

PROPERTY MANAGEMENT AGREEMENT

FOR

BRANDY MILL ESTATES HOMEOWNERS' ASSOCIATION

This Property Management Agreement ("Agreement") is entered into by and between BRANDY MILL ESTATES HOMEOWNERS' ASSOCIATION, an Ohio not-for-profit corporation (the "Association"), and SBS Management LLC (the "Manager"), as of the 1st day of March, 2015.

The Association being a homeowners' association, formed and existing under Ohio Revised Code;

The Association enters into an agreement with the Manager pursuant to which the Manager shall provide the services described herein with respect to the Homeowners' Association Property, and the Common Areas associated with the Association, and the associated management of the related business activities of the Association.

The Manager has agreed to provide the services described herein with respect to the Homeowners' Association Property, subject to the terms and conditions set forth herein;

The Association and Manager in consideration of the following covenants agree as follows:

I. DEFINITIONS

All defined terms used herein shall have the meaning assigned to such terms in this Agreement. Any term not otherwise defined herein shall have the meaning assigned to such term in the Declarations and Deed Restrictions and Establishing A Plan For Homeowners' Association Ownership for The Association ("Declaration").

II. EXCLUSIVE AGENCY AND TERM

The Association hereby agrees to employ the Manager exclusively to operate and manage the Homeowners' Association, upon the terms hereinafter set forth, for a twelve (12) month period commencing on the first day of March, 2015 and terminating on last day of February, 2016 ("Initial Term") unless terminated earlier pursuant to the terms of this Agreement.

The Initial Term shall automatically, without notice or written extension, be extended for an additional twelve (12) month period ("Subsequent Term") unless the Association exercises its right to terminate this Agreement pursuant to the terms of this Agreement.

III. MANAGER'S DUTIES

The Manager shall act as the manager of the Association in the operation and management of the Homeowners' Association by performing the following duties:

a. Physical Management

i. Common Area Maintenance

The Manager shall be responsible to provide for the maintenance and repair of all Common Areas of the Homeowners' Association Property.

ii. Contracted Services

The Manager is authorized, on behalf of the Association to hire, discharge and supervise employees and/or independent contractors required for the operation and maintenance of the Common Areas of the Association Property and to make all payments for the same from the Operating and/or Reserve Accounts of the Association. In the event the balance in the Operating and/or Reserve Account is at any time insufficient to pay amounts due and payable under this subsection, the Association shall immediately make a special assessment and remit to the Manager sufficient funds to cover the deficiency. In no event shall the Manager be required to use its own funds to pay such disbursements.

iii. Inspections

The Manager shall make a monthly inspection of the Common Areas of the Association Property. The Manager shall, from time to time, make recommendations to the Directors concerning the maintenance and operation of the Common Areas of the Association Property, as the Manager deems necessary.

b. Administrative Management

i. Meetings

The Manager shall attend no more than one, two-hour monthly meetings of the Board of Directors and meetings with Lot owners when requested. The Manager shall assist in the conduct of Lot owners' meetings as requested by the Board of Directors.

ii. Notices

At the direction of the Directors, the Manager shall cause notices of Homeowners' meetings and proxies to be sent or delivered to the Lot Owners.

iii. Association Records

The Manager shall maintain records of Lot ownership and assessment records by Lot.

iv. Insurance

Manager shall supervise and maintain (subject to adequate proceeds for the payment of all premiums) all insurance policies for the Common Areas of the Association Property required under the Declaration. Manager shall not have any obligation beyond available funds for the payment of any insurance premiums.

c. Fiscal Management

i. Assessments and Annual Budget

The Manager shall send notices of all assessments prescribed by the Directors and the Declaration to the Lot Owners ("Assessments"). The Manager shall consult with Directors to determine an annual budget ("Annual Budget") for the Association and any changes in the amount the Assessments due from Lot Owners. The Association agrees that it shall be responsible for approving and adopting an Annual Budget each year.

ii. Accounts

The Manager shall maintain checking, savings or other deposit accounts on behalf of the Association with any federally insured institution or institutions as Manager in his sole discretion deems necessary. The Manager shall keep accounting records to reflect the status of Association's interest in any account or accounts set up by the Manager. The Manager shall establish an Operating Account and, if necessary, a Reserve or Interest Account for the Association.

iii. Bank Account(s)

The various accounts established under this Agreement shall at all times be established in the Association's name but under the Manager's control, with prior Association Board approval. Investment fund accounts, established in the Association's name, will require a minimum of two authorized signatures to remove, or transfer funds. No amounts deposited in any accounts established under this Agreement shall in any event be commingled with any other funds of the Manager. As between the Association and the Manager, the risk of loss from the failure or bankruptcy of an authorized depository in which the Manager has deposited funds shall be on the Association.

iv. Delinquent Assessments.

The Manager shall mail notices of any delinquency in payment of Assessments to the delinquent Lot Owner. The Manager shall use all reasonable efforts to collect delinquent accounts. In the event such efforts fail for a period of sixty (60) days, the Manager shall refer the account to the Directors for disposition. Any collection action regarding delinquent accounts must be approved by the Board of Directors.

v. Disbursement Authorization.

The Manager shall make all disbursements from Assessments collected for normal recurring expenses as provided in the Annual Budget. Only in cases of emergency requiring prompt action to avoid loss to the Common Areas of the Association or to maintain the health and safety of the Association owners, the Manager shall have discretion to expend whatever is necessary.

vi. Governmental Reports.

The Manager shall provide the Association's accountant with all necessary information for the Association's accountant to file tax returns on behalf of the Association.

vii. Financial Statement

The Manager shall furnish regular accrual financial statements, using General Accepted Accounting Principles. Included with the financial statements will be detailed list(s) of receivables due to the Association and payables/debt owed by the Association.

d. Miscellaneous

i. The Manager shall perform all duties incidental but reasonably necessary or desirable to accomplish the above-listed duties.

ii. The Directors shall designate the person or persons from whom the Manager is to receive binding instructions. The designated person is the Board President unless specified otherwise by the President in writing.

IV. ASSOCIATION'S OBLIGATIONS

The Association shall:

a. Reimbursement of all costs and expenses

The Association assumes all liability for all obligations and costs incurred by the Manager within the scope of its employment in operating and managing the Association Property, excluding, however, liability for salaries of the Manager's executive employees or office staff, and any other costs of the Manager not directly related to the operating and management of the Homeowner Association. Repairs, services, and maintenance projects in excess of \$1,000.00, and which are not included in the annual budget, will require prior approval by the Association Directors. Hourly service fees, annually adjusted, will be attached to this agreement, for any services directly provided by Manager's employees/staff. Changes in such fees will be determined 60 days prior contract renewal, and submitted, in writing to the Association Directors for approval. Upon request of the Association Directors, major repairs, services, and maintenance projects will require the Manager to obtain bids by at least, but not limited to, three providers for review and acceptance by the Association Directors.

b. Deficiencies in Assessments

Upon the Manager's written demand, the Association shall make funds available to pay any deficiency arising in the event that obligations for the management and operating of the Association at any time exceed the available balance of the Operating and/or Reserve Accounts as applicable.

c. Cooperation

Cooperate in every reasonable manner with the Manager in its operation and management of the Homeowners' Association.

V. ENFORCEMENT OF DECLARATIONS

The Manager is authorized to institute, in the Association's name, all legal actions or proceedings for the enforcement of any provisions of the Declarations and for collection of Assessments. The Manager is authorized to sign and serve such notices as the Manager deems necessary for enforcement of the Declarations and collection of Assessments. The Manager is authorized, when expedient, to settle, compromise, and release such legal actions or suits with consultation of the Directors. Any monies for such settlements paid out by the Manager shall not exceed \$500.00 without prior approval of the Association. Attorneys' fees, filing fees, court costs, and other necessary expenses incurred in connection with such actions and not recovered from the applicable Lot Owner shall be paid out of the Operating Account or reimbursed directly to the Manager by the Association. The Manager may select the attorney of its choice to handle such litigation.

VI. INTEREST AND UNPAID SUMS

Any sums due the Manager of the Association under any provision of this Agreement and not paid within thirty (30) days after such sums have become due, shall bear interest at the rate of 10% per annum.

VII. MANAGER'S COMPENSATION

As compensation for its services in managing the property, the Manager shall be paid the Management Fee (hereinafter defined) on the first day of each month during the term of this Agreement. The Manager is authorized to pay to itself from the funds collected and held on behalf of the Association, a fee equal to Dollars (\$) per Lot per month ("Management Fee"). Administrative costs shall be billed to the Association per the attached Exhibit A and shall not be considered part of the Management Fee.

VIII. SPECIAL CHARGES

If permitted by applicable law, the Manager may collect from Lot Owners any or all of the following: an administrative charge for late payment of Assessments and a charge for returned or non-negotiable checks.

IX. MANAGER'S OTHER SERVICES

The Manager shall be permitted to render other real estate and maintenance services to individual Lot Owners at their request. Compensation to the Manager for such services shall be distinct from any Management Fees paid by the Association and be considered transactions solely between the Manager and the Lot Owner.

X. TERMINATION

a. Termination by Either Party.

This Agreement may be terminated by either the Association or the Manager, without cause, during the Initial Term, or Subsequent Terms, upon ninety (90) days' written notice, or with cause upon (30) thirty days written notice.

b. Association Responsible for Payments.

Upon termination of or withdrawal from this Agreement, the Association shall assume the obligations of any contract or outstanding bill executed by the Manager under this Agreement for and on behalf of the Association and responsibility for payment of all unpaid bills. In addition, the Association shall furnish the Manager security in an amount satisfactory to the Manager, against any obligations or liabilities, which the Manager may have properly incurred on the Association's behalf under this Agreement.

The Manager may withhold funds for forty-five (45) days after the end of the month, in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. The Manager shall deliver to the Association, within forty-five (45) days after the end of the month in which this Agreement is terminated, any balance of the monies due the Association or which were held by the Manager with respect to the Homeowners' Association, as well as a final accounting reflecting the balance of income and expenses with respect to the Homeowners' Association as of the date of termination or withdrawal, and all records, and other papers or documents which pertain to the Homeowners' Association.

XI. INDEMNIFICATION

The Association agrees to save hold the Manager harmless from all damage suits in connection with the management of the Homeowners' Association and from liability from injuries suffered by any employee or other person whomsoever. The Manager also shall not be liable for any error of judgment or for any mistake of fact of law, or for anything that the Manager may do or refrain from doing, except in cases of willful misconduct or gross negligence. This indemnification does not apply to solely requested person/private real estate and maintenance services (as cited in Section VIII) between the Lot owner and the Manager.

XII. SAVE HARMLESS

The Association shall indemnify, defend, and save the Manager harmless from all loss, damage, cost, expense (including attorneys' fees), liability, or claims for personal injury or property damage incurred or occurring in, on, or about the Homeowners' Association. This indemnification does not apply to solely requested person/private real estate and maintenance services (as cited in Section VIII) between the Lot owner and the Manager.

XIII. INDEMNIFICATION SURVIVES TERMINATION.

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

XIV. MANAGER ASSUMES NO LIABILITY

The Manager assumes no liability whatsoever for any acts or omissions of the Association. The Manager assumes no liability for any failure or default by any Lot Owner in the payment of any Assessments or other charges due the Association or in the performance of any obligations owed by Lot Owner to the Association pursuant to the Declaration. Nor does the Manager assume any liability for previous unknown violations of environmental or other regulations, which may become known during the period this Agreement, is in effect. Any such regulatory violations or hazards discovered by the Manager shall be brought to the attention of the Association, in writing, and the Association shall promptly cure them.

XV. ASSOCIATION RESPONSIBLE FOR ALL EXPENSES OF LITIGATION

The Association shall pay all expenses incurred by the Manager, including, but not limited to, reasonable attorneys' fees and the Manager's costs and time, and any liability, fines, penalties, or the like in connection with any claim, proceeding, or suit involving the alleged violation by the Manager or the Association, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, taxes or fair housing, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, religion, national origin, or mental or physical handicap, provided, however, that the Association shall not be responsible to the Manager for any such expenses in the event the Manager is finally adjudged to have personally, and not in a representative capacity, violated any such law. Nothing contained in this Agreement shall obligate the Manager to employ legal counsel to represent the Association in any such proceeding or suit.

XVI. FEES FOR LEGAL ADVICE

The Association shall pay reasonable expenses incurred by the Manager in obtaining legal advice regarding compliance with any law affecting the Homeowners' Association or activities related to it. If such expenditure also benefits others for whom the Manager in the Agreement acts in a similar capacity, the Association agrees to pay an apportioned amount of such expense.

XVII. CAPTIONS

The captions of the several sections hereof are not a part hereof, but are merely labels to assist in reading the various provisions hereof.

XVIII. FORCE MAJEURE

Any delays in the performance of any obligation of the Manager under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of the Manager, and any time periods required for performance shall be extended accordingly.

XIX. COMPLETE AGREEMENT

This Agreement, including any specified attachments, constitutes the entire agreement between the Association and the Manager with respect to the management and operation of the Homeowners' Association and supersedes and replaces any and all previous management agreements entered into or/and negotiated between the Association and the Manager relating to the Homeowners' Association covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by the Association and the Manager. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by the Association and the Manager in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants, or agreements, expressed or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, expressed or implied, to such party, other than expressly set forth herein.

XX. RIGHTS CUMULATIVE; NO WAIVER

No right or remedy herein conferred upon or reserved to either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of

this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

XXI. APPLICABLE LAW AND PARTIAL INVALIDITY

The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of Ohio. If any part of this Agreement shall be declared invalid or unenforceable, the Manager shall have the option to terminate this Agreement by notice to the Association.

XXII. NOTICES

Any notices, demands, consents, or reports, necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as the Association and the Manager individually may specify hereinafter in writing:

Manager: SBS Management LLC
4631 Northwest Parkway
PO Box 95
Hilliard, Ohio 43026

Association: Brandy Mill Estates Homeowners' Association
Etna, OH 43062

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents, and reports may also be delivered by hand or by any other receipted method or means permitted by law. 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.

XXIII. CONFIDENTIALITY AGREEMENT

Brandy Mill Estates Homeowners' Association acknowledges its obligation to hold this management agreement in confidence and agrees to take reasonable measures to prevent this agreement from being distributed, electronically, or otherwise, to any individual, business or legal entity, trust/trustee, with the exception of the Association's legal counsel, without the express written consent of SBS Management, LLC. Brandy Mill Estates Homeowners' Association agrees to maintain confidentiality of this agreement for up to five (5) years after termination of this management agreement.

XXIV. AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS

This agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be duly executed duplicate original counterparts hereof as of the 1st day of March, 2015.

SBS Management LLC
an Ohio Established Business

By: 

Kellie Walz, CEO

Date: 3-1-15

By: 

Charles Walz, CFO

Date: 3/4/2015

BRANDY MILL ESTATES HOA
an Ohio not-for-profit corporation

By: 

Jason Davis, President

Date: 3/1/15

By: 

Douglas Williams, Secretary

Date: 3/1/15

EXHIBIT A - ADMINISTRATIVE CHARGES

The following items are charged to the Association and not included in the Management Fee. Any other administrative requests not listed on this Exhibit will be charged on a per occurrence basis.

- 1) Postage - at costs, charged at current postage rates.
- 2) Copies - \$.15 each (including standard black ink on white copy paper stock)
(\$.30 color copies)
- 3) Faxes - \$ No Charge
- 4) Envelopes - \$.15 each
- 5) Supplies - any administrative supplies required i.e. notebooks, checks, retention/storage costs, etc are charged to the Association at cost.

MAINTENANCE AND SERVICE FEES:

Additional Administrative Costs beyond those hours included within this contract are additional onsite services beyond the monthly inspection by the Manager/Service Manager. Regular Board of Director and/or owner meetings will come at an additional cost beyond the two (2) hours included in the contract. As well as, time to furnish professional services for special needs and/or reporting, as directed by the Board of Directors beyond the normal scope of work/services provided here-with-in.

Property Manager -	\$ 75.00 per hour
Professional/Accounting -	\$ 50.00 per hour
Clerical -	\$ 35.00 per hour

Maintenance/Service Technician	Regular	Overtime*	On-Call**
	\$ 50.00 per hour	\$ 60.00 per hour	\$ 75.00 per hour

*Overtime begins after an eight (8) hour day

**On-Call relate to any hours prior or after normal business hours (not including holidays) of 8:30AM and 4:30PM, Monday through Friday.

Other services provided by subcontractors will be supervised and monitored at cost plus 2% to the Manager for additional overhead and handling costs incurred.