



MANAGEMENT AGREEMENT

THIS AGREEMENT is by and between **CELEBRATION CAPE HOMEOWNER'S ASSOCIATION, INC.**, a Florida corporation non-for profit (hereinafter the "Association"), and Tropical Isles Management Services, Inc. (hereinafter the "Management Firm" or "Manager"). This Agreement is binding of the legal representatives; successors and assigns of said parties.

PREMISES:

WHEREAS the Association is the Association which operates for **CELEBRATION CAPE HOMEOWNER'S ASSOCIATION, INC.**, a homeowners association operating under Chapter 720, Florida Statutes, hereinafter referred to as the "Association," located in **CAPE CORAL, FLORIDA**:
and

WHEREAS the Board of Directors of the Association is responsible for the administration of the affairs of the Association and desires to engage professional management to which the board will delegate certain management functions; and

WHEREAS the Management Firm is willing and able to furnish such management services.

NOW THEREFORE, in consideration of the premises and mutual undertakings herein set forth, the parties agree as follows:

1. **APPOINTMENT.** The Association appoints the Management Firm as the Manager of the Association, and the Management Firm accepts the appointment, under the terms and conditions hereinafter provided.
2. **TERM.** The term of this Agreement shall be one (1) year, commencing on the **1st DAY OF JANUARY, 2018**. Thereafter, unless either party provides not less than thirty (30) days' written notice of its intent not to renew this Agreement, this Agreement shall renew automatically for an additional one (1) year term on the renewal anniversary date.
3. **AUTHORITY.** The Management Firm's primary responsibility is the proper implementation of the policy decisions and directives of the Board of Directors, in accordance with applicable Florida Statutes. The Management Firm agrees, notwithstanding the authority given to it in this Agreement, to confer with the Board of Directors of the Association (the "Board") in the performance of its duties set forth herein. It is understood and agreed that the authority and duties of the Management Firm are confined to the common elements, areas, and Association property; neither the Management Firm nor any of its employees shall engage in providing services within individual units, or for individual unit owners.

4. DUTIES AND POWERS. The Management Firm shall perform the services listed herein as, when and if needed, and as often as it is reasonably required in order to accomplish the purposes of this Agreement.

- (A) Hiring. Employ, train and supervise all staff necessary to properly maintain and operate the Association, it being understood that all persons so engaged shall be employees of the manager or independent contractors, and they shall be licensed as community association managers under Chapter 468, Florida Statutes. No person shall be assigned to perform services for the Association over the objection of the Board.

Prepare and timely file all necessary forms for worker's compensation, unemployment insurance, withholding of income, social security taxes and Medicare, and all other taxes and filings necessary on account of the Manager's employees and the maintenance and operation of the Association, as and when required by federal, state, and local law.

- (B) Care of Property. Direct and cause to be done the required maintenance and repair of the Association property and the common elements to the same standards and extent that the Association is required to maintain and repair same, as provided in the Declaration and by applicable laws. Management shall not be responsible for taking any maintenance / repair action without approval / direction from the Board.
- (C) Annual Reports. Advise and assist the Board, and take all actions necessary to timely and fully comply with all laws, statutes, ordinances, rules and regulations of governmental authorities, including without limitation, filing annual reports and filing fees to the Florida Secretary of State and the Division of Florida Land Sales, Associations and Mobile Homes.
- (D) Services and Supplies. Enter into contracts or agreements to purchase or lease equipment, supplies, tools, services and materials that are reasonably necessary to perform its duties. No contract for equipment, supplies, tools, services or materials may be entered into without the prior consent of the Board. All tools, equipment, supplies and other property purchased with Association funds shall be and remain the property of the Association.
- (E) Insurance. Cause to be placed or kept in force all property insurance required by the Board, and such liability insurance as is reasonably prudent to protect the Association and its members. The Management Firm may act as agent for the Association, each unit owner, and for each owner of any other insured interest and will receive and distribute all insurance proceeds from policies purchased by the Association on behalf of the insured parties subject to the provisions of the Declaration.
- (F) Notices, Meetings. Prepare and send all letters, reports and notices as may be reasonably requested by the Board; make arrangements for meeting places, and attend, if requested, Board and Member meetings, not to exceed 4 in a 12 month period and no more than one meeting in any month, plus one (1) annual members meeting and one (1)

budget meeting. Meetings scheduled after 5:00 PM are subject to additional charges. Meetings are limited to 1 hour each.

- (G) Emergencies. Furnish 24-hour emergency call service, promptly react to emergency calls, and coordinate for emergency repairs. It is understood, however, that the Management Firm cannot be held responsible for damage as a result of emergencies or delays in the correction of said emergencies, unless the emergencies are caused by the Management Firm or its employees, or the delay in response is unreasonably long.
- (H) Preventative Maintenance. Assist the Board in formulating and updating a preventative maintenance program.
- (I) Budget. Prepare in conjunction with the Association's Board and the Accounting department, a recommended budget of common expenses and reserves for each fiscal year, setting forth anticipated income and expenses of the Association for the year and each owner's share thereof. The recommended budget shall be presented to the Board of Directors for consideration at least 60 days before the beginning of the fiscal year.
- (J) Owner Complaints. Assist in resolving individual owner requests as they pertain to the administration of Association, its common elements, and Governing Documents.
- (K) Compliance with Laws, Covenants and Rules. Assist the Board in taking such actions as may be necessary to cause the Association, the Manager, the Unit Owners and occupants of units to comply with all laws, statutes, ordinances and rules of all appropriate governmental authorities having jurisdiction, and with the Declaration and Articles of Incorporation and Bylaws of the Association. The Management Firm, upon approval from the Board, shall consult with, and use the services of the Association's legal counsel when needed for these purposes.
- (L) General. Generally, do all things deemed reasonably necessary by the Board to attend to the proper maintenance, operation and management of the Association property, as required by this agreement, by law, or by other agreements, declarations, documents and instruments affecting the Association or the Unit Owners, except those matters which may not be delegated to the Manager under the above documents and applicable law.
- (M) Accounting Services.
 - (1) Maintain an operating and reserve bank account with authorized signers on the accounts, as designated by the Directors of the Association.
 - (2) Bill and pursue collection of all assessments on a regular basis, in accordance with the requirements set forth in the Association's Documents. Any special assessment fees will be administered at a separate charge to the Association.

- (3) Maintain the accounts receivables for maintenance fees from billing information and cash receipts schedules. Provide schedules of accounts receivable balances monthly.
 - (4) Process, for payment, all invoices or other such documents which are obligations of the Association and approved by the Manager or Directors of the Association.
 - (5) Maintain the general ledger by posting the cash receipts summary and cash disbursements from transactions incurred during the reporting period. Post required adjustments in accordance with generally accepted accounting principles.
 - (6) Reconcile the bank accounts monthly.
 - (7) Compile from the information provided in items 1 thru 6, a balance sheet and related statements of revenues and expenses and changes in fund balances, of **CELEBRATION CAPE HOMEOWNER'S ASSOCIATION, INC.** In addition, provide monthly and year-to-date budget to actual statements for operating revenues and expenses. We will not audit or review any such financial statements.
 - (8) Prepare the annual Federal and State income tax returns.
 - (9) Prepare year-end financial statements and mail to unit owners in accordance with Association's Documents.
- (N) Other services provided by the Management Firm included in this Agreement are as follows:
- (1) Maintain up-to-date owners' roster.
 - (2) Prepare, provide and distribute all meeting notices, proxy forms, applications for approval, letters to new owners, and any other similar items or forms the Association requires. Where such items must be prepared by a lawyer, the Manager shall use the services of the Association's legal counsel upon approval of the Board of Directors.
 - (3) Facilitate the preparation and filing by the Association's accountant of all annual tax returns and audits, and other financial reports.
 - (4) Provide assistance and consultation to the Board for problems or questions that arise.
 - (5) Enforce all rules, regulations and restrictions applicable to the Association, utilizing the advice and services of Association legal counsel when necessary, appropriate and approved by the Board.

5. FEES AND COSTS. As a fee for its services under this agreement, Management Firm shall be paid \$13.00 per unit per month payable in advance in monthly installments on the first business day of each month. There will be an initial set-up fee of \$0.00. For Item (I) there will be a \$175.00 charge if management prepares the budget, for (M8) there will be a \$275.00 fee for the preparation of Form 1120H. For Item (M9) there will be a \$75.00 fee; to include any other applicable direct costs. The accounting firm will charge a set monthly fee of \$57.00 to cover their office expenses. Pursuant to Section 720.30851, Florida Statutes, Management Firm may charge a parcel owner or the parcel owner's designee, or parcel mortgagee or the parcel mortgagee's designee a fee in the current amount of \$250 for an estoppel certificate, or a fee as permitted pursuant to Section 720.30851, Florida Statutes. If an estoppel certificate is requested on an expedited basis and delivered within 3 business days after the request, the Management Firm may charge an additional fee of \$100. If a delinquent amount is owed to the Association for the applicable parcel, an additional fee for the estoppel certificate may not currently exceed \$150. All of the foregoing fees will be billed to and collected directly to the parcel owner or other person requesting the estoppel certificate. The Association is not responsible for payment of any such fees to the Management Firm. Commencing on January 1, 2019, this Agreement is subject to an annual increase of not more than 3-5%; provided that such increases must be presented to the Board of the Association not less than ninety (90) days prior to January 1 of the year in question and, if such increase are not timely provided, then the increases cannot be imposed on the Association for that specific year.

(A) Extra fees will be charged to the Association for:

- (1) Clerical or secretarial services on an as-needed basis where such services are deemed necessary.
 - (a) Distribute to the unit owners an owner's directory.
 - (b) Print and distribute rules and regulations.
 - (c) Type and mail correspondence to individual owners.
 - (d) Make photocopies of the governing documents.
 - (e) Mail notices, letters, newsletter, etc. approved by the Board to the unit owners. Violation letters will be charged at \$2.50 per letter.
 - (f) Photocopy reports, forms, letters, correspondence, or other documents.
 - (g) Postage.
- (2) Contract administration for major projects or special projects which may include, but not be limited to demolition, reconstruction, warranty work, remedial work or repairs necessary from fire, flood, hurricane, tropical storm, lightning or tornado will require an additional service fee billable at \$60.00 per hour.

- (3) Advising on, assisting with and coordinating amendments of the Declaration, Articles of Incorporation and / or Bylaws may be subject to an additional charge of \$60.00 per hour.
- (4) The Manager shall collect the expenses of providing documents and access to Association records to individual unit owners from the unit owner, to the extent permitted by law. All out-of-pocket expenses of the Management Firm for materials, supplies and services that are not part of the normal management and general overhead of the manager's office operations, in addition to the employees or independent contractors that the Manager may engage or hire for the performance of the maintenance, repair and operations required under this agreement.
- (5) Monthly Fee of \$20 per month for online access to Management Accounting software. Board of Directors can access and review Association financial data and Association Members can access their accounts.

- 6. **RESPONSIBILITY OF ASSOCIATION.** In order for the Management Firm to perform its duties effectively, the Association must do the following:
 - (A) Maintain a fully constituted Board of Directors that can meet on reasonable notice to make and determine policy.
 - (B) Appoint one (1) Officer or Director as the primary contact with the Management Firm on Association business.
 - (C) Supply the Management Firm with an accurate roster of the names and addresses of owners. Any changes to the roster shall be communicated immediately to the Management Firm.
 - (D) Provide Management Firm with a current set of Association documents and rules and regulations.
 - (E) Provide sufficient funds to pay the expenses of proper operation of the Association.
- 7. **INTERFERENCE.** The Association shall not interfere, nor permit, allow or cause any of the Officers, Directors, or Members to unreasonably interfere with the Management Firm in the performance of its duties, or the legitimate exercise of any of its powers hereunder.
- 8. **INDIVIDUAL UNITS.** Notwithstanding any other provision of this agreement, the Management Firm is given no authority or responsibility for, and shall not engage in maintenance of, or repairs to, any individual dwelling units in the Association, which are the sole responsibility of the individual owner.

9. **LIABILITY; INDEMNIFICATION.** The Management Firm shall be fully liable to the Association and will defend and hold harmless the Association for any claim, loss or damage to the Association or its members caused by the negligence or intentional wrongdoing by the Management Firm or its employees. The Association and its members will and do hereby indemnify and hold harmless the Management Firm and its employees from alleged liability to third parties for damage, costs and expenses arising from injury to any person or property, about and in connection with the Association, from any cause whatsoever, unless such injury was caused by the negligence or willful misconduct of the Management Firm or its employees, agents or contractors.
- 9.1 The Management Firm does maintain its own insurance coverage for Workers Compensation, General Liability, Auto liability, and Professional Liability.
10. **SPECIAL CHARGES.** The Management Firm shall be authorized to charge a unit owner for special items as expressly authorized in the Declaration of Association, by law, or in this Agreement, including without limitation, the cost of maintenance, repairs or replacements caused by negligence or misuse by a unit owner, his family, servants, guests, invitees or lessees; or failure of a unit owner to maintain those portions of his unit as he is required to repair and maintain; or violation of the provisions of the Declaration which increase insurance rates or premiums.
11. **INTEGRATION.** This Agreement and its exhibits are the entire agreement between the parties as of the date of execution hereof. Neither party has been induced by the other by representations, promises, or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the exhibits hereto. No variance or modification hereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as the agreement.
12. **ATTORNEY'S FEES AND ARBITRATION.** Should any dispute arise as to the rights of any of the parties under this Agreement, including the powers and duties of the parties and all of the terms and conditions of this Agreement, and said dispute cannot be amicably settled and resolved between the parties, then the parties shall submit the matter in controversy to binding arbitration under either Chapter 682, Florida Statutes. In the event of litigation or binding arbitration, the prevailing party is entitled to recover reasonable attorney's fees and costs.
13. **TERMINATION.**
- (A) By the Association. This Agreement will be subject to termination in the event the Management Firm fails to substantially perform its duties and obligations listed herein. Should the Association deem the Management Firm is not performing in accordance with this Agreement, the Association shall give the Management Firm written notice, delivered in person or by registered mail, specifying said contract deficiencies. The Management Firm will be given thirty (30) days from receipt of such written notice to correct said deficiencies. In the event the Management Firm is unable or refuses to

comply with any valid deficiencies in this time frame, the Association may terminate this Agreement upon thirty (30) days written notice, delivered in person or by registered mail.

- (B) By the Manager. If the Association or its members unreasonably interfere with the Management Firm in the performance of its duties and exercise of its powers, the Management Firm, sixty (60) days after having given written notice specifying the default to the Association, may declare this Agreement in default, unless the default is cured by the Association within sixty (60) days after receipt of the notice. Failure by the Association to perform its duties and obligations under this Agreement for the continuous period of sixty (60) days after written notice of default, specifying the default complained of, shall be grounds for the Management Firm's cancellation of this Agreement.

If this Agreement is terminated by Management, the Management Firm shall cooperate fully with the Board and any new manager employed by the Association in causing an orderly transition, and shall promptly and unconditionally turn over all official records and other property of the Association to the new manager, if any, at the discretion of the Board. Where records are kept on a computer or other electronic data processing equipment, the Association is entitled to a legible, printed copy of all such records, as well as any and all tapes, floppy disks, CD-ROM or other data storage devices on which such records are stored.

14. **SEVERABILITY; CONFLICT.** The invalidity in whole or in part of any covenant, promise or undertaking, or any section, sub-section, sentence, clause, phrase or word, or of any provision of Chapters 720 and 617, Florida Statutes, as amended from time to time, shall be paramount and shall be deemed incorporated herein.
15. **ASSIGNMENT.** The Manager may not assign its rights and duties under this Agreement unless the Board of Directors agrees in writing, and provided that the assignee agrees in writing without condition or reservation to assume and perform all liabilities, obligations and duties of the Management Firm under this Agreement.
16. **DEFINITIONS.** The definitions of the words, terms, phrases, etc., included in the Declaration of the Association are incorporated herein by reference and made a part hereof, and unless the context otherwise requires, said definitions shall prevail. The words, "Association", "Member", "Unit Owner", wherever and whenever used herein, include both the singular and plural therefore. The use of any gender reference includes all genders, wherever the same shall be appropriate.

IN WITNESS HEREOF, the parties have executed this Agreement the day and year first written above.

**CELEBRATION CAPE
HOMEOWNER'S ASSOCIATION, INC.**

<u><i>James Arnold</i></u>	<u><i>2/13/2018</i></u>	<u><i>Pres</i></u>
Signature	Date	Title

_____	_____	_____	_____
Witness	Date	Witness	Date

TROPICAL ISLES MANGEMENT SERVICES, INC.

<u><i>[Signature]</i></u>	<u><i>2/13/18</i></u>
Community Association Manager	Date

<u><i>Cynthia Weller</i></u>	<u><i>2/13/18</i></u>	_____
Witness	Date	Witness Date