

**Agreement  
to  
Supply Transition Services  
to a  
Developer Creating a New Condominium Regime**

This Agreement, dated \_\_\_\_\_, 2005 between Summit Management Services, Inc., located at 8701 Georgia Avenue, Suite 602, Silver Spring, MD 20910 (“SMSI”) and [Name] (“Developer”), located at \_\_\_\_\_ provides that SMSI will supply Transition Services to Developer in support of Developer’s creation of a new condominium regime converting three apartment complexes in Montgomery County, Maryland (“Project”).

**1) Services:**

**a) Creation of a First Year Projected Operating Budget**

SMSI will draft a First Year Projected Operating Budget for inclusion in the Public Offering Statements (“POS”) to be submitted to State officials by the Developer. SMSI will forward a questionnaire to the Developer regarding anticipated services and Developer will provide site and building plans. SMSI will draft this Budget within 30 days of receipt of the completed questionnaire and relevant plans. SMSI will use its experience in developing budgets for projects of similar size and scope to make its best estimate to determine the level of services needed to meet the expenses of running the Project, as depicted in the POS, but will not be held responsible if actual expenses do not match budgeted ones.

**b) Creation of a Schedule of Replacement Reserve Contributions**

SMSI will draft a Schedule of Replacement Reserve Contributions for inclusion in the POS, based on the building plans and estimates of useful economic life and replacement cost of reserve components. SMSI will forward a questionnaire to the Developer regarding anticipated reserve components and Developer will provide site and building plans. SMSI will draft this Schedule within 30 days of receipt of the completed questionnaire and relevant plans. SMSI will use its experience in developing schedules for projects of similar size and scope to make its best estimate to determine the level of reserve contributions needed to meet the long-term capital requirements of running the Project, as depicted in the POS, but will not be held responsible if actual expenses do not match scheduled ones

**c) Placement of Insurance**

SMSI will solicit up to three proposals to place General Liability, Directors and Officers, Worker’s Compensation, and Building Insurance, in amounts acceptable to the Developer and as required by the Projects’ governing documents. This insurance start date will coincide with the date of settlement of the first unit. The Developer will select the carrier, sign any necessary documentation and pay any premiums.

**d) Review of Project Documents**

SMSI will review the Project governing documents to be included in the POS and advise the Developer on issues related to running a Condominium. It is specifically understood that SMSI is not offering legal advice, but is merely offering opinions on the practicality of certain rules or regulations that may be included in the POS.

**e) Submission of a Sample Management Agreement**

SMSI will provide a sample Management Agreement for inclusion in the POS. Neither SMSI nor the Developer will be obligated to sign the Agreement.

**f) Solicitation of Bids and Placement of Service Contracts**

SMSI will determine, with the assistance of the Developer, which systems or services of the Project will require service contracts once the Project is turned over to the Board of Directors. SMSI will solicit a sufficient number of proposals, in SMSI's sole discretion, from qualified contractors. The Developer will be responsible for contracting for these services, which will begin once the first unit goes to settlement. SMSI will not select Contractors to perform work that the Developer has obligated itself to do as part of the Project.

**2) Compensation**

The Developer will pay the SMSI the sum of \$4,500.00, ½ upon signature and ½ upon termination of the Agreement, as defined in Paragraph 3 below.

**3) Term and Termination**

This Agreement will begin on the date of signature of both parties and will remain in force until it automatically terminates upon the sale of the first Unit of the Condominium by the Developer to a Unit Owner, or twelve months from the date of signature, which ever is earlier. Should both parties mutually agree to terminate this Agreement prior to either of these two occurrences, then the parties agree to work out a pro-rated compensation based on the services performed to date.

**4) Miscellaneous Provisions**

**a) Applicable Law**

It is understood and agreed that this Agreement shall be construed in accordance with the laws of the State of Maryland.

**b) Notification**

All notices required or permitted to be given under the terms of this Agreement shall be given in writing and shall be sent by registered or certified mail, postage prepaid, return receipt requested, as follows:

To SMSI:

Elan Krueger, President  
Summit Management Services, Inc.  
8701 Georgia Avenue, Suite 602  
Silver Spring, Maryland 20910

To Developer: [Name]  
[Title]  
[Name of Developer]  
[Address]

or to such addresses as may from time to time be specified in writing by the Agent or the Association, respectively.

**c) Assignment**

This Agreement, or any part thereof, shall not be assigned by the parties.

**d) Entire Agreement**

This Agreement constitutes the entire Agreement between the parties. This Agreement may be executed in duplicate counterparts, each of which shall be considered as an original.

IN WITNESS WHEREOF, the parties have affixed or caused to be affixed their respective signature on the date first herein above written.

ATTEST:

SUMMIT MANAGEMENT SERVICES, INC.

\_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
President

ATTEST:

DEVELOPER

\_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date