

CONDOMINIUM MANAGEMENT CONTRACT

THIS AGREEMENT, made and entered into on the date last appearing in the body of this instrument, by and between **Southwest Property Management Corp.** hereinafter called the "**Management Firm**", and **Calais at Pelican Bay Condominium Association, Inc.**, a Florida Corporation not-for-profit hereinafter called the "**Association**", which said terms will be deemed to extend to and include the legal representatives, successors and assigns of the said parties hereto;

WITNESSETH

THAT, WHEREAS, the Association is the Corporation responsible for the operation of that certain Association to be **Calais at Pelican Bay Condominium Association, Inc., (131 units)**, said Association is desirous of entering into a Management Contract for the management of said Association, and,

WHEREAS, the Management Firm is desirous of furnishing such management services, and,

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

GENERAL CONDITIONS

1. That the foregoing recitals are true and correct.
2. That the terms used in this Management Contract will be defined as said terms are defined and used in the Declaration of Covenants, Conditions and Restrictions, hereinafter called "Covenants."
3. The Association does hereby employ the Management Firm as the exclusive Manager of the Association property and the Management Firm hereby accepts such employment.
4. This contract will be for a period of one (1) year and commence on **April 1, 2009**. This contract may be terminated without cause at any time by either party upon written notice of termination **30 days** prior to the termination date. If not terminated, the contract will automatically renew on the anniversary date.
5. The Management Firm is an independent contractor and, therefore, will carry in full force and effect during the term of this Contract, policies of insurance, including workers' compensation and premises liability, fidelity bonds and such other forms of insurance as may reasonably be requested by the Association.
6. The minimum number of personnel to be employed by the Management Firm performing management services for the Association will be Four (4); Management services will be performed as needed.

ADMINISTRATION - PROPERTY MANAGEMENT

The Management Firm will provide the following:

1. The services of a part time Florida licensed Community Association Manager who will serve the Board of Directors and members of **Calais at Pelican Bay Condominium Association, Inc.**
2. The Community Manager will advise and/or consult with the President and Board of Directors and/or duly authorized representatives on matters pertaining to the operating budget, maintenance policy and maintenance requirements for the Association. The Community Manager will also provide the following services for the Association:
 - a. Procure bids for contracts in excess of Two Thousand and no/100 dollars (\$2,000.00) for presentation to the Board of Directors;
 - b. Schedule and coordinate selected maintenance contractors;
 - c. Follow up all contracts to assure work has been completed in accordance with agreement between the Association and the contractor;
 - d. Arrange, coordinate, and follow up all other maintenance requirements as provided by the maintenance budget or at the direction of the President;
 - e. Perform weekly inspections of the Association property with special emphasis on in-progress contracted work;
 - f. Assist the Association in obtaining and maintaining insurance for the Association property;
 - g. Assist the Board of Directors in enforcing the restrictive covenants, rules and restrictions of the Association by notification, to violators, in writing, of specific infractions. It is understood that phone calls or personal meetings with violators should precede written notification where it is felt this procedure might help avoid misunderstandings. All formal notification of violations must be preceded by a signed complaint form so that the Management Firm can document and act properly on the complaint.
 - h. Provide a live, after-hours, telephone service for emergency needs. (An emergency is defined as any combination of events that causes damage to property.) It is understood, however, that the Management Firm cannot be held responsible for damage as a result of these emergencies or the delays associated with the correction of said emergencies unless caused by the Management Firm;
 - i. Prepare and post Association meeting notices;
 - j. Record minutes of Association Board and members meetings;
 - k. Attend all duly convened meetings of the Members and Board of Directors.

FINANCIAL MANAGEMENT

1. The Management Firm will provide the following accounting and clerical services for the Association:
 - a. Monthly preparation and maintenance of one (1) set of financial records including:
 - (1) Balance Sheet
 - (2) Reserve Statement
 - (3) Income & Expense report including monthly and year-to-date comparisons
 - (4) Check disbursement report
 - (5) Delinquency/Credit Report
 - (6) General ledger;
 - b. Collect and deposit all maintenance, reserve and special assessments in the designated Association banking accounts quarterly; Collections shall be made through a lockbox provided by the Association's Bank. The Association's bank shall be approved by the Management Firm.
 - c. Issue checks for approved disbursements two (2) times per month;
 - d. Provide an annual financial status of the Association;
 - e. Advise or assist the Association with the preparation of the yearly budget;
 - f. Prepare and file corporate reports (no tax preparation);
 - g. Provide general secretarial services.
2. The Management Firm will apply assessments collected to those items specified in the budget and bylaws of the Association. The Management Firm's fee and its overhead and expenses will be deemed common expenses. The Management Firm, will assist the Association and its counsel in the collection of unpaid assessments and will refer all Association lien matters to Association counsel for preparation and filing. The Management Firm may render statements as to the current status of a unit owner's assessments.
3. The Association will aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments, and the said Association will further aid and assist the Management Firm so as to simplify the method of collecting the assessments due from unit owners. The Management Firm will give prompt notification to the Association's Board of Directors of all delinquent assessment accounts. At the Board's direction, the Management Firm will turn over delinquent accounts to the Association's legal counsel for the purpose of preparing and recording claims of liens, and taking such other collection action as may be necessary.
4. All maintenance services required but not listed in the above paragraphs will, at the direction of the Association, be contracted through the Management Firm on an individual basis at the expense of the Association and will be contracted only to those individuals or companies felt to be reliable. These contracts will be let at competitive prices and necessary competitive bids will be taken.
5. In the event of any emergency which endangers life and property, the Management Firm is hereby authorized to remedy such emergencies at the Association's expense. It is understood that the Management Firm will notify one or more Association Board Members of any such emergency as soon as possible.

COMPENSATION

1. It is specifically understood and agreed that the Management Firm will perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association and its members.

The compensation of the Management Firm for providing these management services shall be One Thousand Five Hundred Seventy Five & No/100 Dollars per month (\$1,575.00/month). The management fee shall be payable in advance monthly on or before the 10th day of each month.

If the contract is not terminated and automatically renews, **the Management Fee shall increase in accordance with the rate increase of the Consumer's Price Index for South Florida over the previous 12 months.** The increase shall be effective on the anniversary date of the contract.

The items labeled "Other Fees" below will be paid on an as needed basis and are not included in the above stated compensation amount.

2. Other Fees:
 - a. Fifty dollars (\$50.00) for Sales and/or Rental Applications processed;
 - b. Actual cost for salary taxes and benefits paid to on-site employees will be billed to the Association monthly, subject to approval by the Board of Directors. The Association shall pay the Management Firm an administrative charge of 2% of the salary per employee per month for Association employees on Southwest Property Management Corporation's payroll or on the Association's payroll;
 - c. Office Charges such as copies, postage, envelopes, labels, faxes, long distance telephone charges, etc. will be paid by the Association at prevailing rates in accordance with Southwest Property Management Corporation's "Price List for Office Expenses and Ancillary Charges" (Exhibit "A" attached to this contract);
 - d. Initial records setup charge of \$0;
 - e. Three percent (3%) of the total amount of any insurance claim for filing the claim, obtaining bids for repair work, coordinating & scheduling repair work with homeowners & contractors, and managing the repair work;
 - f. Seventy Five Dollars (\$75.00) per hour plus out of pocket expense for travel, food and lodging for legal meetings, mediation, court appearances, etc.;
 - g. Twenty five dollars (\$25.00) per hour for gate/entry system administration (name/ telephone changes);
 - h. Web Page Service: If requested, the Management Firm will set up web pages for the Association via the Management Firm's website at www.swpropmgt.com. See Office Expense & Ancillary Charges price sheet for setup and maintenance fees;
 - i. Ten percent (10%) surcharge added to items purchased by the Association on Southwest Property Management's credit accounts. No surcharge for items purchased on Association accounts;

j. Professional fees for:

- 1) Audit and Federal Tax Return preparation by a Certified Public Accountant.
- 2) Attorney or legal services as required.
- 3) Professional engineers as required.

k. Fees for storage of Association records (if applicable).

MISCELLANEOUS

1. The Management Firm will have the authority to spend up to Five Hundred and no/100 dollars (\$500.00) for necessary expenses incurred on behalf of the Association without prior approval of the Association.
2. The Management Firm is authorized to provide "estoppels information" and complete "question & answer" (Q & A) forms on behalf of the Association. The Association hereby authorizes the Management Firm to charge fees for this service as allowed by Florida Statutes to the person or entity requesting such information.
3. The Association will not interfere nor permit, allow, or cause any of the Officers, Directors or members of the Associations to interfere with the Community Manager or the Management Firm in the performance of its duties or the exercise of any of its powers which are in keeping with this contract, the covenants, and the direction of the duly authorized representatives of the Board of Directors.
4. The Association may not hire employees of Southwest Property Management Corp. for a period of two (2) years after termination of this contract, unless agreed upon in writing by Southwest Property Management Corp. **This provision shall not apply to John Czarnik.**
5. The Management Firm will not be responsible for injury to any person or damage to property caused by contractors or others unless caused by the Management Firm's own negligence or willful misconduct.
6. No waiver of a breach or any of the covenants contained in the Contract will be construed to be a waiver of any succeeding breach of the same covenant.
7. Time is of the essence in every particular, and especially where the obligation to pay money is involved.
8. No modification, release or discharge or waiver of any provision hereof will be of any force, effect or value, unless in writing, signed by the parties to this Agreement, i.e., the Management Firm and the Association or their respective successors or assigns.
9. This instrument, together with the covenants and the exhibits attached to said covenants, and any amendments thereto, constitute the entire agreement between the parties hereto, as of the date of execution hereof, and neither has been induced by the other by representations, promises nor 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 instruments referred to herein, which are not expressly contained herein.
10. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, subsection, sentence, clause, phrase or word or of any provision of this Contract or any exhibit attached hereto are the Covenants and the exhibits attached to said Covenants and as amended from time to time, will not affect the validity of the remaining portions thereof. The provisions of this Contract will be paramount to the Covenants as to those provisions where permissive variances are permitted; otherwise the provisions of said Covenants will prevail and will be deemed incorporated herein.

IN WITNESS WHEREOF, the parties hereby execute this Agreement.

SOUTHWEST PROPERTY MANAGEMENT CORPORATION

By: *Stephen J. Williams*

Its: *President*

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.

By: *Kenneth D. Williams*

Its: *President* *4/30/09*