



Blackwood Management, Inc.

Commercial and Residential Property Management
10950 Pierson Drive, Suite 600, Fredericksburg, VA 22408
Telephone (540) 710-6800, Fax (540) 710-6743

Management Agreement

THIS MANAGEMENT AGREEMENT (hereinafter referred to as “**Agreement**”), made effective as of _____, 2022, by and between **Blackwood Management, Inc.**, (*Common Interest Community Manager License # 0501000210*), its successors or assigns authorized to do business within the Commonwealth of Virginia (hereinafter referred to as “**Agent**”), and _____, (hereinafter referred to as “**Association**”), is entered into as of the date hereof for the period beginning upon _____ and ending _____ (hereinafter referred to as “**Term**”), subject to renewal pursuant to Section 7 herein.

WHEREAS, the Association is empowered by its Declaration and by the provision of Section 55-79.74 of the Code of Virginia of 1950, as amended, to enter into an agreement for the employ of a management Agent;

WHEREAS, _____, has a Board of Directors (hereinafter referred to as the “**Board**”) whose governance is defined by the Association Governing Documents;

WITNESSETH

That, for and in consideration of the mutual covenants and conditions set forth herein, the parties do hereby agree as follows:

Exclusive Appointment and Acceptance: The Association hereby appoints the Agent as exclusive Agent for the management of the Association’s financial interests and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.

Duty of Agent. Agent shall faithfully carry out all required financial duties at its expense (unless specified otherwise) in accordance with the Association’s wishes and guidance, provided it is not in conflict with this Agreement, Federal, State, Local Laws and/or Association Governing Documents.

Consideration. This Agreement is being made in consideration of the mutual promises of the parties hereto and the services to be rendered hereunder by the Agent and the compensation herein agreed to by the Association to be paid to the Agent for such services.

Premises. The Association’s interests include ___ **Single Family Homes** (at full build out), common areas; see Exhibit B, known as **Cambridge Crossing Homeowners Association, Inc.**, (hereinafter referred to as the “**Association**”).

Service to be rendered by Agent

1. Financial Management and Collection Services:

On behalf of the Association, the Agent, as required and deemed necessary by the parties, will:

- A. Financial Management: Maintain a modified accrual accounting system based on standard accounting principles; generate a year-end financial report to be accomplished each year during the term hereof; and make available any and all records of the Association which are in the possession of the Agent, for examination by the Board, its authorized agents and employees, and any member of the Association, per the Virginia Property Owners' Act, on an appointment basis during all normal business hours.
- B. Assessment Collections: Agent shall bill or cause to be billed all members of the Association for assessments levied against them and shall make every effort to collect the same promptly, in accordance with the Association's governing documents. In the event of delinquency, Agent shall use every effort to collect delinquent accounts. Follow the Association's Board of Directors direction or adopted collection procedures, process delinquent accounts, including sending of regular statements, delinquency notices, and certified letters of delinquency at the expense of the Association.
- C. Association Payments: From the funds collected and deposited in the Association's bank account(s), cause payment to capital reserve accounts, insurance premiums and other contractual obligations of the Association, including the Agent's compensation, to be disbursed regularly and punctually from available Association funds.
- D. Quarterly Financial Report: Prepare and provide to all Board members quarterly financial reports, or as reasonably requested by the Board. Financial reports consist of:
 - Balance Sheet
 - Income and Expense Statement
 - Collection Status (Delinquent Account) Report

Note: Additional documents i.e. reserve funding statement, general ledger or cash disbursement reports will be provided, as requested by the Board. Development of custom financial reports, per Board request, shall be billed hourly per Exhibit "A" fee schedule.

- E. Annual Operating Budget: Prior to the beginning of each new fiscal year, Agent shall prepare and submit to the Board a proposed annual operating budget setting forth all projected or estimated receipts and expenditures of the Association for the next fiscal year, and shall assist the Board in completing and finalizing the budget. Upon Board approval operating budget shall be submitted to the Membership prior to the commencement of such new fiscal year and additional copies thereof shall be made available, upon request. Agent shall manage the Association within the operating budget. Agent shall notify Board of significant expenditures outside the operating budget. If a proposed budget is not approved by the Association for any given calendar year, Agent shall operate under the last approved budget until such time as a proposed budget is approved by the Board.

F. Annual CPA Report: Provide financial and other information to the CPA, as required by the Board or Association's governing documents, and tax returns. Subject to the prior approval of the Board, the Agent, on behalf of the Association, shall engage professional service for the preparation of annual audits and local, state and federal tax returns. The Association shall be obligated to pay all expenses of any such professional service.

2. **Association Bank Accounts.** The Agent Shall:

Establish and maintain accounts in a bank whose deposits are insured by an agency of the Federal Government, and in a manner to indicate the custodial nature thereof, separate bank accounts (operating & reserve accounts) for the deposit of monies of the Association with authority to draw thereon for any payment to be made by the Agent, to discharge any liabilities or obligations of the Association incurred pursuant to this Agreement and for payment for the Agent's compensation, all of which payment shall be subject to the limitations set forth in this Agreement. Two accounts shall be established: an Operating Account and a Reserve Account. The Reserve Account may be established as a demand account or a savings or time deposit account as the Board may direct. The Board will control and authorize any disbursements from the Reserve Account by having dual signatory authority with Agent. For other than budgeted expenses, regularly occurring bills or contracted amounts, a member of the Board shall countersign any checks in amounts over \$____.00.

3. **General Administration.** The Agent Shall:

- A. Insurance Policies: Cause to be placed and kept in force all forms of insurance determined by the Board to be adequate to protect the Association and its members including, but not limited to, public liability insurance, directors and officers insurance, bearing in mind the availability of coverage depending upon market conditions. All of the various types of insurance coverage required shall be placed with such companies, in such amounts, as are determined by the Board and in accordance with the Association's governing documents. Notify the Board of any accident, damage or destruction or claims for personal injuries or damage of which the agent has knowledge relating part of the Project, and shall cooperate fully with insurance agents to provide requested information.
- B. Policy Distribution: Mail to all members of the Association a copy of any policy and/or regulation, upon request, as may be promulgated by the Association.
- C. Member Records: Maintain individual member records and member provided renter information for each dwelling unit, builder lot, and/or any other appurtenant property deemed a part of the Project.
- D. Professional Relations: Maintain business like relations with members of the Association that request services with regard to common properties, facilities, architectural designs and assessments. Requests shall be received, considered and recorded in a systematic fashion in order to show the action by the Agent with respect thereto.
- E. Meeting Attendance: Organize and attend the annual and quarterly Board meetings during the term of this Agreement. Meeting Minute notes taken by the Board Secretary will be reviewed and properly formatted as needed by the Agent. In place of a regular quarterly Board meeting, a Special Membership meeting may be organized and attended, as needed and agreed upon between the Board of Directors and Managing Agent.
- F. Management Report: The Agent shall prepare a quarterly management report, copies of which shall be furnished by the Agent to the members of the Board of Directors. The Management Report will be distributed as soon as possible after production, but prior to the quarterly meeting of the Board.

The Management Report shall, at a minimum, contain the following information:

- Financial Report (as defined in paragraph 1. D.)
- Status of any work performed by retained contractors, as needed.
- Infraction Report – Inspection findings of the Property.
- List problem areas and recommended action, as needed.
- Summary of actions taken by the Agent pursuant to requests or directives of the Board discussed at previous Board meetings.

G. Prepare and mail out a community newsletter to the membership as requested by the Board and in accordance with the attached fee schedule.

H. Perform one covenant inspection per month of the community and mail covenant violation notifications to any owners, as needed. An inspection report will be provided to Board, as requested and at regular Board meetings. Additional inspections, as requested by the Board, shall be billed based upon the attached fee schedule.

I. Provide an after-hours emergency contact number to handle all valid Association emergency issues.

4. Third Party Services. The Agent Shall:

On behalf of the Association, shall solicit, negotiate, and arrange for the purchase of services necessary for the proper and efficient operation of the Project, including, as appropriate and required to this particular Association, the following services:

- A. Landscape/Grounds Maintenance and Equipment Services.
- B. Snow Plowing Services.
- C. Trash Removal Services.
- D. Legal Services.
- E. Amenities Services, i.e. pool, club house, tot lot, etc.
- F. Cleaning/Janitorial Services.
- F. Professional Reserve Study Services.
- G. Accounting Firm for Year-End Compilation/Review/Audit and Tax Return Services.
- H. General Repairs and Maintenance of Common Structures.

All contracts for such services shall be approved in writing, in advance, by the Board or when so directed by the Board and signed by its duly authorized representatives or officer. All other contracts shall be supplied or solicited on an hourly rate shown on Exhibit “A” as attached hereto.

5. Agent's Compensation. The Agent's Compensation shall be as follows:

A. Startup/Transition Fee:

The Agent shall be compensated for initially assuming responsibility for managing the affairs of the Association including, but not limited to, working with previous management company, as applicable, for appropriate transfer of all Association document/files etc., setting up all lots/units and financial data in computer system, opening operating bank accounts, filing needed Virginia State Corp Commission and Virginia Real Estate Board forms, review of Association insurance policies, with owners and vendors regarding change in the Agent, review existing and develop proper resale disclosure packet (as needed), review or prepare operating budget (as needed), review and recommend changes to Association policy resolutions/documents, develop Architectural Design Guidelines, assist Attorney in preparation of initial governing documents (if required), notification of members herein after referred to as "**Transition Period**". Transition fee is due within fourteen (14) days of the execution of this contract. **Startup/Transition fee: _____.**

B. Management Fee:

The Management Fee for the Term of the contract shall be _____ .00 or \$ **.00** per month per home. Said fees shall be due and payable on the first of each month, beginning _____. Total number of units is _____ single family homes. To the extent any additional units are added to the community association in accordance with the Association governing documents, the Management fee shall be adjusted accordingly.

C. Additional Service Fees:

Special Requirements: Special services performed by the Agent not covered in this Agreement shall be compensated by the Association on a time and materials basis, see hourly rate attached Exhibit "A". Such services shall be undertaken only upon the prior written or verbal direction of the Board. Time logs shall be maintained by the Agent as to the time spent and the activities performed on such service.

6. Documents to be supplied by the Association.

The Association will provide, within fourteen (14) days of full execution of this agreement, all appropriate documents/information to enable the Agent to carry out its obligations including, but not limited to, copies of the following:

- A. Preliminary Plans, complete, executed and recorded (where applicable) copy of the all Governing Documents and any and all amendments thereto. A complete Sellers Disclosure Packet.
- B. Owner files, complete list of lots, name of owner and address, if not owner occupied then the name of the tenant and owner mailing address.
- C. All current contracts, which have heretofore been entered into on behalf of the Association (e.g. insurance, CPA, trash service, grounds maintenance, etc.).
- D. All financials and Board action affecting the financial operation (e.g. those relating to the amount of income, insurance, old budgets & expenditures, bank accounts and other expense items).
- E. All Association Meeting Minutes.

F. Current and/or Pending Litigation documentation (if any).

7. **Renewal and Termination.**

- A. **Agreement Renewal**: This Agreement shall automatically renew for a one (1) year term at the end of the original term (or any renewal term) set forth above, unless either party provides written notice to the other party of its intention not to renew for another term, at least sixty (60) days prior to such end of the original term or any renewal term. The Agent's Management Fee shall be increased by four (4%) per year over the Management Fee payable during the previous year.
- B. **Agreement Termination**: Termination by either party may not occur until prior written notice of at least sixty (60) days is provided to the other party herein after referred to as "**Agreement Termination**". Such notice shall include expressed reason(s) for the termination and the other party must be given at least twenty (20) days in which to respond and/or to remedy the reason(s) for the Agreement Termination, unless otherwise agreed upon by the parties to terminate.
- C. **Records Disposition**: Upon termination, each party shall account to the other with respect to all matters outstanding as of the date of Agreement Termination, and Agent shall deliver to the Association all funds owed the Association by Agent. The Agent shall immediately return all records of the Association and all documents, letters or records related to Agent's activities pursuant to this Agreement to the Board, or its new Agent, except that in the event of termination by the Agent pursuant to bankruptcy by or against the Association, the Agent may retain such records until an independent audit thereof has been performed by a Certified Public Accountant or, if earlier, as required by law or order of a court having proper jurisdiction or if the Agent obtains a signed release by the Board. During such audit, the Association shall be entitled to free access of such records provided, however, if the Agent wishes to obtain copies of Association records, copies may be made at Agent's expense. All financial documents, correspondence, contracts and other written documents, or documents on computer produced or maintained for the Association shall be deemed records and property of the Association. The cost of any such audit and/or reproduction of records of the Association upon termination shall be borne solely by the Association.
- D. **Agent Bankruptcy**: In the event a Petition in Bankruptcy is filed by or against the Agent, or in the event that the Agent makes an assignment for the benefit of creditors without express Agreement or takes advantage of any insolvency act, either party hereto may terminate this Agreement upon written notice to the other. Whether or not this Agreement is terminated, prompt notice of such action shall be given to the other party.
- E. **Association Bankruptcy**: In the event a Petition in Bankruptcy is filed by or against the Association, or in the event of annexation, either party hereto may terminate this Agreement upon written notice to the other, but prompt advice of such action shall be given to the other party.

8. **Miscellaneous:**

- A. **Agent Held Harmless**: Agent shall not be liable for any error or judgment or for any mistake of fact or law or for anything which it may do or refrain from doing except in the case of injuries to persons or damage to property caused by the Agent's willful acts or acts of the Agent amounting to gross negligence. The Association agrees to defend, save harmless, and indemnify Agent from all

claims of loss, costs or expense arising from injuries or death suffered by person or damage to property by reason of the act or neglect of the Association, in and about the Project or elsewhere, when the Agent is representing and/or carrying out the provisions of this Agreement or acting under the express or implied direction of the Board. Counsel for Agent's defense shall be chosen by the Association, with Agent's approval, which approval shall not be unreasonably withheld. The Association agrees to carry, at its own expense, a minimum commercial general liability insurance coverage of \$1,000,000.00, naming the Association as the insured and the Agent as additional insured in form and substance reasonably satisfactory to the Agent using a form Accord 28 or its equivalent, and to furnish the Agent evidence of the existence of such insurance.

- B. **Agent Insurance:** Agent shall maintain adequate insurance against those potential losses, costs and expenses, which are not subject to indemnification for the benefit of the Association and shall furnish evidence of such insurance, a minimum commercial general liability insurance coverage of \$1,000,000.00, as in force, upon Board request. Agent shall indemnify Association for injuries to persons or damages to property, caused by the Agent's willful or acts of the Agent accounting to gross negligence or for punitive damages arising therefrom. Agent shall obtain and maintain proper amount of blanket fidelity bond or employee dishonesty insurance as required by the Commonwealth of Virginia statute, as amended and shall furnish to the Association evidence of existence of such insurance, upon request.
- C. **Association Insurance:** The Association agrees to insure and maintain in force at its own expense adequate insurance against the loss or damage by fire and other hazards within the meaning of "extended coverage" with respect to the Association, naming the Association as the insured and the Agent as additional insured, in form and substance reasonably satisfactory to the Agent using a form Accord 28 or its equivalent, and to furnish the Agent evidence of the existence of such insurance. In the event of an incident, loss or claim, the Association shall notify the Agent forthwith.
- D. **Advances:** In no event shall Agent be required to perform any act or duty hereunder involving the expenditures of funds unless Agent shall have in possession funds sufficient therefore. If at any time funds in the possession of Agent are insufficient for the performance of any act or duty hereunder Agent may, in its sole and absolute discretion, advance such sums as it may deem necessary and in such event the Association agrees to reimburse Agent on demand for such advances, if Agent was authorized pursuant to this Agreement to incur such cost or expense.
- E. **Force Majeure:** Agent shall be relieved from performing his or her obligations as the Association's Agent in the event of any natural disaster, acts of war/terrorism/civil disturbance or other disruption of Association operations by a cause that is beyond the Agent's control.
- F. **Bankruptcy of Depository:** Agent shall not be held liable in the event of bankruptcy or failure of the depository bank or savings and loan institution in which the monies due the Association; provided that such funds shall have been deposited in a fiduciary account as required in paragraph two.
- G. **Association Litigation Notice:** In the event of any litigation or written threat of litigation against or by the Association, proper notice must be given to Agent forthwith.
- H. **Litigation Expenses:** In the event of litigation between the Agent and Association, the parties agree that any judgment awarded to the prevailing party shall include all litigation expenses including actual attorney's fees.

- I. **Severability:** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision herein, which shall remain in full force and effect.
- J. **Waiver:** The failure of the Agent to enforce any of the provisions of this agreement shall not be considered nor constitute a waiver of that provision or the right of the Agent to thereafter enforce the provision.
- K. **Successors:** This contract is binding on all parties who lawfully succeed to the rights or take the place of the Association.

9. **Compliance with Laws.**

The Agent shall take such action/s as may be necessary to comply promptly with any and all written orders or requirements of any federal, state, county or municipal authority having proper jurisdiction over the Property. Agent agrees to fulfill the Association's responsibilities in the management of the Association in compliance with the Virginia Property Owners' Association Act, Chapter 26 of Title 55 of the Code of Virginia (1950), as amended, and the Virginia Non-stock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended.

10. **Notices and Communications.**

All communications provided for hereunder shall be in writing and shall be addressed as follows: Whenever notice is to be given under the terms of this Agreement, such notice shall be deemed duly served (a) when actually received by the addressee; (b) if delivered by hand to an officer of the addressee; (c) if mailed, postage prepaid, by Certified Mail, Return Receipt Requested addressed as follows below; or (d) upon acceptance for next day delivery by Federal Express (or other comparable overnight delivery service) with delivery charges prepaid or with delivery not conditioned upon payment of charges, addressed as follows:

Agent: **Blackwood Management, Inc.**
 Attn: David Blackwood, President
 10950 Pierson Drive, Suite 600
 Fredericksburg, VA 22408

Association:

This Agreement shall be null and void, if it is not executed by the Association and received by Blackwood Management, Inc. by_____.

In Witness Whereof, the parties hereto have executed this Agreement of the _____, 2023 and each acknowledge being in receipt of an original of the Agreement.

Exhibit “A”

ADDITIONAL COSTS AND EXPENSES

Charges for services not covered under Agreement Basic Compensation.
 Costs and expenses to the Association are as follows:

<u>ITEM</u>	<u>STANDARD CHARGE</u>
1. <u>Newsletter</u>	
Newsletter (editing/typing) (BOD Requested & Agent Agreed upon)	**Hourly Rate (Plus Printing Cost & Postage)
2. <u>Quarterly, Annual & Special Meetings</u>	
Annual Membership Meeting (up to 2 hours)	Included
Meeting Notice/Agenda Mailing	Printing & Postage Expense
Quarterly Board Meeting (up to 2 hours)	Included
Meeting Notice/Agenda Mailing	Printing & Postage Expense
Additional Board Meetings & Notice /Agenda	**Hourly Rate
Special Board Meetings & Notice /Agenda	**Hourly Rate
Preparation of Meetings Minutes	**Hourly Rate
4. <u>Community Inspections</u>	
Additional Covenants Inspections, Board Requested	**Hourly Rate
Infraction Notice Processing - Initial Notice 1 st class Mail	\$15.00 plus postage
Second Notice, 2 nd - Cert. Mail & 1 st class Mail	\$15.00 plus postage
5. <u>Architectural Exterior Modification Processing</u>	
Review/Process Homeowner Exterior Modification Application (Including Approval or Disapproval letter, as appropriate)	\$15.00 plus postage
6. <u>Administrative</u>	
Prepare Member Surveys or Special Association Reports	**Hourly Rate
Preparation of Policy Resolutions, Rules and/or other Restrictions	**Hourly Rate
Response to Emergency/After Hours calls	**Hourly Rate
Other Duties (BOD Requested & Agent Agreed upon)	**Hourly Rate
7. <u>Liaison</u>	
Liaison with other Associations	**Hourly Rate
Liaison with Municipality or Government Officials	**Hourly Rate
Non-Contractual Meetings or Contract Solicitations	**Hourly Rate
8. <u>Miscellaneous Items</u>	
Postage (includes pro-rata cost for meter, postage, supplies & handling)	Actual Cost
Faxes Send/Receipt (for first 2 pages only, \$.25 each additional page)	\$.75 per page
Materials Reproduction	\$.15 per page
Record Files - Permanent Storage (Normal Bank Box):	\$15.00 Per Box, Per Month

Exhibit "A"

- Continued -

10. Large Capital Improvement Projects

In the event that the Agent's assistance is requested by the Board for capital improvement projects or insurance claims, whose dollar value is \$10,000.00 or higher, Association agrees to pay Agent a fee equal to ten (10%) percent of the cost of the work. For capital improvements projects whose dollar value is less than \$10,000.00 the Association agrees to pay Agent at the **Hourly Rate. Time logs shall be maintained by the Agent. Agent will not act as a general contractor but will manage the project conception until end.

**Hourly Rate: \$95.00

Costs and expenses to the Unit Owners, as requested, are as follows:

<u>ITEM</u>	<u>STANDARD CHARGE</u>
1. <u>Resale Disclosure Packet</u> \$125.00 Electronic Copy (Charge Established by Section 55.1-1810 - VA Property Owners Association Act)	\$150.00 for Disclosure Packet
2. <u>Resale Disclosure Inspection</u> (Charge Established by Section 55.1-1810 - VA Property Owners Association Act)	\$100.00 for Disclosure Inspection
3. <u>PUD Certification</u>	\$125.00 (Mortgage Co Requested)
4. <u>Resident Information (Member requested)</u> (Copy of Articles of Incorporation, Declaration, CC&R, Bylaws) Prepare Special Report for Member Prepare List of Owners/Members (requested by Member)	\$25.00 (Due upon receipt) **Hourly Rate \$15.00 & Postage
5. * <u>Delinquent Account - Collection Processing Fees</u> First Notice (Regular Mail) (10-30 days) Second Notice (Regular Mail) (30-60 days) Third Notice (Sending to Collections) (Cert. Mail) (90 days) Notice to Lender/Trustee (as requested) Prep/Referral to Collection Agency or Attorney (Board requested) Legal Liaison on Delinquent Accounts (Court Appearances)	\$15.00 \$15.00 \$35.00 \$15.00 \$50.00 plus Attorney Fees **Hourly Rate
6. <u>Buyer Transfer Fee</u>	\$50.00 (Paid at Settlement)
7. * <u>Returned NSF Checks</u>	\$25.00 to Assoc. & \$25.00 to Agent

*Charges to Owner/Member accounts require proper authority established by Board resolution.

**Hourly Rate: \$95.00

Exhibit “B”

Cambridge Crossing Homeowners Association, Inc.