. All legal fees are to be assessed against the Owner and recovered before the account is cleared, unless otherwise directed by the Board of Directors.

d. To the extent the Association is required by its Articles of Incorporation, By-laws, or a Declaration of Covenants and Restrictions, to maintain any improvements which are not situated in the common area, Berkeley Realty will contract-upon approval of the Board of Directors- with independent contractors to provide such maintenance subject to the same standards and limitations applicable to services provided for maintenance of the common areas.
e. Maintain a record file containing papers relative to administration and ownership; and update the file as necessary. Such file shall include a current and complete roster of owners, tenants, and other data necessary to properly administer the Association's affairs, providing such data is made available to Berkeley Realty.

f. Maintain a fiduciary bond(s) in the aggregate amount of $1,000,000.00, insuring all employees who handle funds on behalf of the Association. Berkeley Realty also agrees to indemnify any loss to the Association not covered by this insurance.

g. Provide year-end financial data to the Association's designated tax preparer.

h. Cooperate fully with the independent certified public accountant in the conduct of the annual audit to include making all records, books, and accounts available for their inspection and review and to deliver such records to the designated CPA for tax preparation and audit, if required.

i. Assist the Board of Directors in preparing a proposed annual operating budget each year.

j. On a continuing basis, inform the Association's Board of Directors on matters such as legislation, tax rulings, insurance coverage, and financial practices pertaining to the Association.

k. Perform one review for covenant violations of the property each year and two follow-up reviews of any violations found; keep a record for the Architectural Review Board/Committee as appropriate. Potential problems will be addressed and solutions proposed to the Board of Directors.

l. Submit a written report, as necessary, reflecting a profile of the number and type of concerns received that concerned the Association, the investigation of such complaints and appropriate recommendations.

m. Report to the Association's Board of Directors on any violations of the Association's governing documents that come to the attention of management for action, as appropriate.

n. Negotiate for the most competitive prices, provided by qualified personnel, for services from the marketplace to ensure a level of quality acceptable to the Board of Directors.

o. Communicate with Association's members responding to telephone calls, correspondence, and fax in a timely manner. "Timely manner" is defined as within 24-48 hours. Berkeley Realty Property Management will maintain a telephone number during regular business hours Monday through Friday of each week, excluding holidays. An answering service will be provided at other times for emergency messages. Berkeley
Realty Property Management’s designated liaison cell phone number will be provided to the President of the Board of Directors.

All communication with the Owners of the Association shall be in a businesslike manner. The service requests shall be received, considered, and recorded in a systematic fashion in order to monitor the action taken with respect to each such request.

p. Provide advice and expertise on proper common property maintenance and safety.

q. Accounting functions will include keeping of the accounting books and records of the Association, all of which will at all times be understood to be the property of the Association, and to furnish a monthly summary statement of income and expense, balance sheet, schedule of accounts payable and receivable and print-out of the general ledger of the Association’s books, as well as other such accounting reports as shall be mutually agreeable prepared in accordance with GAAP, unless otherwise approved by the Board. Management will store, upon agreement of the Association, at its offices or other satisfactory location under the control of Management, all books, records, files, program, documents, and procedures for this Agreement per the retention policy. There is an additional monthly charge for the storage, priced per box, which will be included in the monthly administrative costs of the Association.

r. Provide the Board of Directors a Directors' meeting packet approximately five days (5) prior to each regularly scheduled Board meeting. The packet shall include an association management report and current financial reports. The treasurer will receive the complete financial reports to include a Balance Sheet, Income/Expense Report, Bank Account Activity Report (for each bank account), Reconciled Bank Account (for each bank account), and an Accounts Receivable Summary (delinquency report).

s. Attendance at four (4) regularly scheduled Board of Directors' meetings and one (1) Annual Meeting by the Associations' Property Manager for the purpose of providing any information the Board may require. Two hours of meeting time, per meeting, is allotted as part of the management fee. Meeting facilities are available at the Berkeley Realty office at no charge to the Association, on a first come, first serve reservation basis. Additional meetings, meeting hours, and / or reviews for covenant violations can be negotiated at the rate of $50.00 per hour, if approved by both parties. Administrative fees are outlined in Cost Schedule, Addendum A, attached.

t. Provide Association Resale or Disclosure Packets as required. For this service Berkeley Realty Property Management shall be entitled to collect a fee from the seller(s) of the lot within the association (separate and distinct from any other compensation provided herein).
u. Reimbursable expenses will include postage and materials for mail outs; or special copying as requested by the Board of Directors. Large scale copying will be outsourced to Suters Printing at cost.

3. The Association Shall:

a. Appoint an individual liaison responsible for handling communication with Berkeley Realty Property Management on behalf of the Association. Except when attending meetings of the Board of Directors of the Association, Berkeley Realty Property Management shall be entitled to rely on information and directives furnished to it by the liaison, and shall not be responsible for knowledge of any information, which has not been furnished by the liaison.

b. Indemnify and hold Berkeley Realty Property Management (as well as its representatives, agents and employees) harmless from any loss from any cause whatsoever arising out of Berkeley Realty Property Management acting on behalf of the Association. The Association agrees to promptly and diligently, at its own expense, defend any claim, action or proceeding against Berkeley Realty Property Management which arises out of its agency relationship with the association, and to pay any claim or reimburse Berkeley Realty Property Management any money, which it is, required to pay out in connection with its agency relationship with the Association. Notwithstanding any other provision of this Agreement, the Association shall not be responsible for defending or paying any claim arising from any gross negligence or willful misconduct on the part of Berkeley Realty Property Management, its agents or employees.

c. Maintain, at a minimum, liability insurance in the amount of $1,000,000.00, insuring those using the common areas, as well as appropriate fire and hazard insurance policies protecting any improvements owned by the Association, prior to approval of the Board.

d. Shall include Berkeley Realty Property Management on Insurance policies as an "additional insured" and furnish Berkeley Realty Property Management a certificate evidencing the existence of such insurance.

This agreement constitutes an agency only. The term of this agreement shall be for two (2) year(s) commencing and ending on at the following rate per year: $ . There will be no increase in year two.

This contract will auto renew for a second, two year term with a 3% increase in the fee schedule each year unless terminated by either party with written notice, ninety (90) days before the expiration date of the initial term or any renewal term. Fees will be paid at the beginning of each month in advance.
This Agreement may be terminated without cause by either party with prior written notice to the other party. Such notice shall be delivered at least ninety (90) days prior to the expiration of the initial term or any subsequent renewal term. Receipt of such notice shall be deemed accepted if hand-delivered by one party to the other party, or if mailed via First Class mail postmarked at least ninety (90) days prior to the expiration of the initial term of any subsequent renewal term.

This Agreement may also be terminated with cause by either party with prior written notice to the other party. Such notice shall be delivered at least ninety (90) days prior to termination. In the event that one party receives such notice for termination with cause and corrects any noted deficiencies within ten (10) business days, the grounds for termination shall be deemed cured and this Agreement shall continue in effect.

This Agreement shall be construed in accordance with the laws of the State of Virginia, and shall bind and insure to the benefit of the parties hereto and their successors and assigns. This Agreement shall constitute the entire Agreement between the parties hereto, and no variance or modification shall be enforceable except by written amendment executed by all of the parties to this Agreement.

In performance of its obligations under this Agreement, Berkeley Realty Property Management will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, familial status, creed, sex or national origin, including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78, State 241), all requirements imposed by or pursuant to the regulations of the Secretary (24CFR, Subtitle A part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

WITNESS the following signatures and seals:

Date: ______________

By: ________________________________
    _______________________________ President

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Date: ______________

By _______________________________________
  Director
  Association Management Division
  BERKELEY REALTY PROPERTY MANAGEMENT, INC.
  CICB License Number 0501-000116