



ASSOCIATION MANAGEMENT CONTRACT

This contract ("Contract") is made and entered into February 15, 2022 and between Portside Condominium Homeowners Association, Inc. a Florida Association ("Association"), and Virtuous Management Group, a Florida Corporation ("VMG"). Association and VMG are collectively referred to as the "Parties" in this Contract.

Now, therefore, for other good and valuable consideration received by each party from the other, the receipt, adequacy and sufficiency of which are hereby acknowledge, and in further consideration of the mutual covenants and agreements hereinafter set forth, the parties hereby agree to the following:

I. TERM AND TERMINATION

- A. This Contract shall commence on April 1, 2022 and shall continue for a one (1) year term ending on March 31, 2023 ("Initial Term"), subject to termination as provided herein.
- B. Should either party default by failing to perform its obligations set forth in this Contract, the other may give 30 days' written notice of its intent to cancel with specific detail as to the alleged breach. Should the default not be cured within the 30-day period (or in the case of a default requiring more than 30 days to cure, unless reasonable steps have been taken to cure such default and such cure is diligently pursued thereafter), the non-defaulting party shall have the right to cancel this Contract and/or the right to institute appropriate legal proceedings to recover such damages as allowed by the law. In addition, this Contract may be cancelled by either party, without cause, with 60 days' written notice to either party.
- C. Unless either party provides not less than 30 days' written notice prior to the expiration date of the Initial Term or any renewal term of this Contract, as applicable, the Contract shall automatically be extended on a month-to-month basis. During the period when the Contract has been extended on a month-to-month basis, either party shall have the right to terminate the Contract without cause upon 30 days' written notice to the other party.
- D. Upon expiration of the agreement, whether non-renewal, termination, or any other reasons, VMG shall provide the Association's electronic data to the Association in a format acceptable to the Association. Such data shall be provided in its unaltered (or unalterable format) and as it is kept in the ordinary course of business.

II. SERVICES

VMG will provide, or see that the Association is provided management, accounting, maintenance and administrative services as contained herein

A. Administration

1. During the term, hereof, VMG shall assist the Association in performing the following services as

requested by the Association, when and if needed, or as otherwise specified herein.

2. VMG, at its sole cost and expense, shall provide on-site staff as outlined and directed by the Board of Directors. VMG shall supply 1-full time CAM and 3-full time maintenance techs. This is the minimum staffing required by the contract but may be modified as mutually agreed upon by both parties.
3. In addition to those employees of VMG stipulated in Section A.2., and without relieving VMG of its obligations as set forth herein, VMG may employ and supervise such additional persons as the parties may mutually determine are needed (which person or persons may be employed on a part-time or full- time basis), or VMG may assist the Association in engaging as independent contractors or employees working on behalf of the Association, such persons, firms or companies necessary to properly operate the Community and maintain the common elements of the Community, according to VMG's reasonable judgment, the budget of the Association and the directives of the Board of Directors of the Association ("Board of Directors"). VMG shall also assist the Association in coordinating the work of any independent contractors engaged by the Association with the day to day activities of the Association.
4. VMG shall be responsible for the hiring, payment (including all benefits), supervision and acts of its employees and agents. As used in this Contract, the term "agent" shall be deemed to include subcontractors, if any. VMG is an independent contractor, and neither VMG nor its employees or agents are employees of Association. Association shall not interfere with VMG's right to control its employees and agents.
5. VMG warrants that all personnel provided to the Association's property are trained in those areas commensurate with the services to be provided. VMG warrants that it has performed due diligence and background checks prior to hiring any employees or agents deployed by VMG to Association's property. VMG shall always honor the Association's reasonable requests for the replacement of any personnel who are objected to by the Association.
6. VMG will provide personnel to cover those periods of time for which the Association's designated CAM has scheduled vacation or a leave of absence.

B. Maintenance

1. VMG will be responsible for the maintenance and cleaning of the Common Elements of the Association in accordance with assignments and schedules mutually agreed with the Association. Those areas are to be maintained and repaired include, but not limited to, painting, cleaning, swimming pools and such other ordinary and extraordinary maintenance and repair work together with the purchase of materials, equipment and supplies as may be necessary and consistent with the approved budget or as requested by the Association. The foregoing does not apply to the extent that the Association, by Board approval, has engaged a third-party vendor to maintain, repair, or clean a portion of the Common Elements.
2. VMG will perform routine visual property inspections at least 5 times per week and make written

recommendations to the Board of Directors as to maintenance and improvements to the Common Elements, and any observable violations by Unit Owners. VMG will notify the President or designee within a reasonable time of any conditions observed on the property which require prompt or immediate action by the Association.

3. VMG shall have access to the Common Elements at all times as may be necessary to perform its duties hereunder.
4. VMG shall notify the Board of Directors when it determines that an outside vendor is necessary to complete any maintenance and shall receive approval prior to retaining the same.

C. Accounting

1. VMG will bill all owners in accordance with the directions of the Board of Directors and the applicable Association documents and use its best efforts to collect owner assessments promptly when due. VMG, on behalf of the Association, may assess late fees, interest, and other charges related to the delinquency to the full extent of the Association documents and Florida law. Direct costs incurred by VMG with respect to the efforts in collecting Association's delinquent assessments will be paid to VMG in addition to the monthly fee set forth herein in Section III.
2. VMG shall deposit on a timely basis all receipts collected for the Association in the Association accounts with a banking institution chosen by the Board of Directors. All such funds will be maintained totally separate and apart from the accounts of VMG. VMG shall maintain separate accounts for operating and reserve funds for the Association. Special project accounts shall be established separately as directed by the Association. VMG agrees that all its employees who handle funds collected on behalf of the Association shall be covered by a fidelity bond purchased at the expense of the Association.
3. VMG shall pay on a monthly basis from collected funds the expense of the operation of the Association, including taxes, maintenance, insurance, utilities, and other expenditures previously authorized by the Board of Directors. Manager shall not make expenditures, unless it is a routine budgeted item, in excess of \$2,500 without prior consent of the Board or the Board's authorized designee.
4. Monies collected by VMG and designated for a reserve fund of the Association will be maintained in an account separate and apart from operating expenses. Expenditures from this reserve fund will be made only with prior approval of the Board of Directors.
5. VMG shall keep accurate records of revenue and expenses of the Association and shall monthly submit a detailed financial statement of the Association's funds to the Board of Directors no later than 20 working days after the end of each month. The monthly financial statements shall include the following:
 - i. Bank balances of all Association Accounts
 - ii. Bank statement or other report showing checks paid
 - iii. Monthly expenses by budgeted line item

- iv. Year-to-date expenses
 - v. Balance sheet including current status of the reserves
 - vi. AR aging reports
6. All accounting records shall be accurately maintained in accordance with generally accepted accounting principles and on an accrual basis.
7. All books and records of the Association, which are maintained by VMG, will be available to the Association and to the persons authorized by Florida statutes during normal office hours and upon reasonable notice.
8. VMG will cooperate in the performance of an annual or year-end audit or preparation of financial reports of or relative to the Association's books of account by a Certified Public Accountant or firm selected by the Board of Directors.
9. VMG will assist the Board of Directors in preparation of an annual budget. The adoption of the budget shall be the responsibility of the Board of Directors.
10. VMG shall maintain on behalf of the Association a file of individual owners' information as required by law, including the identity of the owners, owners' addresses and telephone numbers, and such other information as VMG deems necessary. None of this information shall be furnished to a third party unless authorized in writing by the respective owners, an officer of the Association, or as required by Florida law.
11. VMG shall maintain and enforce any rules and regulations communicated by the Board of Directors, including taking any formal legal action upon the advice, consent, and direction of the Board of Directors. VMG is authorized to execute liens and affidavits on behalf of the Association to assist in collecting unpaid assessments and to enforce the rules and regulations of the Association.
12. VMG shall timely prepare responses to requests for estoppel certificates in a manner that is in compliance with Sec. 718.116, Fla. Stat. and to charge for such service, not to exceed the rate set forth in the statute or as otherwise set forth herein (whichever is less).

D. Management

1. VMG shall assign a licensed community association manager (VMG's representative) to manage the Association. VMG represents and warrants that the person or persons employed by VMG to directly provide any community association management services as defined in Chapter 468, Florida Statutes, as required under this contract shall have at all times a Community Association Manager's License from the Florida Department of Business & Professional Regulation, and that VMG shall otherwise comply with provisions of Section 468.432, Florida Statutes.
2. VMG will post and, where required by law, send to the members all meeting notices as required

by FL Statutes

3. VMG will provide the Board of Directors a Directors' meeting packet at least five days (5) prior to each regularly scheduled Board meeting (n/a to specially called Board meetings). The packet shall include an association management report and current financial reports.
4. VMG's representative will attend annual meetings of the Association and Board of Director's meetings at the request of the Board of Directors. When the attendance of the representative of VMG is requested, minutes of such annual meetings or Board of Director's meetings will be recorded and produced. VMG will act upon the direction of the Board of Directors in matters related to the Association.
5. VMG shall assist in securing insurance in the name of the Association such insurance as may be required by Florida Statutes or Association documents and as directed by the Board of Directors in the amounts specified by the Board of Directors. VMG will handle insurance administration and claims where applicable and as directed by the Board of Directors.
6. VMG shall maintain supervision over utilities serving the Community and make necessary arrangements with appropriate utility companies for electrical, water, and sewer with respect to the common areas provided.
7. VMG shall act as contract administrator for any "Recurring Projects". For the purposes of this agreement, "Recurring Projects" shall be narrow in scope and limited to maintenance and repair projects which are routine in nature and frequently recurring.
8. VMG shall act as contract facilitator for any "Special Projects". For the purposes of this agreement, "Special Projects" shall include things such as reconstructions or other projects related to renovation following a natural disaster, repairs of defects, warranty and various types of capital improvements. When a "Special Project" is voted and approved by the Association, VMG will provide the necessary financial statements to the Board of Directors relative to the "Special Project".
9. VMG is given no authority or responsibility for maintenance of or repairs within individual dwelling units except as provided for in a separate agreement. Such maintenance and repairs shall be the sole responsibility of the individual owner. This shall not prevent VMG from maintaining and repairing common elements that may be accessed through individual units.
10. VMG will receive service requests from members of the Association, consider these requests, and take appropriate actions upon each. Complaints and service requests of a major nature shall be brought to the attention of the Board.
11. VMG shall report to the Board or its designee(s) any violations of the Declaration of Condominium, By-Laws and any Rules and Regulations of the Association which are observed by VMG on visits to the community and shall give notice of such violations to the responsible unit

owner. If violations cannot be resolved, the Agent will bring unresolved violations to the Board.

12. VMG's representative shall attend periodic performance review meetings with the Board or its representative, to occur 90 days after commencement of the Term and thereafter every 6 months unless otherwise agreed.

III. COMPENSATION AND COST REIMBURSEMENT

- A. In return for the services provided under this Contract, the Association shall pay VMG a monthly fee beginning on 4/1/22. The total sum of the fee shall be equal to the items listed on "**the pricing sheet**". The fee provided for herein shall be payable the first of each month in advance. Each year, the contracted fee for services will be increased by 3% (rounded to the nearest dollar). Should the Initial Term be extended, annual increases may be renegotiated at that time. This fee is based upon the minimum staffing level set forth in Section 2.b. and shall be modified by mutual agreement in the event that additional staffing is deemed necessary by the Parties.
- B. Association agrees that all outstanding balances billed, and which remain unpaid more than 30 days after billing will be assessed interest at the maximum rate as allowed by law on the unpaid balance. Should payment not be made within the time period specified above, VMG shall have the ability, notwithstanding anything to the contrary contained in this Contract, to remove on-site staff members upon 7 days' written notice to the Association. During the period that on-site staff members have been removed from the property, VMG shall have no responsibility for performance of services under this Contract that would be performed by on-site staff members. Further, VMG shall not be liable to the Association, its members or to Owners, their guests and invitees for any injury, losses, costs, penalties, fines, fees, suits, demands, causes of action, judgments, obligations, claims or expenses incurred, sustained, arising out of and/or related to VMG's inability and/or failure to perform any of its duties and obligations under the Contract which would have been performed by on-site staff members during the period of time when VMG's on-site staff members have been removed from the property.
- C. Except as is otherwise expressly provided herein, the Association shall pay or reimburse VMG for all reasonable and necessary costs which may be incurred by VMG in providing materials and supplies to the Association immediately upon receipt of an invoice from VMG.

IV. LIABILITY AND INSURANCE

- A. The Association hereby expressly agrees and understands that VMG shall not be liable to the Association, its members or to Owners, their guests and invitees for any injury, loss or damage to person or property, except to the extent caused by VMG's negligence or willful misconduct or material breach of this Contract. To the fullest extent of the law, the Association and its members will, and do hereby agree to indemnify, save, defend and forever hold harmless VMG, its affiliated or related entities, partners, officers, directors, agents, servants and employees from any liabilities, damages, costs, penalties, fines, fees, losses, suits, demands, causes of action, judgments, obligations, claims and expenses, including but not limited to reasonable attorneys' fees and associated costs (whether pre-trial, at trial, mediation or at arbitration and/or in connection with any appeals) incurred, sustained, arising out of or connected with any injury to person or property however caused, or from any matter whatsoever arising from or in connection with

VMG's performance of services hereunder except to the extent that such liability resulted from VMG's negligence or willful misconduct or from a material breach of this Contract. All personal property placed or moved into the Community will be at the risk of the Association or the Owner or occupant. VMG will not be liable to the Association or others for any damage or injury to person or property, real or personal, arising from theft, vandalism, HVAC malfunction, the bursting or leaking of water pipes, the presence of mold, mildew or any pollutant, and any act or omission of any Owner or occupant or of any other person. However, the foregoing will not relieve VMG of liability for damage to the extent resulted from VMG's negligence, willful misconduct, or material breach of this Contract. To the extent that such liability resulted from VMG's negligence, willful misconduct, or material breach of this Contract, VMG shall indemnify the Association and any of its agents, servants, officers, directors, members, and employees from any liabilities, damages, costs, penalties, fines, fees, losses, suits, demands, causes of action, judgments, obligations, claims and expenses, including but not limited to reasonable attorneys' fees and associated costs (whether pre-trial, at trial, mediation or at arbitration and/or in connection with any appeals). Both parties shall procure contractual liability insurance covering their respective obligations arising out of this paragraph; however, the indemnification shall not be limited to damages, compensation or benefits payable under insurance policies. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Contract, such legal limitations are made a part of the indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect. The provisions set forth in this paragraph shall survive the expiration or termination of this Contract.

- B. The Association agrees to provide a safe and healthy work environment for all employees provided by VMG. If VMG, in the exercise of its reasonable discretion, determines that there are conditions on or about the Community which pose a hazard to the safety and/or health of its employees, VMG shall have the ability, notwithstanding anything to the contrary contained in this Contract, to remove on-site staff members upon 24 hours written notice to the Association. During the period that on-site staff members have been removed from the property, VMG shall have no responsibility for performance of services under this Contract that would be performed by on-site staff members. Further, VMG shall not be liable to the Association, its members or to Owners, their guests and invitees for any injury, losses, costs, penalties, fines, fees, suits, demands, causes of action, judgments, obligations, claims or expenses incurred, sustained, arising out of and/or related to VMG's inability and/or failure to perform any of its duties and obligations under the Contract during the period when VMG's on-site staff members have been removed from the property.

- C. VMG shall at all times during the performance of this Contract and for a period of one year thereafter maintain the following minimum insurance coverages: broad form Commercial General Liability insurance covering personal injury, bodily injury, property damage (\$1,000,000 combined single limit per occurrence); Workers' Compensation as required by Florida law; any other insurance required by law; comprehensive automobile liability insurance for owned, hired and non-owned and employee non-ownership, \$1,000,000 combined single limit per occurrence; Umbrella Liability coverage at minimum limits of \$2,000,000 with respect to primary Commercial General Liability and Automobile Liability policies. A waiver of subrogation in favor of the Association shall be contained in the Workers

Compensation and all liability policies. VMG shall supply Association with a Certificate of Insurance evidencing the coverages required by this section. All insurance carriers shall be rated A IX or better by A.M Best Company and must be licensed and authorized to do business in Florida. The Association shall be named as an additional insured on all liability policies.

- D. To the fullest extent permitted by law, Manager agrees to indemnify, defend, and hold harmless Association and its officers, directors, and members from and against any and all claims, demands, causes of action, and/or suits, whether for damages, declaratory relief, or injunctive relief, by VMG and/or its affiliates, subsidiaries, agents, successors, or assigns and against Association arising out of or in any way related to Manager's retention of former VMG employees and placement of the same in any role at the Condominium. Furthermore, in the event any injunction is entered by a Court of competent jurisdiction which would prevent any such employees from serving at the Condominium, Manager shall immediately replace said employees so as to avoid the interruption of the service required by this Agreement.

V. ADDITIONAL TERMS OF AGREEMENT

- A. **COMPLIANCE WITH LAWS.** VMG shall always remain in compliance with all applicable Federal, State, and local laws, ordinances and regulations, social security acts, tax laws, unemployment and worker's compensation act insofar as applicable to the performance of this Contract. VMG shall also secure, at its own expense, any and all permits, fees, and licenses necessary for the execution of the VMG's contractual obligations. VMG agrees to provide proof of any of the above at any time during the term of this Contract at Association's request.
- B. **JURISDICTION AND VENUE.** The parties agree that the Contract was entered into in Bay County, Florida, and if any litigation should arise as a result of either party's breach of the terms and conditions of this Contract, jurisdiction and venue shall lie exclusively in the state court of competent jurisdiction in and for Bay County, Florida. Any litigation arising under this Contract shall be determined in accordance with the law of the State of Florida.
- C. **NOTICE.** Any notice required to be provided by this Contract shall be made by Certified Mail or hand delivery to the address stated below or such other address as each party may designate from time to time.
- D. **MODIFICATION & CONFLICT.** This contract may not be modified in any way, except in writing signed by all parties.
- E. **ASSIGNMENT.** This Contract may not be assigned by either party without the express written permission of the other party.
- F. **VALIDITY.** Partial or complete invalidity of any one or more provisions of this agreement shall not affect the validity or continuing force and effect of any other provision.
- G. **WAIVER.** The failure of either party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this agreement or to exercise any of its rights shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to future performance.
- H. **ENTIRE AGREEMENT.** This Contract constitutes the entire agreement between the contracting parties, and no variance or modification hereof shall be valid and enforceable except by supplemental written agreement executed by the parties hereto.
- I. **PREVAILING PARTY FEES.** In connected with any breach, default, collection, or litigation, including appellate proceedings, arising out of this agreement, the prevailing party shall be entitled to recover

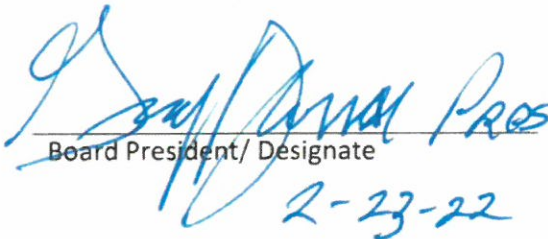
reasonable attorney's fees and costs.

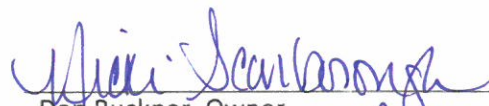
- J. PRESUIT MEDIATION. Disputes arising under this Contract must first be mediated by a Supreme Court Certified Circuit Civil Mediator in Bay County, Florida. The parties agree that the mediation shall occur within sixty (60) days of the date mediation is requested by either party. The Mediator shall be agreed upon but if the parties are unwilling or unable to agree, the parties agree that a Mediator may be appointed by court order. The parties agree to pay Mediator fees promptly and share them on an equal basis. Each party shall fully participate in mediation through one or more representatives attending with full settlement authority. Litigation may not be commenced until after mediation has been (i) declared an impasse by the Mediator or (ii) terminated in writing by one or both of the parties. The confidentiality provisions of the "Mediation Confidentiality and Privilege Act" shall attach to any such mediation. Failure to comply with this paragraph by a party initiating litigation shall not be a cause for dismissal of a lawsuit, but both parties agree that such lawsuit shall be stayed for a period of time necessary to complete a mediation upon motion by any party
- K. ATTORNEY CLIENT PRIVILEGE. In the event the Association becomes involved with, or contemplates, any litigation, it may become necessary to transmit communications between the Association and the Association's attorney through VMG or to include VMG. It is the intention of the Association that any such communication between the Association, the Association's attorney, and VMG, to be considered confidential and protected by the Attorney-Client Privilege as provided in Section 90.502, Florida Statutes.

IN WITNESS, WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT AS OF THE DAY OF YEAR FIRST ABOVE WRITTEN:

As to Portside Condominium
Homeowner's Association, Inc.

As to Virtuous Management Group


Board President/ Designate
2-23-22


Dan Buckner, Owner
COO 2/23/22





PRICING SHEET- Portside Condominium Homeowners Association, Inc

1. Accounting/Mangement (full set of monthly financials, and assist with year end audit) – and full time onsite CAM, (fully loaded) \$97,922.
2. Maint Techs – 2 Full time maintenance techs, use existing rates and add burden rate, 35%.
The Association can pay an additional \$350/month for the full time employees to provide full group medical insurance.
3. Mailings – reimbursable to VMG for printing, postage and envelopes.
4. Estoppels and Questionnaires completed by HomeWise Docs.
5. New Owner Set up Fee (Condo Resale)-\$150.00 Paid by new owner.
6. Notice of late assessments preparation, \$50, paid by delinquent owner

Note: If any hourly staff changes are made, Board to approve hourly rate and contract to be amended and billed to association to include VMG Burden rate.