

Board Copy

COMMUNITY CLUB MANAGEMENT, INC.
Community Association Financial Management Agreement

THIS AGREEMENT, made as of January 1, 2013, by and between the **WESTCHESTER COMMONS TOWNHOME ASSOCIATION, INC.**, a Georgia non-profit corporation (hereinafter the "Association") and **COMMUNITY CLUB MANAGEMENT, INC.**, a Georgia corporation, as agent (hereinafter "Agent");

WITNESSETH:

WHEREAS, the Association consists of the Owners of real property in the Community (as defined below) and acts on behalf of such Owners in accordance with the Governing Documents and applicable laws, rules and regulations; and

WHEREAS, the Association desires to engage the Agent to assist in fulfilling the Association's obligations to manage the Community.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual covenants and promises contained herein, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. DEFINITIONS.

As used in this Agreement:

1.01 The term "Board of Directors" or "Board" shall mean the governing body of the Association, the members of which shall be appointed or elected as provided in the Governing Documents.

1.02 The term "Governing Documents" shall mean those instruments and documents pursuant to which the Association and the Community are established, including the Declaration of Covenants, Conditions, Restrictions, and Easements or similar documents, if any, the Articles of Incorporation, the Bylaws, the rules and regulations, and all recorded covenants and resolutions.

1.03 The term "Community" or "Property" shall mean that development known as Westchester Commons, a residential community located in the State of Georgia, County of Cobb, and consisting of forty (40) lots.

1.04 The term "Owner" shall mean any person or persons described in the Governing Documents as being a member of the Association.

2. APPOINTMENT.

2.01 Association hereby appoints Agent as the exclusive managing agent for the Community subject to the terms and conditions hereinafter set forth. The Association vests with Agent the authority to manage the Association, subject to the terms of the Governing Documents.

2.02. Agent agrees to provide management services to and for the Association for the term of this Agreement, subject to the terms and conditions hereinafter set forth.

3. TERM, TERMINATION, AND RENEWAL.

3.01 The term of this Agreement shall be for a period of one year(s), beginning January 1, 2013 and ending December 31, 2013, provided that either party may terminate this Agreement upon thirty (30) days written notice. This Agreement shall be deemed to have renewed for an additional one year period and successive one year periods thereafter unless either party provides the other with written notice of its intention to cancel at least thirty (30) days prior to the expiration of a term.

3.02 Upon the expiration or termination of this Agreement, the parties shall account to each other with respect to all matters outstanding as of the date of such expiration or termination. Upon termination, the Association shall bear the cost associated with photocopying material required to be retained by Agent and payment of outstanding collection costs and owed the Agent by homeowners. These charges will

remain on homeowners accounts when files are transferred. All outstanding fees due to Agent will be paid prior to the closing of the account and transfer of records. All records will be turned over and accounts closed within sixty (60) days of the last day of the contract. All bank accounts opened by Agent will be closed by the Agent prior to transfer of records.

3.03 Association acknowledges the value of Agent's employees and agrees to refrain from hiring or contracting with any of Agent's employees, affiliates or principals for a period of one year from the Termination Date.

3.04 The provisions of this paragraph shall survive termination.

4. SCOPE OF SERVICES.

4.01. The Association specifically empowers the Agent, and the Agent agrees to perform all of the services set forth in this Paragraph (4).

4.02. FISCAL MANAGEMENT.

Agent shall assist the Association in matters relating to its fiscal management, including, without limitation, the following:

(a) RECEIPTS. Agent shall collect and, as appropriate, account for all assessments and other charges due to the Association from its members or otherwise from Association operations including all rental or other income from concessionaires, if any. All such payments shall be received by Association's lock box at the financial institution selected from time to time by Agent. All funds received shall be deposited in one or more Bank accounts titled to the Association as soon as is possible following collection.

(b) COLLECTIONS. Agent shall take such action as is reasonable and necessary to collect any delinquent receivables due to Association, provided that any such action is in accordance with law and Association policy and practices, as provided for by the Governing Documents or by resolution of the Board. Collection activity shall include late notices and imposition of late fee charges, notice of delinquency, and referral to and coordination with legal counsel or collection agencies. Agent shall assist Association to review and revise collection policies and practices where appropriate.

(c) DELINQUENT ACCOUNTS. Agent is authorized to take reasonable steps for collection of delinquent accounts. Subject to the provisions of the Governing Documents, the Agent is authorized to assess each delinquent account a late charge and a delinquent processing charge, along with other charges for collection and lien fees reflective of the costs of collection, accounting, payment plan monitoring and legal proceedings.

(d) DEPOSITORY ACCOUNTS. All funds of the Association in the control of Agent shall be held in one or more depository accounts or investment instruments in the name of the Association segregated from any other funds of Agent or otherwise. All Association funds shall be deposited in one or more banks whose deposits are insured by the Federal Deposit Insurance Corporation. Agent will be granted authority to draw from any payments to be made by Agent to discharge all liabilities or obligations incurred pursuant to this Agreement and for the payment of any fees due and owing Agent hereunder. All receipts of the Association shall be deposited in these accounts and Agent shall have authority to draw on such accounts. Service fees or other bank charges shall be the responsibility of Association.

(e) DISBURSEMENTS. From the available funds of the Association, Agent shall disburse funds for operations, capital and other budgeted, approved or emergency expenditures (including Agent's compensation) within thirty (30) days, subject to the terms and conditions herein set forth.

(f) FINANCIAL RECORDS. Agent shall maintain the financial books and records of the Association, including all contracts, purchase orders, vouchers and receipted bills and such other information as may be reasonable or necessary in order to administer and account for the financial affairs of the Association.

(g) REPORTS. Agent shall submit to the designated representative(s) of the Board monthly financial reports, which may include (at the discretion of Association) (1) Cash Receipts and Disbursements Statement, (2) Profit and Loss Statement with Variance to Budget, (3) Balance Sheet, (4) Schedule of Aged Receivables, (5) Bank reconciliation, and (6) such other information as the Association may

reasonably require (the "Financial Report"). Each Financial Report shall be completed and submitted to the designated representative(s) prior to the end of the succeeding month.

(h) PRIOR PERIOD ACCOUNTS. For the purpose of accounting continuity, Agent shall input such financial information as is available to it respecting operations prior to Agent's tenure and otherwise use reasonable efforts to establish accurate opening period balances. Agent does not warrant the accuracy of any financial information that was not developed by Agent.

(i) BUDGET DEVELOPMENT. Except where the Association has adopted a contrary procedure, at least thirty (30) days prior to the end of the Association's fiscal year Agent shall submit to Association a recommended "draft" operating budget for the next year (the "draft Budget"). The draft Budget shall be presented with such support and documentation as is necessary to test the credibility of assumptions utilized by Agent in the development of the draft Budget.

(j) RESERVE FUNDING. Agent shall maintain reserve funds as required by Association and shall undertake to advise the Association respecting investment alternatives and reserve estimate updates.

(k) ACCOUNTANT COOPERATION. Agent shall cooperate with the Association's accountant(s) or auditor(s) in connection with the preparation of an independent financial statement or audit and in connection with the preparation and filing of any tax returns required to be filed by the Association.

(l) LIABILITIES. All liabilities of the Association remain with the Association, and the fact that the Agent takes the responsibility for making timely payments to reduce such liabilities does in no way make the Agent directly responsible for those liabilities. The Agent's obligations hereunder are expressly subject to the limitations set forth in this Agreement.

4.03. ASSOCIATION INSURANCE.

(a) Agent shall assist the Association in procuring appropriate property and liability insurance, and such other coverage as may be necessary or desirable.

(b) Agent shall maintain records of all insurance coverage carried by the Association.

4.04. ASSOCIATION COMMUNICATIONS.

(a) Agent shall assist the Association in maintaining necessary and appropriate communications with its members, including, without limitation, the provision of all notices required by the Governing Documents.

4.5. RECORD KEEPING

(a) Agent shall retain a complete set of files and records where available respecting the Association including the following:

- a. Current Owner Listing
- b. Governing Documents
- c. Policies and Resolutions Regarding Collections and Disbursements
- d. Insurance Policies
- e. Financial Statements

(b) The parties acknowledge that all such records and files shall be retained by Agent during the term of this Agreement, provided, that files that are more than two years old may be transferred to a storage facility and retained there at a charge to the Association.

(c) Agent shall use its best efforts to maintain all records and files of the Association in a safe and secure environment. The parties acknowledge, however, that Agent will not utilize fire resistant cabinets or facilities and files may be subject to loss or damage for which Agent is not responsible.

5. LIMITATIONS ON AGENT'S RESPONSIBILITY AND AUTHORITY.

5.01. EXPENSE LIMIT

(a) In discharging its responsibilities pursuant to Paragraph 4 hereof, Agent shall not make any expenditure nor incur any non-recurring contractual obligation unless such expenditure is provided for in the Association's approved Budget, is specifically approved by Association, or unless such expenditure is less than **\$500.00**.

(b) Notwithstanding the provisions above, Agent may exceed the **\$500.00** limitation without consent of the Association in the event of an emergency, defined as a condition which involves a danger to person or property or may threaten the safety of any Association member(s) and/or community occupant(s), or may threaten the suspension of any necessary services to the Association or its facilities, including utilities.

(c) In the event that the Association (Board of Directors) approves a contractual bid and the work is performed, the Agent may pay the invoice unless contacted by the Board, in writing, within five (5) days of completion of the project.

5.02. EXCLUDED SERVICES.

(a) Agent will provide Association with such advice, administration and assistance as it may require with respect to the operation of the Association's Property and business. Certain requested activities may however require extraordinary time commitments outside the scope of the parties' reasonable intentions. Such services include, but are not limited to the following:

A. Litigation support (including court appearances and preparation therefore) will be charged at a rate of \$75 per hour.

B. Insurance claim administration on cases involving property damage and personal injury items covered under the Association's policy. Administrative charges by the Agent under this provision are charges incurred after the initial claim filing and shall accordingly be submitted with the claim. In the event of an insurance claim, Agent shall be compensated in accordance with Exhibit A of this Agreement for assistance in the administration and adjustment of the claim and reconstruction and submitted to the insurance company.

C. Consulting and administering requirements of the FHA, Fannie Mae and other approvals needed for financing.

D. Should Association request and Agent agree to provide additional or expanded services beyond the services outlined in the Agreement, unless otherwise agreed by the parties, the fee for such shall be charged at an hourly rate of not less than \$75 and not more than \$150 depending on the nature of services required. Should Association utilize an affiliate of Agent to provide any construction or maintenance services, the charges shall be as negotiated by the parties or otherwise as set forth in Exhibit A. Agent shall not charge any supervision fee as set forth in Paragraph (c) above.

E. Agent is not responsible for monitoring the leasing cap within the community unless expressly requested to do so, in writing. In addition to the monthly management fee, the Association will be charged for this added service depending on the number of homes in the community.

6. AGENCY AND INDEMNIFICATION.

6.01. AGENCY

Association acknowledges that Agent is acting solely as an agent for the Association and, accordingly, any expenses or liabilities incurred by Agent hereunder, whether in its name or that of the Association, shall be the obligation of Association and not that of Agent.

6.02. INDEMNIFICATION

The Association shall indemnify and hold harmless the Agent against any and all liabilities, costs and expenses, including attorney's fees, (all of which are hereafter referred to as "Expenses") reasonably

incurred by or imposed upon the Agent in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Association's Board of Directors) to which Agent may be a party or in which it may become involved by reason of being or having been the Association's agent hereunder whether or not this Agreement shall be in effect at the time such expenses are incurred where such action, suit, or other proceeding involves a claim arising out of an action or inaction on the part of Agent pursuant to this Agreement and, provided further, that the indemnification obligations set forth above shall not extend to any expenses arising in connection with any gross negligence or willful misconduct of Agent. The Agent shall have no personal liability with respect to any contract or other commitment made by it in good faith on behalf of the Association, and the Association shall indemnify and forever hold the Agent free and harmless against any and all liability to others on account of such contract or commitment.

7. COMPENSATION.

7.01. BASE COMPENSATION

(a) Association shall pay Agent as compensation for its services hereunder the monthly sum in accordance with the annual base fee listed on Exhibit B payable on the first of each month during the first twelve months of this AGREEMENT (hereinafter "Base Compensation"). Agent reserves the right to increase the Base Compensation and any Additional Compensation during subsequent terms of this Agreement. Any such increases will be set forth in the draft Budget and upon the Board's approval of the Budget will be incorporated into this Agreement by reference.

(b) Any base fees and costs due the Agent will be paid promptly each month on the first of each month. To the extent that funds are not available in the account(s) of the Association or the Association does not otherwise arrange payment of any fees owed to Agent by the 15th of each month, the Association will be charged a five percent (5%) per month late fee that will be added to the balance due and will be subject to further late charges until paid.

7.02. ADDITIONAL COMPENSATION

In addition to the Base Compensation, should the Association require Agent to perform services in addition to those set forth herein, Association shall pay Agent in accordance with the provisions set forth in Paragraph 5.03 hereof.

8. INSURANCE.

(a) Association will maintain liability insurance in an amount not less than One Million Dollars (\$1,000,000.00), Workers Compensation Insurance, and such other insurance as necessary or appropriate, all acceptable to Agent, which shall name Agent as an additional insured. Association will provide Agent with a Certificate evidencing such insurance within ten (10) days of the date hereof, and each year thereafter, and such certificate shall provide that insurance may not be terminated without notice to Agent.

(b) Agent shall maintain such insurance as is appropriate including without limitation, General Liability insurance, Workman's Compensation insurance, Employee Dishonesty Coverage, and Errors and Omissions insurance. Agent shall provide Association with suitable evidence of such insurance. Agent shall maintain a fidelity bond to the extent required by Georgia law and the rules of the Georgia Real Estate Commission. The costs of any required fidelity bond shall be paid by the Association, and such bond shall name Agent as an additional insured.

9. MISCELLANEOUS PROVISIONS.

9.01. ASSOCIATION' S AUTHORITY

(a) Agent shall take its direction from the Board, Council or other governing body of the Association, acting pursuant to the authority conferred upon it by the Governing Documents.

(b) The Association shall designate, from time to time, individuals to act as liaison to Agent (the "Management Liaison"). Agent may rely upon any instructions, statements or approval communicated to

Agent verbally or in writing by Management Liaison, as if the same had been affected by a resolution of the Association's governing body.

9.02. BINDING EFFECT

(a) This Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereto, their successors and assigns.

(b) This Agreement shall constitute the entire Agreement among the contracting parties and no variance or modification thereof shall be valid and enforceable except in writing. Any subsequent change in this Agreement that might alter the Agent's responsibilities or rights, as defined in this Agreement shall require prior approval by Agent. Should any part, term or provision of this Agreement be declared or decided by any court to be invalid or in conflict with the law, the validity of the remaining portion, terms or provisions, shall not be affected thereby, and the remainder of the Agreement shall continue in full force and effect.

9.03. GOVERNING LAW

(a) This AGREEMENT shall be governed by the laws of the State of Georgia.

9.04. NOTICES

All notices required hereunder shall be effective if delivered by certified or register mail, delivered as follows:

(a) If to Agent:
Alice L. Richardson, President
Community Club Management, Inc.
11735 Pointe Place
Roswell, GA 30076

(b) If to Association:
The Board of Directors

9.05. DISCLOSURES

(a) Association acknowledges that it is Agent's practice to administer a program designed to eliminate the risk of loss of assessments due when a re-sale of a unit occurs. The Agent charges a handling fee directly to homeowners for researching, completing and providing resale and refinance surveys, questionnaires and certifications. In order to properly respond to such requests, Agent processes such requests through a separate department whose trained personnel respond with timely and accurate information.

(b) Association acknowledges that affiliates of Agent may receive compensation from the Association for services rendered. Affiliates include Community Club Management, Inc., DBA Pool Maintenance.

9.06. INDEPENDENT CONTRACTOR

Everything done by Agent under the provisions of this Agreement shall be done as an independent contractor hired by the Association.

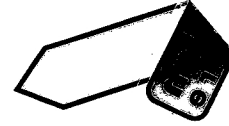
9.07. FORCE MAJEURE

Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export and/or any other necessary license), wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected.

[Signatures Appear On Following Page]

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

For: WESTCHESTER COMMONS TOWNHOME ASSOCIATION, INC.



NAME/TITLE Date

ATTEST Date

By: COMMUNITY CLUB MANAGEMENT, INC.

Alice L. Richardson 4/30/12

Alice L. Richardson, President Date

Cheryl M. Jones 4/30/12
ATTEST Date

EXHIBIT A

1. REIMBURSABLE EXPENSES:

In addition to the management fee provided in Paragraph 7.01 of the Agreement, Association agrees to reimburse Agent for expenses incurred by Agent on behalf of the Association. Association shall pay Agent its prevailing reimbursement rate, as established from time to time, provided that rates for 2013 shall be as follows:

Coupon books - Cost
Bank charges including lockbox fee – No charge
Copy charge - \$.18 per side
Color copies - \$1.00 per copy
Envelopes – Cost of Material (for special mailings only)
Return Envelopes - \$.10 per envelope
Postage – Cost
Certified Mail - \$5.00 per letter
Computer Labels - \$5.00 per set
Invoices/Statements - Cost
Invoices/Statements - CCM - \$.50 per invoice
Fax – \$.50 per page
1099 Forms - \$10 each
Long Distance phone calls – no charge
Processing Returned Checks - \$12 per check plus bank charges; said fee will be assessed to the Association for any Owner who has a returned check, and the Agent will then invoice the Owner for reimbursement of the Association
Computer Checks - \$.25 per check
File Retrieval (if requested) - \$35
File Storage – \$240 annually (if required)
Collection coordination with attorney - \$70 paid by owner
Electronic Voting (if applicable) - \$75 per hour
Fed Ex Overnight Delivery – cost plus \$5.00
Water suspension fee- \$30 paid by owner
Violation fining fee - \$30, per month, paid by owner
Manage access control systems – \$1 times the number of owners divided by 12 months
Web Site set up* – \$150
Website* - \$60/month
*Master Associations will be handled on an individual basis
Additional Inspections - \$150/ 2 hour site visit - \$50 for each additional hour
Special Assessment Collections – ½ the monthly management fee

2. NEW CLIENT SET-UP FEE

In addition to the compensation outlined above, if the Agent is receiving existing books and records from another Management Company or Developer, the Management Agent shall receive an initial processing fee of one month's management fee.

3. ASSOCIATION SHALL PAY AGENT COMPENSATION AS FOLLOWS:

Principals \$150 per hour, Vice President \$100 per hour, Managers and department heads \$75 per hour, and Clerical Personnel \$35 per hour for services performed on behalf of the Association outside the normal course of operation or outside the parameters of this Agreement. Agent will advise Association of any unusual event which may result in the above fees being charged to Association.

_____ Acknowledgement of Exhibit A / Date



EXHIBIT B

SCHEDULE OF MANAGEMENT FEES

The Association hereby agrees to compensate Community Club Management, Inc. an annual management fee pursuant to the following schedule.

\$435.00 per month