

MANAGEMENT AGREEMENT
for the
SAMPLE ASSOCIATION

THIS AGREEMENT is made this _____ day of _____, 200 between SAMPLE ASSOCIATION, hereinafter known as the "Association", and Carlyle Management Company, hereinafter known as the "Agent".

WHEREAS, SAMPLE ASSOCIATION is an Ohio corporation formed under Section 1702 et. seq. of the Ohio Revised Code, to administer SAMPLE ASSOCIATION pursuant to the Declaration of Condominium Ownership for SAMPLE ASSOCIATION, the Bylaws of the Association and Ohio Revised Code Section 5311.12;

WHEREAS, the Association, acting through its Board of Directors, hereinafter known as the "Board", pursuant to its Declaration of Condominium Ownership, desires to appoint Carlyle Management Company as its exclusive Agent to manage the Condominium Property:

NOW, THEREFORE, in consideration of the mutual promises of the parties hereinafter contained, and other consideration as stated, the parties hereby agree as follows:

1.0 APPOINTMENT

The Board, by the authority contained in the Declaration of Condominium Ownership, hereby appoints the Agent as exclusive agent of the Association, to operate and manage the Common Elements of the Condominium Property, subject to the direction and control of the Board, and the Agent hereby accepts the appointment on the terms and conditions hereinafter provided.

2.0 TERM

The term of this Agreement shall begin on _____ and continue until _____ unless lawfully terminated before such time as provided in item 9.0, et seq., below.

3.0 BONDING AND INSURANCE OF AGENT AND ITS EMPLOYEES

3.1 Bonding.

The Agent, on behalf of the Association and at the Association's expense, shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or Agent at any one time, against theft, embezzlement, misappropriation, or any other unauthorized taking or loss of Association funds. As used in this paragraph, the term "persons who control or disburse funds of the Association" refers to any individual with authority and/or access to sign checks, conduct electronic transfers, or otherwise withdraw funds from any Association account or deposit, including but not limited to the Agent's principals and employees, and the president, secretary, and treasurer of the Association.

3.2 Insurance.

The Association shall cause its public liability insurance to be written so as to protect the Agent in the same manner and extent as the Association, Board of Directors and Unit Owners. Agent shall be named "additional insured". The limits of said insurance shall be not less than One Million Dollars (\$1,000,000.00) in respect of injury or death suffered by any one person as a result of any one occurrence, and One Million Dollars (\$1,000,000.00) in respect of any one occurrence, and One Million Dollars (1,000,000.00) in respect of damage to or destruction of property arising out of any one occurrence.

4.0 AGENT'S DUTIES - GENERAL

The Agent shall manage, operate and maintain the Common Elements and facilities of the Condominium Property as Agent of the Association under the direction of the Board and in accordance with instructions issued by said Board from time to time. Specifically, but not by way of limitation, the Agent's duties shall consist of the following:

4.1 Meetings.

Agent will attend, all regularly scheduled Board meetings as well as one annual meeting of the Association. Agent will assist or chair any or all meetings listed above as requested by the Board. Agent will assist in preparing agendas for meetings when requested. When directed, Agent will send formal notification of such meeting at the expense of Association, such expense not to exceed postage and copying cost. Agent will provide a management report generally informing the Board of management acts and/or decisions since the prior meeting. All papers, packets, reports etc. relating to such meeting shall be delivered to the Board not less than 48 hours in advance of said meeting. Agent will not be required to record the minutes of the meetings.

4.2 Policies.

Agent will assist the Board in the administration of provisions of the Condominium instruments and the policies, and Rules promulgated by the Board. Agent will also assist the Board in drafting Rules and Regulations which may from time to time be needed. Agent may charge, at their discretion, a fee of \$400.00 for creation of Handbook of Rules and Information, plus printing costs or \$200.00 for revision of a handbook created by the Association.

4.3 Rule Enforcement/Service Request.

Agent will report to the Board and upon Board directive give notice to the violator of any written complaint Agent receives pertaining to violations of the Condominium instruments, Rules and Regulations.

4.4 Insurance.

At the Board's direction and under its control, Agent shall assist in the selection of all Association insurance policies, at the Association's expense, for the various coverage enumerated in the Declaration. The Agent assumes no liability for the adequacy or types of coverage.

4.5 Insurance Claims/Accidents.

Agent shall promptly investigate and make full written report as to all accidents or claims for damage relating to the management, operation and maintenance of the Condominium, including any damage or destruction to the Condominium and the estimated cost of repair and shall cooperate in having made any and all repairs required by any insurance company in connection therewith. Agent shall not be responsible for insurance claims or other matters which are outside the scope of Association's coverage as defined by Association's master or other policies of insurance as defined by its Underwriter.

4.6 Answering Service.

Agent will provide a 24-hour, 7-day a week telephone answering service and reliable response chain for communication with Unit Owners for emergency service within Association's general responsibilities. Association members will be periodically advised that non-emergency calls should be directed during normal business hours.

4.7 Records Files.

Agent shall maintain a complete roster of Unit Owners, tenants, if any, and other data necessary to properly administer the Association's affairs. Such roster shall at all times be available to the Board.

Agent shall keep the corporate record book of the Association which shall include all original minutes, contracts, and financial reports in chronological order. The entire original corporate record book shall be returned to the Board upon its written request or upon termination of this contract.

4.8 Correspondence File

Agent shall keep the Board advised by general correspondence, if appropriate, of any business matters or obligations of the Association, including governmental matters, independent contractors, Unit Owners and other individuals or entities with which the Association or its representatives have or should have a business relationship. Agent shall also keep accurate and permanent records of all substantive correspondence. All original records will be returned to the Board upon its written request.

4.9 Maintenance Standards.

Agent shall maintain, at Association's expense, the Common and Limited Elements of the Condominium according to

standards established by the Condominium instruments and the Board.

4.10 On-Site Responsibility.

Agent shall have its property manager on the premises of Association not less than once per week.

4.11 Control Over Independent Contractors/Personnel.

Agent shall hire and discharge such independent contractors or personnel of the Association as may be necessary to operate and maintain the Condominium Property with any change to be approved by the Board. All employees shall be employees of the Association and not of the Agent, and employee compensation shall be considered an operating expense of the Association.

5.0 AGENT'S DUTIES - MAINTENANCE

5.1 Repairs.

Agent, shall at the Association's expense, and in accordance with standards established by the Board cause the Common Elements of the Condominium to be maintained and/or repaired. For any one item of repair, replacement or refurbishing the expense incurred shall not exceed the sum of One Thousand Dollars (\$1,000.00) unless specifically authorized by the Board, excepting, however, that emergency repairs involving manifest danger to persons or property, or immediately necessary for the preservation and safety of the property, or for the safety of persons, or required to avoid suspension of any necessary service to the properties, may be made by the Agent, irrespective of the above cost limitation. Notwithstanding this authority as to emergency repairs, it is understood that the Agent will, if at all possible, confer immediately with the President of the Board regarding emergency expenditures, or if unavailable, any two Board Members.

5.2 Contract Specification.

Agent shall prepare specifications for bids on contract relating to snow plowing and landscaping. Agent shall fully cooperate with consultants that may be retained by the Board to draft specifications for specialized projects.

5.3 Bidding/Contracts.

When requested by the Board, Agent shall solicit bids for Board authorized contracts. The Board shall select the contractor. Agent and/or Board shall execute the contract, which shall be in the name of and on behalf of the Association.

Agent shall provide at Association's expense, a copy of each contract to each member of the Board immediately upon its execution.

5.4 Supplies.

Agent shall place orders and obtain such equipment, tools, appliances, materials and supplies which are necessary to maintain the Condominium. All orders shall be in the name of the Association.

5.5 Credits.

When taking bids or issuing purchase orders, Agent shall act at all times under the direction of the Board and shall be under a duty to secure for and credit to the Association any discount, commissions or rebates obtainable as a result of such contract or purchase.

5.6 Supervision.

Primary contact with independent contractors or personnel shall be through the Agent. Board shall immediately notify Agent of any contact it has had with independent contractors or personnel.

After selection, Agent shall generally oversee the activities of the contractor, review the quality of the contractor's workmanship, and enforce the contractual obligation and/or warranties contained therein.

The Board shall notify Agent in writing of any observations, complaints, suggestions etc. relating to the quality of the performance of any independent contractor or personnel.

5.7 Inspection.

Agent shall provide periodic inspection on the cleanliness of the buildings and on all ground areas to determine whether such are receiving adequate care.

The cost of inspecting abnormal repairs (i.e. roof replacement and the like) and improvements which exceed a cost of Fifteen Thousand Dollars (\$15,000.00) is not included within the Agent's responsibility or compensation. Should the Board desire, the Agent's compensation for these additional services it shall be at the rate indicated at Item 10.2 or upon prior agreement between both parties.

5.8 Unit Maintenance.

This Agreement does not contemplate nor is the Agent responsible for or required to perform the upkeep and repair of the interior or any Units, the responsibility for which under the Declaration of Chapter 5311 or the Ohio Revised Code, is that of the Unit Owner.

6.0 AGENT'S DUTIES - ADVISING

6.1 Standards.

Agent shall advise the Board in an attempt to operate and maintain the Condominium according to generally accepted industry standards.

6.2 Capital Improvements.

Agent shall, if it deems necessary, make recommendations to the Board for capital improvements and other improvements that would benefit the Association.

6.3 Attorney Liaison

The Agent will serve as a-liaison between the Board and the Association's designated attorney regarding legal matters. Notwithstanding the general categorization of the Agent as an independent contractor, for purposes of any type of communication with the Association's legal counsel, the Agent shall be deemed the functional equivalent of an employee and the attorney-client privilege between the Association and its legal counsel extends to the Agent.

7.0 AGENT'S DUTIES - FINANCIAL

Agent will develop and recommend for Board approval a fiscal program and operating budget. Agent shall:

7.1 Annual Budget.

At least sixty (60) days before the beginning of each new fiscal year, Agent shall prepare a proposed budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year based on the then current schedule of monthly assessments and taking into account the general condition of the properties. Each such budget, shall be submitted to Board in a final draft at a Board meeting for its approval.

The approved budget shall serve as a supporting document for the schedule of monthly assessments proposed for the new fiscal year. Agent shall operate within said budget and there shall be no substantial deviation from the budget, no expense may be incurred or commitments made by Agent in connection with the maintenance and operation of the Condominium in excess of the amount allocated to the various classifications of expense in the approved budget without the prior consent of the Board, except that if necessary, because of an emergency or lack of sufficient time to obtain such prior consent, an overrun may be experienced, provided it is brought promptly to the attention of the Board. The Board may elect, at their sole discretion, to review and approve invoices before payment is made and to sign checks as the second signatory for any and all payments to be made by the Association.

7.2 Financial Records.

Maintain records, books and accounts, which records shall be subject to examination by Association members or their authorized agents with prior notice and during normal office hours. The original of all records is deemed to be the property of the Association.

7.3 Monthly Report.

Agent shall render to the Board, on or before the twentieth (20th) day of each month, a monthly statement of cash receipts and disbursements (accrual or cash basis at the direction of the Board), a Balance Sheet and Income Statement, a monthly budget comparison, a listing of all past due accounts, and a listing of all checks issued in the prior month, except that the final year end statement will not be submitted, until all closing information is received, but not later than 60 days following year end.

7.4 Monthly Statement.

Invoices will be mailed or delivered each month to the membership showing past due balance, if any, current monthly fee and other charges and the total due. All payments not received by a specific date each month, as stipulated in the Bylaws of the Association, may be assessed an additional charge based on Board directive.

7.5 Mailings.

Routine costs of monthly billings and supplies may be billed to Association at Fifteen Cents (\$.15) per unit plus postage.

7.6 Delinquent Accounts.

The Board shall institute such action as may be required for the collection of delinquent monthly assessments. The Association shall be responsible for legal/court costs. The Agent is not responsible nor authorized to initiate collections of delinquent accounts. In accordance with Board policy, the Agent will forward a monthly report of delinquencies to, and will fully cooperate with Association's attorney to collect any delinquencies on behalf of the Association.

7.7 Account Insurance.

Under Board directive, Agent shall establish and maintain, in a Bank or Savings & Loan whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and in a nature to indicate the custodial manner thereof, an account as Agent of Association for the deposit of Only Association's moneys, with authority to draw thereon for any payments to be made by Agent to discharge any liabilities or obligations incurred pursuant to this Agreement and the payment of Agent's fee. All accounts shall be under Association's Federal Identification Number. Reserve funds of the Association may not be withdrawn or transferred without the signature of a board member.

7.8 Federal Filings Required.

Agent shall prepare for execution and filing by Association all forms, reports, and returns required by law in connection with unemployment insurance, disability benefits, Worker's Compensation Insurance, Social Security benefits and other similar taxes now in effect or hereinafter imposed, and also requirements relating to the employment of personnel. The Agent shall not be responsible for the preparation of annual tax returns however, they shall engage a qualified accounting firm to prepare such returns in the event they have received no prior direction from the Association to do so.

7.9 Financial Questions.

Agent's responsibility to Owners to answer questions pertaining to the financial affairs of the Association shall be limited to the account of the individual Owners. All other Owner inquiries will be referred to the Board and/or its accountant for response.

7.10 Annual Independent Review.

The Agent will cooperate with an independent Certified Public Accountant in the performance of an audit or review which has been authorized by the Board.

8.0 LIMITATION OF LIABILITY, INDEMNIFICATION

8.1 Agency Relationship.

Action performed by Agent pursuant this Agreement shall be done as Agent of the Association, and all obligations or expenses incurred thereunder shall be for the account, on behalf and at the expense of Association, except that Association shall not be obligated to pay the overhead expenses of Agent's office. Any payments to be made by Agent hereunder shall be made out of such sums as are available in the special account(s) of the Association or as may be provided by the Association. Agent shall not be obliged to make any advance to or for the account of Association or to pay any sum except out of funds held or provided as aforesaid, nor shall Agent be obliged to incur any liability or obligations for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided.

8.2 Acts of Agent.

Except as otherwise provided herein, Agent, its officers and employees shall be responsible for their own acts or willful or wanton misconduct and/or negligence, errors and omissions, if not covered by the Association's policy of insurance.

8.3 Acts of Others.

Association agrees to save Agent harmless to the limits and extent of its liability insurance for any actions or claims of a third party arising out of Agent's performance of its duties under this Agreement. Neither Agent, its officers, or its employees shall be responsible for any acts, including the willful or wanton misconduct or gross negligence of Association employees or of contractors hired by Agent pursuant to this agreement. Association agrees to save Agent harmless in any claim or action of third parties arising out of any violation or alleged violation by Association, Unit Owner or employees, or any law, ordinance, regulation or order of any governmental authority. Association agrees to defend at its own cost any action arising from the foregoing and to indemnify Agent for losses suffered therefrom.

8.4 Reproduction/Distribution Limitations.

Association will not reproduce or distribute any forms, specifications, or concepts provided to Association by Agent to third parties without prior written permission of Agent.

9.0 TERMINATION

This Agreement may be terminated with or without cause at the end of any calendar month by the Board of Directors on behalf of the Association or by the Management Agent upon Sixty (60) days prior written notice sent by certified or registered mail. Upon receipt of notice of termination, Agent agrees to follow the transition procedure adopted by the Northern Ohio Chapter of the Community Associations Institute.

10.0 COMPENSATION

10.1 Base Fee.

The base compensation which the Agent shall be entitled to receive from the Association for services performed under this Agreement shall be a monthly fee payable in the amount of _____ Dollars (\$___.00) per Unit per month and shall be payable by the tenth day of the month in which services are rendered.

10.2 Extraordinary Service.

In addition to this monthly remuneration, Agent shall be compensated at the rate of not more than One Hundred Twenty Five Dollars (\$125.00) per hour for services provided the Association outside the terms of this Agreement, provided however, such services must be authorized in advance by the Board. Examples of extraordinary services include, but are not limited to: Inspection of repairs or capital improvements exceeding Fifteen Thousand Dollars (\$15,000.00) in cost. (See item 5.7).

All charges for extra services will be billed to the Association within sixty (60) days of rendering such service.

10.3 Services Involving Litigation.

The service for which Agent is to be compensated under 10.1 above, does not include any services involving litigation between any parties whether or not the Association is directly involved. This includes, but is not limited to, litigation between the Association and its developer, any small claims court action by or against the Association, any injunctive suit by or against an individual Unit Owner, any bankruptcy proceeding, or otherwise. Any such service shall be compensated at the rate indicated at Item 10.2, and, prior request and authorization of the Board of Directors. Subject to the exclusion following, where Agent is named a defendant in a litigation as a result of its activities as Agent for the Association, Agent and its' employees shall be compensated for the reasonable cost of defense both as to actual costs incurred and rate indicated at Item 10.2. Association and Agent further agree that should the highest court of competent jurisdiction hearing the case render a judgment against Agent resulting from Agent's negligent or intentional act or failure to act, Agent shall be entitled to receive no compensation under this Paragraph hereof for service performed in preparation of said litigation for defense or for time actually spent in court, hearing or otherwise. The provisions of this paragraph shall survive the termination of this Agreement.

10.4 Dishonored Negotiable Instruments.

Where Agent is required to process NSF or other dishonored negotiable instruments, Agent shall be entitled to a fee of up to Twenty Dollars (\$20.00) per instrument so handled and the charge for such special handling shall be applied to the unit owner's account on behalf of the Association.

10.5 Escrow Demand and Transfer Fees.

Agent shall process Escrow Demands rendering information on status of homeowner's account, insurance coverage, closing confirmation of account and process Association Owner Records changes at fees to be billed to seller. The fee is not to exceed Seventy Five Dollars (\$75.00) per escrow demand chargeable to seller and shall apply to both sales and refinancing. This charge includes a complete package of association documents.

10.6 Professional Services.

Fees for professional services approved by the Board, including but not limited to Legal, Accounting, Architectural and Engineering services and attendant expenses for the direct benefit to the Association shall be an expense of the Association.

10.7 Newsletter Expenses.

At the cost of the copies, Agent in its discretion, shall type, copy, stuff and distribute a periodic newsletter to all Association owners, said newsletter to be included within the monthly billing mailing.

10.8 Additional Mailings.

For any extra mailings beyond the monthly billing statement, postage will be billed to Association at Agent's actual costs.

10.9 Copies.

There shall be an additional charge of no more than Fifteen Cents (\$.15) for copying per page for any extra mass mailings, the notice of the annual meeting, the notice of the annual budget, and routine mailings to the Association.

10.10 Charges for Extraordinary Services

All charges for extraordinary services, as provided hereinabove, will be billed to the Association within sixty (60) days of rendering such services.

11.0 NOTICES

All notices required hereunder shall be in writing and shall be deemed given if delivered in person or mailed by certified or registered mail addressed as follows:

To the Association: John Doe, Board President
 123 Main Street
 Anytown, Ohio 44000

To the Agent: Charles K. Schulman, President
 Carlyle Management Company
 23945 Mercantile Road, Suite B
 Beachwood, OH 44122

12.0 RELATED PARTIES

AGENT hereby discloses that Allied Contractors of Ohio, Inc. is a related company. In the event the cost of repair exceeds \$1,500.00, AGENT shall obtain two additional quotes, unless waived by the Board.

13.0 ENTIRE AGREEMENT

13.1 This Agreement shall constitute the entire Agreement between the contracting parties and no variance or modification thereof shall be valid and enforceable except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

13.2 For the convenience of the parties, this Agreement has been executed in several counterparts which are in all respects identical and each of which shall be deemed to be complete in itself so that any one may be introduced in evidence or used for any other purpose without the production of the other counterparts.

14.0 ASSIGNABILITY

The Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereto. The Agreement is NOT assignable without the prior written consent of the Board.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

Signed in the presence of:

Carlyle Management Co.

By: _____
Charles K. Schulman, President

Signed in the presence of:

SAMPLE ASSOCIATION

By: _____
John Doe, President

Revised 03/12/07