

MANAGEMENT AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2023, by and between **COASTAL REALTY & PROPERTY MANAGEMENT, INC.**, a Florida Corporation, by Whitney Curry, Owner/Shareholder, (“Manager”), whose address is 3942 A1A South, St. Augustine, FL 32080, and **VILLAGES OF VALENCIA HOMEOWNERS ASSOCIATION, INC.**, (“Association”), whose address is Modesto Drive, St. Augustine, FL 32086 which terms shall be deemed to include the legal representatives, successors and assigns of the parties:

WITNESSETH: Whereas, the Association is responsible for the operation of the Villages of Valencia Homeowners Association, (the “Property”), which contains 480 homesites located at Modesto Drive, St. Augustine, Florida, and the Association desires to enter into a Management Agreement for the management of the Property; and

WHEREAS, The Manager is in the business of furnishing such management services;

NOW, THEREFORE, in consideration of the mutual promises contained therein, it is agreed by the parties, as follows:

1. Definitions. Capitalized terms in this Management Agreement shall be defined as said terms are defined and used in the Declaration of Covenants and Restrictions for the Villages of Valencia Homeowners Association (“Declaration”).

2. Agreement. The Association hereby employs the Manager as the exclusive manager of the Property and the Manager hereby accepts such employment.

3. Term. The initial term of the Agreement shall commence _____, 2023, and, unless sooner terminated in accordance with the provisions of this Agreement, expire on _____, 202__, (hereinafter referred to as the “Initial Term”). Thereafter, the term of this Agreement shall be for successive twelve-month periods, beginning on January 1st and expiring on December 31st, from year-to-year unless prior written notice shall have been given by either party to the other party at least thirty (30) days before the expiration of the then current term.

4. Powers and Duties. The Manager shall have all the powers and duties of the Association as set forth in the Declaration and the By-Laws of the Association (except such thereof as are specifically required to be exercised by its Directors or members) and as required by Florida Statutes Section 720 and shall perform by way of illustration and not of limitation, the following services:

(a) Cause to be hired, paid, supervised, and discharged all persons in the opinion of the Manager necessary to be employed to properly maintain and operate the Property and Association properties within the approved Association budget.

(b) Maintain and repair the Property to the same extent that the Association is required to

maintain and repair same, as provided in the Declaration. For any one item of repair, replacement or refurbishing not specifically approved in a duly adopted budget, the expense incurred shall not exceed the sum of One Thousand Dollars (\$1,000.00), unless specifically authorized by the Board of Directors of the Association, except, however, in the case of an emergency, the Manager is authorized to expend any sum necessary to protect and preserve the Property.

(c) Enter into contracts for utilities, garbage and trash removal, grounds pest control, and other services, and make all such contracts and purchases in the Association's name. Manager agrees not to enter into any contractual agreement on behalf of the Association which does not permit termination on 30 day written notice, without approval of the Board of Directors.

(1) Manager will provide bids from contractors, references and recommendations for projects to the Board of Directors for approval on improvements/repairs over \$1,000.

(2) Manager will monitor contractors doing projects for the Association to ensure the contractor is in compliance with contract specifications and pre-established guidelines, within the realm of knowledge of the Manager.

(3) The Association Board of Directors will assist in minimizing interference with contractors from residents and volunteer leaders.

(d) Maintain the Association's financial records books, accounts and other records as provided by the Association's By-Laws and pursuant to the requirements of the law. Such records shall be kept at the Property and shall be available for inspection by Owners or their authorized representatives at reasonable times. The Manager shall render to the Association a statement for each calendar month, no later than the 15th of the following month.

(1) Manager will post owner assessment fees, accounts receivable and accounts payable daily.

(2) Manager will provide cost analysis for all projects.

(3) Manager will provide the Board of Directors with the following reports from its computerized accounting system on or before the 15th of each month:

(a) Balance Sheet – list assets and liabilities as of the end of current month.

(b) Income and Expense Statement – list income and expenses by account showing the current month's activity, current month's budget, current month's variance, year to date activity, year to date budget and year to date variance.

(c) Delinquency Report – reflect individual charges on an aged basis monthly.

(d) Cash Disbursement Journal – listing all transactions processed.

(e) Pre-Payment Report – reflecting advance assessments received.

(4) At year end Manager will provide the Board of Directors one copy of the cumulative general ledger for the entire year.

(5) Manager will prepare for the Board of Directors, at no additional charge, other financial reports upon request.

(6) Manager will develop and maintain a filing system of the Associations important papers including contracts, resident communications, public agency filings, financial reports,

insurance policies, resolutions and legal documents.

(7) Manager will maintain vendor files containing payment and invoice information and issue IRS 1099 forms to qualified vendors using IRS guidelines.

(8) Manager will prepare general correspondence dealing with routine operational matters between the Association and residents, contractors, agents, government officials or other entities.

(9) Manager shall complete title company questionnaires/payment status requests and answer inquiries about the Association from potential buyers, agents or lenders.

(10) Manager shall document sales and transfers in the computer system and maintain information in a file of all sales and transfers.

(11) Manager shall provide new owners with "Rules and Regulations" and make the new owner aware of all appropriate documents. If copies of the documents are requested, management will provide them for the cost of copying.

(12) Manager will provide requested Estoppel Certificates for home sales and charge a fee of \$100 for this service, to be paid as a part of the sale and not by the Association.

(e) Arrange for an annual independent review to be conducted by a certified public accountant with the approval of the Board of Directors in accordance with the standards of the Accounting Standards Board of the American Institute of Certified Public Accounts of all books and financial records of the Association. A copy of the review shall be provided to the Officers of the Association.

(f) Prepare the annual budget for the operation and maintenance of the Property in accordance with the Legal Documents, for approval by the Board of Directors. The Manager shall submit annually to each member of the Association the operating budget for the ensuing year, setting forth the anticipated income and expenses of the Property for the year, and each Owner's share thereof. Should an increase in assessments or a special assessment be required during the year, the Manager shall determine the amount of same for approval by the Board of Directors. The Manager shall collect the assessments based upon the foregoing.

(g) Deposit all funds collected from the Association's members, otherwise accruing to the Association, in a separate bank account or accounts of the Association in banks or savings and loan associations in the State of Florida, with suitable designation indicating their source, with the banking institutions to be approved by the Board of Directors.

(1) All reserve funds invested in other accounts, certificates or investment vehicles shall be under the sole control of the Association. Manager shall make deposits to the reserve accounts from the operating account as budgeted.

(2) Manager shall receive, review all invoices and bills and prepare checks for signature.

(h) Attend meetings of the Owners and of the Board of Directors of the Association at the

request of the Association or as deemed appropriate by the Manager; however, it is understood and agreed that the minutes of all the Association's meetings, whether of Owners or of the Board of Directors, shall be taken by the Associations' Secretary, with possession of the Minute Book shall be in the custody of the Manager. The Manager shall be responsible for preparing and furnishing notices of all meetings to the required parties.

(i) Enforce the Rules and Regulations adopted by the Association for the use and enjoyment of the Property and propose to the Board of Directors such modifications of the Rules and Regulations as Manager deems appropriate. Manager will conduct community inspections a minimum of two (2) times per month.

(j) Cause alterations and additions to be made to the Property as authorized by the Board of Directors and its members when required, in accordance with the Declaration.

(k) Retain services of attorneys, accountants, and such other persons whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder, and to employ same in the name of the Association on such basis as it deems most beneficial with the approval of the Board of Directors.

(l) Exercise such additional powers and rights delegated to it, if any, under the terms and provisions of the Declaration or by the Board of Directors.

(m) Maintain an office, together with a telephone so that Members or occupants of Residential dwelling units may contact the Manager, or its employees, on a twenty-four-hour basis. The initial address and telephone number of the Manager is:

Coastal Realty & Property Management, Inc.

Whitney Curry, Owner/Shareholder

3942 A1A South

St. Augustine Beach, Florida 32080

Phone: 904-471-6606

Fax: 904-471-2866

Email: whitney@coastalrealtyfl.com

(o) In the performance of its duties, the Manager shall not be required to obtain the best price available as to any service, material, or purchase, but shall purchase or contract for same with such persons as it deems advisable and in the best interest of the Association and the Manager, subject to the approval of the Board of Directors.

5. Collection of Assessments. The Manager shall apply assessments collected to those items specified in the Association's budget as it determines in its sole discretion. The Manager, during the term of this Agreement, may file a lien on behalf of the Association against an Owner's property should he fail to pay his assessments when due as provided in the Declaration, and may take such other action as provided in the Legal Documents, either in its name or in the name of or as agent of the Association, as directed by the Board of Directors. The Manager may compromise liens in such

amount as it deems appropriate upon approval of the Board of Directors, and it may satisfy liens of records and render statements as to the current status of an Owner's assessments. The Association shall assist the Manager in any reasonable manner requested by the Manager collecting assessments and simplifying the collection process.

6. Expenses of Manager. It is specifically understood that the Manager will not undertake to pay Association expenses from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as, payments received from assessments or other revenue, are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Manager that the assessments and other revenue, if any, of the Association and its members are insufficient, the Manager shall forthwith determine such additional assessment as is required and advise the Board of Directors of the Association.

7. Management Fee. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the "actual" cost and expense of the Association. As compensation for its services hereunder, the Manager shall receive a net fee, free from all charges and expenses, of Sixty-Nine Thousand Dollars (\$69,000.00) per year, paid in twelve (12) equal monthly installments. This compensation shall be designated the "Management Fee" and shall be taken into consideration in setting the common expense and assessments. After the initial term, the Management Fee will be approved by the Board of Directors each year as a part of the operating budget. Management may administer the Architectural Review Committee applications but will not attend committee meetings.

8. No Interference. The Association shall not permit or cause any of its members to interfere with the Manager in the performance of its duties or the exercise of any of its powers hereunder.

9(a). Indemnification of Manager. The Association agrees that it shall defend, hold harmless and indemnify Manager from any and all demands, claims, suits, actions and legal proceedings brought against Manager in its capacity as Manager of the Association, or in its official capacity as agent for the Association, provided the incident arose while the Manager was acting within the scope of its employment and excluding any negligent, grossly negligent, or wanton reckless, or illegal actions; provided, however, individual Board members will not be considered personally liable for indemnifying the Manager against such claims, demands, suits, actions and legal proceedings. The Association shall not, however, be required to pay any costs of any legal proceedings in the event Board and Manager have adverse interests in such litigation, except as stated above.

9(b). The Manager hereby agrees to indemnify the Association and save the Association harmless from and against all actions, claims, demands, liabilities, damages, losses or expenses of any nature, including attorney's fees through all appeals, if any, which Association may incur by the requirements of this Agreement or authorized by the Board or due to omissions or failures of the Manager in its performance of the required obligations.

9(c). The Association and the Manager agrees that each shall carry liability insurance in an

amount not less than \$1,000,000 per occurrence. The liability insurance will name each other as additional insured.

10. Assignment. Neither party may assign this Agreement without the written consent of the other party.

11. Notices. Any notice required or permitted hereunder shall be in writing and delivered by hand or by certified mail return receipt requested to the parties at the addresses designated on the first page hereof.

12. Default by Association. If the Association or its members, shall interfere with the Manager in the performance of its duties and exercise of its powers hereunder, or if the Association shall fail to promptly do any of the things required of it hereunder, then the Manager may declare this Agreement in default if the Association fails to remedy such item within fifteen (15) days written notice to the Association describing the interference or failure to perform. Upon default, the Manager may terminate this Agreement and in addition to any other remedy given it by agreement or in law or equity, bring an action against the Association and its members for damages or specific performance. All rights of the Manager upon default shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

13. Default by Manager. Failure by the Manager to substantially perform its duties and obligations under this Agreement following thirty (30) days written notice from the Association specifying the default shall permit the Association to declare this Agreement in default. Upon default the Association may terminate this Agreement, and in addition to any other remedy given it by agreement or in law or equity bring an action against the Manager for damages or specific performance. All rights of the Association upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

14. Attorneys Fees. In the event of any litigation between the parties regarding the enforcement of any provisions of this Agreement, the prevailing party shall be entitled to recover all costs and expenses incurred thereby, including reasonable attorneys' fees incurred in negotiation, at trial or on appeal.

15. Enforcement of Association Powers. The Manager shall have the authority to enforce the right granted to the Board of Directors by the Declaration; to deny to the Owner and all persons claiming by or through each Owner the use and enjoyment of the Common Areas and to enforce the suspension of the Owner's voting rights in the Association, if the Owner is delinquent in the payment of any assessment, until such time as all assessments are paid. During said period of suspension, there shall be no reduction in the assessments due and payable from the Owner. The Association agrees to indemnify and to hold the Manager harmless against all claims made against the Manager, its agents, employees, or affiliates arising from the performance of the provisions of this paragraph.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their proper

officers this ____ day of _____, 20____.

Signed, sealed, and delivered in the presence of:

Villages of Valencia Homeowners Assn., Inc.

Witness

By: _____
For: Association

Witness

Coastal Realty & Property Management,
Inc.

Witness

By: _____
Whitney Curry, Owner/Shareholder

Witness