

CITADEL PROPERTY MANAGEMENT GROUP, INC.
MANAGEMENT SERVICES CONTRACT

This agreement (the "Agreement") is made and entered into this ____ day of _____, 201__ by and between the association known as _____ (the "Association"), which is established in accordance with the laws of the State of Florida for the property located at _____ Florida (the "Property"), and Citadel Property Management Group, Inc. (the "Agent").

The Board of Directors of the Association (the "Board"), on behalf of the Association and the members, hereby appoints the Agent to manage the Property, and Agent accepts appointment to manage the property.

The parties further agree as follows:

Section 1 TERM OF AGREEMENT

The Association, by its Board of Directors, appoints Agent to exclusively manage the Property for a period of 1 year(s), beginning _____, 201__ subject to authority and control of the Association's Board of Directors. The term of this Agreement shall automatically renew for successive periods of one year from the initial term of the Agreement. The term of this Agreement may be terminated, without cause, by either party with a thirty (30) days advance written notice of effective date of termination. Written notice of termination shall be provided by certified mail. Termination of the Agreement during the initial term of the Agreement will require payment to the Agent by the Association for a setup fee in the amount of \$500.00.

Section 2 SERVICES OF AGENT

Agent shall manage the property to the extent, for the period, and upon the terms of this Agreement. Agent shall perform the following services in the name of and on behalf of the Association, and the Association hereby gives the Agent the authority and powers required to perform these services, subject to the authority and control of the Association's Board of Director.

2.1 COLLECTION OF ASSESSMENTS

Agent shall collect, receive, and deposit all Association assessments and other monies that are due the Association with respect to the Property and for all rental or other payments from concessionaires, if any. Agent shall assess interest and/or late fees to member accounts, as outlined and provided for in the Association's Declaration of Covenants and Restrictions. Any assessment/special assessment billings that may occur will be charged an administrative fee of \$1.00 per unit/lot per statement or coupon generated.

Subject to the policies, procedures, decisions and directives of the Association made by and through the authority and actions of its Board of Directors and officers, Agent will mail notices of delinquency and shall make other arrangements for collections should a member's account become delinquent to protect the Association's financial interests. Agent shall have the authority to charge members account for actual costs and reasonable administrative fees involved with the collection process including pre lien notices and Agent shall be reimbursed for these costs by the Association. As directed by the Association, Agent shall arrange for Association's attorney to prepare and record liens for delinquent assessments and, when appropriate, prepare satisfactions of lien. Cost of preparation of lien and satisfaction of lien shall be collected by the Agent's attorney upon receipt from the delinquent member. As directed by the Association, Agent will forward necessary documentation to attorney of Association's choice for legal collection and/or foreclosure action. As directed by the Association, Agent will act as liaison between attorney and Association.

Association shall hire an independent party or shall pay Agent a fee of \$50.00/hour to research and resolve owner account balance(s) if initial report(s) are unavailable, incomplete or inaccurate for the period immediately preceding the initial commencement of this Agreement.

2.2 RECORDS OF INCOME AND EXPENDITURES

Agent shall maintain records of all income and expenses utilizing the accrual method of accounting, relating to the Property, and shall submit to Association on or before the 25th day of the following month, a statement of receipts and disbursements for the preceding month.

If an initial financial report is not available or if an incomplete financial report is provided for the period immediately preceding the initial commencement of this Agreement the Association shall hire an independent party or shall pay agent a fee of \$50.00/hour to research financial records and prepare the necessary financial report.

2.3 ANNUAL BUDGET (PREPARATION)

Agent shall prepare and submit to the Board of Directors a recommended Annual Budget for the next year showing anticipated income and estimated expenses for such year, along with an annualized statement of income and operations projected for the current calendar year, no later than October 15th of each year. In the case of a fiscal year other than a calendar year Agent shall prepare said budget at least sixty (60) days prior to the commencement of the new fiscal year.

Upon approval of the annual budget by the Board of Directors, Agent shall arrange and/or print and/or distribute maintenance fee and assessment notices to all Association members to mailing address as provided by the individual member. If no address is provided or address is no longer valid, mailing will be sent to address of the unit/home.

2.4 SUBMISSION OF ANNUAL FINANCIAL REPORT

Agent shall submit to the Association a summary of all receipts and disbursements relating to the Property for the preceding year within thirty (30) days of the end of the fiscal year. Agent will provide all necessary financial and accounting records to the firm or individual appointed by the Board to prepare all required financial reports or statements and to file all required tax returns.

2.5 MAINTENANCE OF COMMON ELEMENTS

Subject to the direction and discretion of the Board and at the expense of the Association, Agent shall cause the common elements of the Property to be maintained according to the appropriate standards of maintenance consistent with the character of the Property. Notwithstanding any other provision of this Agreement, Agent is given no authority or responsibility for maintenance or repairs to individual dwellings of the Association that are not part of the common elements. Such maintenance and repairs shall be the sole responsibility of the owners individually. All expenses of the operation and management may be paid from the Association's funds held by Agent and Agent is authorized to pay any amounts owed to Agent by Association pursuant to this contract from such account without prior notice to the Association.

Agent shall conduct inspections of the property on a basis as determined by the Board of Directors and Agent. At the discretion of the Agent, property inspections will be conducted at a minimum rate of once a week.

2.6 EMPLOYMENT OF PERSONNEL

Agent shall hire, pay, negotiate collective bargaining agreements with (if necessary), supervise, and discharge whatever personnel may be required to maintain and operate the Property on behalf of the Association and in accordance with budget, job standards, and wage rates previously approved by the Association. All such personnel shall be employees of the Association and not the Agent, and all salaries, taxes, and other expenses payable to or on account of such employees shall be operating expenses of the Property.

2.7 PAYMENT OF EMPLOYMENT TAXES AND CORPORATION REPORTS

Agent shall, on behalf of the Association, execute and file all tax and other returns and corporation annual reports and do and perform acts required of the Association as an employer under the Federal Insurance Contribution Act, the Federal Unemployment Tax Act, all applicable federal, state, and local income tax laws, and all other laws, regulations, and/or ordinances governing employment and payment of wages. Upon request, the Board shall promptly execute and deliver to Agent all necessary powers of attorney, notices of appointment, and the like. The Association shall supply all funds to pay any taxes and agrees to reimburse Agent for administrative costs associated with these services. The Association and its Board of Directors authorize Agent to sign and file corporation reports on the Association's behalf on an annual basis.

2.8 UTILITIES AND SERVICES CONTRACTS

Subject to the direction of the Board and on behalf of the Association, Agent shall negotiate contracts for water, electricity, gas, telephone, and such services as may be necessary or advisable for the common elements of the Property. Agent shall obtain competitive bids relating to contracted services at the discretion of the Board of Directors. Agent shall also purchase on behalf of the Association such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Property. All such contracts and purchases shall be executed in the name of the Association by its Board of Directors and its expense.

Agent shall maintain records of licenses and insurance, including Workers' Compensation for the contractors performing services on the Property of the Association. Should Association choose to contract with an entity which does not meet Agent's requirements for licensing and insurance coverage, Association agree to execute Agent's standard waiver of liability.

2.9 PAYMENT OF EXPENSES

From the funds of the Association, Agent shall pay all expenses of the Property, including taxes, building and elevator inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the Association with respect to the maintenance or operation of the Property or pursuant to the terms of this Agreement or pursuant to other authority granted by the Board on behalf of the Association.

2.10 RECORDS AND RECORDS OF INSURANCE

Agent shall maintain current official (statutory required) records of the Association. Association shall be responsible for providing Agent any and all official records including, but not limited to, an updated and complete set of Governing Documents (Declaration, Articles of Incorporation, By Laws and Rules and Regulations (if applicable); meeting minutes, budgets, committee reports and/or approvals and financial statements and records and vendor contracts currently in effect. Association agrees to reimburse Agent on a monthly basis for the storage of records of the Association.

Association shall reimburse Agent for costs to retrieve inactive records should the Association or Association members request to review inactive records.

Agent shall maintain appropriate records of all insurance coverage for the Property carried by the Association as specified in paragraph 10.2. Agent shall cooperate with the Board in investigating and reporting all accidents or claims for damage relating to the ownership, operation, and maintenance of the common elements of the Property, including any damage or destruction to them.

2.11 SALE/CLOSINGS

Agent shall prepare and provide the appropriate information required to agent(s) involved in pending sale upon notification and receipt of required approvals. This includes but is not limited to a notarized letter verifying account dues, proper approval process, updating of Association files and financial records and welcome information packet for new owner.

2.12 LITIGATION, INSURANCE CLAIMS, AUDITS/REVIEWS

Should Association become involved in litigation or pre-litigation requiring research, investigation, preparation of document(s), testimony, etc., Agent may charge a fee of \$50.00 per hour for such time allocated in excess of two hours.

Should Association require filing of an insurance claim, Agent may charge a flat fee of \$50.00 per claim and \$50.00 per hour for such time allocated in excess of two hours. This includes complete processing of claim, recording and maintaining records pertaining to claim, and log of transactions pertaining to claim.

Should Association engage the performance of an independent audit, review, or compilation, Agent may charge \$15.00 - \$50.00 per hour for allocated time for preparation, provision, and/or consultation with independent party to complete such service.

Section 3 LIMITATIONS ON EXPENDITURES BY AGENT

In discharging its responsibilities under Section 2 of this Agreement, Agent shall not make any unbudgeted expenditures or incur any nonrecurring contractual obligation exceeding \$500.00 without prior consent of the Association through the Board. HOWEVER, no such consent shall be required to repay any advances made by Agent under the terms of Section 5. Notwithstanding these limitations, Agent may, on behalf of the Association and without prior consent of the Board, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger to life or property or which may threaten the safety of the Property or the individual owners and occupants or which may threaten the suspension of any necessary service to the Property.

Section 4 DISPOSITIONS OF FUNDS

Agent shall on behalf of the Association, deposit collections and pay expenses of the Property as stated below.

4.1 DEPOSIT OF COLLECTIONS

Agent shall deposit all monies collected on behalf of the Association in a bank or other financial institution whose deposits are insured by the federal government or such other depository as directed by the Association in writing. The funds of the Association shall at all times be maintained separate and apart from Agent's own funds and from the funds of others. Agent's designees and the Association's Treasurer and/or other expressly authorized officer(s) shall be the only parties authorized to draw upon such accounts. Agent shall not be held liable in the event of bankruptcy or failure of such depository. Such operating account shall not be required to bear interest. Agent shall likewise deposit and maintain in separate interest bearing deposit accounts all funds of each of the various reserves of the Association, deposited with such bank or financial institution whose deposits are FDIC insured, as directed by the Association in writing.

4.2 PAYMENT OF EXPENSES

Agent shall pay all expenses of operation and management of the Property from the Association's funds held in account by Agent. Any amounts owed to Agent by Association shall also be paid from such account at any time without prior notice to the Association.

4.3 AGENT NOT REQUIRED TO ADVANCE FUNDS

Agent shall have no obligation to advance funds to the Association for any purpose whatsoever. Any funds advanced to the Association by Agent shall be repaid to Agent immediately from the Association's funds. Any sums due Agent under any provision of the Agreement, and not paid within twenty (20) days after such sums have become due, shall bear interest at the rate of 18% per annum.

4.4 BONDING OF EMPLOYEES

All employees of Agent who handle or are responsible for the safekeeping of any monies of the Association shall be covered by a bond protecting the Association. Such bond shall be in an amount (minimum \$50,000) and with a company determined by Agent and may be a blanket or umbrella bond. The cost of such bonding shall be paid by Agent.

Section 5 ATTENDANCES AT BOARD MEETINGS

Agent, or a designated employee or other representative of Agent, shall attend 1 regular meeting of the Boards once a month and the annual meeting of the Association. Upon not less the 72 hours notice, Agent or its designated representative shall attend additional meetings of the Board or the Association as requested, provided that the Association shall pay Agent \$35.00 per hour for that individual's attendance at each additional meeting. Agent or its representative shall be custodian of the official records of the Board and the Association. HOWEVER, neither Agent nor its representative shall be required to record the minutes of such meeting. At the request of the Board or the Association, Agent, or other designated representative of Agent, will record minutes of meeting(s) at the cost of \$75.00 per meeting.

Section 6 ONE BOARD MEMBER TO DEAL WITH AGENT

The Board shall designate one of its Directors or an Officer who shall be authorized to deal with Agent on any matter relating to the management of the Property. Agent is not required to accept directions or instructions with regard to management of the Property from anyone else. Agent is not prohibited or responsible for carrying out directives from other Directors or Officers however Agent reserves the right to contact the President or other Board members prior to taking any action. In the absence of any designation by the Board, the President of the Association shall be deemed to have this authority. The Board shall designate an alternate who shall be authorized to so deal with Agent should the President be unavailable. The Association by its Board of Directors, shall determine which matters Agent may or is required to submit to the Board requiring the direction, instruction, clarification or the like of the Board and Agent shall then follow the direction of the Board.

Section 7 LIMITATION OF AGENT'S AUTHORITY AND RESPONSIBILITY

Agent's authority to act and responsibility for the Property shall be subject to the limitations set forth below.

Section 8

8.1 STRUCTURAL CHANGES

Agent shall have no authority to make any structural changes in the property or to make any other major alterations or additions in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Property or for the safety of the individual owners and occupants or which are required to avoid the suspension of any necessary service to the Property.

8.2 BUILDING COMPLIANCE

Agent shall not be responsible for the compliance of the Property or any of its equipment with the requirements of any building codes or with any statutes, ordinances, laws, rules, or regulations (including those relating to the existence and disposal of solid, liquid, and gaseous wastes, and toxic or hazardous substances) of any city, county, state or federal governments or agencies, or any public authority or official thereof having jurisdiction over it.

8.3 AGENT ASSUMES NO LIABILITY

Agent assumes no liability whatsoever for any acts or omissions of the Board or the Association, or any previous boards or current or previous owners of the Property, or any previous management or other agent of either. Agent assumes no liability for any failure of or default by any individual unit owner in the payment of any assessment or other charges due to the Association or in the performance of any obligations owed by any individual unit owner to the Association, pursuant to any lease or otherwise. Agent likewise assumes no liability for any failure of or default by concessionaires in any rental or other payment to the Associations. Nor does Agent assume any liability for previously unknown violation of environmental or other regulations which may become known during the period of this Agreement is in effect. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of the Association and the Association shall promptly cure them.

Section 9 AGENT'S COMPENSATION

Agent shall be compensated for specific services as stated below.

9.1 FOR MANAGEMENT SERVICES

The Association shall pay Agent a management fee of \$_____ per annum, paid monthly at a rate of \$_____. The management fee shall be due at the first of each month. Payments received later than the 10th of the month will be subject to a late charge of 5%. The management fee covers all services included in this agreement, unless otherwise noted, with the exception of sales tax, printing, copying, postage, supplies, long distance telephone calls, facsimile transmittals, licensing fees, title searches, recording fees, mailing supplies, based upon the Agent's attached schedule of costs, and all items which become property of the Association. Agent will contemporaneously itemize in detail such costs and also summarize and substantiate such items by maintaining a monthly written detail and summary cost and fees report thereof with the records of the Association. Disputed items shall not constitute a reason for non-payment. Items in dispute shall be resolved through mutual agreement between the Board of Directors of the Association and the Agent.

The management fee shall be adjusted from time to time by negotiation of the parties. Any clerical services performed for the Association, as preparation and circulation of notices and newsletters and general correspondence of the Association, shall be at the Association's expense, including postage and other expenses.

Section 10 OBLIGATION OF THE ASSOCIATION

The Association shall insure the Property, Agent, and itself against liability and bear the expense of any and all litigation against the Property, Agent, and the Association as stated below. In addition, the Association shall provide for an initial deposit and contingency reserve and, through its Board, approve an Annual Budget for the Property.

10.1 SAVE AGENT HARMLESS FROM LIABILITY SUITS

The Association shall cause to be placed or kept in force all insurance required or permitted by Association documents to be kept or placed by Association including, but not limited to, Property and Casualty coverage, Directors & Officers Liability coverage, Crime/Dishonesty and Public Liability, with Agent named as additional insured on liability policies and designated agent on agent Crime/Dishonesty policies, in amounts sufficient to furnish Association and Agent reasonable adequate protection against liability which may be incurred in the management and operation of the Association.

Section 11 INDEMNIFICATIONS SURVIVES TERMINATION

All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require the Association to have insured or to defend, reimburse, or indemnify Agent shall survive any termination; and if Agent is or becomes involved in any proceedings or litigation by reason of having been the Association's Agent, such provisions shall apply as if this Agreement were still in effect.

Section 12 NOTICES

Any notice required or provided for in this Agreement shall be in writing and shall be addressed as indicated below or such other address as Agent or the Association may specify hereafter in writing.

12.1 TO AGENT

Registered Agent

James J. Ranallo
40347 US HWY 19 N, STE 229
Tarpon Springs, FL 34689

12.2 TO ASSOCIATION

To the President of the Association at his or her last known mailing address of record with the Association.

12.3 DELIVERY OF NOTICES

Any notice required or permitted to be served as noted above may be served by certified mail, registered mail, return receipt requested, or in person. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mail as provided herein.

Section 13 AGREEMENTS BINDING ON SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall inure to the benefit of the Agent and the Association and their respective successors in interest and assigns.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this _____ day of _____, 201__.

Witness:

Signature

Printed Name

Signature

Printed Name

Association:

By: _____

As Its: _____

Agent:
CITADEL PROPERTY MANAGEMENT GROUP, INC

By: _____

As Its: _____