

SENTRY MANAGEMENT, INC.
MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT, entered into as of the 1st day of July, 2008, by and between GLENN LAKES ASSOCIATION, INC., a Florida not-for-profit corporation, located in Manatee County, Florida, hereinafter referred to as "Association," and SENTRY MANAGEMENT, INC., a Florida corporation, hereinafter referred to as "Agent."

The Board of Directors of the Association (the "Board"), on behalf of the Association, hereby appoints Agent to manage the property of the Association and Agent accepts appointment to manage the Association property. Agent shall act in accordance with Association's recorded governing documents, applicable statutes and legal directives of the President of the Association. Association shall provide to Agent copies of all recorded plats, governing documents and amendments thereto.

TERM OF AGREEMENT - Association hereby engages Agent on an exclusive basis to manage Association for an initial period of one year and thereafter for periods of one year unless this Agreement is terminated. Either party may terminate this Agreement at the end of the initial term, or at the end of any one-year renewal term, provided that written Notice is given to the other party on or before the thirtieth (30th) day prior to the expiration of the initial term or any such one-year renewal term. Association shall incur a termination penalty of not less than the equivalent of three (3) months' management fee in any cause of termination, other than the natural contract expiration date or termination process stated above, unless the Agreement is terminated for Just Cause. This Agreement may be terminated for Just Cause without penalty upon thirty (30) days written notice.

Should this Agreement be terminated for any reason, Agent will attend to the proper close-out of the Association's accounting books and records and provide a final accounting by the 15th day of the month following the effective termination date.

SERVICES OF AGENT - Agent shall perform the following services in the name of and on behalf of the Association and the Association hereby gives Agent the authority and powers required to perform these services.

A. ACCOUNTING

1. Agent warrants that all Agent's employees who handle or are responsible for the safekeeping of any Association monies shall be covered by a fidelity bond, at Agent's cost, in a minimum amount of \$100,000 with an insurance company determined by Agent.
2. Agent shall receive, deposit, disburse and account for all Association funds. Deposits and disbursements shall be made weekly and funds collected shall be deposited in a custodial account in a state or national bank where deposits are insured by the Federal Deposit Insurance Corporation, separate and apart from Agent's own funds. Assessments shall be initially deposited via Agent's lockbox payment center to ensure daily deposit of Association funds.
3. Agent shall have printed and distribute scheduled assessment coupon notices and payment envelopes to all members at the address provided by the member for billing purposes. If no such address is provided, mailing will be to the street address of the lot or living unit.
4. Agent shall assess interest and/or late fees to member accounts, as outlined in Association's Declaration of Covenants and Restrictions, and mail delinquency coupon notices to all members who are past-due in payment of assessments, on a monthly basis.
5. Agent shall at all times maintain individual account statements for each member on which are posted all debits and credits to include monthly computations of interest and/or late charges due on past-due or delinquent accounts.
6. Agent shall maintain a separate Accounts Receivable file for Special Assessments levied by Association for an additional fee of \$1.50 per assessment per lot or living unit.
7. Agent shall review invoices and charges to Association by vendors and contractors on a weekly basis. Such charges will be coded by account to Association's general ledger for payment in accordance with Accounts Payable schedule as follows: Invoices provided for payment by Monday of each week shall be paid on Monday of the following week.
8. Agent shall determine that contractors are fully licensed and insured, including workers' compensation insurance if contractor's employees are working on Association property. Agent shall review insurance policy expiration dates to ensure that contractors maintain insurance policies required to execute original contract. Agent shall not be required to investigate the validity or authenticity of any Certificate of Insurance or Letter of Insurance provided by a contractor and may accept same at face value. Should Association choose to contract with an entity which does not meet Agent's requirements for licensing and insurance coverage, Association shall execute Agent's standard waiver of liability prior to commencement of work. All contractors and vendors must complete IRS W-9 forms and Agent shall furnish Federal 1099 Forms to non-incorporated vendors and contractors in accordance with Federal tax laws.
9. Agent shall arrange for Agent's attorney to file Notices of Commencement per Florida Statute 713 on behalf of Association and will require lien waivers prior to payment being issued to contractor in order to protect Association from Construction Lien Law Liability. A fee of \$25.00 will be charged for each such Notice prepared, plus recording fees.
10. Agent shall prepare monthly financial reports for Association utilizing the accrual method of accounting, including an income and expense statement, a statement of balances, a check register, an itemized listing of accounts receivable and a disbursements journal by the 25th day of the following month.
11. Agent shall arrange for the filing of all required tax forms and the required annual financial report, all as directed by a Certified Public Accountant (CPA) of Association's choice. An Engagement Letter will be provided by Association's current CPA for the Board's review no later than the first day of the last month of Association's fiscal year. Additional Engagement Letters will be solicited if the Board of Directors so requests. Agent shall not be responsible for fines and penalties imposed due to Association's failure to make a timely decision regarding engagement of CPA or CPA's failure to meet mandated dates.

12. Agent shall assist Directors in preparation of Association's annual budget. Preliminary budget figures shall be submitted to Association Board of Directors no later than October 1st of each year. Within thirty (30) days of receipt of the preliminary budget, the Board shall either approve the budget as submitted or provide Agent with written notice setting forth those items which are unacceptable to the Board or provide Agent with written notice advising what additional information is required. Upon approval, Agent shall be authorized to operate and manage Association in accordance with the Annual Budget.

B. COLLECTIONS

1. In order to protect Association's financial interests, Agent shall provide a notice of intent to file a lien against a member's property, if a member's account becomes delinquent. A charge of \$20.00 will be levied against the member's account for such notice. A charge of \$10.00 will be levied against a member's account upon receipt of a check which has been returned from Association's bank due to non-sufficient funds to offset Agent's expenses to process the check.
2. As directed by Association, Agent shall arrange for Agent's attorney to prepare liens for delinquent assessments and, when appropriate, prepare satisfactions of lien. A fee of \$105.00 will be levied against the account of the property owner as a cost of collection concurrent with lien preparation. Said lien fee shall include preparation of a satisfaction of lien prepared by Agent's attorney. Agent shall charge Association a fee of \$25.00, plus recording costs, to prepare and record a satisfaction of lien if said lien was not originally prepared by Agent's attorney.
3. As directed by Association, Agent will forward necessary documentation to attorney of Association's choice for legal collection and/or foreclosure action. Agent will act as liaison between attorney and Association. Agent shall be appointed as Association's Registered Agent and will accept service of summons and complaints on behalf of Association and forward same to attorney of Association's choice for response within the time frame mandated by law.

C. CLOSINGS

1. Upon request or notification by a closing agent or attorney, of a pending sale or refinance, and upon receipt of required Association approvals, if any, Agent will review the property account status and prepare a notarized certificate stating the total amount of maintenance fees, special assessments, late fees, transfer fees, etc. due to be collected at closing of the loan. After closing is held, Agent will collect and deposit funds received from closing agent and update Association's files and financial records with new owner information.
2. Additionally, Agent shall provide an information package to new owners which package will include notification of Agent's contract with Association, emergency telephone numbers, payment coupons, return envelopes and the name and phone number of the Association's community manager. A computerized roster of closings completed each month shall be included with the monthly financial report. Agent shall receive \$10.00 per notarized certificate and \$50.00 per closing; said fees to be charged to the property owner's account. Agent shall not be held liable for closings of which Agent has not been properly notified.
3. If Association's governing documents provide for Association approval of sale, Agent shall provide Notice of Intent-to-Sell form to closing agent for completion and provide to Association Board of Directors for approval process. Agent shall receive a fee of \$25.00 per approval. Agent, at Association's cost, shall arrange for screening services to include credit investigation, criminal history and/or resident history as determined by the Board of Directors. Such screening documentation shall become the property of Association.

D. ADMINISTRATION

1. Agent shall, at all times, maintain a roster of all lot or unit owners complete with mailing address as required by applicable state law. Additionally, Agent shall maintain current official records for Association including correspondence files, minute books, insurance policies, contracts, financial records, etc. Agent shall arrange for a repository, if necessary, for additional Association inactive official records for the period of time dictated by Florida Statutes. Association will retain ownership of all records. Should Association choose to retain records beyond statutory requirements, Association shall notify Agent of such choice. Association shall pay Agent a monthly fee of \$1.00 per box stored. Association shall reimburse Agent for costs to retrieve inactive records from storage should Association or Association members request to review inactive records.
2. If required by Association's recorded governing documents, Agent will handle lease approval paperwork, and arrange for screening services and credit investigation at Association's cost. Agent shall receive a fee of \$25.00 per lease.

E. COMMUNITY MANAGEMENT

1. Agent shall appoint one Licensed Community Association Manager, at Agent's expense, which Manager shall be designated to carry out Agent's duties under this Agreement. Said Manager shall make periodic visits to the property.
2. Agent shall attend one regular meeting of the Board each month and the annual meeting of the Association. Upon not less than 72 hours prior notice, Agent shall attend additional meetings of the Board or of the Association as requested, provided that the Association shall pay Agent \$25 per hour for attendance at each meeting.
3. Agent shall assist Association's directors in the enforcement of Association's recorded governing documents, as needed, to include two written notifications per incident or to issue violations and, if directed by the Board of Directors, arrange for legal enforcement of said violations utilizing an attorney of Association's choice.
4. Agent shall receive and distribute all correspondence addressed to Association, on an on-going basis. Agent shall type, reproduce and distribute meeting minutes. Additionally, Agent shall arrange for preparation and distribution of Association newsletter on a scheduled basis, if directed by Association, at Association's expense. Newsletter input must be provided by Association.
5. Agent shall type, reproduce and distribute general announcements and other information to all members including notices of Annual Meetings and elections as required by state law.

6. Agent shall file Association's corporate annual reports, and arrange for licensing and recordings as required by law. The fee for the annual reports and for all licensing and recording fees shall be the expense of Association.
7. Should Association become involved in litigation or pre-litigation matters requiring document research, document preparation, deposition, hearing or trial testimony, Agent may charge a fee of \$35.00 per hour, or portion thereof (staff), and \$50.00 per hour, or portion thereof (management), for such time expended in excess of two hours per lawsuit or issue.

F. EMPLOYMENT OF PERSONNEL/PAYROLL EXPENSES

1. Agent shall select, employ and supervise any and all on-site employees, for Association's benefit. All expenses incident to the employment of such personnel will be borne by Agent, and charged back to the Association as a budgeted expense of Association, at the rate charged by Agent. Those expenses are: State and Federal Unemployment Taxes, F.I.C.A., Workers' Compensation Insurance and Bodily Injury and Property Damage Liability Insurance. Said payroll and incidental expenses shall be paid to Agent via electronic transfer of funds from Association's designated bank account bi-weekly in accordance with Agent's payroll schedule. Benefits consistent with the employment of quality personnel, such as health insurance, are considered incident to the employment of such personnel and shall be a budgeted expense of Association. All employees will be subject to employment policies established by Agent. Paid vacation policy for regular full-time employees is one week after one year, two weeks after two years, three weeks after six years and four weeks after eleven years. Scheduled holidays are New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving, the day after Thanksgiving and Christmas. Other days following or preceding a holiday are at the discretion of the Agent. All regular full-time employees are eligible for sick leave benefits. Employees receive one-half day's sick leave credit for each month of continuous employment for a maximum total of six days per calendar year. From time to time, company policies and rates may be revised at the discretion of Agent. All state and federal employment laws, such as the Family Medical Leave Act, shall be followed.
2. For the period of one (1) year after termination of this Agreement, Association agrees that it shall not employ, in any capacity, any employee or former employee of Agent, who has been employed by Agent within the twelve (12) months immediately prior to termination of this Agreement.

G. MAINTENANCE OF COMMON ELEMENTS

1. Subject to the direction of the Board, at the expense of the Association and in accordance with the Association's approved budget, Agent shall cause the common elements of the Association property to be maintained according to reasonable standards of maintenance consistent with the character of the property.
2. In addition to the supervision of budgeted maintenance personnel, Agent shall supervise Association's contracted labor such as pool and grounds maintenance, pest control, and similar contracted services. Contracted services shall be at Association expense. Agent shall obtain competitive bids and make awards as agreed to by Association Board of Directors relating to the contracted services. Agent shall receive a Supervisory Fee of ten percent (10%) of the contract price for supervision of capital expenditure projects, such as roof replacement, building painting, resurfacing and other major repairs or improvements, exceeding an amount of \$10,000, but only if requested in writing that Agent take such supervisory responsibility by the Association's Board of Directors. Agent may refuse to accept supervisory responsibility in its sole discretion without breaching this Agreement.
3. Agent shall receive maintenance or repair requests pertaining to Association's property from individual members and, when such requests meet approved guidelines, will prepare and issue a service work order, review the completed work and disburse Association funds as appropriate.
4. Notwithstanding any other provision of this Agreement, Agent is given no authority or responsibility for, and shall not provide or arrange for, maintenance or repairs to member units. Such maintenance and repairs shall be the sole responsibility of the individual member.
5. Agent shall have no authority to make any structural change to Association's property or to make any other major alterations or additions in or to any buildings 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 Association or its individual members and unit occupants, or which are required to avoid the suspension of any necessary service to Association.

H. PAYMENT OF EXPENSES - All expenses of operation and management under this Agreement may be paid from Association's funds held by Agent and Agent is authorized to pay any amounts owed to Agent by Association, via electronic transfer of funds, from such account without prior notice to Association. Agent shall have no obligation to advance funds to Association for any purpose whatsoever. Agent shall not make any expenditure, nor incur any non-budgeted contractual obligation exceeding \$500.00, without the prior consent of Association. From the funds of the Association, Agent shall pay all expenses of management of Association Property, including taxes, building and inspection fees, utilities, licensing and other governmental charges, and all other charges or obligations incurred by the Association or by Agent as permitted by this Agreement 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.

I. MANAGEMENT FEE - Association shall pay Agent a management fee of \$1562.50 per month. The management fee shall be paid monthly in advance. The management fee shall be adjusted annually upon approval by the Board of the Annual Budget, which adjustment shall be incorporated into this Agreement by reference. The management fee covers all services included in this contract, unless otherwise noted, with the exception of sales tax, printing, copying, postage & handling fees, payment coupons, supplies, long-distance telephone calls, facsimile and electronic transmittals, licensing fees, title searches, recording fees, bank charges, mailing supplies, other items specially provided for elsewhere in this Agreement, and all items which become the property of the Association. Payments received later than the 15th day of the month will be assessed a late charge of 18% per annum. 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.

J. AUTHORIZED BOARD MEMBER - Association shall designate a single individual who shall be authorized to direct Agent on any matter relating to management of Association, all in accordance with the terms and conditions of this Agreement. Agent is directed not to accept directions or instructions with regard to the management of Association from anyone else, without a recorded vote of the Board of Directors. In the absence of any other designation by Association, the President of Association shall have this authority.

K. INDEMNIFICATION - The Association shall indemnify, defend and save Agent harmless from all suits, losses, liabilities or claims brought against Agent arising out of, connected with, or related to Agent's management of the Association or Association's property, unless it is judicially determined that Agent engaged in intentional misconduct or acted with gross negligence. The Association shall pay all expenses incurred by Agent as a result of any such indemnified claim or action, including, but not limited to, all attorneys' fees, costs and expenses.

All provisions of this Agreement that require the Association to insure and to defend, reimburse or indemnify Agent shall survive any termination of this Agreement. If Agent is or becomes involved in any proceeding or litigation by reason of having been the Association's Agent, such insurance and indemnification provisions shall apply as if this Agreement were still in effect.

L. ASSOCIATION INSURANCE COVERAGE - The Association shall carry, at its own expense, public liability, property and casualty coverage, Directors & Officers Liability coverage and any such other insurance as may be necessary or appropriate. Such insurance policies shall name Agent as an additional insured, and coverage shall be adequate to protect the interests of both parties and in form, substance, and amounts reasonably satisfactory to Agent. The Association shall provide Agent with duplicate copies of such policies within thirty (30) days from the date of execution of this Agreement; or Agent may, but shall not be obligated to, purchase such insurance and charge the cost thereof to the account of the Association. Said policies of insurance or a written endorsement thereto shall provide (1) that thirty (30) days advance written notice of default, nonrenewal, cancellation, or modification to the terms of a policy shall be sent to Agent as well as to the Association, (2) that coverage of Association and Agent shall be several and independent and not joint, (3) for contractual indemnification of Agent under this Agreement, and (4) that the Association's insurance policies on which Agent is an additional insured are primary and Agent's own insurance coverages are secondary.

M. 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 where Association's property under management by Agent is located. If any part of this Agreement shall be declared invalid or unenforceable, Agent shall have the option to terminate this Agreement by notice to the Association. The prevailing party in any action between the parties is entitled to recover reasonable attorney's fees and costs. This relief does not exclude other remedies provided by law.

N. NOTICE - Any notice required or provided for in this Agreement shall be in writing and shall be addressed as indicated below. Either party may change the address for notice by notice to the other party. Notice served by mail shall be deemed to have been served when deposited in the U.S. mail, correctly addressed and with adequate postage.

1. If to Agent: President, Sentry Management, Inc., 2180 West State Road 434, Suite 5000, Longwood, FL 32779

2. If to Association: Current President of Association at his or her home address

O. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Agent and the heirs, administrators, successors and assigns of Association.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this ____ day of _____, 2008.

WITNESS:

Fred Alton
Winter

GLENN LAKES ASSOCIATION, INC.

By: [Signature]
Title: PRES.

SENTRY MANAGEMENT, INC.

By: _____
James W. Hart, Jr., President