

MANAGEMENT CONSULTING AGREEMENT

Glenmore Community Association / Community Group, Inc

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MANAGEMENT CONSULTING AGREEMENT

This Agreement is made this day by and between Community Group, Inc. a Virginia corporation with a principal place of business in the County of Henrico, Virginia (hereinafter referred to as "Management") and the Glenmore Community Association, Inc. (hereinafter referred to as the "Association"), which Association is the organization of Members of the Glenmore community association established in accordance with a Declaration recorded in land records with the Clerk of the Circuit Court of the County of Albemarle, Virginia.

WHEREAS, the Declaration, Bylaws, Articles of Incorporation, Rules and Regulations and Architectural Standards (hereinafter the "Governing Documents") established a Board of Directors (hereinafter "Board") to operate and administer the Association as defined therein; and

WHEREAS, the Board deems it to be in the best interests of the Association that the Association contract for management consulting services with an organization in the business of community association management; and

WHEREAS, the Board is empowered pursuant to certain provisions of the Bylaws of the Association to employ such an organization under a contract binding upon the Association, and Management is desirous of providing management consulting services in accordance herewith;

NOW THEREFORE, the Association, acting by and through the Board of said Association, does hereby appoint Management as the exclusive management consultant for the Association, and Management does hereby accept said appointment on the terms and conditions hereinafter provided, and both the Association and Management hereby mutually agree as follows:

1.0 CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement; Attachment A - Routine Services; Attachment B - Periodic Routine Services; the Governing Documents, as they may be now or hereafter amended (provided, however, that amendments made subsequent to the date hereof shall not materially affect Management without its written consent to be so affected); and the provisions of the Virginia Property Owners Association Act (hereinafter referred to as the "Act").

2.0 STATUS OF MANAGEMENT

Management is an independent contractor, and a licensed common interest community management company in full compliance with VA Code Sect. 54.1-2346, et seq. except as that relationship shall be changed to that of an Agent pursuant to a valid determination of the Board acceptable to Management, and under the terms of Section 2.1 of Attachment A - Recurring Routine Services. Accordingly, all contracts shall be executed by a duly authorized officer of the Association, unless there is an emergency or unless Management is specifically directed by the Board to execute contracts on behalf of the Association.

3.0 ROLE OF BOARD AND MANAGEMENT

The Board and Management understand that the Governing Documents charge the Board with the responsibility for the operation and management of the Association, maintenance of the common areas, procurement of services and other areas of Association responsibility as defined in the Governing Documents.

It shall be the role of Management to utilize its experience, knowledge, judgment and skills to assist the Board in the management, supervision, and administration of the Association as defined herein, or as requested by the Board and accepted by Management. Management agrees to furnish efficient business administration and supervision, and to perform its responsibilities with quality service in the most expeditious and economical manner consistent with the usual and customary practices of the industry.

4.0 CONTRACT TERM AND RENEWAL

This Agreement shall be for the period hereinafter stated and may be terminated only as hereinafter

provided.

4.1 Term

The initial term of this Agreement shall be from January 1, 2018 to December 31, 2020.

4.2 Renewal

This Agreement shall automatically renew for three (3) year terms unless, on or before ninety (90) days prior to the expiration of the initial term or any renewal term, either party hereto shall notify the other in writing that it elects to terminate this Agreement.

5.0 TERMINATION

5.1 In Bankruptcy

In the event a Petition in Bankruptcy is filed by or against Management, or in the event that Management shall make an assignment for the benefit of creditors, or take advantage of or become liable under any insolvency or similar act, either party hereto may terminate this Agreement upon three (3) days' written notice to the other.

5.2 Termination for Cause

This agreement may be terminated at any time in the event of embezzlement, defalcation or other criminal acts by it or any of it's employees related to Management's duties and obligations to Glenmore Community Association under this contract. This Agreement may be terminated by the Association for cause and without penalty upon sixty (60) days' written notice to Management (Notice of Termination) in the event the Management breaches this Agreement by failing to perform its obligations hereunder and said breach continues to exist or is not cured within sixty (60) days after receipt of written notice from the Board specifically stating the nature of the breach and the Association's intent to terminate this Agreement. If the breach is cured by Management, as specified, the Agreement shall remain in full force and effect. For the purposes hereof, "for cause" shall be defined as a failure to perform a material provision of this Agreement or a habitual failure to perform provisions of this Agreement, whether material or not; however, prior written notice of a habitual failure must have been provided to Management and Management must have been given a right to cure the habitual failure, prior to the Association terminating the Agreement for cause. The waiver of any breach shall not be deemed the waiver of any other or future breaches.

This Agreement may be terminated by Management if the Board of Directors fails to perform its functions as set forth in the Governing Documents or this Agreement, if the Governing Documents or Virginia statutes are amended to materially increase Management's duties with respect thereto, or for other good causes and said other good causes continue to exist or are not cured within sixty (60) days after receipt of written notice from Management specifically stating the nature of the other good causes and Management's intent to terminate this Agreement. If the good causes are cured by the Board, as specified, this Agreement shall remain in full force and effect.

5.3 Termination without Cause

This Agreement may be terminated by the Association without cause upon sixty (60) days' written notice to Management (Notice of Termination) and, prior to the initiation of transition activities, upon the payment of one-half the sum balance which would have been due to Management through the remaining term of the Agreement.

5.4 Termination by Agreement

This Agreement may be terminated by mutual consent of the parties as of the end of any calendar month.

5.5 Transition after Termination or Non-Renewal

(1) Transition Procedure: At least two (2) weeks prior to the expiration of the Agreement, Management shall provide the Association with the following:

(a) Schedule of termination activities including notice to vendors, banks, Association

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Members and meeting with the successor entity responsible for management of the Association in order that the termination and transition of responsibilities may be completed in a comprehensive and business-like manner.

- (b) An itemized statement of the estimated amounts due from the Association to the Management as of the last day of the term of the Agreement. Prior to the release of the Association's books and records, these amounts shall be satisfactorily settled by the Association. In the case of dispute, the estimated amount shall be deposited in an escrow account with a Management appointed attorney, and both parties shall make every effort to satisfactorily mediate the dispute.
- (c) An itemized statement of the estimated amounts due suppliers of services and goods which have been ordered by Management in the name of the Association. To the extent these amounts have not been paid by the last day of the term of the Agreement, an escrow account equal to such amounts in these regards as are outstanding shall be established to secure their payment. The escrow account shall be jointly controlled by the Management and the Board. As to any invoices in dispute by the Board, the Association agrees to retain ultimate 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 unless Management is at fault. Upon discharge of all obligations as herein cited, any remainder in the escrow account shall be the property of the Association.

(2) Transition Activities:

- (a) Management shall not be entitled to any compensation or reimbursement of costs for activities relating to turn-over of records, providing the Association pays the cost of reproducing any records Management deems necessary to protect its continuing interests in the period following the termination date of the contract. This latter provision is not intended to cover total duplication of records, but to afford Management the opportunity to retain copies of such documentation as may be material in any future claim regarding Management's performance during the contract period under its responsibility and shall not exceed two hundred fifty dollars (\$250.00).
- (b) Management shall be entitled to reimbursement of printing and postage costs associated with such notices and communications for termination or transition of the account.

(3) Transition Meeting:

A date and time shall be set for a meeting to take place in Management'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 these provisions), and to execute any agreements and releases relating to the conclusion of contractual obligations, if any. Books and records that are not stored digitally will be turned over in hard-copy form; books and records that are stored digitally will be turned over via a thumb drive. Passwords or other information to access the data will be provided at this transition meeting.

(4) Transition Audit:

At either the Association's or Management's request, an independent audit by a certified public accountant may be commenced within two weeks following the last day of the term of the Agreement. Management agrees to provide such assistance to the audit at no additional expense to the Association provided the audit is concluded within ninety (90) days of the last day of the term of the Agreement.

Thereafter, Management shall be entitled to reasonable compensation for such time as the auditor requires of Management. The audit, whether requested by the Association or Management, shall be performed at the Association's expense.

(5) Transitional Time Frames:

Should termination be for cause upon a time frame as to make any of the foregoing time periods inapplicable, the Notice of Termination shall specify the applicable time periods.

6.0 COMPENSATION

The total compensation to which Management shall be entitled during the term of this Agreement shall consist of fees for Recurring Routine Services (Attachment A), paid monthly; fees for Periodic Routine Services (Attachment B), paid on a per-item basis; and fees for Non- Routine Services, on a per-item basis as herein specified if not negotiated prior to performance.

6.1 Recurring Routine Services

- (1) Basic Services - Management shall provide the Basic Services listed in Section 1 of Attachment A for an annual fee of three hundred twenty five dollars (\$325.00).
- (2) Accounting/Financial Services - Management shall provide the Accounting/Financial Management services listed in Section 2 of Attachment A for a monthly fee as follows:
\$1,009.33 (\$12,112 annually), plus \$1.24/unit/month for additional units after 814.
- (3) Management and Consulting Services - Management shall provide management services including preparation of Board packages and notices, annual meeting packages and notices, receipt and action regarding compliance complaints, oversight of message system, website and ARC manager software, attendance at one (1) association membership meeting and attendance twelve (12) Board meetings (additional meetings at a rate of \$75/hour, however, management has option of waiving those fees), for a monthly fee as follows:
\$2,005.25 (\$24,063 annually).
- (4) Consulting Services - Management may provide any other services requested by the Board and acceptable to Management according to the rates established in Attachment B.

The fees for Recurring Routine Services as set forth in this Agreement above shall serve as the base amount for the calculation herein provided. Beginning January 1, 2019 and continuing on each January 1 thereafter, the fees for Recurring Routine Services shall increase by three percent (3.0%).

6.2 Non-Routine Services

Management shall maintain availability for services related to certain non- routine activities for which the need may arise during the performance of its duties or as necessitated. Non-routine services shall include, without limitation, the following:

- (1) Litigation – Participation in legal actions initiated by or against the Association, legal actions relating to document enforcement, and other legal actions involving the Management arising in connection with the services being provided hereunder or Management's representation of the Association.
- (2) Violations of Law - Administration and other time requirements involving allegations of violation of federal law, statutes, or ordinances by the Association or Management when acting under the direct or written instructions of the Board or performing the duties as defined in this Agreement.
- (3) Public Representation - Representing the Association before or at public agencies, civic groups or other groups requested by the Association.
- (4) Receipt of Additional Funds - Additional notices, mailings or processing of assessment payments for special assessments or the receipt and processing of funds from any source other than periodic assessment payments may, at the option of Management, result in an additional charge dependent upon the nature and frequency of required collections and shall be authorized by the Board in advance or in accordance with rates established in Attachment B.
- (5) Board Meetings - Attendance by Management at any regularly scheduled meeting of the

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Board that extends beyond 9:00 pm shall be charged at 1.5x the Management Consultant's Preferred Hourly rate. Attendance by Management at additional meetings of the Board beyond those provided for in this Agreement shall be charged at the Management Consultant's Hourly Rate as found in Attachment B.

- (6) Annual and Special Meetings of the Association - Attendance at Annual or Special Meetings of the Members that continue beyond 9:00 pm shall be at Management's sole discretion and shall incur an additional charge at 1.5x the Management Consultant's Preferred Hourly Rate. The time to coordinate, notice and attend the reconvening of an Annual or Special Meeting due to lack of quorum or other reason shall incur an additional charge at 1.5x Management Consultant's Preferred Hourly Rate in Appendix B.
- (7) Communications - Communications originated by members of the Board, the Board Liaison, members of the Association or others concerning matters involving the Association, regardless of the prior approval from the Board to receive or respond. When not authorized by the Board, Management shall attempt to minimize all unauthorized communications time and shall promptly notify the Board Liaison if any significant continued communications time shall be necessitated by Management.
- (8) Additional Mailings - Other than those mailings as provided for in this Agreement, additional mailings to multiple Members may be contracted to third parties or shall result in an additional charge in accordance with Attachment B.
- (9) After-Hours Calls - Calls made to Management during normal business hours (9AM to 5PM), are included in the basic services. With the exception of emergency calls which will be directed to the appropriate Association point of contact, the Association does not authorize charges for after-hours calls. Management should immediately notify the caller that non-emergency calls will be charged to the initiating owner in accordance with the rates in Attachment B.
- (10) Bank Accounts - The administration or coordination of financial information for any bank account or cash account of the Association other than the Operating Account as defined in Section 10.01 of this Agreement.
- (11) Loans - The shopping, obtaining, administering and accounting for the borrowing of any funds.
- (12) Additional or Rush Cash Disbursements - Requests for rush payment of invoices or reimbursements outside of Management's routine schedule.
- (13) Financial Statement Review - Additional requests or excess time for meetings or communications from members of the Board, its President or its Treasurer, other than as provided for in Attachment A, requests for additional production of financial statements, or additional time to reclassify data not resulting from Management error.
- (14) Insurance - The receipt, processing and resolution of all insurance claims.
- (15) Other Management Services – Any service performed by Management and not specifically provided for in Attachment A of this Agreement shall be considered a Non-Routine Service.
Charges for services performed under this Section shall be (i) as stipulated in Attachment B or (ii) at rates mutually agreed upon by Management and the Association at the time work is authorized or previously agreed. The provisions of Sections (1) and (2) above shall survive the termination of this Agreement.

6.3 Payment Schedule

Payments for services rendered under Section 6.1 shall be made on the 1st business day of the month for which services are performed and by the last day of the quarter following the rendering of an invoice for all other services unless otherwise provided in this Agreement.

7.0 COMMUNICATIONS

7.1 Board Liaison

Unless otherwise designated by the Board, the Board President shall act as the Board Liaison with Management. Management shall principally communicate to the Board and its committees through the Board Liaison. Board and committee members shall principally coordinate communications to Management through the Board Liaison. Management shall be entitled to rely upon all communication and representations from the Board Liaison as communication and authority from the Board.

Management shall principally inform the Board of its activities at the meetings of the Board. The Board Liaison is encouraged to provide written updates to Management of Association activities and events. Management shall, in its sole determination, provide updates to the Board or Board Liaison as to current activities that cannot be held for inclusion until the next meeting of the Board.

7.2 Communications from Officers and Committee Chairpersons

Except those items of general or routine communications that are to be directed through the Board Liaison, Management shall directly communicate with Board officers and Committee Chairs in their specific capacity when performing the duties of their position. Communications with the Board and Committee should be copied to the President of the Board.

7.3 Communications from Association Members

Unless otherwise agreed in writing, Management is only directed to handle communications from Association Members for:

- (1) Disclosure Package requests;
- (2) Owner inquiries which will be documented and directed to the appropriate Board Member or Association Committee, and
- (3) Owner assessment account inquiries until the account is referred for collection (and to Association's collection attorney while under collection).

Management may direct how and to whom these communications are to be directed.

7.4 Response Time

Association understands that Management also represents other clients and that employees of Management may temporarily be unavailable to respond to communications from the Board or Association due to other personal or business commitments. Other than during times of absence, it shall be the standard of both the Board and Management to respond to incoming telephone or electronic mail communications from the other party before the end of the following business day.

8.0 INTELLECTUAL PROPERTY

The Association understands that Management is in the business of providing professional community management services and its continued ability to successfully compete is critically dependent upon its specialized knowledge, information and resources. In its performance of this Agreement, Management shall utilize certain proprietary documents, records, forms, business systems and information management systems developed by Management (hereinafter "Intellectual Property") that it will make available for use by the Board and the Association during the term of this Agreement. Such Intellectual Property shall include, but not be limited to: Management Plans, Annual Plans, Emergency Procedures, Operating Procedures, Job Descriptions, Committee Charters, Maintenance & Service Responsibility Charts, Action Item Lists, Telephone Logs, Work Order forms, Systems Manuals, Board of Directors Handbook, Handbook for Association Leaders, meeting proxies and ballots, meeting notices, financial statement reports, contract specifications and contract forms. Business and information systems shall include, but not be limited to: Management's proprietary computer software and communications systems, and its business system of community association management.

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The Association understands and agrees that all Intellectual Property of Management, developed either before or during the term of this Agreement unless created by or specifically for Glenmore Community Association, shall remain the exclusive Intellectual Property of Management unless otherwise exempted in writing by the President of Management. The fees paid by the Association under the terms and conditions of this Agreement provide the benefit to the Association of the use of Management's Intellectual Property, as directed by Management, during the term of this Agreement, but specifically do not grant ownership or authority to use Management's Intellectual Property after termination of this Agreement or as otherwise provided in this Agreement.

Management understands and agrees that the data and information contained within certain records and files of the Association are and shall remain the property of the Association; however, the Intellectual Property of Management shall not be considered books and records of the Association as defined by the Act. In addition to financial and management reports provided by Management to the Association, all other correspondence, documents and records in the Association's Community File and each Owner File shall remain the property of the Association.

In its performance of this Agreement, the Association shall utilize certain proprietary documents, records, forms, business systems and information management systems developed by the Association (hereinafter "Association Intellectual Property") that it will make available for use by Management during the term of this Agreement. Such Intellectual Property shall include, but not be limited to: Association Plans, Annual Plans, Emergency Procedures, Reserve Studies, Operating Procedures, Committee Charters, Maintenance & Service Responsibility Charts, Telephone Logs, Association C&Rs, By Laws, meeting proxies and ballots, meeting notices, financial statement reports, contract specifications, contract RFPs, and contract forms. Business and information systems shall include, but not be limited to: Association's proprietary computer software and communications systems. The names, addresses, email addresses, and financial information of the members of the Association cannot be sold or assigned to third parties or affiliated interests of Management.

The provisions of this Section shall survive the termination of this Agreement.

9.0 INSURANCE AND INDEMNIFICATION

9.1 Association Insurance

Association shall maintain in full force and effect at all times and at its own expense public liability insurance in the minimum amount of one million dollars (\$1,000,000), fidelity bond coverage in compliance with the requirements of Section 55-514.2.B. of the Act as now in effect or hereafter amended from time to time, and Directors and officers insurance with limits no less than \$1,000,000 per occurrence and in aggregate.

The Association shall name Agent as an additional named insured on the Association's policies of comprehensive general liability, directors and officers, and employment-related insurance, and said insurance policies will cover Agent for any and all claims and losses indemnified by the Association pursuant to this Agreement. The Association shall provide Agent with insurance certificates identifying Agent as additional named insured showing the amount of coverage to be furnished to Agent.

The Association's general liability insurance coverage shall be the primary insurance with respect to Agent and its officers, directors, and employees. Any insurance or self-insurance maintained by Agent shall be in excess of, and not contributing with, the Association's insurance.

Management shall maintain in full force and effect at all times and at its own expense public liability insurance in the minimum amount of one million dollars (\$1,000,000). In addition, Management shall maintain an employee dishonesty insurance policy in the minimum amount of two million dollars (\$2,000,000) in compliance with Section 54.1-2346.D. of the Code of Virginia (1950), as amended, as now in effect or hereafter amended from time to time.

If the Association fails to maintain insurance coverages as specified above, Agent, at its

discretion and upon written notice to the Board, will be released from this Agreement, and the Association will pay Agent an early termination payment equal to three (3) months of the Management Fee.

If the Association fails to maintain insurance coverages as specified above, Agent, at its discretion and upon written notice to the Board, will be released from this Agreement, and the Association will pay Agent an early termination payment equal to three (3) months of the Management Fee.

9.2 Indemnification

The Association, at its sole cost, agrees to indemnify, defend, and hold harmless Agent and its affiliates, and their respective shareholders, members, directors, managers, officers, employees, agents, attorneys, representatives, and assigns (individually and collectively, the "Agent indemnitee") from and against any and all losses, damages, judgments, rulings or settlements, and all reasonable costs, expenses and attorneys' fees (collectively, "Damages"), incurred by any Agent indemnitee related to or arising out of any and all claims or legal, administrative, or regulatory actions and proceedings asserted or brought against such Agent indemnitee in connection with (a) the performance of the obligations or responsibilities of Agent under the terms of this Agreement, (b) any action taken by any Agent indemnitee pursuant to the express or implied direction of the Association, or any act or omission taken by any Agent indemnitee reasonably and in good faith for a purpose that was reasonably believed to be in the best interests of the Association, (c) the operation, maintenance, physical condition, or ownership of the Property, or any alleged acts, omissions, or incidents occurring during or related to the management by Agent under this Agreement, (d) the Association's failure or refusal to comply with or abide by any rule, order, determination, or ordinance or law of any federal, state or municipal authority of which Agent has advised the Association in writing, and (e) the negligence of any employee, contractor, service provider, or agent engaged by Agent in connection with the performance of Agent's responsibilities under this Agreement; provided, however, that the foregoing indemnification shall not extend to (i) any settlement entered into by any Agent indemnitee without the prior written consent of the Association, which consent shall not be unreasonably withheld, (ii) with respect to any Agent indemnitee, any Damages that are caused by such Agent indemnitee's criminal acts, willful misconduct, or gross negligence, or (iii) from any material breach of this Agreement by Agent. The Association's obligation to defend, indemnify, and hold harmless any Agent indemnitee is subject to the condition that as to any particular event: (x) the Agent indemnitee shall notify the Association in writing as soon as practicable after notice of any such claim is received, and (y) no Agent indemnitee shall take any steps which could prejudice the defense thereof or otherwise prevent the Association from fully conducting such defense. In the event a claim is made or an action or proceeding is brought against an Agent indemnitee but not the Association, or legal ethical requirements would require separate counsel for an Agent indemnitee to adequately 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.

Management hereby agrees to indemnify, defend and save the Association harmless from any and all claims, suits or actions, and from liability for damages to property and for the injury to or death of any employee or other person or persons whomsoever, including costs of defense, arising from or caused by the willful, malicious or illegal conduct, or gross negligence of Management, its agents or employees.

The provisions of this Section shall survive the termination of this Agreement. Association shall maintain in full force and effect at all times and at its own expense public liability insurance in the minimum amount of one million dollars (\$1,000,000) and fidelity bond coverage in compliance with the requirements of Section 55-514.2.B. of the Act as now in effect or hereafter amended from time to time.

9.3 Applicability to Insurance

Nothing contained herein shall in any way be construed to relieve any insurance company of its obligations under policies issued to the Management or the Association.

9.4 Relationship of Agent/Management to Other Entities

If Management is connected with an entity which performs or delivers goods or services to the Association, Management 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 Management as a result of any entity doing business with the Association shall be disclosed by Management and shall be passed on to the Association. If Management is connected with or related to a member of the Board of the Association, Management agrees to disclose such connection or relationship within thirty days.

Notwithstanding the foregoing to the contrary, the Association acknowledges that Management or its affiliates may earn a profit or receive fees incident to a) the operation of group purchasing programs intended to provide price and quality benefits to the Association and/or its residents, or b) the dissemination of marketing information about goods and services to Management's managed associations (including the Association) and their residents. Purchase of any product and/or service through any such purchase program or marketing plan is voluntary and is not in any manner required by the provisions of this Agreement.

10.0 FINANCIAL

10.1 Operating Account

Management is authorized to open and maintain a demand deposit or comparable account in the name of the Association with a financial institution or institutions selected by Management and insured by an agency of the Federal government (hereinafter "Operating Account"). The Operating Account shall be established and maintained in a manner to indicate the custodial nature thereof and shall not be co-mingled with any other party. Management shall have the authority to disburse any liabilities or obligations in accordance with the approved budget, this Agreement or upon written instruction of the Board, and for the payment of Management's compensation set forth in this Agreement. Management shall act as sole signatory and shall not be required to obtain co-signatures from the Association for Operating Account disbursements from the Association based on the approved budget.

10.2 Separate Bank and Cash Accounts

Any separate bank accounts or cash accounts maintained by the Board or its committees shall be the responsibility of the Board. The Board shall provide Management with a timely cash reconciliation of monthly bank balances, along with full and complete records of all transactions within one week following the end of any accounting period.

10.3 Reserve Investment Accounts

Association understands that Management is not a financial investment adviser and does not warrant or recommend investment strategies for the Association. The Board shall appoint the Treasurer or an Investment Adviser to supervise the investment of the Association's reserve funds, open and close accounts, transfer funds and reconcile accounts. It shall also be the responsibility of the Treasurer or Investment Adviser to provide timely and accurate information about the Association's investment accounts for inclusion in the Association's financial statements. Management shall be an authorized signatory on the Reserve Investment Accounts and may, at the direction of the Board, require co-signatures from a member of the Board.

10.4 Unavailability of Funds

Management shall have no liability to the Association, its Members or third parties in such case as there is an unavailability of funds requisite to take action which would have prevented such a claim. Management shall have no obligation or responsibility to expend its own funds in the performance of any duty or obligation hereunder or hereby arising.

10.5 Disbursement Authority

Once approved by the Board, the annual budget and reserve schedule shall be considered as the authority for Management to expend funds in accordance therewith. Except for utility bills, insurance premiums, contracted payments and such other items as specifically authorized in the annual budget, whether by specific item or by category, Management shall not authorize or incur expenses for any one item in excess of two thousand five hundred dollars (\$2,500.00) or authorize or incur such expenses aggregating more than five thousand dollars (\$5,000.00) at any one time, unless authorized by the Board in writing, or unless such expense is necessary because of an emergency condition involving serious danger to life or property. If Management must authorize such emergency expenditure without the authorization of the Board, Management must as soon as possible thereafter inform the Board of the action taken and the reason therefore. All expenses of operation and management shall be paid from the Association's funds held by Management, and Management is authorized to pay each month any amounts owed to Management by the Association from such account(s) without prior notice to the Association.

10.6 Waiver of Delinquency Notices and Late Charges

The Board assigns its authority to Management, in its sole determination, to waive notice and the assessing of late charges for any delinquent payment that is less than or equal to the amount of one assessment payment.

10.7 Owner Account Adjustment

The Board assigns its authority to Management, in its sole determination, to adjust Owner account balances that are delinquent less than ten dollars (\$10.00) or the amount of the late charge, whichever is greater. The Management will charge fines and late fees as directed by the Board in writing.

11.0 MISCELLANEOUS

11.1 Definitions

Terms used in this Agreement shall be defined in the same manner as in the Act, or if not defined therein, as defined in the Governing Documents, or if not defined therein, as defined herein.

11.2 Conflicts

If any conflicts shall rise within the Contract Documents, the Agreement shall control the Attachments. The provisions of the Act and the Governing Documents in that order shall control all of the above-mentioned items.

11.3 Severability

The invalidity of any part hereof shall not affect the balance hereof so long as such part is not to the essence thereof.

11.4 Construction

Headings in this Agreement are provided for convenience only and are not intended to be utilized for interpreting the intents hereof. Terms of gender shall refer to the opposite gender where appropriate, and terms of singular shall refer to plural and vice versa.

11.5 Enforcement

This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia. If legal action is required to interpret or enforce this Agreement, said action shall be filed in the Circuit Court of Henrico County, Virginia, Civil Division. In the event Management is required to take any action or expend any sum of money to enforce the provisions of this Agreement, including the hiring of any professionals, including an attorney, then Management shall be entitled to recover and the Association agrees to indemnify and promptly reimburse Management for any and all of its actual costs, including actual attorneys' fees, expert fees, and any filing fees or other costs, associated with its efforts to enforce the provisions of this Agreement, regardless of whether any formal legal proceedings, including any lawsuit, are ever filed or not.

In the event the Association is required to take any action or expend any sum of money to enforce the provisions of this Agreement, including the hiring of any professionals, including an attorney, then the Association shall be entitled to recover and Management agrees to indemnify and promptly reimburse the Association for any and all of its actual costs, including actual attorneys' fees, expert fees, and any filing fees or other costs, associated with its efforts to enforce the provisions of this Agreement, regardless of whether any formal legal proceedings, including any lawsuit, are ever filed or not.

11.6 Notices

All notices as herein provided for, or as may be deemed desirable, shall be in writing and sent postage prepaid by certified mail, return receipt requested to Management at its then current office, and to the Board's care of the then serving President at his/her residential address with a copy to the Association's attorney.

11.7 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

11.8 Affiliated Interest

When acting under the scope of its authority as defined within this Agreement or when so authorized by the Board in writing, Management is specifically authorized to enter into agreements to provide goods or services to the Association with individuals or business entities related to or affiliated with Management, its directors, officers, and employees. The fees or charges of affiliates of Management shall be those usual and customary to the industry. Management shall list all affiliated companies in Attachment B or provide prior written notice to the Board.

11.9 Management Representative

Management shall assign a specific person to the Association as its primary representative. If the Association is dissatisfied with the Management representative assigned to the Association, the Board may notify Management in writing with a request for a replacement. Management shall retain the final determination of personnel assigned to represent the Association.

The Association understands that Management representative will be unavailable at times during the year due to personal reasons, such as sickness, vacation and training. , During short term absences, coverage will be provided for emergencies and/or items of an urgent nature. During long term absences, an alternate will be assigned. Management typically reassigns a new Management representative to the community every two to three years.

11.10 Employee Non-Hire

The Association hereby agrees that it will not approach, discuss or offer employment or actually employ, contract or otherwise compensate any person employed by Management within the previous twelve months, or any current employee of Management until a period of eighteen (18) months after the date of termination of this Agreement.

11.11 Licensure

Management warrants and represents that it possesses and shall maintain during the term hereof all licenses, permits, approvals, and similar items, as are necessary and/or appropriate to its performance hereunder.

11.12 Compliance with Laws

Management covenants and agrees to comply with all Federal, state and local statutes, ordinances, rules, regulations, and similar items in its performance hereunder.

11.13 Conduct

Management shall at all times conduct itself in a respectful, courteous and professional manner. It shall be the policy of the Association for all Association Members to conduct themselves in a respectful, courteous and professional manner in all dealings with the Association and Management. Any failure in this standard of conduct by any member of Management may be reported in writing by the President of the Board to the President of Management with a request for corrective action. Any failure in the standard of conduct by any Member of the Association may be reported to the Board with either a request for corrective action or, at Management's sole option, a sanction prohibiting the member from contacting Management in any manner for a period not to exceed twelve months.

11.14 Digital Documents

The Board shall supply Management with a complete and accurate copy of the Governing Documents in a current Microsoft Word format, and a complete and accurate map of the community in an acceptable digitized format. If the Board is not able to provide these digital documents within ninety (90) days of the inception of this Agreement, Management is hereby authorized to obtain the documents by contracting with other parties or Management may perform the work in accordance with rates established in Attachment B.

11.15 Task Completion

Association understands that Management also represents other clients and that employees of Management are responsible to prioritize the urgency and time to completion of assigned tasks. When assigning tasks or responsibilities to Management, both the Board and Management shall mutually agree upon a reasonable time to respond or complete the task. If no response time is so agreed, then it shall be the sole determination of Management to use its best judgment to prioritize the task within its other responsibilities.

11.16 Contract Familiarity

It shall be the responsibility of the Board to maintain a familiarity and understanding of the terms and conditions of this Agreement. It shall not be the responsibility of Management to maintain the Board's familiarity with this Agreement.

11.17 Whole Agreement

The Contract Documents represent the parties' entire understanding and supersede any agreement prior hereto, and no variance or modification thereto shall be valid and enforceable except by Supplemental Agreement in writing, executed and approved in the same manner as this Agreement.

The parties acknowledge that there are no other understandings between them in these regards, except as may be hereinafter evidenced by written memorandum.

WHEREOF the parties have hereunto set their hands and seals this ___ day of _____2017.

ASSOCIATION:

MANAGEMENT:

By: _____ By: _____
President President

ATTACHMENT A - RECURRING ROUTINE SERVICES

**MANAGEMENT CONSULTING AGREEMENT
GLENMORE COMMUNITY ASSOCIATION, INC./
COMMUNITY GROUP, INC.**

1.0 BASIC SERVICES

Management shall provide Basic Services for the Association, more specifically defined as follows:

1.1 Place of Business

The office of Management may be designated as the principle place of business for the Association. Management shall publish and maintain routine office hours, and shall be available during office hours to receive routine business requests on behalf of the Association.

1.2 Designated Representative

Designate a specific manager representative for the Association who shall maintain an availability and continuing familiarity with the Board and Association.

1.3 Records Storage

To the extent possible, provide digital storage of all records accessible by the Board for the contract term, and at the Association's direction, provide for storage at Management's office for up to two years of Association records and important documents.

1.4 Records Management

Keep accurate records of the communications, actions and proceedings of the Association as handled by the Management. To the extent possible, maintain these records digitally for the term of the contract.

1.5 Inspection of Books and Records

All Association books, records and accounts maintained at Management's offices shall be made available for inspection by any and all Association Members or their authorized representatives, upon reasonable notice, during normal business hours in conformity with the provisions of the Act and the Governing Documents.

1.6 Disclosure Packages

The Association authorizes Management to receive, prepare, execute and respond on its behalf in accordance with the Act to all requests for resale disclosure packages. Management may require the requesting party to directly pay Management its fee in compliance with the Act.

1.7 Pending Legislation

Provide notification of any pending legislation, when known, that may affect the Association and as maybe related to the Act.

1.8 Townsquare Homeowner Portal

The Townsquare Portal is under development by Management. Upon release of the Townsquare capability, this feature will be provided at no additional cost to the Association.

2.0 ACCOUNTING/FINANCIAL MANAGEMENT

Management shall perform accounting and financial management on behalf of the Association, more specifically defined as follows:

2.1 Receipt of Funds

Receive, process and deposit the semi-annual assessments as they become due and payable from all Association Members into the Association's Operating Account. The Board hereby

authorizes Management as its Agent, to request, demand, collect, receive, and receipt any and all charges or assessments 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 Association Members or otherwise.

2.2 Owner Payment Invoices

Coordinate the production of an Association assessment payment notice and ensure distribution to each owner.

2.3 Late Charges/Accelerations

In accordance with the Association's policies and/or Governing Documents, Management shall charge Association Members' accounts the appropriate late charge for delinquent payments and, when authorized, shall note the amount of accelerated account balances.

2.4 Delinquency Notices

Send up to three delinquency notices, at times to be established by the Board.

2.5 Delinquent Collections

Refer delinquent accounts, as defined by policy of the Board, to the Association's collection attorney or agency. Management shall assist the Association's collection attorney or agency by providing available account information and by producing a payment history of the delinquent account.

2.6 Disbursements

Maintain the accounts payable of the Association in a current status (provided sufficient funding and Board approval). Review open invoices approximately once each week (and no less than twice each month), and pay all authorized invoices no later than three weeks after receipt and authorization. Provide for the inspection of all invoices and support detail when requested by the Board.

2.7 Maintain Accounting Functions

Maintain the accounting functions and records of the Association in accordance with generally accepted business practices of the industry. Maintain complete and accurate records of the Association's financial transactions.

2.8 Produce Financial Statements

Within three (3) weeks after the end of each monthly period, produce a complete package of financial statements, to include: a balance sheet; a budget variance report (including current period and year-to-date comparisons to budget); a reserve activity report for the current period and year-to-date; cash disbursements report; a homeowner account status report for the current period; and a delinquency report of all delinquent accounts with pertinent comments.

2.9 Review Financial Statements

Provide up to a consolidated, non-accruing thirty (30) minutes of time per each accounting period to review the financial statements, cash disbursements and details, and delinquencies, and answer any other questions either by telephone conversation or in a meeting at Management's office with the Board Treasurer.

2.10 Bank Statement Reconciliation

Perform a cash reconciliation of the monthly bank balance of the Operating Account with the financial statement balance.

2.11 Income Taxes & Annual Audit

File estimated quarterly federal and state corporate income tax payments, if applicable. Upon direction from the Board, submit all financial records to the designate of the Board for preparation of the annual audit and/or tax returns. Coordinate with the Association's income tax

preparer to submit federal and state year-end corporate income tax payments.

2.12 1099 Federal Forms

After year-end, produce and distribute federal 1099 forms for qualifying contractors

3.0 ASSOCIATION WEBSITE - OPTIONAL

Within a reasonable period after the execution of this Agreement, Management will cause an interactive website (the "Website") to be made available to the Association that will contain information specifically related to the Association. Access to most areas of the Website will be password protected, 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 Management or its service providers and available by hyperlink from the Management's website. It will provide various communication tools, which may include directories, calendars, surveys and 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 Management 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 shall be the sole and exclusive property of Management. Revenue generated from the website through association generated advertising will be the sole property of the Association. All other revenue shall be the sole property of Management.

Cancellation of the community website requires 30 days written notice. In the event of the termination of this Agreement, Management will cause the Website to be shut down and will delete from its databases all personally-identifiable data about Association residents collected through the Website. If the association had a domain name managed by Management, Management will transfer the domain name to designated Association contact at no fee. The fees for the Website are listed in Attachment B.

The Website may contain links to other websites. Use of these websites is at the user's own risk. Management is not responsible for and does not endorse the content, products or services of any third-party websites and does not make any representations regarding their quality, content or accuracy. Management does not assume any liability for the materials, information and opinions provided on, or available through, the Website (the "Site Content"). Reliance on the Site Content is solely at the user's own risk. Management disclaims any liability for injury or damages resulting from the use of any Site Content.

The Website, the Site Content and the products and services provided on or available through the Website are provided on an "AS IS" and "AS AVAILABLE" basis. Management makes no warranty or representation with respect to the quality, accuracy or availability of the Website and disclaims all warranties of any kind, express or implied, including any warranties of merchantability, fitness for a particular purpose or non-infringement. In no event will Management or its licensors or contractors be liable for any damages of any kind, under any legal theory, arising out of or in connection with the use of, or anyone's inability to use, the Website, the Site Content, any services provided on or through the Website or any linked site, including any direct, indirect, incidental, special, consequential or punitive damages

4.0 ARCHITECTURAL MODIFICATIONS TRACKING - SMART WEBS - OPTIONAL

Within a reasonable period after the execution of this Agreement, Management will cause an interactive website ("Smart Webs") to be made available to the Association that will contain information specifically related to the Association. Smart Webs will be operated and maintained by Management and/or its service provider(s) and shall be available by hyperlink. Smart Webs and all computer programs and code used in the operation of the Smart Webs, as well as all intellectual property rights therein, shall be the sole and exclusive property of the Management, and its service provider(s). The Association hereby agrees to indemnify and

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defend Management from any responsibility or damages or other liability arising from this Agreement.

Management's monthly charge to the Association for Smart Webs is stated in Attachment B. Smart Webs will be deactivated on the first day of the month following the termination of this Agreement or, alternatively, in conjunction with the termination of Management as the Association's managing agent. There shall be no proration for activation or deactivation of Associa Smart Webs. Upon deactivation, the Association may request to have the Smart Webs data downloaded at an additional cost.

ATTACHMENT B - PERIODIC ROUTINE SERVICES

**MANAGEMENT CONSULTING AGREEMENT
GLENMORE COMMUNITY ASSOCIATION, INC. / COMMUNITY GROUP, INC.**

In addition to all other fees, Management shall perform or provide certain Periodic Routine Services as requested or as may be necessary in accordance with the following fee schedule, which may be adjusted after the first contract year upon thirty (30) days' notice from Management to the Association or as posted on Community Group's web page [www.communitygroup.com]. Fees paid by Association Members are subject to change without notice. The waiving or the omission of any charge or fee by Management does not forfeit or waive the authority or ability of Management to assess such future charges or fees.

Items to be paid by Association Members or Nonmembers:

(1)	Preparation of Disclosure Package	\$273.25 each package 1
(2)	Preparation of Disclosure Package Update	\$54.50 1
(3)	Rush Fee	\$54.501
(4)	Post Closing Fee (new Association member)	rate charged by bank
(5)	Processing returned checks	\$20.00 per unit per month
(6)	Accounts at the collection attorney	\$54.50 each update1

Items to be paid by the Association:

(1)	Postage	actual cost
(2)	Materials reproduction	\$0.10 per copy
(3)	Labels	\$0.10 each, minimum 12.00 for mass mailings
(4)	Assessment Payment Statements:	
	(a) semi-annual assessment statement	\$2.25 each
(5)	Mailing of registered or certified letters	\$6.00 each + postage
(6)	Delinquency Notices:	
	(a) First Notice	\$15.00 each2
	(b) Final Notice (not including certified fee)	\$20.00 each2
(7)	Referral to Collection Attorney	\$35.00 per account 2
(8)	Records Storage (more than 2 years old)	\$2.00 per box per month
(9)	Investment Purchase or Redemption (after three per year)	\$0 if we can accomplish remotely
(10)	1099 Processing	\$15.00 each
(11)	Special Request (Emergency) Check	\$25.00 plus FEDEX (if applicable)
(12)	Volo Village Messenger Service (Optional)	\$2.50/unit/year, unlimited usage
(13)	Board Portal	Included, no cost
(14)	ARC Manager Software (optional)	\$30.00 per month plus one-time set-up charge of \$195.00
(15)	Website	\$60.00 per month plus one-time set-up charge of \$195.00
(16)	Computerized Electronic Ballot	Third Party Vendor at Cost

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Additional services are provided as may become available at the prevailing rate or as mandated by law. All fees listed on this Exhibit A are subject to reasonable change, from time to time, without prior notice and may automatically increase on each calendar by three percent (3%).

Management Rates for Consulting/Additional Services:

Management Hourly Rates:³

Associate/Clerical	\$39.00 per hour
Associate/Minutes	\$25.00 per hour
Manager - CMCA Designate	\$75.00 per hour
Scott Meardon <small>CMCA, PCAM</small>	\$138.00 per hour

Owner Services:

US Mail, facsimile, email	\$12.50 per contact/inquiry
Telephone	\$15.00 per contact/inquiry

Affiliated Interests:

Advanced Technology Group, Inc.
Associa Advantage, Inc.
Associa Community Association Websites, Inc.
Associa Living, Inc.
Associa OnCall
Associa Supports Kids
Associations Insurance Agency, Inc.
Associations Title, Inc.
CGI Productions
Community Archives, Inc.
Lincoln Hancock Restoration, LLC
Pacific Premier Bank
Platinum Title

¹ or not to exceed maximum rate established by statute

² will be charged to owner if association collection policy permits

³ time out of the office is portal-to-portal