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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") is made as of this 18th day of Feb, 2009 by and between Church Point Homeowners Association ("Association"), and The Select Group, Inc. ("Agent"), a Virginia Corporation, having its principal office at 2224 Virginia Beach Blvd., Suite 201, Virginia Beach, Virginia 23454.

WITNESSETH THAT:

1. Employment:

In consideration of the mutual terms, covenants and conditions set forth herein below, the Association hereby appoints Agent for certain and specific duties included herein, and Agent hereby accepts that appointment in mutual agreement as to all items listed as part of this Agreement.

2. Terms:

The commencement date of this Agreement shall be the 1st day of January, 2009 which date shall constitute the time Agent will be required to begin performance of its duties hereunder. This Agreement shall have an initial term of Thirty-six (36) months and shall automatically be renewed at the end of the original term for successive terms of one (1) year each unless sooner terminated in accordance with Section 7 of this Agreement. Said renewal is to be upon the same terms and conditions stated herein, unless otherwise amended.

3. Liaison with the Board:

Agent shall principally communicate to the Board of Directors ("Board") and to the Association membership, to the extent practical, through the Board's appointed liaison. In the absence of an appointed liaison the President of the Board will be the liaison with the Agent. The Board liaison shall be authorized to act in behalf of the Board with Agent on any matters related to those specific duties of Agent.

4. Compensation:

The total compensation to which Agent shall be entitled during the terms of this Agreement shall consist of fees for recurring routine services, non-recurring services and for non-routine services, as stated in the attachments hereto and incorporated herein by this reference.

4.1 (a) Recurring Routine Services:

Agent shall be compensated according to the listed schedule(s) listed herein. The current fee will be due and payable on the first of the month. Such compensation includes the overhead expenses of Agent including salaries of employees, general and administrative expenses, and travel expenses of officers and employees incurred under this Agreement, and covers fees for basic services as outlined in this Agreement and attachments hereto.

ATTACHMENTS

4.1 (b) Compensation for Recurring Routine Services:

As compensation for its recurring routine services (Attachments A and B), Agent shall receive a Management Fee, in the Sum of ~~XXXXXX~~ **per month for the first year, ~~XXXXXX~~ per month for the second year, and ~~XXXXXX~~ per month for the third year.** Payment shall be made in advance each month. Said Management Fee shall be included in the operating budget of the Association as a Common Expense and Agent is hereby authorized to deduct and disburse to itself said Management Fee each month from funds from the association, received, or held by Agent in its capacity hereunder. If services to be performed hereunder begin or are terminated on a day other than the first day of the calendar month, the Management Fee for such month shall be prorated to the date of such commencement of services or termination on the basis of a thirty-(30) day month.

4.2 Non-Recurring Services:

Agent shall perform certain non-recurring services as necessary and in accordance with the fees set forth in Attachment C to this Agreement. Said fees shall be subject to adjustment by Agent from time to time upon thirty- (30) days' notice to Association.

4.3 Non-Routine Services:

Agent shall maintain an availability for services related to certain non-routine activities for which the need may or may not arise and which are not specified in this Agreement under any other section. Non-routine services shall be performed with the authorization of the Board or as directed by the Board liaison. Charges for services performed under this section shall be negotiated at the time the work is authorized and Agent is hereby authorized to deduct and disburse to itself, from common funds collected, received, or held by Agent in its authorized capacity hereunder the sums necessary as compensation for said charges.

5. Agency Relationship:

Everything done by Agent under the provisions of this Agreement shall be done as Agent for the Association and all obligations or expenses incurred thereunder shall be for the account, on behalf of, and at the expense of the Association, except that the Association shall not be obligated to pay overhead expenses of Agent's off-site office including the salaries, office expense and transportation and other expenses of officers and employees of the Agent. Any payments to be made by the Association shall be made out of the funds of the Association, or as may be provided by the Association. Agent shall not be obligated to make any advance to or from the account of the Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall Agent be obligated to incur any liabilities or obligation for the account of the Association without assurances that the necessary funds for the discharge will be provided.

6. Documents and Plans:

6.1 Delivery to Agent:

The Association shall deliver to Agent, true, complete and correct copies of all governing documents, rules and regulations, minutes and other documents of the Association as the Agent

If to Association: **Church Point Homeowners Association**



Virginia Beach, Virginia 23455

In case of service by mail, it shall be deemed complete on the day of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of the third day after the date of mailing, whichever first occurs. The addressees to whom notices and demands shall be delivered or sent may be changed from time to time by notice served as hereinabove provided by either party upon the other party.

10. Miscellaneous Provisions:

10.1 Not Responsible for Units:

Except for such repairs to individual units as may be authorized as being necessary to avoid significant risks of loss or injury to other portions of the Project or the occupants thereof, Agent shall have no responsibility for and shall not be required to maintain or repair individual units or any other portion of the project, the maintenance and repair of which are the responsibility of individual unit owners.

10.2 No Partnership:

Nothing contained in this Agreement nor the relationship of Agent and the Association shall be deemed to constitute a partnership, joint venture, or other relationship between the parties hereto except that of principal and agent.

10.3 Attorney's Fees:

In the event of any litigation between the parties in connection with this Agreement, the prevailing party to such litigation shall be entitled to all costs and expenses, including reasonable attorney's fees, incurred in connection with such litigation.

10.4 Waiver:

No waiver of a breach of any provision contained in this Agreement shall be construed to be a waiver of any subsequent breach of the same provision or waiver of any other provision herein.

10.5 Interpretation:

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, supersedes all prior and contemporaneous agreements between the parties hereto respecting the subject matter hereof and may not be modified, amended, or otherwise changed in any manner, except by a writing executed by the parties so to be charged.

10.6 Termination Procedures:

Upon Termination of this Agreement, Agent will:

- a. Surrender and/or deliver to the Board all papers, books, and records of the Association therefore maintained by Agent, including, but not limited to, financial records, insurance policies, and existing contracts relating to the operation and/or maintenance of the Association, together with all keys, materials, supplies, and all funds collected, received or held by Agent, after deducting there from any Management Fee or prorated portion thereof, or any other amounts due Agent hereunder;
- b. Prepare and render to the Association, within thirty (30) days after such termination, a written statement accounting for the common funds from the last such written accounting to the date of termination; and
- c. Use its best efforts to cooperate with the Association to accomplish an orderly transfer of the management and operation of the Association to the party designated by the Board.

10.7 Provisions:

Each of the articles, sections, paragraphs and provisions of the Agreement shall be deemed independent and severable and the invalidity or unenforceability of any article, section, paragraph or provision hereof shall not affect the validity or enforceability of any other article, section, paragraph or provision hereof. The headings of the several articles and sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any article, section, paragraph, or provision of this Agreement. Wherever the context so requires, the singular number includes the plural, the plural number includes the singular, the masculine gender includes the feminine and/or neuter and the neuter includes the masculine and/or feminine. This Agreement may be executed in three (3) counterparts, each of which shall be deemed an original and constitute one and the same instrument and shall be governed by and construed in accordance with the laws of the State of Virginia.

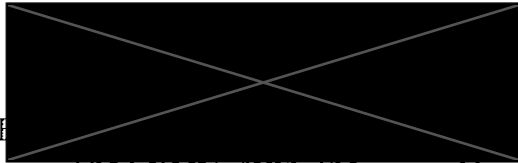
11. Liaison:

From time to time under the provisions of this Agreement, or at the direction of the Board of Directors or an officer or director of the Association, Agent or an employee of Agent has and will continue to serve as liaison between the Association and an attorney engaged by the Association on legal matters. Even though Agent may be an independent contractor under this Agreement, for purposes of any type of communication with the Association's legal counsel, Agent and its employees shall be deemed the functional equivalent of employees of the Association and the attorney-client privilege between the Association and its legal counsel shall extend to the Agent and its employees.

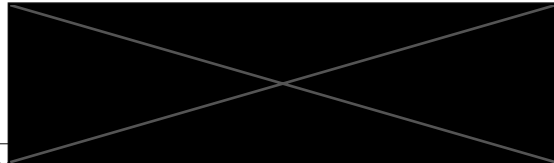
IN WITNESS WHEREOF, the parties have affixed or caused to be affixed their respective signatures on the 18th day of February, 2009.

The Select Group, Inc.
2224 Virginia Beach Blvd., Suite 201
Virginia Beach, VA 23454
"AGENT"

Church Point Homeowners Association
c/o Neal Curtin
1705 Ware Parish Court
Virginia Beach, VA 23455
"ASSOCIATION"

A black rectangular box with a white 'X' drawn across it from corner to corner, used to redact a signature.

The Select Group, Inc.
Principal

A black rectangular box with a white 'X' drawn across it from corner to corner, used to redact a signature.

By: _____
Church Point Homeowners Association
President

ATTACHMENT "A"

FINANCIAL AND BOOKKEEPING SERVICES

1. Collection of Fees:

Agent will supervise the invoicing of all assessments due and processing of all assessments received from Association owners, contractors and other sources (common funds). Payments will be mailed to the depository or office of Agent designated by Agent.

Agent will mail reminder notices to all delinquent owners on or about the Tenth (10th) day of each month, or as otherwise provided in the Legal Documents, the postage or distribution cost thereof to be an expense of the Association.

At the direction of the Board and at the expense of the Association, in accordance with Attachment "C", Agent will charge and collect special and/or additional assessments, late charges, and return check charges.

2. Payment of Association Obligations:

Agent will, from the Association funds collected, pay all obligations of the Association. The Association shall provide sufficient funds to Agent to comply with this provision if for any reason funds in the possession of Agent are insufficient.

3. Financial Reports:

On or about the fifteenth (15th) working day of the month following the end of the accounting period, Agent will provide the following reports to the Association:

- Balance Sheet
- Operating Statement
- Monthly Disbursement Summary
- Accounts Receivable Status

4. Deposits and Accounts:

Agent will deposit all receipts from all sources in a financial institution insured by an agency of the federal government. Agent will provide individual checking and savings account for Association.

5. Budget Preparation:

Agent will prepare, ninety- (90) days prior to the start of each fiscal year, a proposed operating budget projection draft by line item categories setting forth the anticipated expenses and receipts for the fiscal year. The budget will be prepared based on expense history, the approved service level of the Association and the condition of the property. Agent recommends that a reserve study be contracted for with an outside independent agency specializing in that field.

6. Payroll:

Agent will cause disbursement, in accordance with federal, state and local wage and hour withholding tax and minimum wage regulations, bi-monthly, all wages and salaries, commissions and bonuses for all employees. Agent will abide by all local, state and federal laws, regulations and guidelines in administering the payroll for the Association. Agent will cause preparation and filing of all forms, reports and returns as required by law in connection with unemployment insurance, worker's compensation insurance, withholding tax, social security and other similar taxes now in effect.

ATTACHMENT "B"

GENERAL MANAGEMENT SERVICES

1. Facilities Management

1.1 General:

Agent shall oversee the operation, care, upkeep, maintenance and security of the common elements and other services of the Association as authorized by the Association and provided and funded for in the budget, assist and/or advise the Association, and/or employees and contractors of the Association, and cause the common property to be maintained according to standards of the governing documents of the Association.

Agent maintains a twenty-four (24) hour answering service and on-call personnel to handle any emergency.

1.2 Contract:

Agent shall recommend to the Association for approval, contractors for work to be performed based on written specification approved by the Board of Directors.

Agent will bid and administer contracts for the following: pest control, trash pick-up, pool operation and maintenance, grounds care and maintenance landscaping, laundry equipment, general electrical repair, general mechanical repair, and maintenance and security, as applicable.

1.3 Inspections:

Agent will inspect all common property on a monthly basis in order to be knowledgeable and informed of the conditions of the property and will prepare a complete inspection report with recommendations and a detail of the plan of action taken or to be taken.

2. Insurance:

Agent, in conjunction with the reliance upon qualified insurance broker or brokers, will solicit insurance upon the Association as required by the Association's governing documents and all other insurance reasonably necessary to cover the risks to which the Association and Agent are subject. The Select Group, Inc. shall be named as an additional insured on all applicable association insurance policies. Agent, in conjunction with and reliance upon qualified insurance broker or brokers, will also recommend modifications and additional coverage. Agent will file for insurance claims, follow-up for payment and act as the Association representative in negotiating settlement up to a maximum of five (5) hours per claim, and thereafter in accordance with Attachment C (Other Management Services) or ten (10%) percent of total claim, whichever is greater.

3. Ordering:

Agent shall oversee placing orders for such equipment, tools, appliances, parts, materials and supplies as are necessary to properly maintain the Association. All contracts and orders for such items shall be in the name of the Association. Agent shall use best efforts in taking bids and issuing purchase orders that the interest of the Association is served and the best value and price available for the quality and quantity of services and materials ordered be obtained. Agent will credit any discount, commission, rebate or concession obtained as a result of such purchases to the Association.

4. Administration:

4.1 Records:

Agent will maintain and keep completely accurate and up-to-date all of the books and records of the Association, including:

Minutes (to be taken by Association Secretary or volunteer);
Association Agreements;
Accounting and financial records;
Correspondence, notices and memoranda in connection with activities of the association, its various Boards and Committees.

4.2 All records older than two (2) years will be returned to the Association for retention or stored at the Association's expense.

4.3 Resale Certification:

Agent shall supply, in accordance with Virginia law, in proper form, a written statement containing such information that is required by law. Agent is authorized to charge a fee for each statement furnished as outlined in Attachment "C".

4.4 Membership Notices and Communications:

At the direction of the Board and at the expense of the Association, Agent shall send all notices of meetings of Association owners or Board meetings to its members and all parties entitled to copies.

5. Association Support:

A representative of Agent shall attend the meetings of the Board of Directors, including the annual meeting, for a total not to exceed of twelve (12) meetings, based upon a mutually agreed upon schedule established annually. Any meeting exceeding two (2) hours shall be separately billed by Agent at a rate of [REDACTED] dollars per hour, in accordance with Attachment "C".

5.1 Management Report:

Agent will prepare and deliver a report at a time preceding the regularly scheduled meeting of the Board, which will normally contain:

- (a) Status of contracts
- (b) Status of finances
- (c) Status of administration
- (d) Personnel activity
- (e) Recommendations

5.2 Rules:

Agent will assist the Association in the administration and enforcement of rules, regulations, and by-laws by notifying and informing owners and other residents, in writing, who may be in violation of Association legal documents and/or policies.

ATTACHMENT "C"

NON-RECURRING CHARGE ADDENDUM

1. Resale Information: (to include documents, budget, financial disclosure, etc. Said listed items are to be charged to the owner.)

Management Letter

Resale Certificate Condominium (*)

***(effective July 1, 2007, up to \$325.00 may be charged in accordance with the Virginia Condominium Act)**

Insurance Policy

2. Community Mailings:

Fax

Xeroxing (Duplicating)

Postage

Envelopes: Letter Size

Manila Envelopes

Labels

3. Xeroxing

(Except as provided as part of this Agreement)

4. Special assessment set-up charge:

5. Certified Letters:

(Other than late letters)

6. Late Letters:

7. Delinquency Turnover Fee:

(Charged to owner)

8. Return Check Charges:

(Charged to owner account)

9. Other Management Services: (Outside general management services outlined in Agreement)

Manager

Secretary

Accounting

