

MANAGEMENT CONTRACT

This agreement is made this _____ day of _____, 20__ between GROEBE MANAGEMENT SERVICES, INC., (Groebe), 7250 W. College Drive Palos Heights, Illinois and _____ (Association) _____, Illinois.

In consideration of the mutual promises and covenants in this agreement, the Association and Groebe agree as follows:

1. Association hereby appoints and employs Groebe as the sole and exclusive managing agent of Association's premises commonly known as the _____ Association for a one (1) year term beginning _____, 20__ . Thereafter, this contract will be renewed for one-year terms on a continual basis until terminated by either party. If either the Association or Groebe determines that they do not wish to renew this contract, written notice will be provided not less than 60 days prior to the renewal. Either party at any time shall also have the right to terminate this Agreement without cause in which case this Agreement shall be terminated at the end of sixty (60) days from the date of receipt of said written notice by either party. In the event of termination Groebe will insure a smooth transition between Groebe and any new management company retained by the Board and will turn over all Association records in a timely manner.

2. Groebe accepts the appointment as agent for and in consideration of the compensation provided and agrees to use its best efforts in managing the Association.

3. Association authorizes Groebe to perform the following in the name, for the account and at the expense of the Association.

A. Groebe shall receipt and document all monthly assessments, other income and other charges due to the Association for the operation of the property or other payments from concessions and management. Groebe shall have the responsibility for sending notices of delinquency for collection of delinquent assessments and serving in the name of the Association such notices as are appropriate. Groebe shall initiate all legal actions or proceedings for collection of Association fees or other amounts from said premises and engage attorneys for any such matters with Association approval. All unit owner accounts which are 60 days delinquent will be forwarded to the Association's attorney.

B. Subject to the direction and approval of the Board of Directors and at the expense of the Association, Groebe shall cause the common elements of the Association to be maintained according to appropriate standards of maintenance consistent with character of the Association, including repairs, replacements, landscaping, snow removal and such other regular maintenance and repair work as may be necessary.

C. On the basis of the budget, job standards and wage rates previously approved by the Association, Groebe with Board approval shall hire, pay, negotiate agreements with, supervise and discharge on-site staff, independent contractors, maintenance, engineers, janitors and others. None will be employees of the Association. All compensation, taxes and other expenses payable on account of such personnel shall be operating expenses of the Association.

D. Groebe shall pay from the funds of the Association taxes, building or inspection fees, if applicable, water rates and other governmental charges or obligations incurred by the Associations with respect to the maintenance or operation of the property or incurred by Groebe on behalf of the Association pursuant to the terms of this agreement and pursuant to other authority granted by the Association.

E. Groebe shall review the insurance coverage carried by the Association and advise the Board. At the direction of the Board, Groebe will obtain and maintain insurance coverage as required by the Association's declaration. Groebe will investigate and file insurance claims for damage relating to ownership, operation and maintenance of the property, including any damage or destruction.

F. Groebe's primary point of contact will be the President or such other person as is designated by the Board from time to time. In the event that the President is unavailable, the Vice President will serve as the alternate point of contact. In the event that neither is available, then any other Board member will serve as point of contact. Groebe will cooperate with other committee chairpersons, i.e. Landscaping, Legal and Finance. Groebe will provide a 24 hour phone number for use by the members of the Association to report problems.

G. The attached Exhibit A outlines other specific services to be performed.

4. Groebe shall reconcile and document Association's finances. Groebe shall provide the Association with a non-reconciled financial statement of reconciled receipts and disbursements within 30 days of the close of the preceeding month and the status of any delinquent collections. The Board will be provided with a reconciled financial statement within 60 days of the close of the preceding month.

A. Board meetings will be arranged by Groebe as directed by the Association. The Groebe will attend up to _____ (), two (2) hour meetings of the Association annually. Additional meetings may be scheduled if necessary at special service charges.

B. Groebe will prepare preliminary annual budgets for Board review and approval.

C. Groebe will maintain current records, files and documents of the Association and provide copies to the Treasurer, President or other Board Members as applicable. The Association will provide long-term storage as needed.

D. Unless the Association makes other arrangements, Groebe shall arrange for filing tax returns and the annual report and file for not-for-profit corporation registration annually with the State of Illinois. Groebe shall arrange for an audit by an accountant at the Board's request. The cost of a CPA or the professionals to prepare tax returns, audits and actual filing fees are expenses of the Association.

E. The Association and Groebe agree to conduct their business in a professional manner. Owner behavior that is continuously rude, harassing, defamatory or otherwise burdensome will not be tolerated. Both Parties will extend their best efforts to discourage discourteous conduct. This may include special service charges to handle irrational behavior.

F. Groebe will provide the Board all information relevant to the day-to-day operation of the Association on a timely basis and will provide the Board a written periodic report prepared by the manager outlining matters of importance, including progress reports and recommendations for corrective actions and improvements.

G. At the Board's request, Groebe will, among other things, perform the following services: award and oversee implementation of contracts, review and monitor existing contract performance, investigate and report on accident or claims against the Association, and upon request and at the Association's expense, arrange for minutes to be taken at Board meetings and at special service rates supervise the collections and the eviction process of delinquent owners including the changing of locks and securing the premises.

5. All monies furnished by the Association as working funds and all monies received on behalf of the Association shall be deposited by Groebe in a bank mutually approved by Association and Groebe in a working account and not mingled with the funds of Groebe. Groebe shall disburse funds from working account in such amount and at times as are required to pay for obligations, liabilities, costs, expenses and fees (including, without limitation, the compensation of Groebe) arising on account of or in connection with this agreement. Any expenditure not provided for by the Association's approved budget must be approved in advance in writing by two Board members. A fidelity bond will cover any employee of Groebe with access to monies of the Association. A certificate of insurance evidencing such bond shall be provided to the Board within 30 days of the date of this agreement and upon renewals. Groebe shall not make any expenditure nor incur any non-recurring contractual obligation over \$500 without prior consent of the Board, except in emergency cases provided below.

A. In the event of an emergency, Groebe will make every effort to contact the President of the Board for direction as it relates to the specific emergency. Should Groebe be unable to reach a Board member for direction, they have the authorization to take the reasonable necessary action as dictated by the nature of the emergency.

B. Association shall reimburse Groebe promptly for any monies which Groebe may elect to advance on the account of the Association. Nothing, however, shall be construed to obligate Groebe to make such advances. This shall be done only in accordance with the requirements of Paragraph # 3 of this contract.

C. The Association shall reimburse Groebe for Association's business costs of postage, stationery, long-distance phone and fax calls and similar expenses incurred in the operation as approved by the Board of Directors. Such costs shall be specifically itemized and, to the extent applicable, in accordance with Exhibit B.

6. The Association agrees to comply with all statutes, ordinances, laws, rules, procedures or orders of any federal, state or local government or nationally recognized organization with respect to the operation of the Association. Although Groebe may give the Association advice on most matters, the Board is not obligated to follow its counsel. In this event, Groebe may document the differences in order to clarify the services or actions (or non-action) requested by the Board. Special service charges may apply in the event the Board's decision requires corrective or duplicative work provided that the Board is notified of each such charge prior to the institution of the aforesaid work.

A. Association agrees to indemnify and hold and save Groebe free and harmless from any and all damages or injuries to person or property, or claims, actions, obligations, liabilities, costs, expenses and fees by reason of any cause whatsoever when Groebe is carrying out the provisions of this Agreement or acting upon directions of Association providing that Groebe has not acted in a grossly negligent or malicious manner.

B. Groebe agrees to provide and the Association agrees to maintain comprehensive general public liability insurance with a company approved by the Board including property damage insurance, workmen's compensation insurance, officers and directors and such other insurance as may be advisable for the protection of the Association with Groebe as an additional insured party. A certificate of each such policy issued by the carrier shall be delivered to Groebe upon request. Any objection which Groebe may have with respect to the insurance maintained by the Association shall be made within 30 days of receipt.

C. Groebe agrees to maintain, at all times, a comprehensive Dishonesty, Disappearance and Destruction Policy (Fidelity Bond) on owners and employees of the company.

7. During the Term, the Association shall pay Groebe a monthly fee for Groebe's performance of its obligations as follows:

_____ and 00/100 Dollars (\$_____.00) per month for _____ # of Units.

The Association shall pay a special service fee of \$95.00 per hour for special services, meetings or requests other than those outlined in this Agreement or as set forth in

Exhibit B incorporated. The Association's obligation for payment of such fees other than what's set forth in Exhibit B shall not arise unless the Board has consented in advance.

8. Groebe shall not be liable to any creditor of the Association or to any claimant against the property of an Owner. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between Association and Groebe. This Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and assigns and may not be changed orally but only in writing and signed by the Association and Groebe.

9. The Groebe will determine if a reported problem is the responsibility of the Association or owner as defined by the Declaration of Ownership and the By-laws. If it is unclear to Groebe, the Board will be the final authority for resolving any questions as to the Association's responsibility in dealing with the problem. After determining that a problem deals with an association responsibility, Groebe will administer and supervise the resolution of the problem within the guidelines set forth by the Board.

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

GROEBE MANAGEMENT SERVICES

ASSOCIATION

BY _____
Wm. C. GROEBE, PRESIDENT

BY _____
PRESIDENT

EXHIBIT A

SPECIFIC SERVICES

The agent will perform in addition to other activities set forth the following:

Function as liaison for the Board to communicate with the owners, take calls including emergency and after-hours calls, follow-up on complaints within a reasonable time and keep the owner informed of such;

Maintain a list of owners, mortgagees and tenants;

Keep files and records with respect to each individual owner;

Receive and prepare work orders and notify owners when work is completed;

Prepare notices of violations to owners for violations of Rules and Regulations and levy fines and collect fees accordingly;

Prepare and make mailings as deemed necessary by the Board;

Function as liaison with owners' insurance companies, contractors or any other parties which may have professional, legal or regulatory dealings with Association;

Prepare specifications and request competitive bids for repair and maintenance items over \$1000 and any capital improvements or replacements as deemed necessary and assist the Association in negotiating and preparing contracts for attorney's review;

Keep the Board informed of changes of State Regulations;

Send a letter of introduction and notify the owners of the proper place to send the assessment payments;

Assist in preparing rules, regulations and operating procedures and implement such rules;

Monitor liability insurance coverage;

Obtain Board approval of bills and invoices when appropriate; and

Make regular inspections of the property, recommending and taking corrective actions when appropriate.

EXHIBIT B

The total compensation to which Management shall be entitled to during the term of this Agreement shall consist of fees for Periodic Routine Services paid on a per item basis and fees for Non-Routine Services.

Management shall be compensated according to the following schedule, the payment being due and payable from the current assessments collected each month. Such compensation represents the overhead expenses of general and administrative overhead expense of the Property incurred under the Agreement.

PERIODIC ROUTINE SERVICES

Management may perform certain Periodic Routine Services as needed to conduct the Association business or upon request of the owner. These are items billed only as needed or required. Periodic Routine Service fees and office supply costs are as follows:

<u>Services & Supplies</u>	<u>Fees</u>
a. Late Notices to Owner	Postage Only
b. Payment Books	Cost
c. Monthly Assessment Billing	\$.50 per owner
d. Special Assessment Notices	Postage Only
e. Mailing Labels	Cost
f. Stationery and Supplies	Cost
g. Refinance letters to Owners	\$30.00*
h. Closing letters to Buyers, Sellers or Owners	\$75.00*
i. Certified Mail	Postage
j. Photocopying & Fax	\$.05 per page
k. Postage, Shipping/Courier Charges	Cost

*Certain items may be charged back to the Owners pursuant to proper authority established through Board resolution. Special fees may apply for late requests.

NON-ROUTINE SERVICES

Non-routine services may include without limitation, the following:

Participation in legal actions initiated by the Association inclusive of Court appearances related to collection of annual assessments and legal activities relating to covenant enforcement;

Insurance claim administration in cases involving partial or complete destruction of building property damage and personal injury items covered under the Association's Comprehensive Multi-Peril Policy which requires on-site inspections or supervision by Groebe Management. Such charges by Management under this provision shall be considered normal expense items in

filing a claim and administering the application of insurance proceeds and shall accordingly be submitted with the Claim;

Major construction and/or reconstruction supervision and contract supervision for exceptional maintenance projects such as major landscaping, building, replacement, street paving or other project where Management is expected to remain on-site with the contractor(s) during phases of construction;

Collection and accounting activities associated with assessment obligations arising prior to thirty (30) days earlier than the date of this Agreement;

Work, if any, related to the annual audit of Association books of account that were maintained by the previous managing agent including preparation, meetings with auditors and related matters; and

Additional supervisory or support personnel for conducting elections and other special meetings or events.

Charges for services performed under this section shall be (a) \$95.00 for Management, Administrative and supervisory personnel or (b) \$75.00 per hour for clerical or other support personnel.

PAYMENT SCHEUDLE

Management fees for services rendered shall be by the First (1st) day of the month for which management services are being performed and for the previous months Periodic Routine Services, Non-Routine Services and supplies if any.