

MANAGEMENT AGREEMENT CHECK SHEET (TIME-SHARE)

RE 648B (New 1/18)

SUBDIVISIONS

| | |
|---------------|---------------------------|
| PROJECT NAME: | PROJECT LOCATION (STATE): |
|---------------|---------------------------|

INSTRUCTIONS

- Business and Professions Code (BPC) 11267 includes, but is not limited to, provisions associated with a written Management Agreement (MA).
- Correct completion of this form will facilitate review of the proposed MA for the project. Incomplete and inaccurate information will prolong the review process.
- In the columns on the right side of each page in this form, insert the document code, the page number and preferably the paragraph heading where the provisions of this BPC section are located in the proposed MA.

Document Code

MA = Management Agreement
N/F = Not Found

N/A = Not Applicable

Example

MA p4 (4.1a)

- Include explanations for any N/A or N/F response.
- Applicants shall ensure all time share instruments adhere to any jurisdictional law that may apply.

BPC 11267 - Employment of Managing Entity

(a) The time-share instruments shall require the employment of a managing entity for the time-share plan or component site pursuant to a written management agreement that shall include all of the following provisions:

Document Code & Page
Reference & Section or
Paragraph Heading

(1) Delegation of authority to the managing entity to carry out the duties and obligations of the association or the developer to the time-share interest owners. . .

(2) Authority of the managing entity to employ subagents, if applicable.

(3) A term of not more than five years with automatic renewals for successive three-year periods after expiration of the first term unless the association by the vote or written assent of a majority of the voting power residing in members other than the developer determines not to renew the contract and gives appropriate notice of that determination. However, in those time-share plans where the association is controlled by owners other than the developer, the management agreement shall not be subject to the term limitations set forth in this section, and any longer term shall not be grounds for denial of a public report, unless the longer term of the management contract is the result of the developer exercising control.

(4) Termination for cause at any time by the governing body of the association. If the single site time-share plan or the component site of a multisite time-share plan is located within the state, then that termination provision shall include a provision for arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association if requested by or on behalf of the managing entity.

(5) Not less than 90 days' written notice to the association of the intention of the managing entity to resign.

(6) Enumeration of the powers and duties of the managing entity in the operation of time-share plan and the maintenance of the accommodations comprising the time-share plan.

- (7) Compensation to be paid to the managing entity. _____
- (8) Records to be maintained by the managing entity. _____
- (9) A requirement that the managing entity provide a policy for fidelity insurance or bond for the activities of the managing entity, payable to the association, which shall be in an amount no less than the sum of the largest amount of funds expected to be held or controlled by the managing entity at any time during the year, pursuant to the budget. The commissioner may provide a reduction in the insurance policy or bond amounts required by this paragraph. _____
- (10) Errors and omissions insurance coverage for the managing entity, if available. _____
- (11) Delineation of the authority of the managing entity and persons authorized by the managing entity to enter into accommodations of the time-share plan for the purpose of cleaning, maid service, maintenance and repair including emergency repairs, and for the purpose of abating a nuisance or dangerous, unlawful, or prohibited activity being conducted in the accommodation. _____
- (12) Description of the duties of the managing entity, including, but not limited to, the following: _____
 - (A) Collection of all assessments as provided in the time-share instruments. _____
 - (B) Maintenance of all books and records concerning the time-share plan. _____
 - (C) Scheduling occupancy of accommodations, when purchasers are not entitled to use specific time-share periods, so that all purchasers will be provided the opportunity for use and possession of the accommodations of the time-share plan, that they have purchased. _____
 - (D) Providing for the annual meeting of the association of owners. _____
 - (E) Performing any other functions and duties related to the maintenance of the accommodations or that are required by the time-share instrument. _____
- (b) Any written management agreement in existence as of the effective date of this chapter shall not be subject to the term limitations set forth above. _____
- (c) For single site time-share plans and component sites of a multisite time-share plan located outside of the state, the time-share instruments shall include the subject matter set forth in subdivision (a). The time-share instruments shall be in compliance with the applicable laws of the state or jurisdiction in which the time-share property or component site is located, and if a conflict exists between laws of the situs state and the requirements set forth in this section, the law of the situs state shall control. If the time-share instruments provide for the matters contained in subdivision (a), the time-share instruments shall be deemed to be in compliance with the requirements of subdivision (a) and the developer shall not be required to make revisions in order to comply with subdivision (a) and this subdivision. _____

