

**NORBECK HILLS HOMEOWNERS ASSOCIATION
SWIMMING POOL MANAGEMENT AGREEMENT**

THIS SWIMMING POOL MANAGEMENT AGREEMENT is made and entered into this 5th day of January 2009, between RSV Pools, Inc. hereinafter referred to as "CONTRACTOR"), having its principal office at 19200-G Chennault Way, Gaithersburg, MD 20879 and the Norbeck Hills Homeowners Association (hereinafter referred to as "OWNER"), the OWNER of one swimming pool facility located 17580 MacDuff Avenue, Olney, Maryland 20832, referred to as the "Property"). The Management Group Associates, Inc., (hereinafter referred to as "AGENT") is the authorized management agent for the OWNER, to provide for the operation, maintenance and management by the CONTRACTOR of the OWNER'S swimming facilities and related appurtenant facilities located at the Property (collectively known as the "Pool").

PART I - GENERAL SPECIFICATIONS

LOCATION: 17580 MacDuff Avenue, Olney, Maryland 20832

TIMES AND DATES OF OPERATION:

Opening Date: Saturday, May 23, 2009 **Closing Date:** Monday, September 7, 2009

POOL HOURS:

Monday:	11:00 a.m. to 8:00 p.m.	Friday:	11:00 a.m. to 8:00 p.m.
Tuesday:	11:00 a.m. to 8:00 p.m.	Saturday:	11:00 a.m. to 8:00 p.m.
Wednesday:	11:00 a.m. to 8:00 p.m.	Sunday:	11:00 a.m. to 8:00 p.m.
Thursday:	11:00 a.m. to 8:00 p.m.	Holiday:	11:00 a.m. to 8:00 p.m.

Guards will be staggered in and out of the pool on the following schedule during normal pool hours of operation.

- A. The Manager or Assistant Manager will be present one hour before opening to clean facility and balance pool chemicals.
- B. The second guard will be scheduled for opening of the pool.
- C. The third guard will be scheduled one hour after the opening of the pool.
- D. The fourth guard will be scheduled two hours after the opening of the pool.

(Note: Clean up procedures to prepare for the following day will begin 2 hours prior to close.)

- E. One guard will be scheduled to leave one hour prior to pool closing leaving three guards present for the last hour of operation.

****All staff will arrive 10 – 15 minutes before their scheduled shift in order to begin work promptly at their scheduled start time.**

During any public school day, the pool will be open from 4:00 pm to 8:00 pm at the beginning of the season and at the end of the season. Please check Montgomery County school session dates when bidding on the contract.

*Four guards will be present open to close during any public school day within the pool season.

PERSONNEL:

Manager: 1 Lifeguards: 4 with one part time at 31 hours per week.

Assistant Manager: 1

* The Manager or Assistant Manager (Operator) will be present at all times that the facility is open.

Total Man-hours per week: 231

Compensation to CONTRACTOR:

OWNER agrees to pay CONTRACTOR in the amount of \$51,000.00

Optional price for an additional 18-hours per week for weekend gate guard. \$156/per weekend

OWNER agrees to pay CONTRACTOR in six (6) monthly payments in the amount of \$8,500.00 beginning April 2009 through September 2009.

NOW THEREFORE, in consideration of the promises and of other good and valuable consideration and receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

PART 2 - OPENING POOL - BASIC SERVICE

The CONTRACTOR will render the swimming pool operational by completing the following services:

- A. Inspect the pool, its premises, and plumbing.
- B. Reassemble bathhouse and pool freshwater system and advise owner of needed repairs.
- C. Drain the pool.
- D. Acid wash the pool.
- E. Check all equipment and facilities.
- F. Fill pool and inspect recirculation and filtration cycles.
- G. Install diving boards, ladders, and guard chairs.
- H. Prepare the bathhouse for use.
- I. Check previous year's inventory (if available).
- J. Cooperate with any contractors in preparing pool for operation.
- K. Backwash and vacuum pool.
- L. Have pool in operational condition at time of opening.
- M. CONTRACTOR will advise OWNER of all needed repairs to pool and pool compound within 30 days after the execution of this contract.
- N. Schedule and be present for any required County Health Department Standard Inspection.

- O. Apply for all necessary permits that are required for the operation of the pool (Health Department, electrical, plumbing, etc.). Payment will also be the responsibility of the CONTRACTOR.

The OWNER will be responsible for the following items by April 15, 2009:

- A. Provide CONTRACTOR with copies of any Health Department notices of violation promptly when received by OWNER.
- B. Provide CONTRACTOR with three sets of keys to the pool enclosure and facilities. Keys cut by CONTRACTOR will be billed to the OWNER.
- C. Provide adequate receptacles at the pool to contain debris removed from the pool area after cleaning is completed.
- D. Prepare the bathhouse for use:
 - 1. Complete all building repairs such as broken windows or doors, toilet partitions, drywall, etc.
 - 2. Provide soap, towels, tissue and other consumable supplies as needed.
 - 3. Complete any needed plumbing repairs. Hot water heaters must be made operational to pass pre-opening inspection.
 - 4. Paint interior and exterior of bathhouse if required.
 - 5. Inspect the electrical system, repair the system as required and supply and install all light bulbs as needed.
 - 6. Provide working locks on all doors, gates and windows.
- E. Provide the CONTRACTOR with a copy of its premise liability insurance policy providing coverage for the subject premises, including the pool area, which liability insurance coverage shall be primary insurance coverage as between OWNER and CONTRACTOR.
- F. Have telephone hooked up by May 1, 2009.
- G. Complete any needed repairs inside pool enclosure, such as concrete deck, caulking, area lights, etc.
- H. Supply adequate parking for pool personnel.

PART 3 - MAINTENANCE OF POOL

A daily inspection will be made of the pool to inspect and clean the facilities. **A general cleaning will be performed in the morning, prior to opening, and in the evening.** The CONTRACTOR will be responsible for the following:

- A. Maintaining water purity, in conformance with the Health Department
- B. Operating pool in accordance with recognized safety rules and enforcement of OWNER'S Swimming Pool Rules, copy of which is attached hereto.
- C. Clean bathhouse and offices.
- D. Vacuuming pool and general cleaning of surrounding pool area.
- E. Performing other cleaning functions necessary to maintain the pool enclosure.

PART 4 - CHEMICALS

The CONTRACTOR is responsible for providing, at his expense, all test kits, reagents, chemicals, algacide necessary to properly operate the pools.

PART 5 - SUPPLIES AND MATERIALS

All janitorial supplies (such as soap, brushes, toilet paper, first aid items, rubber gloves), and other expendable items needed for the operation of the pool shall be the sole responsibility of the CONTRACTOR.

In addition, CONTRACTOR will provide, at his own expense, the following pre-opening supplies and repairs for each pool:

- A. Restock commercial first aid kit.
- B. Repaint depth markers
- C. Repaint deck warning signs (blue paint on white background).
- D. Provide one CPR unit for each guard chair.

PART 6 - PERSONNEL

- A. All personnel employed by the CONTRACTOR for work under this Agreement shall be employed solely by the CONTRACTOR and will be employees of the CONTRACTOR. The CONTRACTOR will be responsible for paying these employees and shall pay all Social Security, Worker's Compensation, and other taxes incident to the work of said employees.
- B. All lifeguards employed by the CONTRACTOR shall have proper Red Cross certification.
- C. The CONTRACTOR, if requested by the OWNER, shall supply additional personnel at a fee of \$18.00 per hour per lifeguard, and \$18.00 per hour per Pool Operator.
- D. OWNER agrees to inform CONTRACTOR of any activities conducted at the pool during non-operating hours. The OWNER shall be liable for payment of any lifeguards and/or insurance during such activities. The OWNER shall assume sole liability for any function held at the pool in which alcohol is available, whether the function is held during contracted pool hours or not. OWNER agrees to and does hereby indemnify CONTRACTOR and save it harmless and shall defend it from and against any and all claims, damages, liability and judgments in connection with personal injury and/or damage to property arising from or out of maintenance, operation or use by the OWNER and/or its agents, servants, employees, invitees, licensees, contractors and/or trespassers.

PART 7 - POOL INSTRUCTION AND RELATED ACTIVITIES

The CONTRACTOR may conduct swimming and diving lessons, taught by qualified personnel for a fee, subject to the approval of the OWNER. Such instruction will be offered privately or in groups and will not interfere with the regular pool operation. Fee for the above mentioned instruction shall be mutually agreeable to CONTRACTOR and OWNER.

PART 8 - SUPERVISORY AGREEMENT

The CONTRACTOR agrees to conduct a minimum of one (1) written inspection per week of the pool compound and advise OWNER of the general pool operation. The CONTRACTOR further agrees to act as a consultant with the OWNER representative and meet with him/her periodically to discuss pool operation and related problems.

PART 9 - EMERGENCY CLOSING OF POOL

The OWNER and/or CONTRACTOR may close the pool in an emergency situation, whether the emergency is caused by breakdown of equipment, or by other causes outside the CONTRACTOR'S control. The

CONTRACTOR shall refund twenty-five percent (25%) of the cost saved during the first 1 to 10 days. Should a time lapse of more than ten (10) days be necessary to perform repairs and/or restore the pool to normal operations, the CONTRACTOR shall refund fifty percent (50%) of the daily operating cost from the tenth day on a pro-rated basis. This is to be computed at one percent (1%) of the total contract cost until such time as the pool is reopened for normal operation.

PART 10 - CLOSING AND WINTERIZATION OF POOL

The CONTRACTOR will perform the following services necessary to close and winterize the pool:

- A. Drain all pumps that require draining (if possible).
- B. Uncover and drain hair and lint strainer.
- C. Drain all recirculating and vacuum lines that require draining and are so constructed that they can be drained.
- D. Backwash and drain filters (if possible).
- E. Fill all bathhouse fixtures with antifreeze and drain drinking fountain.
- F. Store all first aid equipment.
- G. Store testing equipment and diving board.
- H. Open to 1/2 maximum all valves that are required to be open.
- I. Secure and store chlorinator.
- J. Drain and store hoses, guard chairs, ladders, and pool furniture.
- K. Inspect equipment and machinery.
- L. Inspect all visible plumbing.
- M. Notify OWNER/AGENT on completion of pool closing.
- N. Secure and lock pool compounds, and return keys to OWNER.
- O. Submit list of repair recommendations for the following season.
- P. CONTRACTOR will not be responsible for freeze damage if pipes are below their drain points.
- Q. CONTRACTOR will not be responsible for freeze damage when main water cutoff is not readily accessible or in an unsecured area.
- R. Install winter algaecide at CONTRACTOR'S expense.

PART 11 - WINTER SERVICE

The CONTRACTOR will perform the following services on a monthly basis during the months of November through February:

- A. Inspect cover and re-secure, if necessary.
- B. Clean debris from cover.
- C. Drain wading pool.
- D. Lower main pool water level.
- E. Inspect both facilities for any winter damage.
- F. Inspect and ensure the operation of heat tape.
- G. Boost algaecide level (if originally supplied).
- H. Blow leaves from deck.
- I. Inspect fence.
- J. Inspect pumps.
- K. Provide a detailed report to the AGENT of the Norbeck Hills Homeowners Association.

PART 12 – UTILITIES

The OWNER shall provide water, electricity and gas (if needed) for the operation of the pool. The OWNER shall provide telephone service and shall be solely responsible for the payment of these aforementioned services. An operable telephone must be available to the guards at all times in order for the pool to be open. OWNER will restrict telephone so long distance calls cannot be made from the pool.

PART 13 - TIME CLAUSE

The CONTRACTOR has the option to void this Agreement if it is not signed and returned to him by the OWNER within thirty (30) days after the date of this Agreement.

PART 14 - ADDITIONAL OPERATIONAL SERVICE

- A. CONTRACTOR shall maintain Liability Insurance in the amount of Five Million Dollars (\$5,000,000) to cover accidents and injuries directly due to the negligence of CONTRACTOR or its employees, including loss of life that may be sustained by any patron or guest of the pool, within areas supervised by CONTRACTOR during contracted pool hours. It is expressly agreed and understood that CONTRACTOR shall not be liable or responsible to any person for any loss, injury and/or damage sustained by any person as a result of the use of the pool or its facilities; 1) in violation of this Agreement and 2) at dates and times other than as expressly provided herein. CONTRACTOR shall not be liable for any damages resulting from any mechanical failure or equipment, damage to the pool due to faulty construction, defective workmanship or hydrostatic conditions.
- B. The CONTRACTOR will advise the OWNER of needed repairs during the operating season. All repairs needed to render the pool in operational condition will be made by the OWNER at his expense. The CONTRACTOR, if requested by the OWNER, will arrange for and supervise the work.
- C. REPAIR BILLS AND INVOICES: It is agreed and understood that the OWNER shall pay all repair bills and invoices submitted to OWNER by CONTRACTOR on a net 30 day basis. It is agreed and understood that this covenant is an independent covenant of this contract and that notwithstanding any alleged breach of any other covenant under this contract that the said repair orders and invoices are due and payable on a net 30 day basis.
- D. In the event that OWNER shall become bankrupt, insolvent, or shall make a voluntary assignment for the benefit of creditors, CONTRACTOR, at its option, may terminate this Agreement upon thirty (30) days notice.
- E. CONTRACTOR shall require all pool users to produce an appropriate pool pass prior to entry into the pool. With respect to guest fees, CONTRACTOR shall collect said fees as provided in the pool rules, provide written receipts from a numbered receipt book provided by OWNER, maintain a daily accounting of monies received and remit monies received biweekly to an authorized representative of the OWNER'S Board of Directors.

PART 15 - INTEREST ON ARREARAGE

It is agreed and understood that in the event any sums of money which are due to CONTRACTOR under and by virtue of this Agreement are not paid in full by OWNER within 30 days subsequent to the receipt of an invoice for the same, and sum shall bear interest at the rate of 1 1/2% per month. This provision shall be applicable in addition to any rights and remedies which the CONTRACTOR may have under any other provisions of this Agreement.

PART 16 - GOVERNING LAW

This Agreement shall be governed and construed in accordance with the law of the State of Maryland.

PART 17 - BINDING EFFECT

The terms and provisions of this Agreement shall be binding on and inure to the benefit of the OWNER, its successors and assigns, and shall be binding on and inure to the benefit of the CONTRACTOR and its successors and assigns. Neither party shall assign, pledge or encumber in any way all nor any part of the party's interest under this Agreement without the prior written consent of the other party.

PART 18 - EXTENSION OF DAYS OF OPERATION

The CONTRACTOR shall, if requested by the OWNER, operate the pool beyond the aforementioned dates and times at a cost of not more than 1.5% per day based on the total amount of the contract price. If the pool is extended for weekends only, an additional cost of 1% for each weekend will be assessed for mid-week maintenance. The dates and times must be mutually agreeable to CONTRACTOR and OWNER.

PART 19 - RECITALS

- A. If CONTRACTOR fails to perform its obligations under the Agreement in a manner satisfactory to the OWNER, the OWNER may give written notice of any deficiencies to the CONTRACTOR and if the CONTRACTOR has not cured such deficiencies to the satisfaction of the OWNER within 15 days after delivery of such written notice, the OWNER may terminate the Agreement without charge or penalty giving 15 days written notice of termination.
- B. CONTRACTOR hereby indemnifies and holds harmless the OWNER, its members, directors, officers, agents and employees from and against any and all claims, damages or causes or action arising as a result of the actions of the CONTRACTOR or its employees or agents, in connection with the performance of the Agreement or in connection with any acts or omissions of the CONTRACTOR or its agents or employees which occur on or about the property of the OWNER, or the property of any member of the Association.
- C. Except as modified herein, the Agreement is hereby ratified and confirmed and remains in full force and effect.

PART 20 - GENERAL PROVISIONS

- A. The entry of the parties to this Agreement is subject to the approval of the OWNER.
- B. This contract can be canceled upon 30 days written notice by either party with or without cause.
- C. The performance of any part of the work or delivery of any of the materials by the CONTRACTOR shall constitute an acceptance of all of the terms and provisions of this Agreement if written or oral authorizations, request or notice to proceed has been given to the OWNER.
- D. Prior to commencement of the work or delivery of any of the materials by the CONTRACTOR, at its expense, shall obtain and maintain Worker's Compensation Insurance in the required statutory amounts and a policy of Comprehensive Public General Liability Insurance naming the OWNER and Agent against liability for injury to persons or property arising during the performance of the work hereunder. Such policy shall provide limits of at least two hundred thousand dollars (\$200,000) and in the case of

- death or injury to persons from any one accident and CONTRACTOR shall promptly provide OWNER with certificates evidencing such insurance coverage.
- E. The CONTRACTOR shall indemnify and hold the OWNER and Agent harmless of all loss, cost or damage due to any act or omission by the CONTRACTOR, its Agents and employees, and shall pay reasonable fees incurred by the OWNER and/or Agent because of such act or omission. Any payments due the CONTRACTOR under this Agreement may be retained by the OWNER and/or Agent at its option until all such claims have been settled or otherwise disposed of and evidence to the effect furnished to the satisfaction of the OWNER and/or Agent.
- F. The CONTRACTOR shall comply with all statutes, ordinances, and rules and regulations applicable to the work under this Agreement and shall obtain and pay for all licenses, permits and consents which may be necessary for the performance of such work. All provisions of federal, state, county or city laws or regulations which are implied or expressly incorporated into or govern this Agreement, including, but not limited to those pertaining to wages, hour, labor relations, employment discrimination, renegotiations, excise taxes, bonds, etc., shall affect and govern this Agreement wherever pertinent and to the extent applicable to the work included under this Agreement.
- G. All claims for extension of time and damage for delay or otherwise shall be presented to the OWNER, in writing. Claims for extras will not be recognized unless they have been previously approved by the OWNER, IN WRITING. This Agreement shall be subject to all future change orders and modifications lawfully instituted by the OWNER wherever applicable to the work included under this Agreement.
- H. At the request of the OWNER, the CONTRACTOR shall provide a representative to be present at any progress meeting called by the OWNER.
- I. The CONTRACTOR shall release any and all liens upon payment in full under this Agreement.
- J. In the event that the CONTRACTOR causes any unnecessary or unreasonable suspension or delay in the work, or fails to supply proper labor and materials, or does not comply with all other obligations incurred by it in connection with its performance of the work, OWNER shall have the right to hire another contractor for the purpose of supplying materials under this Agreement or to contract for its performance and to surcharge the CONTRACTOR for all expenses and damages resulting there from. Failure of the OWNER to exercise its rights under this paragraph with respect to any default of the CONTRACTOR shall not be construed as a waiver of any claim for additional damages by the OWNER for a breach of any other provision of this Agreement by the CONTRACTOR.
- K. The contract will be proposed for with the option for a second and a third year.
- L. The OWNER has the right to withhold \$2,000 per pool from the final payment of the management contract. The Board of Directors and a representative of the CONTRACTOR will meet three (3) times throughout the course of the summer. At each meeting, the Board will rate the pool operation based on a scale to be developed by the OWNER. If the Board is not satisfied with the operation and rates the pool(s) poorly; all or a portion of this performance incentive will be withheld.

PART 21 - ADDITIONAL PROVISIONS

- A. Each Pool Manager will be a minimum of 21 years of age and have at least two years management experience. The Assistant Manager will be a minimum of 19 years of age and will have at least one year of management experience.
- B. The entire pool staff will be certified in CPR and will be required to be in uniform at all times while on duty at the pool.
- C. During inclement weather, the pool will remain open unless otherwise agreed upon by the Owner or Agent. The staff will remain to clean the bathhouse, pool area, etc. The pool will then reopen once the weather has cleared.

D. If the Board of Directors is not satisfied with the pool management performance at the end of the season, the final invoice will be held until a refund in an unspecified amount is negotiated.

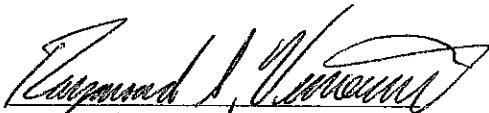
Part 22 – SPECIAL CONTRACTOR PERFORMANCE CONDITIONS

The pool contractor shall provide for and shall enforce the following:

- 1) No congregation around the guard office and guard stands.
- 2) Ensure that staff does not have guests at the guard office or in the pool facility.
- 3) Have available rubber pants for sale at the guard office.
- 4) Enforce the two guests per member entry rule and none of the guests entering can be suspended due to Board action.
- 5) Ensure that the Pool Manager/Operator needs to be on-site and dedicated to us.
- 6) Enforce the use of sign-in and sign-out sheets by homeowners and guests.
- 7) Have available permission slips and accident/incident report forms (required to be filled out in accordance with Montgomery County Laws).
- 8) Ensure that no loitering is allowed at the pool, particularly at the entrances to the facility and at the exits of the shower rooms (the Pool Contractor is instructed to call the police, if there is any resistance by pool members to requests for them to disperse.)
- 9) Understand we will require homeowners to be current within 60 days for assessments and have no AECC violations.
- 10) Understand that no person with a violation may be a guest of another member in good standing.
- 11) Provide a weekly report of suspensions (the reporting period, if Friday AM to Thursday PM and the report shall be delivered every Friday) to management by fax for review by the Board throughout the summer.

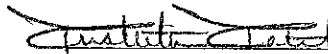
This contract embodies the entire understanding between the parties, and there are no other agreements, representations or warranties in connection therewith. IN WITNESS WHEREOF, the parties hereto have signed this contract by their duly authorized representative and/or agents who represent that they have the express authority to enter this Agreement on behalf of each party. This contract is valid only if accompanied by PART 1 - GENERAL SPECIFICATIONS.

CONTRACTOR


Raymond S. Vincent, President
RSV Pools Inc.

Date: 1-6-09

Norbeck Hills Homeowners Association


Ruchita Patel, Agent

Date: 1/13/09



19200-G Chennault Way, Gaithersburg, MD 20879 Phone: 301-330-0073

SUCCEEDING YEAR ADDENDUM

This Addendum dated the 5th day of January, 2009 serves as an extension of the Agreement between RSV Pools, Inc. and Norbeck Hills dated January 5th, 2009.

RSV Pools, Inc. will extend the above Agreement to include services for swimming pool operation for the 2010 swimming pool season according to all specifications in the above mentioned contract from Memorial Day Weekend 2010 through Labor Day 2010. The total cost of such contract will be **\$51,000.00**, Fifty-One Thousand Dollars payable in six equal monthly installments from April through September.

In witness whereof, the parties hereof have caused these present to be signed and sealed on the 5th day of January 2009.

RSV Pools, Inc.

By: 

Raymond S. Vincent, President

In witness whereof, the parties hereof have caused these present to be signed and sealed on the 13 day of January, 2009.

Norbeck Hills Homeowners Association

By: 

Ruchita Patel, Agent



19200-G Chennault Way, Gaithersburg, MD 20879 Phone: 301-330-0073

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Norbeck Hills Homeowners Association

By: 

Ruchita Patel, Agent