

ASSOCIATION MANAGEMENT AGREEMENT

THIS ASSOCIATION MANAGEMENT AGREEMENT (hereinafter referred to as "Agreement") is entered into on January 1st 2021, by and between The Reserve at James Island Condominium Association, Inc. a Florida not-for-profit corporation, (hereinafter referred to as the "Association"), and Lifestyles Property Services, LLC. (hereinafter referred to as Agent").




AUTHORITY OF THE AGREEMENT:

The Board of Directors of the Association (hereinafter referred to as the "Board"), on behalf of the Association, hereby appoints Agent to manage the Property, and the Agent accepts appointment to manage the Association property. The parties, in consideration of the promises, mutual covenants and other considerations contained herein, agree as follows:

1. TERM OF AGREEMENT: The term of this Agreement shall commence as of the date hereof and continue for a period of one (1) year and must be renewed yearly. Agreement can be cancelled by either party at least forty five (45) days prior to the annual renewal date.

2. SERVICES OF AGENT: Agent shall manage the property to the extent, for the period and upon the terms of this Agreement. 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) Agent will prepare for execution and filing by the Board any forms and reports. Federal tax returns which may be required by law in connection with the operation of the Association will be given to the Association CPA for filing.
- b) Agent shall see that all members are informed with respect to such rules, regulations and notices as may be promulgated by the Association from time to time and ensure that said members, guest and renters conform therewith. These documents will be on owner's portal in Appfolio. Appfolio is the software to help manage all owner's ledgers, work orders, and the ability to share all documents (Financials, Governing docs, and minutes). This software allows the owners to have access to these items. Also, Agent will notify the Board members in no less than 5 business days of the date that these documents are uploaded to Appfolio.
- c) Cause to be hired, paid and supervised, all persons or entities necessary to be employed in order to properly maintain and operate the Association Property (within the budget constraints) and cause to be discharged all persons or entities unnecessary or undesirable. Such personnel may be independent contractors or in the employ of either Agent or the Association. The Association shall fund the actual gross salaries, plus applicable taxes and insurance, plus actual administration fee of \$114.66 per person totals \$573.30 per month. Job descriptions of each role will be Addendum 'A' attached below. During the year the job descriptions can change time to time, these are for the Board to have a reference of job duties.
- d) Transition to another management company, Agent will help in the

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process if either party terminates this contract. Agent will send all owner files financials, minutes, and vendor contacts to the new company prior to the termination date. The Agent will continue being support for 60 days after the termination date to help with a smooth transition.

3. COLLECTION OF ASSESSMENTS: The Association hereby authorizes Agent to request, demand, collect, receive and receipt for any and all charges which may at any time be or become due to the Association and to take such action deemed necessary pursuant to the Association Documents (as herein defined), in the name of the Association, by way of legal process by written Board approval or otherwise, as may be required for the collection of delinquent assessments. Association Documents are herein defined as the Declaration of Covenants, Conditions and Restrictions of The Reserve at James Island. Articles of Incorporation and Bylaws, Rules & Regulations, and all amendments to such Association Documents from time to time.

4. RECORD OF INCOME AND EXPENDITURES: Agent shall maintain records of all income and expenses related to the Property, and shall submit via email to the Association on or before the 15th day of the following month, financial reports consisting of: Balance Sheet, Bank Statements, Income/Expense Report, and Check Register. Additional reports will be provided as requested by the Board. The Agent will cooperate with an independent CPA in the performance of any audit or review authorized by the Board of Directors at the cost of the Association. The Agent will review over the Treasurer's report at the Board meetings.

5. PAYMENT OF EXPENSES: From the funds of the Association held in a special bank account in the name of the Association, Agent shall pay all expenses of the Property, including taxes, building and water, electric, insurance and all other charges or obligations incurred by the Association or by Agent on behalf of the Association 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. The agent will list Vendors and finished work order items on the portal for the Board members.

6. DEPOSITION OF COLLECTIONS: Agent shall deposit all monies collected on behalf of the Association in a bank or other financial institution whose deposits are insured by the federal government or such other depository as directed by the Association in writing. The funds of the Association shall at all-time be maintained separated and apart from Agent's own funds and from the funds of any other Association. Association authorizes Agent to draw upon such accounts with the requirement that such Agent draws are reconciled as part of the financials referenced in section (4) of this Agreement. The Association will have the Board President as a signor on accounts as well. Agent shall not be held liable in the event of bankruptcy or failure of such depository.

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7. AGENT NOT REQUIRED TO ADVANCE FUNDS: Agent shall have no obligation to advance funds from the Association bank account to pay for any of the expenses of the property as delineated in paragraph 5 or for any other purpose whatsoever.


8. BUDGET: Agent shall prepare a proposed annual operating budget based on Board guidance setting forth projected revenues and expenses for the new fiscal year, including a schedule of annual assessments. The budget will be based upon the Reserve Study, anticipated operations, a forecast of Association expenditures, and will take into account the general condition of the Association and its property. In accordance with the Association Documents, the Board will provide the agent with an approved annual budget. The Agent will consult with the Association whenever there are deviations between the actual and budget line items.

9. RECORDS: Agent agrees that all books and records will be available during normal business hours for the purpose of and audit of said books and records with a 24-hour notice to the Agent. All documents will be uploaded or posted on Appfolio for full board access or available through some other means.

10. REPAIRS & MAINTENANCE: Agent is authorized at the expense of the Association to make or cause to be made, such routine repair work or normal maintenance to Common Property as may be required for the operation or physical protection of said common areas. The expenditures to be incurred for any one item or replacement shall be in accordance with the approved budget and shall not exceed Five Hundred Dollars (\$500.00), unless authorized specifically by the Association's President or his duly authorized representative. However, under such circumstances as the Agent shall deem to be an emergency, the Agent will cause emergency repairs to be made to avert danger to life and/or property; or for the safety of the members of the Association; or when such repairs are required to be made to avoid the suspension of any service to the Association. Such emergency repairs may be made by the Agent irrespective of the cost limitation imposed herein. Notwithstanding this authority as to emergency repairs, it is agreed that the Agent, if at all possible, will notify the President of the Association, or his/her designated representative, immediately concerning the ordered emergency repairs. Spending outside of approved budget amount shall require a majority board vote for approval.

11. CONTRACTS: Agent will make routine contracts with the pre-approval of the Board and consistent with the approved budget for landscaping, maintenance, pool maintenance, janitorial maintenance, refuse collection and other necessary services or such services as the Board shall deem advisable. Such contracts shall be signed by the Association's President or his/her designated Board representative to include Agent if necessary.

12. BIDS: Agent will show a good faith effort to obtain at least a minimum of three (3) competitive bids with pros/cons and recommendations for any authorized repairs or authorized maintenance which involves an expenditure of more than One Thousand Dollars (\$1,000.00), other than emergency repairs. Said bids shall be obtained from known, reputable and fully insured contractors. Such repairs or

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maintenance will not be made until authorized by the Association's President or his/her designated representative. A timeframe of two (2) weeks will be given to obtain these quotes.

13. INSPECTIONS:

Agent will conduct daily inspections of the common property and have weekly report emailed to the Association's President or his/her designated representative. Other management inspections will include overseeing and supervising duly authorized routine work being performed in the common areas on behalf of the Association. All weekly and AdHoc Agent and/or Management inspections will be provided to the Board Members at the time they are shared with the Association's President.

14. ATTENDANCE AT MEETINGS: Agent or a designated employee or other representative of Agent shall attend, if requested, up to twelve (12) regular meetings of the Board and one (1) annual meeting at no extra charge to the Association. Agent or its designated representative shall attend meetings of the Board or of the Association as requested, provided that the Association shall pay Agent \$100.00 for that individual's attendance at each meeting and give Agent at least a ten (10) day notice prior to the date of such meeting. The Agent will have written records taken of the proceedings of such meetings and will provide such records to the Association. Such minutes will be sent to Board as a draft **one week after meeting and again one week before the next Board meeting.** To be approved by the President or his designated representative at the Board meeting. Agent will send notice to all members of the Association concerning annual, special meetings and proxies will be solicited as required under the Association Documents.

15. ONE BOARD MEMBER TO DEAL WITH AGENT: All Board members may contact the Agent. However, the Board shall designate one of its members who shall be authorized to deal with Agent on any matter relating to the management of the Property. Agent shall accept directions or instructions with regard to the management of the Property from the Board designate or his/her designated representative. In the absence of any other designation by the Board, the Vice President of the Board or his/her designated representative shall be deemed to have this authority. The Agents office will be available for meetings at no extra cost.

16. INSURANCE: At the Association's expense and direction Agent will cause to be in place and kept in force all forms of insurance to protect the Association, its members and mortgagees. All of the various types of insurance coverage required shall be placed with such companies, in such amounts, with beneficial interest appearing therein. All policies need to be reviewed over 4 months in advance of


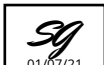

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policy end term dates. Such insurance policies shall name both the Association and Agent as insured's and their coverage shall be adequate to protect the interests of both parties. The Association shall provide Agent with a certificate evidencing such insurance. The Agent will promptly investigate and make a full written report as to all accidents or claims for damage relating to the management of the association and maintenance and operation of the Common Property, including any damage or destruction of the property, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

17. INSURANCE COMPLIANCE: Agent will take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Common Property placed thereon by any governmental authority having jurisdiction, and orders of the Board of Fire Underwriters, or other similar bodies subject to the same limitation. The Agent, however, shall not take any action under this paragraph so long as the Association is contesting or has affirmed its intention to contest any such order or requirement. The Agent shall promptly and in no event later than seventy-two (72) hours from the time of their receipt notify the Association in writing of all such orders and requirements. The Agent shall have inspections for Fire systems, elevators, and pool completed in a timely manner before they expire.

18. PROVISIONS:

- a) Agent agrees to assist the Association in its overall operation for betterment and improvement; said assistance to be in the form of suggestions, professional opinions and guidance as related to living in a Deed Restricted Association. Agent further acknowledges that its principal function is to represent the Association.
- b) This agreement cannot be amended or modified except in writing signed by both parties.
- c) In the event that either party brings a legal action to enforce its rights hereunder the prevailing party will be entitled to be reimbursed for attorney fees and costs whether arising before or at trial, on appeal, in bankruptcy or in post judgment collection.
- d) All notices required hereunder shall be sent via first class mail or hand delivered to the addresses indicated on the first page of this Agreement or to such other address as directed by the parties from time to time.
- e) To the extent allowed by law, the Association hereby indemnifies Agent if made, or threatened to be made a party to any threatened, pending or completed action suit or proceeding. The Association agrees to defend, indemnify and hold Agent, all officers, its shareholders, directors, employees and agents of Agent and any affiliated companies harmless from and against any claims, liabilities, damages to property, injury to persons, demands, losses, costs, expenses, attorneys' fees (including all negotiations, trial, appellate and post-appellate proceedings), suits, liabilities, judgments, damages and claims in connection with the management of the Property (including the loss of use thereof following any damage, injury or destruction), arising from any cause except for the willful misconduct or gross negligence arising out of Manager's carrying

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out the provisions of this Agreement or acting under the direction of the Association, or by reason of the Association's failure or refusal to comply with or abide by any Legal Requirement. Manager, all persons and entities affiliated with Manager, all officers, directors and employees of Manager and any affiliated persons or entities also shall not be liable for any error of judgment for any mistake of fact or law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.

- f) The Association agrees to defend, indemnify and hold Agent , all officers, its shareholders, directors, employees, agents and any affiliated companies harmless from all claims, investigations, and suits with respect to any alleged or actual violation of state or federal labor laws, environmental protection laws, fair housing laws, fair employment laws, or for any other reason whatsoever, where the alleged or actual violations is the result of action taken at the direction of the Board. The Association's obligation under this paragraph shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorney's fees, including those incurred through all appeals. Said indemnification as outlined in above paragraphs shall survive this Agreement for a period not less than the term of the Statute of Limitations for bringing any action against Agent for the Association for acts performed under the terms of this Agreement or while this Agreement is in effect. and against any claims


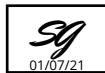

19. MANAGER'S FEES: The Agent shall be paid the following fees for recurring routine management services.

RECURRING ROUTINE SERVICES: Agent shall be compensated for recurring routine services including management services as provided in this contract, payable in advance on the first day of the month. The monthly fee shall be \$3540.00, per month. Any increases in subsequent year's fees will be accepted by the Association's approval of the budget.

20. TERMINATION: Either Association or Agent may terminate this Agreement at any time, with cause, on not less than forty five (45) days written notice, which notice shall specify the date of termination. If this Association shall advise Agent, in writing, of any matters of dissatisfaction with any services rendered under this Agreement, Agent shall have thirty (10) days to correct such matters to Association's satisfaction. If the Agreement is not terminated by the Association or Agent by providing such forty five (45) days written notice prior to the end of the term, then it shall continue renewing on an annual basis, with either party having the right, during such extension, to terminate on forty five (45) days written notice. Upon termination of this Agreement the parties hereto shall account to each other with respect to all matters outstanding as of the date of termination, particularly agreeing as follows:

- a) Association files, legal documents, owners' lists, correspondence, and any other Association documents in the possession of the Agent, the Agent's

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employees or agents shall be returned within fifteen (15) days after the termination of this Agreement.

- b) An audit of the Association's books may be conducted by a certified public accountant upon termination of this Agreement if approved by the Board of Directors. The costs of the audit are to be borne by the Association.

21. AGREEMENTS BINDING ON SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon and insure to the benefit of the successors and assigns of Agent and the heirs, administrators, successors, and assigns of the Association. Notwithstanding the preceding sentence, Agent shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business. In the event of such sale, agent shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

22. HOLIDAYS: The management team gets the following days off; New Years Day, Presidents Day, Veterans Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas

IN WITNESS WHEREOF, each of the parties has executed this agreement.

The Reserve at James Island Association, Inc.

This contract contains 7 pages, and by signing below you agree to the previous terms and conditions.

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Date _____

President

By: *Sheldon Gibbs* dotloop verified
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Date _____

Vice President

By: *Kris Pedersen* dotloop verified
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Date _____

Lifestyles Property Services, LLC.

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Addendum A

Community Association Manager

Job Details

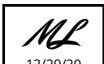


- Implement the decisions of the Board of Directors in running the day-to-day operations of the Association
- Provide administrative, operational, and managerial advice to the Board of Directors, Residents and Tenants
- Development and management of Association budgets and financial reports
- Oversee AP, AR, Collections and Estoppels for the Association
- Direct the enforcement of Community Association rules and regulations per Condominium Documents
- Oversee violation warnings and fines per Condominium Documents
- Assist Board Members in the selection of contractors and insurance providers
- Oversee and authorize payment for Community Association services
- Order and pick up office and maintenance supplies
- Plan and oversee maintenance of maintenance equipment and golf carts
- Manage and supervise Association personnel
- Manage employee hours, PTO and payroll services
- Oversee hiring and training of maintenance staff
- Develop and provide schedule for preventive maintenance to maintenance staff
- Provide and oversee general maintenance schedule for maintenance staff
- Perform site inspections of all common areas and buildings
- Ensure common areas and buildings are safe and well maintained
- Maintain Certified Pool Operator license – saving the Association monthly cost of a pool service contractor
- Schedule and oversee all contracted services
- Plan and execute Annual Budget meeting
- Plan and execute Annual Election meeting
- Plan and execute General Board meetings
- Plan and execute Community social events
- Answer phone calls and emails from Board of Directors, Residents, Tenants, Vendors and potential future residents

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- Interact with Board of Directors, Residents, Tenants, Vendors and potential future Residents when they visit the office
- Respond to all requests, inquiries and/or complaints from Board of Directors, Residents, Tenants, and/or Vendors
- Interact with Association Attorney when needed or directed by the Board of Directors
- Open and Close office/Clubhouse accordingly
- Manage schedule for rental of social room and cabana
- Manage investor rental units to remain below 30% rental cap
- Manage spreadsheet and invoicing for Envera gate barrier arm incidents
- Continuing education to maintain CAM license
- Other duties assigned as necessary

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Assistant Property Manager Job Details

- Pick up mail at beach office
- Answer telephone calls
- Handle walk in owners, tenants and guests
- Download lockbox files from bank website
- Process accounts receivable (AR)
- Process accounts payable (AP)
- Collections
- Handle Tenants
- Handle Pets
- Handle Keys
- Handle Envera (gate)
- Distribute FOBs
- Association Responsibilities
- Community Events

Porter/Maintenance Job Details

- Test chemicals and upkeep of the pool and grounds
- Keep the property clean of any trash or debris
- Clean breezeways floors, walls, rails and steps
- Maintain 16 doggie stations. Keep stocked and clean
- Light audit on all buildings and ground lights
- Check for vehicle and building violations
- Paint breezeways, compactor, carwash and any other exterior walls as needed
- Repair sprinkler heads as needed
- Grease and maintain fitness center equipment
- Pressure wash sidewalks, curbs and any concrete
- Minor electrical work as needed

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