

## ASSOCIATION MANAGEMENT AGREEMENT

THIS ASSOCIATION MANAGEMENT AGREEMENT (hereinafter referred to as "Agreement") is made by and between HUNTERS RIDGE OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (hereinafter referred to as the "Association"), and KINGDOM MANAGEMENT INC., a Florida corporation (hereinafter referred to as "Manager").

WITNESSETH:

WHEREAS, the Association desires to employ Manager as management company for the Association known as HUNTERS RIDGE OWNERS ASSOCIATION, INC. INC., consisting of all properties. Manager understands that the function of the Association is the operation and management of the Association's Common Properties. Manager agrees to confer with the Directors of the Association in the performance of its duties as set forth herein. The authority and duties conferred upon the Manager herein are confined to the routine management of the general common elements and facilities, interests and properties of the Association.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

### ARTICLE I Management

1. The Association hereby appoints Manager as the management company for the Association.
2. Manager will manage, operate, maintain and supervise the routine management of the common properties of the Association in an efficient and satisfactory manner. Manager will act in a fiduciary capacity with respect to the property protection of and accounting for the Association's assets. In this capacity, the Manager assures the Association that all third parties will be dealt with at arms' length and that the Association's interest will be best served at all times.
3. Manager agrees to open bank accounts and handle the bookkeeping for the Association; said bookkeeping will include collecting from each of the owners the fixed annual association dues that are paid quarterly and any general assessments that may come due, making timely deposits in a special bank account in the name of the Association.

(A) The Association hereby authorizes Manager 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 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, Articles of Incorporation and Bylaw, and all amendments to such Documents from time to time.

- (B) As a standard practice, Manager shall furnish the Association's Board of Directors with an itemized list of all delinquent accounts in the monthly financial reports, and will issue written notice to members whose accounts are twenty (20) days past due, advising them that legal proceedings may be instituted if their account is not brought current within fourteen (14) days following the notice. Accounts which become sixty (60) days or more delinquent will be acted upon in accordance with the governing documents.
- (C) Manager will further handle all Association monthly disbursements. Not later than the twentieth (20TH) day of each month, the Manager will render a detailed financial report to the Association's Board of Directors.
- (D) The Manager will provide the Association with an annual budget proposal. The Manager will consult the Association whenever there are deviations between actual and budget line items.

4. Manager agrees that all books and records will be available during normal business hours for the purpose of an audit of said books and records.
5. Manager agrees to have prepared for and at the cost of the Association any required Federal and State Tax Reports.
6. Manager agrees to receive any requests from Association members for service or maintenance and will arrange for the required service and maintenance on receipt of approval from a member of the Association's Board of Directors acting on behalf of the entire Board.
7. Manager is authorized at the expense of the Association to make, or cause to be made, such routine repair work or normal maintenance to common areas 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 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 Manager shall deem to be an emergency, the Manager 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 which such repairs are to be required to be made to avoid the suspension of any service to the Association. Such emergency repairs may be made by the Manager irrespective of the cost limitation imposed herein. Notwithstanding this authority as to emergency repairs, it is agreed that the Manger, if at all possible, will notify the President of the Association, or his designated representative, immediately concerning the ordered emergency



repairs. Supervision of extraordinary repairs (such as fire, flood or windstorm) and significant capital improvements (such as building or roofing) will be billed at the rate of \$50.00 per hour.

8. Subject to the approval of the Association's Board of Directors, the Manager will make contracts for routine landscape maintenance, and other services as the Association's Board of Directors may deem advisable. Such contracts will be signed by the Association's President or his designated representative. Non-monthly reoccurring repairs will be paid from an invoice.
9. Unless directed to the contrary, Manager agrees to assist in obtaining at least three (3) competitive bids for any authorized repair or authorized maintenance which involves an expenditure of more than Five Hundred Dollars (\$500.00)(other than emergency repairs). Said bids shall be obtained from known, reputable and fully insured contractors. Such repairs or maintenance will not be made until authorized by the Association's President or his designated representative.
10. Manager will conduct two monthly inspections of the Association's properties and service areas for the first two months at an additional cost of \$1 per home per extra drive. After such time the manager will continue to inspect the property once a month. The manager will take action or correct any deficiencies of the service performed for the Association and report such irregularities to the Association's President or his designated representative. A monthly report will be furnished by the property manager. Other management inspections will include overseeing and supervising duly authorized routine work being performed in the common areas on behalf of the Association. Supervision of extraordinary repairs (such as fire, flood or windstorm) and significant capital improvements will be billed at the rate of \$50.00 per hour.
11. Manager agrees to attend quarterly Association meetings per year including one (1) annual meeting at no extra charge to the Association. Additional meetings or special meetings requested by the Association's Board of Directors will be attended by the Manager at the rate of \$50.00 per hour, excluding travel time, provided that notice of the meeting is given to Manager at least ten (10) days prior to the date of such meeting. The Manager will take written records of proceedings of such meetings and will provide such records to the Association. Manager will send notice to all members of the Association concerning annual, semi-annual (if held) and any special meetings, and proxies will be solicited as required under the Association documents.
12. At the Association's expense and direction, Manager will cause to be placed and kept in force all forms of insurance to protect the Association. The



Manager will promptly investigate and make a full written report as to all accidents or claims for damage relating to the management and maintenance operation of the Association, 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.

## ARTICLE II Commencement Date

1. Manager's commencement date under this Agreement shall be September 15, 2016 and shall continue until termination as provided in Article III.
2. Manager will prepare for execution and filing by the Association's Board of Directors any forms, reports and returns which may be required by law in connection with the operation of the Association.
3. Manager 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.

## ARTICLE III Termination

1. This contract may be terminated at any time by either party by a thirty (30) day written notice with no termination penalty. The initial term (and compensation amount) of this Agreement shall be for a period of one (1) year with an evaluation after six (6) months. The terms of this contract shall automatically renew for successive terms unless either party serves notice with or without cause thirty (30) days prior to its anniversary its intent not to renew. The renewal rate shall be negotiable with a 3% minimum.
2. Upon termination, the contracting parties shall account to each other with respect to all matters outstanding as of the date of termination, and the Association shall furnish the Manager security, satisfactory to the Manager, against any outstanding obligations or liabilities which the Manager may have incurred hereunder.
3. The Association may not employ any employee or former employee of Manager who has been an employee of Manager within the twenty-four months immediately prior to termination of this Agreement. Should Association employ an employee or former employee of Manager, a finder's fee of \$20,000 will be paid to Manager.

ARTICLE IV  
Compensation

Manager's compensation for services rendered and as described in this Agreement shall be \$1340.00 per month (268 houses at \$5.00 per house). This amount will be paid monthly automatically. A one month set-up fee will be assessed initially. A website will be provided at a minimal additional cost. All postage costs are additional and must be paid by the Association. All office supplies, faxes, and long distance phone calls will be provided by the Manager at no additional cost. Collections of delinquent accounts will be processed at an additional cost to the property owner (\$150 presently, subject to change) plus legal costs. Estoppel requests will be processed at an additional cost to the property owner (\$200 presently, subject to change). Copies of Association records will be provided to the homeowners according to Florida law. Thus, a reasonable charge will be charged to homeowners, (presently, .25 per page). Signage for the Manager with their name and phone number will be installed at each entrance. Cost of signage and installation will be the Manager's responsibility.

Frequently Asked Charges:

- 1) Late notice processing: No charge.
- 2) Litigation: \$50 per hour, Mediation or court attendance.
- 3) Website – \$15 Domain Name fee per year, plus \$20 per month maintenance.
- 4) Office supplies: No charge.
- 5) Phone calls: No charge.
- 6) Photocopying: No charge.
- 7) Postage: Actual cost—no additional charge.
- 8) Re-inspection: \$50 per hour upon request
- 9) Records request: 25 cents per page, billed to homeowner.
- 10) Records storage: No charge.
- 11) Request for payment from tenant: No charge.
- 12) Travel: No charge.

ARTICLE V  
Indemnification

- (1) Subject to the other terms of this Agreement, with respect to any Proceeding brought by someone other than the Association or the Manager arising out of an act or omission taken by the Manager occasioned by, relating to, or in connection with the management, maintenance, operation of or administration of the association, or carrying out of the Manager's services covered by this Agreement (each, a "Nonparty Claim"), the Association shall defend and indemnify the Manager against all claims, losses, liabilities, costs, or expenses (including, without limitation, attorneys' fees and costs)

- (“Indemnifiable Losses”) arising out of that Proceeding, except to the extent that the Manager intentionally, or as a result of Manager’s gross negligence, caused those Indemnifiable Losses
- (2) To be entitled to indemnification under this section, the Manager must notify the Association of that Nonparty Claim and deliver to the Association a copy of all legal pleadings with respect to the Nonparty Claim.
  - (3) Promptly thereafter, the Association shall retain to represent it in the Nonparty Claim independent legal counsel. The Manager shall cooperate with the Association and its legal counsel in defending or settling the Nonparty Claim.
  - (4) The Manager is entitled to participate in the defense of a Nonparty Claim at its own expense.
  - (5) The Association shall pay any Litigation Expenses that the Manager incurs in connection with defense of the Nonparty Claim before the Association assumes the defense of that Nonparty Claim. The Association will not be liable for any Litigation Expenses that the Manager incurs in connection with defense of a Nonparty Claim after the Association assumes the defense of that Nonparty Claim, other than Litigation Expenses that the Manager incurs in employing counsel in accordance with Article V, (4), which Litigation Expenses the Association shall pay promptly as they are incurred, but no later than thirty (30) days after Manager submits the invoice to the Association. All defenses to any complaint filed with the DBPR by a member of the Association against Manager will be paid by Association.
  - (6) After the Association assumes the defense of a Nonparty Claim, the Association may contest, pay, or settle the Nonparty Claim at its discretion without the consent of the Manager only if that settlement (1) does not entail any admission on the part of the Manager that it violated any law, (2) has no effect on any other claim against the Manager, (3) provides as the claimant’s sole relief monetary damages that are paid in full by the Association, and (4) requires that the claimant release the Manager from all liability alleged in the Nonparty Claim.
  - (7) In this agreement, the following definitions apply:
    - i. “Indemnifiable Losses” means all claims, losses, liabilities, costs, or expenses (including, without limitation, attorneys’ fees and costs), and the aggregate of Losses and Litigation Expenses.
    - ii. “Litigation Expense” means any reasonable out-of-pocket expense incurred in defending a Proceeding or in any related investigation or negotiation, including court filing fees, court costs, arbitration fees, witness fees, and attorneys’ and other professionals’ fees and disbursements.



- iii. "Loss" means any amount awarded in, or paid in settlement of, any Proceeding, including any interest but excluding any Litigation Expenses.
- iv. "Proceeding" means any judicial, administrative, mediation, or arbitration action, suit, claim, investigation, or proceeding.

ARTICLE VI  
Provisions

1. Manager agrees to assist the Board of Directors 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 homeowners association. Manager further acknowledges that its principle function is to represent the Board of Directors in all matters of common interest.
2. This agreement cannot be amended or modified except in writing signed by both parties.
3. All notices required hereunder shall be sent via first class mail.
4. Manager shall not assign this Agreement or delegate any duties hereunder without prior written consent of the Association.

IN WITNESS WHEREOF, the parties hereto have executed this Association Management Agreement on the day and year first written above.

ASSOCIATION: HUNTERS RIDGE OWNERS ASSOCIATION, INC.

By:  Date: 9-16-14

Printed Name: Calvin H. Reilly Title: President

MANAGER: KINGDOM MANAGEMENT, INC. 

By:  Date: 9-16-16

Printed Name: Shemie Jarnutowski Title: President