

**THE RIVERSIDE COURT CONDOMINIUM ASSOCIATION PHASE II
MANAGEMENT AGREEMENT**

AGREEMENT made and entered into as of this _____ day of _____, 198____, by and between THE RIVERSIDE COURT CONDOMINIUM ASSOCIATION PHASE II, INC., a Louisiana not-for-profit corporation (the "Association") and DRUMM REAL ESTATE MANAGEMENT, INC., a Louisiana corporation ("Agent").

THE PARTIES HEREBY AGREE:

1. Appointment of Agent: Subject to the terms and conditions set forth herein, the Association hereby employs and appoints Agent and Agent hereby undertakes to act as the exclusive agent of the Association to supervise the maintenance, repair, replacement, administration and operation (the "Management") of the premises located and commonly known as THE RIVERSIDE COURT CONDOMINIUM PHASE II, Metairie, Louisiana (the "Property"), which has been submitted to the LOUISIANA CONDOMINIUM ASSOCIATION ACT pursuant to a duly recorded Declaration of Condominium Ownership, as amended from time to time (the "Declaration"). Agent shall make its best effort to supervise the management of the overall policies established by the Association and the applicable budget approved by the Association from time to time (the "Budget").

2. Term: The initial term of this Agreement shall be one year, commencing on the effective date hereof _____ 1, 198____, and shall continue thereafter from year to year, in full effect, unless terminated by written notice of not less than thirty (30) days given by either party to the other. In the absence of such notice, the agreement shall be automatically renewed.

3. Compensation: The Association shall pay Agent, as compensation for the services to be performed hereunder, the sum of NINETEEN THOUSAND EIGHT AND NO/100 (\$19,008.00) DOLLARS per year, payable in monthly installments of ONE THOUSAND FIVE HUNDRED EIGHTY-FOUR AND NO/100 (\$1,584.00) DOLLARS commencing on the effective date hereof.

4. Necessary Personnel: On behalf of the Association, and based upon the budget, job standards and wage rates approved by the Association, Agent shall investigate, hire, pay supervise and discharge all on-site personnel (including without limitation, on-site personnel (including without limitation, on-site manager office personnel, maintenance men, maids, janitors and bookkeepers) necessary to be employed by the Association in order to properly maintain, repair, replace, administer and otherwise operate the Property ("necessary personnel"). Such necessary personnel shall be, in every instance, employees of the Agent and not employees of the Association; and all expenses, including but not limited to salary, workmen's compensation, employees benefits, etc. shall be considered an operating expense of the Association. All such necessary personnel shall be supervised, in every instance, exclusively by Agent, and the Association shall not directly or indirectly exercise any supervision over or otherwise oversee such necessary personnel.

5. Duties and Services: Agent shall supervise and oversee the aforesaid necessary personnel so as to render and perform the following duties and services:

(a) Collect and receive all monthly assessments, special assessments and other charges due the Association from its members and collect and receive any sums which may become due from Unit Owners for other services or use of facilities provided by the Association, or which may become due from lessees of the Common Elements. The Association hereby authorizes the Agent to request, demand, collect, receive and receipt for any and all assessments, charges, rents or other such sums which may at any time be or become due the Association and to take such action with respect thereto as the Association may authorize, including without limitation, foreclose any lien which the Association may have at any time against the Unit for unpaid assessments.

(b) Cause the Property to be maintained according to recognized standards, including cleaning, painting, decorating and such other annual maintenance and repair work as may be necessary, subject to limitations imposed by the Association

in addition to those contained herein. The Association hereby authorizes Agent to enter into agreements on behalf and in the name of the Association for the purpose of maintaining the Property according to said standards. Except as provided below, Agent shall not cause the Association to incur any cost other than as provided in the Budget or except as otherwise specifically approved by the Association, provided, however that, notwithstanding the foregoing, Agent may cause the Association to incur any cost or expense for any emergency repair or replacement which may be necessary for the preservation and safety of the Property or any part thereof or the safety of its Occupants, or which may be required to avoid the suspension of any vital service to the Property or its Occupants. It is specifically understood that Agent shall not cause the Association to incur any capital expenditures (as determined under standard accounting practices) unless set forth in the Budget or otherwise specifically approved by the Association. Agent shall establish, implement and maintain, on a regular basis, a preventive maintenance program for all real and personal property, as approved by the Board, reflecting useful life cycles of common element components and/or equipment. Agent shall supervise the operations of all subcontractors who perform work for the Association, including but not limited to investigation as to bonding, insurance, materials, workmanship, and warranties.

(c) Take such actions as may be necessary to promptly comply with any new order or requirements, affecting the Property, by any governmental agency having jurisdiction thereof, unless the Association gives Agent specific notice that it intends to contest such order or requirement and specifically instructs Agent not to comply with same. Agent promptly shall notify the Association of any such order or requirement upon Agent's receipt of actual notice thereof, and shall promptly submit to the Association, a copy of any such notice received in written form by Agent.

(d) From the funds of the Association, cause to be paid regularly and punctually:

(1) All taxes due and payable by the Association, subject to the provisions of Paragraph 8 below;

(2) All building inspection fees, water rates and other governmental charges due and payable by the Association;

(3) All sums which become due and payable constituting operating costs, expenses or other obligations incurred by Agent on behalf of the Association, including without limitation, Agent's compensation hereunder; and

(4) Such other amounts or charges as may be authorized by the Association from time to time.

(e) In conjunction with such accounting personnel as may be employed by the Association, prepare for execution and filing by the Association, all forms, reports, and returns required by law in connection with unemployment insurance, Workmen's Compensation insurance, disability benefits, social security, withholding taxes and other required forms, reports and returns as may relate to the management of the Property and the employment of necessary personnel by the Association.

(f) Maintain a record of all receipts and disbursements and assets and liabilities of the Association in accordance with accepted practices, which shall be subject to examination by the officers, directors and duly authorized agents of the Association during reasonable business hours. Agent shall submit to the Association, not later than the twentieth (20th) day of each succeeding month, a statement of the Agents receipts and disbursements with respect to the Property during the prior month.

(g) Prepare and submit to the Association at least ninety (90) days prior to the next fiscal year such information as the Association may reasonably request for its use in preparing an annual budget of anticipated receipts and disbursements with respect to the Property to serve as the basis upon which the Board of Directors of the Association may establish the monthly assessments to be paid by the Unit Owners.

(h) Provided such insurance has been specifically authorized and approved by the Association in writing, cause to be placed and kept in force all

insurance necessary to protect the Association, with limits by the Association, including without limitation, Workmen's Compensation insurance, public liability insurance, plate glass insurance, boiler insurance, fire and extended coverage insurance and burglary and theft insurance.

(i) Promptly investigate and notify the Association of any accident or claim from damages which Agent has actual notice of, relating to the ownership, operation and maintenance of Common Elements of the Property, including any damage or destruction thereto, and cooperate with and make such reports as are required by and insurer in connection therewith.

(j) Make its best efforts to secure compliance by the Unit Owners and Occupants of the Property, with the Declaration, the By-Laws of the Association and such rules or regulations established by the Association from time to time.

(k) Assist, examine, supervise and keep the Board of Directors of the Association advised regarding the status of all common area contract services related to the Property. The agent shall also provide the following services, if requested by the Board of Directors:

(1) Provide a secretary for the Board to take the Minutes of the Board of Directors meetings.

(2) Coordinate the distribution of Minutes of the meeting to Board member for their approval.

(3) Appoint an Activities Director to coordinate editing and publishing of monthly Newsletter and organize activities for residents of the building (such as bingo, bridge, etc.), should there be any interest in the building.

(4) Provide the necessary financial information at the Board of Directors meetings to keep the Board informed regarding financial condition of the Association.

(5) Require the Property Manager to attend Board of Directors' meetings.

(6) Assist the Board in the development of standing and special committees in the buildings.

(l) Develop and monitor an investment program as approved by the Board to optimize earnings on excess revenues and invest all such excess revenues in interest-bearing accounts as directed by the Board.

(m) Management shall maintain a current record file containing papers relative to administration and ownership of the Condominium. Such file shall include a complete roster of Unit Owners, tenants, first mortgagees, pets and other data necessary to properly administer the Association's affairs.

(n) Assist the Association in developing good communications with Unit Owners and a high level of Unit Owner participation in the affairs of the Condominium. Further, Agent shall assist in the proper organization of meetings of the Association, including preparation of reports, selection of materials and procedures and receiving necessary personnel, and shall assist the Board in securing good attendance at the Association's meetings.

6. General Authority: The Association hereby authorizes Agent to:

(a) Enter into agreements on behalf of the Association for water, electricity, gas, telephone, vermin extermination, scavenger services, and such other services as may be necessary or as the Association may determine advisable. All such agreements shall be in the name of the Association.

(b) Purchase on behalf of the Association such equipment, tools, appliances, materials and supplies as are necessary for the proper management of the Property. All such purchases shall be in the name of the Association. Agent shall maintain an inventory of all such purchased items.

(c) Cause to be placed and kept in force any and all insurance authorized and approved by the Association in writing and necessary to protect the Association, including, but not limited to, insurance listed in Paragraph 5(h) above. All such insurance shall be placed and kept in force in the name of the Association and the owners of units in the condominium, and any mortgagees who have a valid first mortgage against the property.

7. Bank Accounts: The Association authorizes Agent to establish in such a manner as to indicate the trust or custodial nature thereof, and to maintain the funds of the Association on deposit in, one or more accounts in one or more banks having deposits insured by the Federal Deposit Insurance Corporation and doing business in Metairie, or New Orleans. The Association hereby authorizes Agent to draw upon or disburse such funds to discharge any liabilities or obligations incurred by the Association or Agent pursuant to this Agreement (including without limitation, the Association's obligation hereunder to pay Agent's compensation), all such payments being subject to the limitations of this Agreement. All such liabilities or obligations shall be paid by Agent solely out of said account and if the funds on deposit in said account are inadequate, the Association agrees to provide Agent with additional funds.

8. Taxes: The Association assumes responsibility for and shall prepare and file all tax returns related to the Property and make such payment as may be required in connection therewith, including, but not limited to, federal, state and local income tax returns, personal property taxes and corporate filing fees.

9. Annual Meetings: At least one employee of Agent shall attend each annual, quarterly or special meeting of the Board of Directors and each annual meeting of the Unit Owners, provided the Board gives Agent not less than three (3) business days notice of any such meeting at which agent is to be so present. The Association shall pay Agent's reasonable expenses incurred in connection with the preparation of any reports required by the Board of the Unit Owners, and shall pay Agent's expenses incurred in connection with attending any such meeting, provided Agent's attendance at such meetings is required in excess of once a month.

10. Agents Scope of Duty: All acts performed by Agent pursuant to the provisions of this Agreement shall be performed solely as Agent on behalf of the Association, and all obligations or expenses thereby incurred shall be solely for the account of, and on behalf and at the expense of, the Association. Agent shall not be obligated to make any advances to or for the account of the Association, or discharge any liability or obligation of the Association, except out of the funds of the Association, as provided in Paragraph 6 hereof, nor shall Agent be obliged to incur any liability or obligation on behalf of the Association unless the necessary funds for discharging the same are provided to the Agent, in accordance with paragraph 6 hereof. Agent's duties, obligations and responsibilities under the Agreement are limited and restricted to the management of the Common Elements of the Property. Such duties, obligations and responsibilities shall not encompass any involvement with construction details or any other work which may be necessary for any Unit Owner to obtain initial possession of his unit.

11. Office Facilities: At the option of Agent, the Association shall furnish the Agent, at the Association's sole expense, with office space, furniture, equipment and supplies adequate and necessary for Agent to perform its obligations, responsibilities and duties under the Agreement, and shall pay all expenses incurred in connection with the maintenance of operation thereof, including without limitation, charges for air conditioning, heating, electricity and telephone services and equipment.

12. Signs: Agent is hereby granted the right, at its option to erect and maintain on the Property, a sign which is visible to the public, identifying Agent as the managing agent of the Property. The wording, size, location and other characteristics of any such sign shall be at the reasonable discretion of Agent, provided, however, the same shall comply with the regulations of any governmental agency having jurisdiction over the same.

13. Indemnification: The Association shall indemnify and hold Agent harmless from and against all operating costs, court costs, attorney's fees, penalties or damages, of any kind whatsoever, incurred in connection with or resulting from (a) the management of the Property, except for any such costs, fees, penalties or damages which are incurred or result from the misfeasance, negligent act or omission of Agent;

(b) liability arising out of injuries sustained by persons or to property in or about the Property; (c) use or occupancy of the Property by any person; (d) any violation of federal, state or municipal law, regulation or ordinance; and (e) any claim for taxes or other charges which may be made against Agent by reason of or related to the management of the Property. Amounts payable to the final disposition of the matter related thereto, upon receipt of an undertaking by or on behalf of Agent to repay such amount if it shall ultimately be determined that the Agent is not entitled to be indemnified therefore by the Association, as provided hereunder. The indemnification provided for herein shall not be deemed exclusive of any other rights to which Agent may be entitled, and shall continue after Agent has ceased to be employed under this Agreement.

14. Liability and Compensation Insurance: The Association shall carry and maintain, at its sole expense, all liability and compensation insurance necessary and adequate to protect the interests of the Association and Agent, which policies shall be written so as to protect Agent in the same manner and to the same extent as the Association is thereby protected.

15. Notices: All notices desired or required to be sent pursuant to the provisions of this Agreement shall be in writing and shall be either delivered personally or deposited in the United States Mail, sent certified, return receipt requested, addressed as follows:

If to the Association:

President, The Riverside Court Condominium Association Phase II
Manager's Office, Riverside Court Condominiums Phase II
6220 Ackel Street
Metairie, Louisiana 70003

If to the Agent:

Drumm Real Estate Management, Inc.
c/o Carolyn Head
1250 Poydras Street, Suite 2145
New Orleans, Louisiana 70113

or addressed to such other address as the party to receive such notice may direct, from time to time, by not less than five (5) days notice to the other party.

16. Successors and Assigns: Either party hereto may assign their rights, title and interest in and to the Agreement, and this Agreement shall be binding upon and insure the benefit of such assignee(s), and the respective successors of the parties hereto.

17. Captions: The captions and headings of various paragraphs of the Agreement are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18. Definitions: any reference in the Agreement to any action, approval, authorization or determination by or right of the "Association" shall be deemed to refer, respectively, solely to the action approval, authorization or determination of or the right assertable by the Association acting by its duly elected Board of Directors, pursuant to resolution duly adopted thereby, or by its duly authorized officer. Except as otherwise provided herein, the terms used in the Agreement shall have the same definition as set forth in the Declaration, to the extent such terms are defined therein.

19. Severability: If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, void or unenforceable as then written, it is the parties' intent that such provision shall be given force to the fullest possible extent that is legal, valid, lawful and enforceable; that the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void or unenforceable provision were not contained therein; and the rights, obligations and interests arising under the remainder of this Agreement shall continue in full force and effect.

20. Compliance with Louisiana Law: This Agreement shall be governed by the Louisiana Condominium Act.

21. Entire Agreement: This Agreement contains the entire understanding between the parties as to the subject matter hereof. All prior negotiations and all prior understandings and agreements with respect to such subject matter are hereby deemed merged into this Agreement. Amendments, revisions and riders hereto, if any, shall be deemed binding only if in writing and executed by all parties to the Agreement.

IN WITNESS THEREOF, each party hereto has caused this Agreement to be executed on its behalf by an officer of its corporation.

THE RIVERSIDE COURT CONDOMINIUM ASSOCIATION
PHASE II, INC.

BY: _____

DRUMM REAL ESTATE MANAGEMENT, INC.

BY: _____