INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

d/b/a

Fountain Beach Resort

313 S. Atlantic Ave.

Daytona Beach, FL 32118

Board of Directors' Meeting Agenda

Monday, July 13, 2026

5:30 p.m.

(First Floor Meeting Room)

I. CALL TO ORDER

II. ROLL CALL - Establish Quorum and Verify Posting of Agenda

III. PRESIDENTS REMARKS

IV. MINUTES - Disposal of Minutes from June 8, 2026

V. CAM REPORT - Written report to be provided to the Board

VI. FINANCIAL REPORTS - Disposal of Financial Reporting

VII. LLC UPDATE

1. LLC Manager - Board Update
2. Oasis LLC Financial Reports
3. Rental Program Occupancy/Volume/Revenue

VIII. CONSULTANT UPDATE

1. Rick Durgin

IX. OLD BUSINESS/NEW BUSINESS

1. Update from CAM on collections of outstanding monies
2. Forensic Audit Update
3. FPL Doors
4. 16 stack Update
5. Balcony Inspection Update
6. Seawall Update
7. SIRS/Traditional
8. Fire Safety Update
9. Update on Replacement of First floor electrical panels
10. Consideration of LRG proposal for LLC

X. BOARD MEMBER REMARKS/OWNER COMMENTS

XI. ADJOURNMENT

Go to the zoom website at www.zoom.us
Click on "join a meeting"
Enter the meeting ID: 3862557491
Call in phone number is (386) 347-5053

*****There will be a short organizational meeting of the Board of Directors immediately following this meeting*****

INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS' MEETING
June 8, 2026

President Randy Deavers called the meeting to order at 10:03 a.m. Board Members present in person were Randy Deavers, President, and Diane Baker, Director at Large. Steve Saker, Vice President and Tonda Meadows, Treasurer, attended via Zoom. Becky Lewis from Property Management with Distinction (PMD) also attended via Zoom. Also in attendance was Rich Musgrove representing the LLC. Proof of notice that the meeting was posted at least 48 hours prior to the meeting was presented, and a quorum was established.

Steve Saker made a motion to approve the May 11, 2026 meeting minutes. The motion was seconded by Diane Baker and unanimously approved.

<u>Financial Reports</u>

May 2026 profit and loss reports were presented. Overall, we are on budget. Tonda Meadows made a motion to approve the financials as presented. Steve Saker seconded the motion, and it passed unanimously.

<u>Rental Program Occupancy/Volume/Revenue</u>

Rich Musgrove reported that ADR & occupancy for Memorial Day and Rockville were up in May 2026 compared to 2025, although overall May was slightly down from last year.

The following projects were completed: the planters by the mural were repainted, the pool ladder steps were repaired, and both the interior and exterior fountains were cleaned. Balcony railings were sanded and painted, and picnic tables were repaired. Additionally, the pool lock was secured and is currently being replaced.

<u>Consultant Update</u>

Randy Deavers read a report provided by Rick Durgin reported insurance issues are being addressed, as they as well as the best way to organize the structure of the organization. Lawsuit issues are being properly assigned to the correct party to be addressed by the correct insurance policy. Bar is transitioning well, with some change of team members, but otherwise operations are running smoothly. Contract with bar manager upon Rick Durgins return.

<u>CAM Report</u>

- Notices were sent to all owners with expired insurance certificates, including both rental and private unit owners.
- Coordinated with the LLC to identify and notify rental unit owners for whom no current insurance documentation is on file.
- Worked with United to explore potential cost savings for balcony inspections through the use of a lift.

- Communicated with an owner regarding a reasonable accommodation request.
- Evaluated a transition from phone-line fire alarm monitoring to Wi-Fi monitoring, resulting in an estimated savings of **$47.55 per month**. The proposal includes a **one-time setup fee of $800**, negotiated down from **$950**, with pricing guaranteed for **three years**.
- Both fire pumps are currently operational; however, they are very old. One fire pump is emitting smoke and requires repacking, though replacement may be the more cost-effective long-term solution.
- The jockey pump remains online but is also aging and may require future evaluation or replacement planning.

New/Old Business

Update on Collections
Becky Lewis reported that total outstanding collections are $225,314.50, with $48,870.00 being Special Assessments due. We collected $4,155.94 of delinquent special assessments in May. There is $176,444.50 of delinquent maintenance fees, with $2,368.81 being collected in May. PMD has collected $234,611.32 since we began. Sent out 3 letters of Intent to Lien and Rent Demand letters.

Appointment of a New Board Member
There is a vacancy on the Board by Ron Williams selling his unit. Diane Baker made a motion to appoint Julie Dusz. The motion died for lack of a second. Tonda Meadows made a motion to appoint Patricia Akerly, which motion was seconded by Steve Saker. The motion passed 3 – 1, with Diane Baker being the descending vote.

Forensic Audit Update
Lisa Latham is still working on the Reserve accounts.

FPL Doors
McDonald Painting has ordered the FPL doors.

Seawall Update
Becky Lewis advised that we sought and were granted permission to work on the seawall during Turtle Season, possibly to be considered as a change order to the 16 stack work. A proposal from United Engineering to prepare permit documents and inspect the seawall for repairs. Steve Saker made a motion to accept the proposal. Diane Baker seconded the motion, and the motion passed unanimously.

Air Curtain Update
The air curtain was removed as the wall is not secure enough.

16 Stack Update
The contract has been reviewed and will be signed after this meeting.

Replacement of First Floor Electrical Panels

Randy Deavers presented a proposal from Cain's Electric for replacement of nine electrical panels on the first floor at a cost of $15,200. Tonda Meadows made a motion to accept the proposal from Cain's Electric. Steve Saker seconded the motion and the motion was approved unanimously.

Board Member/Owner Comments

Diane Baker asked if new owners were provided with a copy of the Rules & Regulations. Becky Lewis advised that they are provided the Rules at closing.

Diane also asked if we currently have a pool monitor. Rich Musgrove reported that we currently don't have one, but one will be starting shortly.

Julie Dusz asked if the umbrellas were being repaired, as none of them were out for the weekend. Rich Musgrove advised that they were working on the picnic tables, so that is why they weren't out.

She also mentioned an area where cigarette butts are collecting. Rich Musgrove advised that they would address it.

Julie asked if we are purchasing new pool signs and if we could remove the pieces of the old signs that are left. Rich Musgrove will address.

Julie Dusz also requested that it be in the minutes that owners had sent their recommendations for Julie to be appointed to the Board.

Dawn Griswold asked if the pool locks were working. As reported earlier, they are currently not working but are being repaired.

Diane Baker made a motion to adjourn the meeting at 10:43 a.m. The motion was seconded by Steve Saker and passed unanimously.

Worked on 12 active sales

201/203 Payoff/Safe Harbor letter

Working with owners on ARB

Working with owner on ADA request

Working with owner on water intrusion issue

Emailed/Mailed collection letters

Rental Demand and Notice of Intent to Lien for Unit 601, working on Unit 518 now

Continued working with owners on past collection efforts

Pre Construction meeting for 16 stack

Met with engineer about 201/203, 205 and 301/303 repairs

Worked with contractor to get Notice of Commencement and Permit filed

International Beach Club COA, Inc.
Profit & Loss Budget Performance
May 2026

	May 26	Budget	Jan - May 26	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
Net Other Income	0.00	0.00	0.00	0.00	-25.00
Insurance Proceeds	0.00	0.00	0.00	0.00	0.00
Member Finance Charges	198.00	2,500.00	35,421.47	12,500.00	30,000.00
Late Fees and Fines	275.00	500.00	1,339.86	2,500.00	6,000.00
Monthly Assessments	81,400.00	81,400.00	407,000.00	407,000.00	976,800.00
Monthly Commercial Rents					
Realtor Office Rent	250.00		250.00		
Oasis Tiki Bar and Grill	1,000.00	1,000.00	5,000.00	5,000.00	12,000.00
Fountain Bch Resort Front Desk	3,000.00	1,000.00	4,000.00	5,000.00	12,000.00
Beach Carts Commercial Rentals	2,023.50	1,011.75	6,070.50	5,058.75	12,141.00
Total Monthly Commercial Rents	6,273.50	3,011.75	15,320.50	15,058.75	36,141.00
Net Resort Fees	0.00	16,666.67	39.56	83,333.35	200,000.04
Other Income					
Vending Income	229.44	208.33	953.79	1,041.69	2,500.00
Reimbursements					
Oasis LLC Ins. Reimbursement	0.00	2,268.75	0.00	11,343.75	27,225.00
Reimbursements - Other	0.00	0.00	0.00	0.00	0.00
Total Reimbursements	0.00	2,268.75	0.00	11,343.75	27,225.00
Owner Storage	0.00	30.00	240.00	150.00	360.00
Other Income - Other	0.00		181.25		
Total Other Income	229.44	2,507.08	1,375.04	12,535.44	30,085.00
Total Income	88,375.94	106,585.50	460,496.43	532,927.54	1,279,001.04
Gross Profit	88,375.94	106,585.50	460,496.43	532,927.54	1,279,001.04

International Beach Club COA, Inc.
Profit & Loss Budget Performance
May 2026

	May 26	Budget	Jan - May 26	YTD Budget	Annual Budget
Expense					
Bank Service Charges	0.00		24.00		
Administration					
Bank Service Charges	24.40	10.00	604.00	50.00	120.00
Utilities					
Cable/Internet	4,558.52	4,730.83	26,930.21	23,654.19	56,770.00
Electric	1,135.12	9,166.67	34,303.04	45,833.31	110,000.00
Propane/Gas	2,499.73	2,083.33	15,917.40	10,416.69	25,000.00
Telephone	502.02	416.67	2,332.68	2,083.31	5,000.00
Water/Sewer/Garbage	14,031.01	13,750.00	86,499.71	68,750.00	165,000.00
LLC Maint.-Reimbursement	0.00	0.00	0.00	0.00	0.00
Total Utilities	22,726.40	30,147.50	165,983.04	150,737.50	361,770.00
Insurance	0.00	23,596.05	117,669.50	117,980.25	283,152.60
Other Administration Expenses	250.00	0.00	2,750.00	0.00	0.00
Accounting Fees	0.00	1,166.67	0.00	5,833.31	14,000.00
Legal and Professional Fees	1,400.00	2,083.33	6,285.00	10,416.69	25,000.00
Management Fees	4,000.00	4,000.00	19,000.00	20,000.00	48,000.00
Office Supplies and Expense	125.00	108.33	1,482.36	541.69	1,300.00
Local Taxes & Licenses	0.00	125.00	375.00	625.00	1,500.00
Postage and Delivery	0.00	125.00	212.41	625.00	1,500.00
Property Taxes	0.00	316.67	0.00	1,583.31	3,800.00
Sales & Use Tax	170.18		379.71		
Total Administration	28,695.98	61,678.55	314,741.02	308,392.75	740,142.60
Building & Grounds Maintenance					
Shared Labor	16,000.00	17,500.00	80,000.00	87,500.00	210,000.00
Unit Repairs	154.91	0.00	154.91	0.00	0.00
Landscaping	0.00	166.67	138.25	833.31	2,000.00
Building Maintenance & Repair	4,976.26	6,250.00	17,668.80	31,250.00	75,000.00
Electrical Repairs	0.00	625.00	3,411.11	3,125.00	7,500.00
Elevator Maintenance & Repair	0.00	833.33	0.00	4,166.69	10,000.00

International Beach Club COA, Inc.
Profit & Loss Budget Performance
May 2026

	May 26	Budget	Jan - May 26	YTD Budget	Annual Budget
Equipment Rental	324.75	333.33	3,678.93	1,666.69	4,000.00
Fire Alarm and Suppression	2,884.36	133.33	2,884.36	666.69	1,600.00
HVAC Maintenance & Repair	0.00	416.67	1,089.00	2,083.31	5,000.00
Permits & Inspections	0.00	58.33	0.00	291.69	700.00
Pest Control	2,106.80	1,250.00	5,510.96	6,250.00	15,000.00
Plumbing	250.00	1,250.00	4,970.00	6,250.00	15,000.00
Pool Maintenance & Repair	2,853.44	2,708.33	13,573.94	13,541.69	32,500.00
Security	378.00	1,666.67	878.00	8,333.31	20,000.00
Telephone Systems	0.00	62.50	0.00	312.50	750.00
Pool Attendent	0.00	833.33	0.00	4,166.69	10,000.00
Building & Grounds Maintenance - Other	0.00		986.69		
Total Building & Grounds Maintenance	29,928.52	34,087.49	134,944.95	170,437.57	409,050.00
Total Expense	58,624.50	95,766.04	449,709.97	478,830.32	1,149,192.60
Net Ordinary Income					
Other Income/Expense					
Other Income					
Special Assessments					
Reserve Account Interest					
Operating Account Interest				0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00
Other Expense					
Special Assessment Expense	0.00	0.00	0.00	0.00	0.00

International Beach Club COA, Inc.
Profit & Loss Budget Performance
May 2026

	May 26	Budget	Jan - May 26	YTD Budget	Annual Budget
Reserve Funding					
General Fund (Pooling Account)	149.77	149.77	748.85	748.81	1,797.20
Electrical	109.46	109.46	547.30	547.30	1,313.52
Windows	407.20	407.20	2,036.00	2,036.00	4,886.40
Structural	482.49	482.49	2,412.45	2,412.45	5,789.88
Foundation	723.74	723.74	3,618.70	3,618.70	8,684.88
Floors	349.39	349.39	1,746.95	1,746.95	4,192.68
Fire Pumps	388.89	388.89	1,944.45	1,944.45	4,666.68
Fire Alarms	285.19	285.19	1,425.95	1,425.95	3,422.28
Building Painting Waterproofing	575.06	575.06	2,875.30	2,875.30	6,900.72
Elevators	342.06	342.68	1,710.30	1,713.40	4,112.16
Roads & Appurtances	214.99	214.99	1,074.95	1,074.95	2,579.88
Roof	5,168.92	5,168.92	25,844.60	25,844.61	62,027.05
Total Reserve Funding	9,197.16	9,197.78	45,985.80	45,988.87	110,373.33
Total Other Expense	9,197.16	9,197.78	45,985.80	45,988.87	110,373.33
Net Other Income	-9,197.16	-9,197.78	-45,985.80	-45,988.87	-110,373.33
Net Income	**-9,197.16**	**-9,197.78**	**-45,985.80**	**-45,988.87**	**-110,373.33**

Collections

	Monthly	Collected	Special Assessment	Collected	Total Outstanding	Total Collected	
08/31/25	$236,600.20		$110,485.94				
09/30/25	$161,687.17	$74,913.03	$89,607.83	$20,878.11	$251,295.00	$95,791.14	
09/30/25	**$148,200.33**						
10/31/25	$141,818.89	$19,868.28	$74,658.61	$14,949.22	$216,477.50	$34,817.50	
			$74,658.61				
11/30/25	$101,629.78	$40,189.11	$68,385.03	$6,273.58	$170,014.81	$46,462.69	
***12/31/2025	$125,645.60	-$24,015.82	$61,925.03	$6,460.00	$187,570.63	-$17,555.82	$21,000
			$60,825.03				
****1/31/2026	$136,309.40	-$10,663.80	$55,741.75	$6,183.28	$190,951.15	-$4,480.52	$31,045.00
*****02/28/2026	$202,909.89		$58,944.60				
03/31/26	$191,757.52	$11,152.37	$53,025.94	$5,918.66	$244,783.46	$17,071.03	
							$215,142.36
04/30/26	$178,813.31	$12,944.21	$53,025.94	**$0.00**	$231,839.25	$12,944.21	
							$228,086.57
05/31/26	$176,444.50	$2,368.81	48,870.00	$4,155.94	$225,314.50	$6,524.75	
							$234,611.32
06/30/26	$173,341.22	$3,103.28	39,860.34	$9,009.66	$213,201.56	$12,112.94	
							$246,724.26

*** Revised per the forensic audit

**** Revised per the forensic audit of 11.30.2025

***** Revised per the forensic audit of 02.25.2026

MCDONALD PAINTING & QUALITY CONSTRUCTION, LLC

Fountain Beach Resort

16 Stack Slab Replacement Project

Project Deliverable Schedule

Project Start Date: July 20, 2026
Contract Duration: 3 Months
Project Superintendent: Alex Keehn
Project Foreman: Cody Ryan
Engineer: T.J. Snook, P.E. (UEC)

Phase	Target Dates	Key Deliverables	Milestone
Pre-Construction	July 1 – July 18	✓ Pre-Construction Meeting✓ Permit Issued✓ Notice of Commencement Recorded✓ Certificates of Insurance✓ Material Submittals✓ Project Schedule✓ Schedule of Values (AIA G703)✓ Warranty Letters	**Project Ready for Mobilization**
Phase 1 – Mobilization & Demolition	July 20 – August 14	✓ Mobilization✓ Site Protection & Hard Wall Barriers✓ Owner Notifications✓ Temporary Shoring & Safety Setup✓ PTAC Removal✓ Guardrail Removal & Storage✓ Balcony Slab Demolition✓ Knee Wall & Guard Wall Demolition✓ Reinforcing Steel Inspection✓ UEC Inspection & Approval	**Demolition Complete**
Phase 2 – Structural Reconstruction	August 17 – September 11	✓ Concrete Slab Replacement✓ Knee Wall Reconstruction✓ Guard Wall Reconstruction✓ Metal Framing Replacement✓ Concrete Repairs✓ Stucco Repairs✓ Rust Repairs✓ Route &	**Structural Restoration Complete**

Phase	Target Dates	Key Deliverables	Milestone
		Seal Cracks✓ Quality Control Inspections✓ UEC Progress Inspections	
Phase 3 – Finishes & Closeout	September 14 – October 9	✓ Prime & Paint Repaired Areas✓ Balcony Deck Coating Installation✓ Reinstall PTAC Units✓ Reinstall Guardrails✓ Final Finish Blending✓ Punch List Corrections✓ Final UEC Inspection✓ Demobilization	**Substantial Completion / Final Acceptance**

Contract Administration

- Monthly Applications for Payment (AIA G702/G703)
- Updated Schedule of Values with each Pay Application
- Material Submittals & Product Data
- Inspection Requests Coordinated Through UEC
- Requests for Information (RFIs), as Required
- Proposed Change Orders, if Required
- Time & Material Documentation, When Applicable
- Weekly Coordination with Property Management
- Final Warranty & Closeout Documentation

Project Milestones

Milestone	Target Date
Pre-Construction Meeting	July 1, 2026
Mobilization	July 20, 2026
Demolition Complete	August 14, 2026
Structural Restoration Complete	September 11, 2026
Painting & Deck Coating Complete	October 2, 2026
Punch List Complete	October 9, 2026
Final Inspection / Project Closeout	October 9, 2026

STONEBUILDING
SOLUTIONS

04 / 07 / 2026

International Beach Club Condominium Association, Inc.

℅ Becky Lewis

312 Georgetown Dr, Daytona Beach, FL 32118

Re: SIRS, TRS, CPTED and Pre- Loss Claim

Building Description: (1) 6 story building with 148 units located at 3727 S Atlantic Ave, Daytona Beach, FL 32118, USA.

One Team. One Call. Zero Guesswork.

Commercial buildings don't need more vendors; they need **clear accountability.**
Stone Building Solutions acts as the central force on complex properties, providing construction monitoring, owner's representation, forensic investigations, and licensed engineering services under one coordinated team.

Our in-house capabilities include:

- Structural & Electrical Engineering
- Special Inspections
- Construction Monitoring & Owner's Representation
- Forensic Investigations
- Architectural Drafting & Documentation

Instead of managing multiple firms, owners work with **one qualified team operating under professional engineering oversight,** from inspection through resolution.

If that aligns with how you manage your assets, we're ready to proceed.

Andrew Hosford

andrew.hosford@stonebldg.com | 407-972-3310

Stone Building Solutions
Engineering-Led. Owner-Focused.

STONEBUILDING
SOLUTIONS

Client Name: International Beach Club Condominium Association, Inc.   04 / 07 / 2026

	Services	
☐	CPTED 3 Year Certification (Includes Day and Night Inspection) Price with Balcony Inspection- Normal Price $6500 Required for all apartment-style communites	$5,920
☑	SIRS Reserve Study	$5,920
☑	Add Traditional Study to SIRS- Get the full reserve Picture (TRS alone $4,995)	$2,995
☑	**Bonus: Receive a 9% Pre-Loss Claim** rate on any future claims in your property. Reduced rate offered with the selection of the service above.	FREE

Terms
Additional inspections, return trips, or follow-up visits are billed at $350 per hour per person.
Access Requirements

The Client is responsible for providing access to all required units and common areas, including on-site staff escort if needed.

Additional site visits caused by denied or unavailable access will be billed at $350 per hour per person.

Payment:
This service is billed at a flat fee:

- 51% due within 14 days of signing
- 49% due upon completion
- Invoices dues in 10 days

Final signed deliverables will be released after final payment is received.

Agreement
Signature below confirms acceptance of all terms and conditions contained in this Agreement.

Client:

Signature: ____________________ Name: ____________________

Title: ____________________ Date: ____________________

Contractor: : ____________________ Date: ____________________
Tara Stone, Stone Building Solutions

STONEBUILDING
SOLUTIONS

Crime Prevention Through Environmental Design (CPTED) Inspections

Protect your property. Reduce liability. Qualify for insurance savings.

Why Every Condo, Townhome, and Multifamily Property Needs a CPTED Certification

Under Florida Statute **768.0706**, a certified CPTED report offers a **presumption against negligence** if a criminal act occurs on your property. It's a powerful shield against liability, but it also improves site safety, boosts market value, and helps with insurance. Many carriers are already requiring this for coverage or offering better rates to properties with current CPTED documentation.

CPTED Compliance Checklist (Florida Statute 768.0706)

To pass, your property must include:

- Security cameras at all entry/exit points with **30-day footage retention**
- Lighted parking lots with a **minimum 1.8 foot-candles** dusk to dawn
- Lighting in walkways, laundry rooms, porches, and other common areas
- **1-inch deadbolts** on all unit doors
- Locking devices on windows, sliding doors, and non-community doors
- Locked pool gates with key or fob access
- Peepholes or door viewers on unit doors without windows

And meet the following administrative requirements:

- CPTED assessment by a certified professional (must be renewed every 3 years)
- Crime deterrence training for all current staff by **Jan 1, 2025**
- Ongoing training for new staff within **60 days of hire**

Access Requirements – What You Provide

- One typical residential unit
- Video command center and historical footage
- All gated areas and fencing
- Parking lots and vehicle access points (day and night)
- Common areas (gym, pool, laundry, clubhouse, etc.)

What Stone Provides

- Certified CPTED inspection (Day & Night)
- Required training for current staff $29.95 per person
- Optional Engineering services to resolve any compliance issues
- Full digital report delivery

Terms & Fees

All CPTED inspection reports are delivered electronically. If a printed and bound copy is requested, an additional fee of $200 will apply. A $500 cancellation fee will be charged for any same-day cancellations, and a $500 fee will also be applied if Stone is unable to complete the inspection due to lack of access to required areas on the scheduled date.

Payment Terms

To initiate service, 51% of the total project fee is due at the time of signing. The remaining 49% is due upon delivery of the draft, unsigned CPTED report. Final signed reports will be released only after the final invoice has been paid in full.

STONEBUILDING
SOLUTIONS

TRADITIONAL RESERVE STUDY (TRS)	STRUCTURAL INTEGRITY RESERVE STUDY (SIRS)
All building types	3+ story residential condos only
Structural and non structural items	8 specific structural items only
Anyone can inspect	Lifespan determined by engineer
No funding requirements	Funding required
No state requirements- document dependant	Required every 10 years
Component or Pooled Funding	Pooled Recommended

Structural Integrity Reserve Study (SIRS): Stone will provide a FL Statute 718.112 and HB913 (effective 7/1/2025) compliant SIRS report that indicates the estimated remaining useful life by a licensed engineer for the 8 following items: Roof, Load Bearing Walls or other primary structural members, Fireproofing/fire protection systems. Plumbing of Common Areas. Electrical Systems of Common Areas, Waterproofing and exterior painting, Windows /Doors of common areas, and other elements that have an impact on the structural integrity of the building that are in excess of $25,000.

Traditional Reserve Study (TRS): A traditional reserve study provides a current estimate of the costs of repairing and replacing all major common area components. This would include items like elevators, HVAC systems, security systems, furniture, common area flooring, parking lots, playgrounds, etc.

Terms:
The report is delivered electronically only.

To allow Stone Building Solutions to prepare the most accurate report, the Client agrees to provide the requested association documents within one week of request. Once documents are received, Stone will schedule the site evaluation. Attendance by a Client representative is preferred, but not required.

After delivery of the draft report, the Client will have 15 days to review and submit comments, questions, or requested edits. One revision is included at no additional charge and is typically completed within 2 weeks of receiving final comments. Additional revisions beyond the first round will be billed at $300 per hour with a 2-hour minimum, with prior Client notice.

Payment: The service is billed as a flat fee, with 51% due within 10 days of signing and the remaining 49% due within 10 days of receipt of the electronic draft report. Final revised deliverables will be released after final payment is received.

STONECLAIMS
GROUP

Granite Guardians: Turning Claims Into Triumphs

Stone Claims Group isn't just a name; it's a legacy of recovery. As multi-year DIAMOND AWARD winners for Best Public Adjusters from the Florida Association of Community Journal, we know how to turn disasters into triumphs. We've recovered almost $1 billion for associations nationwide, proving that no one understands your building's history and needs better than we do. We ensure that every crack and crevice is accounted for and that your asset is made whole.

Public Adjusting Services:

When your building faces an insurance loss, don't just wait and hope for the best. Be prepared with Stone Claims Group—your pre-disaster stone saviors. Here's what we bring to the table:

- **Free Inspections:** We'll document your property's condition before a loss, so there's no stone left unturned.
- **Free Storage:** We keep detailed pre-loss photos of your community safe and sound.
- **Free Access:** Top-notch remediation contractors and board-up services at your fingertips.
- **Free Inspection and Policy Review:** Before you file any claim, we'll review everything to ensure you're not left in the rubble.
- **Discounted Services:** New losses get our public adjusting services at a 9% contingency fee—normally 10% to 20%.

PAYMENT TERMS AND CONTRACT:
Our services won't cost you a penny unless a loss occurs and our public adjusting services are needed.

Stone Claims Group, LLC; 260 1st Ave South #225, St. Petersburg, FL 33701. Call us at 800-892-1116.

THESE STANDARD TERMS AND CONDITIONS (THE "AGREEMENT") between Contractor and Customer; Customer and Contractor may be each referenced as a "party" or "Party" and collectively as the "parties" or "Parties." Customer desires that Contractor provide any Services, Additional Services, or both (collectively, referred to in this Agreement as the "Services"), and Contractor agrees to provide the Services in accordance with this Agreement. Now, therefore, for due and sufficient consideration, the receipt of which is hereby acknowledged, the parties agree that:

Services Contractor shall use commercially reasonable efforts to perform the Services prior to the Completion Deadline. Customer shall cooperate with Contractor to permit Contractor to perform the Services, including but not limited to arranging for Contractor to enter the property or properties where the Services are to be performed or those reasonably necessary to permit Contractor to perform the Services. Contractor may require that an authorized, knowledgeable representative of the property owner be present during performance as a condition of the performance of the Services and may require that Customer's personnel operate major building systems and equipment at the time the Services are performed. Contractor's ability to comply with the schedule for performance is contingent upon timely and complete access. Contractor shall not be responsible for damages or delays in performance caused by destructive testing, force majeure, acts of God, events beyond the control of Contractor, or events that could not have been reasonably foreseen and prevented. Contractor shall be responsible for hiring or retaining, whether as employees or independent contractors, the personnel to perform the Services. Customer acknowledges and agrees that Contractor may use affiliated entities, or entities under common ownership, as subcontractors for any Services and Additional Services. The Customer shall indemnify and hold the Contractor, its shareholders, members, partners, directors, managers, members, officers, employees, agents, subcontractors, and affiliates harmless from and against any and all loss, damage, cost or expense (including reasonable attorneys' fees) resulting from or arising out of the Customer's breach of this Agreement, and this indemnity obligation is intended to be interpreted in the broadest extent possible .Customer shall provide Contractor with any and all information known to the Customer, or suspected by the Customer, which pertains to the Services to be rendered by Contractor.

Deliverables If part of the Services, Contractor shall deliver a final written report of its findings and any other reports or documents (collectively, the "Deliverables") to the Customer. Contractor may communicate preliminary findings or results to Customer prior to delivery of the Deliverables. Such preliminary findings are not indented to be exhaustive or conclusive or to substitute for the final Deliverables. Customer should not rely on any preliminary findings or communications from Contractor, or provide the Deliverables to any third parties without Contractor's consent other than as required by law. THE DELIVERABLES SHALL CONTAIN STANDARD RELIANCE LANGUAGE. EXCEPT AS OTHERWISE SPECIFIED IN THE DELIVERABLES OR AS NECESSARY TO COMPLY WITH LAW, NO OTHER PERSON OR ENTITY BESIDES THE CUSTOMER MAY RELY ON THE DELIVERABLES WITHOUT THE ADVANCE WRITTEN CONSENT OF CONTRACTOR, AND NO OTHER THIRD-PARTY BENEFICIARIES ARE INTENDED. ANY UNAUTHORIZED REUSE OR REDISTRIBUTION OF THE DELIVERABLES OR REPORTS SHALL BE AT THE CUSTOMER'S AND RECIPIENT'S SOLE RISK, WITHOUT LIABILITY TO CONTRACTOR. CUSTOMER WILL HOLD CONTRACTOR HARMLESS FROM ANY AND ALL LIABILITY, OBLIGATION, COST AND EXPENSE ARISING FROM OR RELATED TO ANY UNAUTHORIZED DISTRIBUTION OR USE BY CLIENT OF THE DELIVERABLES.

Payment Customer agrees to pay to Contractor the Payments via wire, ACH, check, or a payment medium approved by Contractor. Where Customer has pre-approved any out-of-pocket expenses, Customer shall be liable for such expenses incurred by Contractor in providing the Services, including but not limited to travel. If Customer fails to make the Payments timely, Contractor may suspend work at Contractor's discretion. Any late payments shall bear interest at 1.5% per month, or the maximum lawful rate of interest, whichever is less. Customer will reimburse Contractor or its authorized representative for all reasonable collection expenses, including reasonable attorneys' fees and court costs, for delinquent amounts, or for any litigation (including the cost of any demand letters or investigation) associated with any breach by Customer of this Agreement.

Intellectual Property Contractor and its licensors are the sole owners and licensees of their respective copyright, trade secret, patent, trademark, and other intellectual property rights, and neither this Agreement nor the provision of Deliverables provides Customer with title to or ownership of Contractor's intellectual property rights. Contractor may, at its option, utilize Customer's name, identity, and logo in advertising materials, and may otherwise indicate that Customer utilizes Contractor's Services in advertising and marketing materials.

Insurance Contractor, during the term of this Contract, shall maintain: (i) statutory workers' compensation insurance in accordance with the requirements of the laws of the state of Florida; (ii) general liability insurance, minimum required limits shall be $1,000,000.00 combined single limit per occurrence and $2,000,000.00 general aggregate, $1,000,000.00 bodily injury, and $1,000,000.00 property damage, (iii) professional liability insurance in the minimum amount of $1,000,000.00 per claim and $1,000,000.00 in the aggregate.

Representations and Warranties; Disclaimers of Warranty IN PERFORMING THE SERVICES, CONTRACTOR WILL ENDEAVOR TO EXERCISE THE DEGREE OF SKILL AND CARE NORMALLY EXERCISED BY CONSULTANTS IN THE SAME COMMUNITY PROVIDING THE SAME OR SIMILAR SERVICES FOR PROJECTS OF COMPARABLE SIZE, COMPLEXITY, BUDGET, SCHEDULE, AND OTHER CHARACTERISTICS OF THE PARTICULAR SERVICES TO BE RENDERED. EXCEPT AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, CONTRACTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES OR ANY OF ITS ORAL OR WRITTEN

REPORTS. CUSTOMER ACKNOWLEDGES AND AGREES THAT (I) THE SERVICES MAY REQUIRE JUDGMENTS TO BE MADE BY CONTRACTOR THAT ARE BASED UPON LIMITED DATA RATHER THAN UPON SCIENTIFIC CERTAINTIES; (II) CONTRACTOR'S APPROACH AND ASSOCIATED CONCLUSIONS, IF ANY, ARE BASED ON INDUSTRY PRACTICES AND AVERAGES AS WELL AS CONTRACTOR'S PROPRIETARY KNOWLEDGE AND PROCESSES, WHICH MAY DIFFER FROM THOSE OF OTHER SIMILAR PROFESSIONALS; (III) PROFESSIONAL OPINIONS ARE RENDERED WITH RESPECT TO OBSERVATIONS MADE AND DATA OBTAINED WHILE PERFORMING THE SERVICES; AND (IV) ULTIMATE OUTCOMES COULD BE INCONSISTENT WITH THE CONCLUSIONS, RESULTS AND PROJECTIONS OF CONTRACTOR. ALL INFORMATION REGARDING OPERATIONS, PLANS, SPECIFICATIONS, CONDITIONS OR OTHER DATA WHICH IS PROVIDED TO CONTRACTOR BY CUSTOMER OR THIRD PARTIES IS DEEMED BY CONTRACTOR TO BE CORRECT AND COMPLETE WITHOUT INDEPENDENT VERIFICATION. CONTRACTOR ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND SHALL NOT BE LIABLE IF RELIANCE ON SUCH INFORMATION RESULTS IN INCORRECT CONCLUSIONS OR RESULTS.

Limitation of Liability To the maximum extent permitted by applicable law, Contractor and its employees, owners, independent contractors, suppliers, and agents will not be liable for any loss of revenue, profits, or goodwill or for any damages or losses, including special, incidental, indirect, consequential, or punitive damages, resulting from Contractor's performance or failure to perform pursuant to the terms of this Agreement, even if Contractor has been advised of the possibility of such damages. The maximum aggregate liability of Contractor and its employees, owners, independent contractors, suppliers, and agents (collectively) arising out of or relating to this Agreement for any reason whatsoever shall not exceed the total fees paid by Customer to Contractor hereunder. IN NO EVENT SHALL CONTRACTOR OR ANY OF ITS EMPLOYEES, OWNER, OR INDEPENDENT CONTRACTORS BE LIABLE FOR LATENT OR HIDDEN CONDITIONS, CONDITIONS NOT ACTUALLY OBSERVED BY CONTRACTOR WITHIN THE LIMITED SCOPE OF WORK OF THE SERVICES LISTED ABOVE, THE POTENTIAL CONSEQUENCES OF OBSERVABLE CONDITIONS, CONDITIONS OF WHICH CLIENT HAD KNOWLEDGE OF AT THE TIME OF THE ASSESSMENT, OR ANY UNAUTHORIZED ASSIGNMENT OF OR RELIANCE UPON THE REPORTS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, CUSTOMER EXPRESSLY WAIVES ANY CLAIMS AGAINST CONTRACTOR OR ANY OF ITS EMPLOYEES, OWNER, OR INDEPENDENT CONTRACTORS FOR ANY DAMAGE TO CUSTOMER'S PROPERTY, INCLUDING WITHOUT LIMITATION STRUCTURES, VEGETATION, TERRAIN, UNDERGROUND OR ABOVEGROUND UTILITIES (WHETHER MARKED, UNMARKED, OR MISMARKED), OR COSMETIC FEATURES, RESULTING FROM CONTRACTOR'S PERFORMANCE OF THE SERVICES. CUSTOMER ACKNOWLEDGES THAT SUCH DAMAGES ARE INHERENT IN THE NORMAL PERFORMANCE OF THE SERVICES AND THAT THE COST OF REPAIR OR ACTUAL REPAIR OF SUCH DAMAGES IS NO WITHIN THE SCOPE OF THE SERVICES (EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THE SERVICES & PRICING SCHEDULE).

Miscellaneous Neither party shall assign, delegate, sublicense, or transfer any of its obligations, responsibilities, rights, or interests under this Agreement without the written consent of the other party, except to (a) a successor in a merger or a sale of all or substantially all of such party's capital stock, assets, or business; or (b) solely with respect to Contractor, any subcontractors or agents retained to perform all or part of the Services. Any assignment, delegation, sublicensing, or transfer by either party in violation of this subsection shall be void and without force or effect. Unless expressly stated otherwise herein, any notice, demand, request, or delivery required or permitted to be given by a party pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered via email to the notified party's email provider for delivery to such notified party. All questions concerning the validity, operation, interpretation, and construction of the Agreement will be governed by and determined in accordance with the substantive laws of the State of Florida without regard to its conflicts of law provisions. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Florida before one arbitrator. Judgment on the award may be entered in any court having jurisdiction. Neither party shall by mere lapse of time, without giving notice or taking other action hereunder, be deemed to have waived any breach by the other party of any of the provisions of this Agreement. Further, the waiver by either party of a particular breach of this Agreement by the other shall not be construed as or constitute a continuing waiver of such breach or of other breaches of the same or other provisions of this Agreement. Except as expressly stated otherwise herein, each party's rights and remedies provided for in this Agreement shall be cumulative, exercisable concurrently or separately, and in addition to and not in lieu of any other remedies available to either party at law, in equity, or otherwise. The parties acknowledge that this Agreement is the complete and exclusive agreement respecting the subject matter hereto and supersedes and renders null and void any and all agreements and proposals (oral or written), understandings, representations, conditions, and other communications between the parties relating hereto. This Agreement may be amended only by a subsequent writing that specifically refers to this Agreement and is signed by Customer and Contractor.

July 8, 2026

Ms. Becky Lewis
Project Manager
International Beach Club Condo Assn.
313 S. Atlantic Ave
Daytona Beach, FL 32118
manager@pmdmgt.com

Subject: **COST PROPOSAL – TRADITIONAL AND STRUCTURAL INTEGRITY RESERVE STUDIES**
Mandatory Structural Inspections for Condominium and Cooperative Buildings
International Beach Club Condo Assn.
313 S. Atlantic Ave
Daytona Beach, FL 32118
UES Milestone Opportunity No.: A26150.01275.000

Dear Ms. Becky Lewis,

In accordance with your request, UES Milestone Inspections, LLC a Florida limited liability company ("UES Milestone") submits this proposal ("Proposal") to provide the mandatory Structural Integrity Reserve Study as required for condominiums and cooperative buildings for the above-referenced property in accordance with Florida Statute (FS) 718.112(2)(g) as well as a traditional reserve study. UES Milestone's understanding of the project, together with a proposed scope of service and fee, are presented in the following paragraphs.

BACKGROUND

Subsequent to the collapse of Champlain Towers South in Surfside, Florida on June 24, 2021, the Florida Legislature created a statewide structural inspection program for aging condominium and cooperative buildings to ensure that such buildings are safe for continued use. The new requirements became effective on May 26, 2022 and were subsequently updated June 9, 2023. Some highlights are listed below:

Structural Integrity Reserve Study

A residential condominium association must have a structural integrity reserve study completed at least **every 10 years** after the condominium's creation for each building on the condominium property that is **three stories or higher in height**.

Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by **December 31, 2024**. An association that is required to complete a milestone inspection in accordance with F.S. 553.899 on or before December 31, 2026, may complete the structural integrity reserve study simultaneously with the milestone inspection.

Per FS Section 718.103(26), the "structural integrity reserve study" means a study of the reserve funds required for future major repairs and replacement of the condominium property and per FS Section 718.112(2)(g)2. is based on a visual inspection of the condominium property.

For a budget adopted on or after December 31, 2024, the members of a condo association that is subject to structural integrity reserve study requirements **may not determine to provide no reserves or less reserves** for the structural components included in the SIRS.

ABOUT UES MILESTONE

UES Milestone is an affiliate of Universal Engineering Sciences, LLC, a Florida limited liability company ("Universal"). Universal is a privately held, rapidly growing engineering and consulting firm with nearly six decades of experience in geotechnical engineering, construction materials testing, building code compliance, threshold inspections, and environmental consulting. UES Milestone consults on projects of all sizes for condominium associations and cooperatives, aiding our clients as they navigate the requirements of Florida's milestone inspection program and SIRS requirements.

PROJECT DESCRIPTION

Based on UES Milestone's understanding of the referenced property, the following building(s) currently are required to have a Structural Integrity Reserve Study in accordance with F.S. 718.112(2)(g)1.:

Condominium or Cooperative Name: **International Beach Club Condo Assn.**
Primary Address: **313 S. Atlantic Ave, Daytona Beach, FL 32118**
Local Authority Having Jurisdiction: **City of Daytona Beach**
Number of Buildings three (3) stories or greater in height: **1**

Building: International Beach Club Condo Assn.
No. of Stories: 6
No. of Units: 148
Date of Certificate of Occupancy: 1973

SCOPE OF SERVICE

Task I - Structural Integrity Reserve Study

UES Milestone will prepare a Structural Integrity Reserve Study for the above-referenced building(s). An inspection of the following items, as related to the structural integrity and safety of the building, will be performed by a Florida-licensed architect or engineer in order to estimate the remaining useful life (RUL) of applicable components:

- Roof
- Structure including load-bearing walls and other primary structural members and systems
- Fireproofing and fire protection systems
- Plumbing
- Electrical systems
- Waterproofing and exterior painting
- Windows and exterior doors
- Any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000 and the failure to replace or maintain such item negatively affects the items bulleted above.

Once the inspection is complete, UES Milestone will prepare the Structural Integrity Reserve Study to include:

- identification of the condominium property being visually inspected
- a statement of the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item being visually inspected
- a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item by the end of the estimated remaining useful life of the item.

Integration into any existing association reserve fund summaries is NOT included in this scope.

We will provide a draft of the SIRS and TRS for your review, comments, and revision. One round of revisions is included within our proposed scope of work. Additional SIRS and TRS revisions can be accommodated at the below-established unit rates.

Task II – Traditional Reserve Study

UES Milestone subcontractor Reserve Experts Inc. will prepare a traditional reserve study based on parameters established by the Association of Professional Reserve Analysts (APRA) for the above-referenced building(s). The reserve study will include typical components as they pertain to industry guidelines.

SCOPE EXCLUSIONS

This scope of services will include observations of accessible areas only. UES Milestone assumes that the building(s) will be accessible to make our observations. These observations will be limited to the current characteristics of the building structure. It will not include laboratory analysis, geotechnical investigation, nor invasive investigations of the site, building, or concrete components. Additionally, this scope does not include an environmental assessment such as air quality (mold survey) or evaluation of asbestos.

SCHEDULE

UES Milestone will perform the site inspection within 30 business days from receipt of the attached Work Authorization/Proposal Acceptance Form. UES Milestone will provide the final report(s) within 60 business days from our site inspection.

FEE

UES Milestone will conduct this **Traditional and Structural Integrity Reserve Studies (TRS and SIRS)** in accordance with our General Conditions (attached) for the lump sum fee as shown within the below table.

	Structural Integrity Reserve Study	Traditional Reserve Study	Total
Individual	$4,500.00	$2,000.00	6,500.00

Additional site visits, re-evaluations after repairs, consultations or meetings will be based on the hourly rate schedule herein.

UES Milestone will provide detailed invoices for services rendered. UES Milestone's terms are **50% deposit** to start work and **50% due upon completion**. All UES Milestone's invoices must be paid in full prior to delivery of the final report. The pricing contained herein is subject to change if this proposal is not authorized within 30 days from the date of this proposal. If more than 30 days have passed since the date of this proposal, please contact us for an updated proposal. Additional items not listed in this proposal will be quoted upon request.

HOURLY RATE SCHEDULE

UES Milestone proposes to provide additional services beyond those listed within this proposal at the following rates. The hourly rates are portal to portal where applicable, for work completed Monday through Friday, 8 a.m. to 5 p.m. Holidays, Weekends, Non-Standard and Overtime hours will be charged at 1.5 times the hourly rates herein with a minimum of 3-hours.

Professional Engineer or Architect (Trade), per hour $250.00
Authorized Structural Representative, per hour $135.00
Finance/Accounting Professional $200.00
Administrative, per hour $65
Mileage, portal to portal, per mile $0.75
Reimbursable Expenses such as supplies, printing, etc. .... Cost plus 15%

CONDITIONS AND QUALIFICATIONS

The Final Report(s) will be distributed electronically. Up to three (3) hard copies of the Final Report(s) will be provided upon request.

UES Milestone will perform these services based on a review of the available information, associated research, and onsite observations, as well as our education, knowledge, training, and experience. UES Milestone will perform these professional services in accordance with the standard of care used by similar professionals in the community under similar circumstances.

AUTHORIZATION

All services outlined in this proposal shall be performed in accordance with the terms set forth herein and in the attached **General Conditions**, which are incorporated into this agreement by reference. To authorize commencement of services, the accompanying **Work Authorization/Proposal Acceptance Form** must be completed, signed, and returned to **UES Milestone** via USPS or email prior to the initiation of any work. Please note that a **3% processing fee** will apply to all payments made by credit card.

CLOSING

UES Milestone appreciates the opportunity to submit this proposal and looks forward to working with you as a member of the project team. Please contact the undersigned at (888) 339-1323 if you have any questions or comments.

From our team to yours,

UES Milestone Inspections
FBPE #4930

Miguel "Mike" Santiago, P.E., S.I.
Director Milestone Program
Enclosures:
Work Authorization/Proposal Acceptance Form
General Conditions

UES MILESTONE INSPECTIONS, LLC

Work Authorization / Proposal Acceptance Form

IF PROPOSAL IS ACCEPTED, RETURN SIGNED FORM TO UES MILESTONE AT THE EMAIL ADDRESS BELOW.

UES Milestone is pleased to provide the services described below. The purpose of this document is to describe the terms under which the services will be provided and to obtain formal authorization.

PROJECT NAME: **International Beach Club Condo Assn.– SIRS &TRS**
PROJECT LOCATION: **313 S. Atlantic Ave, Daytona Beach, FL 32118**
CLIENT NAME: **International Beach Club Condo Assn. / Attn: Ms. Becky Lewis**
CLIENT ADDRESS: **313 S. Atlantic Ave, Daytona Beach, FL 32118**
EMAIL: **manager@pmdmgt.com**

I. Scope of Services and Understanding of Project (See attached Proposal or as indicated below)

UES MILESTONE OPPORTUNITY NO. **A26150.01275.000**

Structural Integrity Reserve Study (SIRS)--------------$4,500.00 LUMP SUM Y ( ) N ( )
Traditional Reserve Study (TRS)-------------------------------$2,000.00 LUMP SUM Y ( ) N ( )
TRS & SIRS---$6,500.00 LUMP SUM Y ( ) N ( )

II. Contract Documents. The following documents form part of this Proposal and are incorporated herein by referral:

A. **UES Milestone** Proposal Dated: July 8, 2026

B. UES Milestone General Conditions

C. Other exhibits marked and described as follows:

D. Should the terms of this Proposal be inconsistent with, or conflict or contravene with the UES Milestone General Conditions, the terms of the UES Milestone General Conditions shall control.

III. Authority to proceed and for payment. (To be completed by Client)

If the invoice is to be mailed for approval to someone other than the account charged, please indicate where below:

Firm: ____________________ Social Security Number or Federal Identification No.: ____________

Address: ____________________

Attention: ____________________ Title: ____________

IN WITNESS WHEREOF, the parties have caused this Proposal to be executed by their duly authorized representatives.

CLIENT		**UES MILESTONE INSPECTIONS, LLC**	
BY (Signature)		BY (Signature)	
TYPED NAME		TYPED NAME	
TITLE		TITLE	
DATE		DATE	

RETURN SIGNED COPY TO:
condo@uesmilestone.com

GENERAL CONDITIONS

SECTION 1: DEFINITIONS

UES Milestone Inspections, LLC, a Florida limited liability company ("Engineer") will provide the services (the "Services") described within the **International Beach Club Condo Assn.** proposal and work authorization by and between Engineer and Client (the "Agreement"). The term "Engineer" includes Engineer's officers, directors, managers, members, partners, employees, independent contractors, subcontractors, consultants, and agents.

1.1 The term "Agreement" also refers to the Agreement together with these General Conditions.
1.2 The term "Parties" refers to the Engineer, Client, and Client's authorized representatives.
1.4 The terms "Project" and "Site" as used interchangeably in this Agreement shall refer to the land and/or construction project for which Engineer is to provide Services under this Agreement.

1.3 The terms "claim" or "claims" mean any claim in contract, tort, or statute alleging errors, omissions, strict liability, statutory liability, breach of contract, breach of warranty, negligence, negligent misrepresentation, or any other basis giving rise to liability in law or equity.

1.4 The term "hazardous materials and substances" for this purpose includes hazardous materials, hazardous wastes, hazardous substances (40 CFR §§ 261.31, 261.32, 261.33), petroleum products, polychlorinated biphenyls, asbestos, and any other material or substance listed on any schedule by the United States Environmental Protection Agency or any other federal or state agency as presenting a potential danger to health or safety.

SECTION 2: RESPONSIBILITIES AND SCOPE OF ENGINEER

2.1 Engineer shall provide additional Services only in accordance with a written addendum to the Agreement (each, an "Addendum"), and only to the extent set forth in that Addendum. Client shall communicate in writing any requested changes in the nature and scope of the Project and/or Services as soon as possible.

2.2 Engineer shall maintain Worker's Compensation Insurance, Commercial General Liability Insurance, and Professional Liability Insurance. A Certificate of Insurance will be provided upon request if not already attached as an exhibit to the Agreement. Client agrees that the insurance provided for in the Certificate of Insurance ("Engineer Policy") is sufficient, and Engineer shall not be required to obtain or maintain any additional insurance coverage above and beyond the coverages provided by Engineer Policy.

2.3 Engineer shall provide its Services under the Agreement and any Addendum in a manner consistent with the level of care and skill ordinarily exercised by members of Engineer's profession practicing contemporaneously under similar conditions in the locality of the Project.

SECTION 3: RESPONSIBILITIES AND SCOPE OF CLIENT

3.1 Client shall provide Engineer with all necessary information to perform the Services, including, but not limited to, previous inspection reports, maps, site plans, reports, surveys, plans and specifications, other designs, documents, and any existing geotechnical information about the Site. Additionally, Client shall provide Engineer with all reasonably available information and documents related to the as-built condition of the Project in the possession of Client, including, but not limited to, record drawings, as-built drawings, conditions assessments or any other report or document referring or relating to any assessment of the structural condition of the Project. Engineer shall have the absolute right to rely on the accuracy and completeness of all information provided by or on behalf of Client. Client assumes all liability for information not provided to Engineer that could affect the quality or sufficiency of the Services Engineer provides.

3.2 If Client has delegated to another party the obligation to engage Engineer or to define the scope of Services, Client shall provide Engineer with a copy of that authorization as a condition to Engineer's obligation to perform Services. This other party is bound by the same terms and conditions of the Agreement between Engineer and Client. Client assumes all liability for information not provided to Engineer that could affect the quality or sufficiency of the Services Engineer provides.

3.3 Client shall inform Engineer of any reporting requirements imposed by any third parties, such as federal, state, or local entities; assume responsibility to provide any required notice to any third party; and secure the necessary permits or permissions from any third parties required for Engineer's provision of the Services described in the Agreement or any Addendum.
3.4 Client shall grant or obtain, at its sole expense, access to the Site during normal business hours as necessary for Engineer to perform its Services and will notify all affected persons and entities in writing of Engineer's presence.
3.5 Client is responsible for disclosing to Engineer, in writing, the existence and location of all subterranean structures and utilities on or affecting the Site and the Services to be provided by Engineer. Engineer will take reasonable precautions to avoid impacting subterranean structures and utilities disclosed to it in writing by Client. Client waives any claim against Engineer, and agrees to defend, indemnify, pay, save, and hold Engineer

harmless from, any claim for injury or loss arising from damage done to any subterranean structures or utilities, or for the release of any hazardous materials or substances from any such structures or utilities, if they are not disclosed to Engineer or not accurately located in writing by Client before Engineer commences its work. Client also agrees to compensate Engineer for any time spent or expenses incurred by Engineer's employees, and for any attorney's fees, expert's fees or costs incurred in defense of any such claim, with compensation for employees' time to be based upon Engineer's prevailing fee schedule and expense reimbursement policy.

SECTION 4: WARRANTY

NO WARRANTY CONCERNING THE SERVICES UNDER THE AGREEMENT OR ANY ADDENDUM, EXPRESS OR IMPLIED, IS MADE OR PROVIDED BY ENGINEER AND ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW.

SECTION 5: BILLING AND PAYMENT

5.1 Engineer will submit invoices to Client monthly or upon completion of Services, whichever occurs first. Invoices will show charges for different personnel and expense classifications.

5.2 Payment will be due thirty (30) days after presentation of invoice. Client will pay a finance charge equal to the greater of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, on all past due invoices. If Engineer incurs any expenses to collect overdue invoices, Client will also be liable to Engineer for all sums incurred arising out of or related to the collection of overdue invoices, including, but not limited to, reasonable attorneys' fees, expert witness fees, time of Engineer's employees, expenses and court costs, finance charges and interest.

5.3 Client agrees that Engineer may refuse to release to Client its report and other work product until it has been paid in full for services rendered. Engineer preserves, without waiver, all lien rights it may have for any unpaid professional services. Client agrees that all reports and other work furnished to Client or its agents for which Client has not timely paid will be returned upon demand and will not be used by the Client for any purpose.

5.4 Engineer shall have no obligation under this Agreement or any Addendum to provide expert consultant or expert witness services in litigation, arbitration, or any other dispute resolution proceeding, to produce its work product in discovery, to undertake any further investigation or analysis or prepare a report in connection with any such proceeding, or to make available for testimony its current or past employees or consultants. The Parties will execute a new agreement for any such services. In the absence of a new executed agreement for such services, Client will pay Engineer two hundred percent (200%) of its prevailing rates and expenses for the time spent by Engineer's employees and costs incurred on any such additional tasks.

SECTION 6: OWNERSHIP AND USE OF DOCUMENTS

6.1 All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates, and any other documents or work prepared by Engineer are instruments of service and shall remain the property of Engineer. Neither Client nor any other entity shall change or modify Engineer's instruments of service.

6.2 Engineer will retain all records of its Services to the Client performed for a period of two (2) years following submission of its report or completion of the Services, whichever is later. Engineer will make those records available to the Client in a reasonable time and manner, subject to payment of a reasonable fee for the time of Engineer's employees to assemble and transmit those documents.

6.3 All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates, and any other documents or work prepared by Engineer are prepared for the exclusive use and sole benefit of Client and may not be given to any third party or used or relied upon in any way by a third party, without the express written consent of Engineer. Client is the only entity to which Engineer owes a duty in contract or tort, pursuant to the Agreement or under these General Conditions.

SECTION 7: DISCOVERY OF HAZARDOUS SUBSTANCES AND MATERIALS

7.1 Client represents that it has performed a diligent investigation and has informed Engineer of all known or suspected hazardous substances and materials on or near the Project that may impact the Services Engineer is to provide.

7.2 Client agrees that discovery by anyone at the Site of hazardous materials or substances not previously disclosed to Engineer may require Engineer to cease work, and such condition may constitute a changed condition mandating a renegotiation of the Services and the fee to be paid by Client to Engineer.

7.3 Engineer will notify Client when unanticipated hazardous materials or suspected hazardous materials are encountered. Client shall make any disclosures required by law to the appropriate governing agencies.

7.4 The discovery of unanticipated hazardous materials or substances may make it necessary for Engineer to take immediate measures to protect health and safety of its employees and other persons, or to arrange for others to do so. In that event, Client agrees to compensate Engineer for all expenses incurred on an emergency basis caused by the discovery of any hazardous materials or substances encountered that the site, whether previously disclosed or not.

7.5 Notwithstanding any other provision of this Agreement, Client waives any claim against Engineer, and to the maximum extent permitted by law, agrees to defend, indemnify, save, pay, and hold Engineer harmless from any claim, liability, and/or defense costs for injury or loss arising from Engineer's discovery, exposure of or to, or release of unanticipated hazardous materials or substances or suspected hazardous materials or substances, including any costs of delay of the Project, any costs associated with possible reduction to the value of the Project or the property in which it is situated, and any disclosures Engineer is required to make by law. Client will be responsible for safe disposal in accordance with law of any soil, water or other matter that is contaminated, and for the removal or all hazardous materials and substances, and for notifying all affected persons or entities.

SECTION 8: RISK ALLOCATION AND INDEMNITY

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT AND ANY ADDENDUM(S), THE TOTAL LIABILITY, IN THE AGGREGATE, OF ENGINEER AND ENGINEER'S SUBCONTRACTORS, OFFICERS, DIRECTORS, MANAGERS, MEMBERS, PARTNERS, EMPLOYEES, INDEPENDENT CONTRACTORS, SUBCONTRACTORS, CONSULTANTS AND AGENTS, TO OWNER AND ANYONE CLAIMING BY, THROUGH, OR UNDER OWNER FOR ANY AND ALL INJURIES, CLAIMS, LOSSES, EXPENSES, COSTS, OR DAMAGES OF ANY KIND OR NATURE WHATSOEVER INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND EXPENSES AND EXPERT WITNESS FEES AND EXPENSES (INCLUDING BUT NOT LIMITED TO DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES), ARISING OUT OF, RESULTING FROM, OR IN ANY WAY RELATED TO THE PROJECT AND THE SERVICES BY ENGINEER AND/OR ITS INDEPENDENT CONTRACTORS, SUBCONTRACTORS, CONSULTANTS, AND/OR AGENTS PURSUANT TO THIS AGREEMENT, FROM ANY CAUSE OR CAUSES WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE NEGLIGENCE, PROFESSIONAL ERRORS OR OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT, INDEMNITY OBLIGATIONS, OR WARRANTY EXPRESS OR IMPLIED, OF ENGINEER OR ENGINEER'S OFFICERS, DIRECTORS, MANAGERS, MEMBERS, PARTNERS, EMPLOYEES, INDEPENDENT CONTRACTORS, SUBCONTRACTORS, CONSULTANTS AND AGENTS, WILL NOT EXCEED THE LESSER OF (i) AN AMOUNT EQUAL TO FIFTEEN (15) TIMES THE AMOUNT OF THE FEES PAID FOR THE SERVICES AND RECEIVED BY ENGINEER UNDER THIS AGREEMENT, OR (ii) ONE MILLIONS DOLLARS ($1,000,000). CLIENT HEREBY ACKNOWLEDGES AND AGREES THAT THE REMEDIES SPECIFICALLY PROVIDED FOR IN THE AGREEMENT CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY FOR CLAIMS ARISING FROM THE AGREEMENT AND/OR RELATED TO THE SERVICES AND HEREBY WAIVES ANY AND ALL OTHER RIGHTS AND CLAIMS OF ALL SORT ARISING FROM THE AGREEMENT AND/OR RELATED TO THE SERVICES WHETHER AT LAW OR IN EQUITY INCLUDING BUT NOT LIMITED TO THE COMMON LAW CLAIM FOR INDEMNITY.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY WHETHER IN CONTRACT, TORT, OR OTHERWISE FOR (i) ANY INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO REDUCTION IN VALUE OF REAL PROPERTY, LOST PROFITS, LOSS OF USE, LOSS OF BUSINESS REPUTATION, LOSS OF REVENUE, FINANCING COSTS AND LOST SAVINGS) ARISING FROM ANY CAUSE WHATSOEVER, WHETHER FORESEEABLE OF NOT, OCCASIONED BY ANY DEFECT IN THE GOODS AND SERVICES, ANY DELAY IN THE PROVISION OF THE GOODS AND SERVICES TO OWNER, OR ANY OTHER CAUSE WHATSOEVER ARISING UNDER OR RELATED TO THIS AGREEMENT AND INCURRED BY CLIENT, OWNERS OF INTERESTS IN CLIENT, EMPLOYEES, CONSULTANTS, AGENTS, CONTRACTORS OR SUBCONTRACTORS.

Client agrees that it will not seek, nor shall it be entitled to damages in excess of the contractually agreed-upon limitation as set forth herein against any other person or entity who may in turn join Engineer as a third-party defendant for such damages, or where such person or entity may seek recovery from Engineer in a separate proceeding. Client shall indemnify, defend, save, pay, and hold Engineer harmless for any claims, expenses, costs, liabilities and damages of every nature brought by and/or awarded to any other person or entity as a result of any litigation, arbitration or other dispute resolution proceeding commenced by Client against any such person or entity for damages for which Engineer may be in whole or part liable.

Client hereby acknowledges and agrees that any and all claims pertaining to the Agreement and/or the Services may be brought and instituted by Client solely and exclusively against Engineer ("Client Claims") and Client hereby irrevocably waives all Client Claims with respect to and against all independent contractors, subcontractors, consultants, agents, affiliates and affiliated entities of Engineer. As used in the immediately preceding sentence, the term "affiliate" means, with respect to any entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with such first entity. As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policy and/or policies of an entity, whether through ownership of voting securities, by contract, or otherwise.

Client shall defend, indemnify, save, pay, and hold Engineer harmless from and against any action or proceeding brought by Client or any other person or entity claiming to have relied upon the Services, information or opinions contained in reports or other documents provided by Engineer to Client where the reliance upon and/or provision of such information or opinions contained in reports or other documents provided by Engineer to Client by such person or entity, occurred to without Engineer's prior written consent.

Within the limits and conditions of the Engineer Policy, Engineer agrees to indemnify and hold Client harmless from and against loss, damage, or liability to the extent caused by gross negligence or willful misconduct of the Engineer but only to the extent caused by the Services provided thereto, its agents, staff, and consultants employed by it. Engineer shall not be responsible for any loss, damage or liability beyond the amounts, limits, and conditions of the Engineer Policy. The Client agrees to defend, indemnify, pay, save, and hold Engineer harmless for loss, damage or liability caused in whole or in part by any act, omission, or default of the indemnitee arising from the Agreement or its performance or acts by the Client, Client's agents, staff, and others employed by Client up to an amount the greater of (i) fifteen times the amount of the cost of the Services provided by the Engineer in connection with the project, or (ii) One Millions Dollars ($1,000,000) per occurrence. The Parties agree that the amount of said indemnification bears a reasonable commercial relationship to the Services provided by the Engineer and is deemed to be included in the Project specifications pursuant to Florida Statute §725.06. Under no circumstances will Engineer indemnify Client from or for Client's own actions, negligence, gross negligence, willful acts or breach of contract. To the extent either party's damages are covered by available insurance, Client and Engineer waive all rights of subrogation against each other and against the contractors, subcontractors, consultants, agents, and employees of the other, except such rights as they may have to the proceeds of such insurance.

SECTION 9: DISPUTE RESOLUTION

All claims, disputes, and other matters in controversy between Engineer and Client arising out of or in any way related to this Agreement or any Addendum shall be subject to mediation as a condition precedent to litigation. The Parties agree to mediate, in good faith, any claim arising hereunder and to refrain from pursuing arbitration hereunder until the Parties have met with a mediator. The Parties agree to select and mediate any claim or controversy within sixty (60) days of the date the claim or controversy accrues or first arises. The mediator shall be selected by the Client with the Engineer's prior written consent, which may not be unreasonably withheld. The mediator shall be licensed to practice law in the State of Florida and be experienced in the arbitration of professional engineering services. The Parties acknowledge and agree that any claim or controversy arising out of or relating to this Agreement, or the breach of this Agreement, or any other dispute arising out of or relating to the consulting relationship, shall be settled by final and binding arbitration in the City of Orlando, State of Florida, in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date the claim or controversy arises.

The Parties further acknowledge and agree that either party must request arbitration of any claim or controversy within ninety (90) days of the date the claim or controversy accrues or first arises by giving written notice of the party's request for arbitration by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service and in the event that such claim is based upon, directly or indirectly, an allegation that the Services failed to meet the applicable standard of care, such written notice shall include a signed and sealed written statement by an independent professional who is registered in the jurisdiction where the Services were rendered, identifying that registered professional and his or her credentials, and specifying in reasonable detail each act or omission of Engineer that the registered professional contends failed to meet the applicable standard of care, and setting forth the basis for those opinions. Any correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that the notice was refused, unclaimed, or deemed undeliverable by overnight delivery service. Information for notice to the parties to this Agreement at the time of endorsement of this Agreement is the addresses as set forth in the Agreement.

Failure to give notice of any claim or controversy within ninety (90) days shall constitute a waiver of the claim or controversy. All claims or controversies subject to arbitration shall be submitted to arbitration within thirty (30) days from the date the written notice of a request for arbitration is effective. All claims or controversies shall be resolved by a panel of three (3) arbitrators who are licensed to practice law in the State of Florida (shall not include the mediator who was selected for such matter) and who are experienced in the arbitration of professional engineering services. These arbitrators shall be selected in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the claim or controversy arises. Either party may request that the arbitration proceeding be steno-graphically or otherwise recorded by a court reporter certified by the Florida Court Reporters Association and/or the National Court Reporters Association. The arbitrators shall issue a written decision with respect to all claims or controversies within thirty (30) days from the date the claims or controversies are submitted to arbitration. The Parties shall be entitled to be represented by legal counsel at any arbitration proceeding. The Parties acknowledge and agree that each party will bear fifty percent (50%) of the cost of the arbitration proceeding. The Parties shall be responsible for paying their own attorneys' fees and other costs, if any. The Parties acknowledge and agree that the arbitration provisions set forth herein may be specifically enforced by either party and submission to arbitration proceedings compelled, by any court of competent jurisdiction. The Parties further acknowledge and agree that the decision of the arbitrators may be specifically enforced by either party in any court of competent jurisdiction.

If the matter in dispute relates to or is the subject of a lien arising out of Engineer's Services, Engineer may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to the institution or resolution by mediation or litigation.

SECTION 10: TERMINATION

10.1This Agreement may be terminated by either party for cause upon seven (7) days written notice and opportunity to cure in the event of a material breach by the other party, or in the case of a force majeure event such as terrorism, act of war, riot, insurrection, strike, declared public health emergency, flood, unusual weather condition, or act of God that continues or affects the Project or Site for more than seven (7) calendar days. Such termination shall not be effective if such material breach or force majeure event has been remedied before expiration of the period specified in the written notice. In the event of any termination, Engineer shall be paid for Services performed up to the termination notice date plus all non-cancellable expenses, restocking or termination expenses incurred by Engineer.

10.2 Engineer and Client may terminate this Agreement at any time by mutual written consent.

10.3 In the event of termination or a suspension for more than three months of the Project for which these professional Services are to be provided, Engineer may, in its sole discretion, complete such analyses and records as are necessary to complete its files and may also complete a report on the Services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs incurred by Engineer in completing such analyses, records, and reports.

10.4Engineer may terminate this Agreement for its convenience upon seven (7) days written notice to Client.

SECTION 11: REVIEWS, INSPECTIONS, TESTING, AND OBSERVATIONS

11.1 If Engineer is to provide plan review, private inspections, required inspections, or construction testing materials per the Agreement or Addendum, those services, and the analyses or reports provided, will be performed only for the purposes stated in the Agreement or Addendum and may be relied upon only by the Client. Those services are not performed to guarantee the accuracy, completeness or sufficiency of the plans or specifications prepared by Client, Client's architect or engineer, or to confirm that the construction work or Project, other than the materials tested, is free from defects. If Engineer is to perform construction materials testing, it is to be performed to document compliance of certain materials or components with the standards set forth only in the Project contract documents.

11.2 If Engineer is retained to provide construction monitoring or observation, its work shall be performed to determine that the work on the Project is in general conformity to the contractual requirements only. Engineer does not guarantee that work it inspects conforms in all respects to the design, or to applicable laws, statutes, regulations, rules or codes, and it shall have no liability for design or construction defects, or the failure of Client, Client's designers or contractors to comply with their contractual obligations.

11.3 Engineer shall have no authority to reject or cease any work, or to modify or amend any agreement between Client and any other person or entity.

11.4 Neither the activities of Engineer pursuant to this Agreement, nor the presence of Engineer at the Site, shall be construed to impose upon Engineer any responsibility for means or methods of work performance, superintendence, sequencing of construction, or safety conditions at the Site. Client acknowledges that Client or its contractor is solely responsible for Project jobsite safety.

11.5 Client is responsible for scheduling all inspections and construction material testing activities of Engineer. Engineer is not responsible for tests and inspections that it does not perform due to Client's failure to timely schedule work.

11.6 Client shall at the time of execution of the Agreement provide Engineer with a proposed schedule for tests and inspections Engineer shall perform. Client will give reasonable notice of all changes to that schedule. Engineer shall not be required to conduct any tests or inspections on less than 24 hours written notice.

11.7 Client agrees that Engineer shall not be responsible for any changes in, or deterioration of any defects disclosed by Engineer's inspection. Client agrees that Engineer shall not be responsible for the correction of any defects disclosed by Engineer's inspection. Client agrees that Engineer shall not be responsible for latent defects in any building or structure that could not have been discovered in the scope or performance of Engineer's inspection.

SECTION 12: ENVIRONMENTAL ASSESSMENTS

Client acknowledges that Engineer is not performing an Environmental Site Assessment pursuant to this Agreement or an Addendum, and that it shall not be liable for hazardous materials, substances or conditions on the Project. Any environmental work requested of Engineer by Client shall be performed only under a separate written agreement.

SECTION 13: SUBSURFACE CONDITIONS

Client acknowledges that subsurface conditions may vary from those observed at locations where borings, surveys, samples, or other explorations are taken or made by Engineer, and that further investigation by Engineer, if ordered and paid for by Client, could yield additional information of importance to Client. Reports, data, analyses, interpretations, and recommendations by Engineer will be based solely on information actually obtained by Engineer at the time of service, and so limited.

SECTION 14: CONTAMINATION

Subsurface exploration by Engineer could result in cross-contamination of certain subsurface areas, as when a probe or boring device moves through a contaminated zone and links it to an aquifer, underground stream, or other hydrous body not previously contaminated. Engineer is unable to eliminate possible cross- contamination risk despite use of due care. Since subsurface explorations may be an essential element of Engineer's services, Client shall, to the fullest extent permitted by law, waive any claim against Engineer, and indemnify, defend, pay, save, and hold Engineer harmless from any claim or liability for injury or loss arising from cross- contamination caused by Engineer's subsurface explorations. In addition, Client agrees to compensate Engineer at prevailing rates for any time spent by its employees, and for attorney's fees, expert witness fees or expenses incurred by Engineer in defense of any such claim.

SECTION 15: SOLICITATION OF EMPLOYEES

Client agrees that during the term of the Agreement and any Addendum, and for a period of one (1) year after the last date on which Engineer has provided Services hereunder, Client shall not, directly or indirectly, solicit or attempt to solicit for employment, or contract directly or indirectly with, any employee of Engineer, except as authorized in writing by Engineer. Client agrees that its breach of this Section shall cause Engineer irreparable harm, and that Engineer may, in addition to recovering any provable damages, enforce this obligation by injunction. Client shall pay Engineer's attorneys' fees and costs incurred in procuring damages or injunctive relief. Client further agrees that it shall pay an amount equal to one-half of the employee's annualized salary, as liquidated damages, without waiver of any other remedies available to Engineer.

SECTION 16: NO ASSIGNMENT

Neither Client nor Engineer may delegate, assign, or transfer its rights or obligations under the Agreement or any Addendum for any reason without the written consent of the other party.

SECTION 17: GOVERNING LAW

17.1 The Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

17.2 The prevailing party in any action related to the dispute or interpretation of the Agreement shall be entitled to recover its reasonable attorney's fees incurred in pursuing the action, including those fees incurred throughout all bankruptcy and appellate proceedings.

17.3 If any of the provisions of the Agreement are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions will not be impaired and will survive. Limitations of liability and indemnification obligations will survive termination of this Agreement for the period of all applicable statutes of limitations to which they relate.

SECTION 18: INTEGRATED AGREEMENT

The Agreement and the General Conditions represent and contain the entire and only agreement and understanding among the parties with respect to the subject matter hereof, and they supersede all prior or contemporaneous oral and written agreements, understandings, representations, inducements, promises, communications, and conditions between the Parties. No agreement, understanding, representation, inducement, promise, or condition with respect to the subject matter of this Agreement will be relied upon by the Parties unless expressly incorporated herein.

SECTION 19: NO AMENDMENT

This Agreement may not be amended or modified except by a writing signed by both Parties.

SECTION 20: WAIVER OF JURY TRIAL

BOTH CLIENT AND ENGINEER WAIVE TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATED TO THE AGREEMENT, AND ANY ADDENDUM TO THE AGREEMENT.

SECTION 21: NO INDIVIDUAL LIABILITY

Pursuant to Florida Statute § 558.0035, no employee or agent of Engineer may be held individually liable for negligence occurring within the scope providing Services hereunder.

SECTION 22: HEADINGS

The headings in these General Conditions are for reference only and are not intended to form part of the contract between the Parties.

Frequently Asked Questions

Proposed LLC Governance and Oversight Structure

Q. Can the Association directly own the LLC, Tiki Bar, or Rental Program?

A. No. Based on guidance received from Association legal counsel, the Association cannot directly own the LLC or its business operations.

However, the proposed structure will provide the Association with contractual governance and oversight authority, including the ability to participate in selecting, approving, retaining, or replacing the party responsible for the LLC's oversight and operation.

The Association Board would provide governance, strategic direction, accountability, and oversight while maintaining the appropriate legal separation between the Association and the LLC. The specific authority and responsibilities of each party will be established through the LLC Operating Agreement and related contractual agreements.

Q. Does the Association Board become the legal Board of Directors of the LLC?

A. Not necessarily. An LLC generally operates through its members, managers, authorized representatives, and other positions established by its Operating Agreement rather than through a traditional corporate Board of Directors.

Under the proposed structure, the Association Board may function in an oversight and governance capacity by establishing expectations, reviewing performance, providing strategic direction, and participating in the appointment or replacement of the Responsible Party. However, the Association Board would not automatically become the legal owner or governing board of the LLC.

The final structure and terminology will be established through the revised Operating Agreement and related agreements following review and approval by legal counsel.

Q. Who legally owns the LLC?

A. The LLC's legal ownership will be established through its operating agreement, membership records, state filings, and the final structure approved by legal counsel.

The proposed structure is intended to preserve the LLC as a legally separate entity while providing the Association with appropriate contractual governance, oversight, and continuity regarding the operation of the businesses serving the property.

Q. What is the role of the Responsible Party?

A. The Responsible Party would provide experienced and accountable oversight of the LLC and its business operations. Responsibilities may include:

- Serving as the legally accountable party for applicable state filings, licenses, registrations, and organizational requirements;
- Providing guidance and oversight regarding policies, procedures, internal controls, and day-to-day operations;
- Working with onsite management to establish operational expectations and accountability;
- Providing financial, administrative, compliance, and strategic oversight;
- Monitoring operational and financial performance;
- Assisting with budgeting, financial controls, vendor relationships, staffing, insurance, regulatory compliance, and risk management;
- Helping ensure that the LLC operates in accordance with its governing documents, contractual obligations, and applicable legal requirements;
- Reporting regularly to the Association Board regarding financial performance, operational matters, risks, and significant developments;
- Implementing or overseeing the implementation of policies and strategic direction established through the approved governance structure; and
- Serving as a consistent and accountable point of oversight between the Association Board, LLC management, professional advisors, vendors, and other involved parties.

The Responsible Party would provide oversight, guidance, accountability, and organizational continuity but would not ordinarily perform every day-to-day management function.

Q. Does the assigned Responsible Party receive ownership equity in the LLC?

A. The Responsible Party would not receive material ownership or economic interest in the LLC merely because of the appointment.

If a nominal membership or ownership interest is legally required to implement the approved structure, any interest assigned to the Responsible Party would have only nominal value, anticipated to be approximately $10, and would not provide an independent right to the LLC's profits, assets, accumulated value, or sale proceeds except as specifically authorized in the governing documents.

Compensation paid to the Responsible Party would be based solely on the contractual services provided for accepting legal responsibility and providing operational, financial, compliance, management, and organizational oversight.

The final ownership and compensation provisions will be established through agreements prepared or approved by legal counsel.

Q. Does the Responsible Party personally own the Tiki Bar, Rental Program, or other LLC assets?

A. No. The Responsible Party would not personally own the Tiki Bar, Rental Program, operating funds, contracts, equipment, business assets, or other property belonging to the LLC.

The LLC would continue to own and operate its business assets. The Responsible Party would serve only in the legally and contractually defined governance and oversight capacity established by the Operating Agreement and related agreements.

Q. Can the Responsible Party personally receive or retain LLC profits?

A. No. The Responsible Party would receive only compensation and reimbursement specifically authorized under the applicable service agreement.

The Responsible Party would not have the right to personally retain LLC profits, operating funds, business assets, or other financial benefits unless expressly authorized through an approved written agreement.

Q. Can the Association remove and replace the Responsible Party?

A. Yes, subject to the terms of the Operating Agreement and applicable contractual agreements.

The anticipated structure would generally include defined contract terms and renewal provisions that allow the Association to periodically evaluate performance and determine whether to continue the relationship.

The agreement may also permit termination for cause when supported by circumstances such as material misconduct, fraud, gross negligence, willful violations, material breach of contract, failure to perform required responsibilities, serious regulatory or legal violations, or substantial and continuing failures in management or oversight.

The final agreement should clearly define the appointment, evaluation, renewal, termination, transition, and replacement processes to protect both the Association and the Responsible Party.

Q. What happens if the Responsible Party resigns, is removed, becomes incapacitated, or is unable to continue serving?

A. The governing documents and related agreements should establish a succession and transition process that allows an appropriate replacement to be appointed without unnecessary interruption to the LLC's operations.

The structure should also require the orderly transfer of records, system access, licenses, contracts, financial information, passwords, operational responsibilities, and other LLC property to an approved successor.

This will help prevent the LLC from becoming dependent on any single individual or company and provide greater long-term organizational continuity.

Q. How does the Association benefit from the LLC?

A. The LLC operates business activities intended to generate revenue and provide services that support the overall operation, financial health, marketability, and guest experience of Fountain Beach Resort.

Financial performance would be reviewed regularly, anticipated to occur at least quarterly. Reviews would include:

- Actual revenue compared with budgeted revenue;
- Actual expenses compared with budgeted expenses;
- Operating profit or loss;
- Current and anticipated cash-flow requirements;
- Outstanding liabilities and financial obligations;
- Tax, insurance, regulatory, and operational obligations;
- Necessary operating reserves;
- Planned capital expenditures;
- Future business and operational needs; and
- Available surplus funds.

After the LLC's reasonable operating expenses, liabilities, reserves, tax obligations, capital needs, and anticipated business requirements have been adequately funded, available surplus funds may be considered for transfer or allocation in accordance with the Operating Agreement, applicable contracts, legal requirements, and guidance from legal and tax professionals.

Any funds transferred for the Association's benefit would be formally presented to and accepted by the Association Board and allocated according to the Association's governing documents, approved budget, applicable law, and identified property needs.

Q. Are LLC profits automatically transferred to the Association?

A. No. Revenue generated by the LLC is not automatically considered Association income.

The LLC must first satisfy its operating expenses, payroll obligations, taxes, insurance costs, contractual obligations, liabilities, reserve requirements, capital needs, and other legitimate business expenses.

Any transfer of surplus funds must be completed through a legally and financially appropriate process consistent with the LLC Operating Agreement, contractual agreements, tax requirements, and advice from legal and accounting professionals.

Q. Will all LLC revenue be transferred to the Association?

A. No. The LLC must retain sufficient funds to operate responsibly and maintain financial stability.

The LLC may need to retain funds for payroll, taxes, insurance, operating expenses, repairs, equipment, technology, legal and accounting costs, vendor obligations, capital improvements, emergency expenses, future business needs, and appropriate operating reserves.

Only funds determined to be available after these obligations and anticipated needs have been considered would be evaluated as potential surplus funds.

Q. Does the Association Board manage the LLC's day-to-day operations?

A. No. Day-to-day operations would remain the responsibility of the onsite General Managers, department managers, supervisors, and staff, subject to the oversight, guidance, policies, and accountability structure established by the Responsible Party.

The Association Board's role would generally focus on:

- Governance;
- Strategic vision and long-term direction;
- Financial and operational oversight;
- Establishing expectations and priorities;

- Reviewing financial and operational performance;
- Evaluating significant risks and major business decisions;
- Reviewing the performance of the Responsible Party;
- Approving or participating in major decisions as established by the governing agreements; and
- Determining whether to renew, replace, or terminate the Responsible Party in accordance with the applicable agreements.

The Board would generally avoid becoming involved in routine staffing decisions, daily scheduling, ordinary purchasing, guest concerns, departmental supervision, and other normal operational matters unless Board involvement is required by the governing agreements or circumstances.

Q. Who supervises onsite management and staff?

A. Onsite management would continue to supervise employees and conduct the LLC's daily business operations.

The Responsible Party would provide higher-level oversight, establish or implement policies and procedures, monitor performance, provide guidance, promote accountability, and assist management with significant operational, financial, compliance, staffing, and organizational matters.

The goal is to establish a clear chain of responsibility while allowing onsite management to operate efficiently.

Q. Can individual Association Board members direct LLC employees?

A. Generally, no. Individual Board members should not independently direct employees, alter procedures, authorize expenditures, or become involved in routine operational decisions unless specifically authorized through the approved governance structure.

Direction from the Association Board should generally be communicated through properly established Board processes and coordinated with the Responsible Party and onsite management.

This helps prevent conflicting instructions, inconsistent management, employee confusion, operational disruption, and uncertainty regarding authority.

Q. What decisions would require Association Board involvement?

A. The specific approval requirements will be established in the Operating Agreement and related agreements.

Board involvement may be appropriate for significant matters such as:

- Appointment, renewal, or replacement of the Responsible Party;
- Approval of annual operating plans and budgets;
- Significant changes in the LLC's business activities;
- Major contracts or financial commitments above established limits;
- Material capital expenditures;
- Significant borrowing or financial obligations;
- Major litigation or legal settlements;
- Material changes involving insurance, licensing, or regulatory matters;
- Transfers or allocation of available surplus funds;
- Significant changes in management structure; and
- Other major matters specifically reserved for Association review or approval.

Routine operational matters would generally remain with the Responsible Party and onsite management.

Q. Who controls the LLC's bank accounts and financial records?

A. The LLC's bank accounts, accounting systems, financial records, contracts, licenses, operational records, and business information should remain under the ownership and control of the LLC.

Appropriate internal controls should be established regarding account access, authorization limits, approvals, reconciliations, financial reporting, and separation of financial responsibilities.

No individual vendor, employee, manager, consultant, or Responsible Party should maintain exclusive ownership or control over the LLC's financial systems or records.

Q. How will the Association Board receive financial information regarding the LLC?

A. The Responsible Party and management would provide regular financial and operational reporting in accordance with the governing agreements.

Reporting may include:

- Budget-to-actual financial statements;
- Profit-and-loss statements;
- Balance sheets;
- Cash-flow information;
- Bank-account and reserve information;
- Accounts payable and outstanding liabilities;
- Tax and regulatory obligations;
- Recommendations regarding available surplus funds.

Formal financial reviews are anticipated at least quarterly, with additional reporting provided as necessary.

Q. Will the LLC and Association continue to maintain separate finances?

A. Yes. The LLC and Association are separate legal entities and should maintain separate bank accounts, accounting records, financial statements, contracts, tax filings, insurance coverage, assets, liabilities, and operational records.

Maintaining appropriate legal and financial separation is important to protect both entities and preserve accurate accounting, transparency, accountability, and liability protections.

Q. Who is responsible for the LLC's taxes, payroll, insurance, and business obligations?

A. The LLC remains responsible for its own business obligations, including payroll, employment taxes, business taxes, insurance, vendor obligations, operating expenses, regulatory compliance, and other liabilities.

The Responsible Party would provide oversight and accountability to help ensure these obligations are appropriately managed but would not automatically become personally responsible for all LLC debts or obligations except as specifically required by law or established through a written agreement.

Q. Does the Association automatically become responsible for the LLC's debts or liabilities?

A. No. The Association and LLC intend to remain legally and financially separate entities.

The governance structure should be designed to provide the Association with appropriate oversight and accountability without unnecessarily combining the entities' finances, assets, operations, or liabilities.

The specific legal relationship and applicable protections should be established through agreements prepared or approved by legal counsel.

Q. How will conflicts of interest be addressed?

A. Any actual or potential conflict of interest involving the Responsible Party, Association Board members, management, vendors, or related parties should be disclosed and addressed through established policies and procedures.

Transactions involving related parties should be documented, evaluated for fairness, and approved through the appropriate governance process.

The goal is to promote transparency, accountability, and decisions made in the best interests of the applicable organization.

Q. How will the Responsible Party be evaluated?

A. Performance should be reviewed periodically based on established responsibilities and measurable expectations.

Evaluation factors may include:

- Financial performance and budget management;
- Quality and timeliness of financial reporting;
- Regulatory and legal compliance;
- Insurance and risk management;
- Operational performance;
- Implementation of policies and procedures;
- Management accountability;
- Responsiveness to the Association Board;
- Cost controls and operational efficiency;
- Progress toward established goals;
- Employee and organizational development;
- Guest and owner service; and
- Overall stability and performance of the LLC's business operations.

Q. Why is a Responsible Party necessary?

A. The LLC operates active businesses involving employees, payroll, taxes, insurance, contracts, vendors, financial accounts, regulatory requirements, guest services, rental operations, food and beverage operations, and significant potential liability.

These responsibilities require consistent, experienced, and accountable oversight.

The proposed structure is intended to provide professional continuity and accountability while allowing the Association Board to maintain appropriate governance and oversight without requiring volunteer Board members to personally manage the LLC's daily business operations.

Q. Why not have the Association Board directly operate the LLC?

A. Direct day-to-day management by a volunteer Association Board could create operational inefficiencies, inconsistent direction, unclear accountability, increased demands on Board members, and potential legal or liability concerns.

Board membership also changes over time. A professional oversight structure provides greater continuity while allowing the Association Board to focus on governance, strategy, performance, and major decisions.

Q. Will the structure remain the same permanently?

A. The structure should be periodically reviewed to ensure that it continues to meet the operational, legal, financial, and organizational needs of the LLC and Association.

The Operating Agreement and related contracts should establish procedures for future appointments, renewals, amendments, transitions, and changes in oversight while preserving organizational continuity and protecting the interests of both entities.

Q. Who will approve the final structure?

A. The final governance structure, Operating Agreement, service agreements, authority provisions, financial procedures, and related documents will be reviewed and approved through the appropriate legal and organizational processes.

Attorneys representing the applicable entities will provide legal guidance regarding the final documents and structure. Accounting and tax professionals should also review provisions involving ownership, compensation, distributions, transfers of funds, and tax treatment.

Q. What is the overall purpose of the proposed structure?

A. The purpose is to establish a legally appropriate, financially transparent, professionally managed, and sustainable governance structure that:

- Preserves the legal separation between the Association and LLC;
- Provides the Association with appropriate governance and oversight;
- Establishes clear responsibility and accountability;
- Provides continuity as Association Board membership changes;
- Protects the LLC's assets, records, systems, and business operations;
- Strengthens financial controls and transparency;
- Improves legal, tax, insurance, and regulatory compliance;
- Allows onsite management to efficiently operate the businesses;
- Provides experienced oversight and strategic guidance;
- Protects the long-term interests of the Association, LLC, unit owners, employees, and resort operations; and
- Supports the long-term financial and operational success of Fountain Beach Resort.

Flowchart for Association

INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION

BOARD OF DIRECTORS

- Governs the association
- Sets overall strategic direction and policy
- Hires and evaluates property managers' performance
- Provides oversight and directives to property manager

▼

PROPERTY ASSOCIATION MANAGER

Becky Lewis

- Overall oversight of association affairs
- Financial administration
- Books and records
- Association statutory compliance
- Association business administration
- Board support and reporting

▼

ONSITE PROPERTY GENERAL MANAGER

Richard Musgrove

- Day-to-day property operations
- Association staff supervision
- Maintenance and facilities operations
- Works with and under directives of the property manager via board governance

Proposal for Executive Advisory, Responsible Party & Executive Management Services

Prepared For:
The Board of Directors
International Beach Club Condominium Association, Inc.

Prepared By:
Lifestyle Realty Group, Inc.
d/b/a LRG Advisory Group

Executive Summary

As discussed with the Board, Florida law requires the LLC operating the rental, hospitality, and food and beverage business to have an appropriate ownership and management structure independent from the Condominium Association. To facilitate the continued operation of The Oasis at Fountain Beach Resort, LLC, LRG Advisory Group proposes to serve as the LLC's Designated Responsible Party, Managing Member of Record, and Executive Advisor under a comprehensive Executive Advisory Agreement.

This structure provides LLC with experienced executive leadership while allowing the Association Board to focus on its proper role of governance, long-term vision, and oversight rather than day-to-day business operations.

Scope of Services

LRG Advisory Group will provide executive leadership and oversight of the LLC, including but not limited to:

- Designated Responsible Party for LLC.
- Managing Member of Record as required by the LLC's organizational structure.
- Executive Advisory and operational oversight.
- Strategic planning and implementation.
- Financial oversight and reporting.
- Executive supervision of management.
- Operational process and procedure development.
- Risk management and regulatory compliance.
- Vendor and contract oversight.
- Board reporting and executive recommendations.
- Budget oversight and financial analysis.
- Organizational development and management coaching.
- Assistance with major operational decisions and business planning.
- Executive support for the General Manager and department managers.

- Coordination with legal counsel, accountants, insurance professionals, and other advisors as needed.

The General Manager and management staff will continue to oversee the day-to-day operation of the business while reporting through LRG Advisory Group, providing a clear chain of command and executive accountability.

Compensation

1. Executive Responsibility Fee

Annual Fee: **$23,500.00**

This fee compensates LRG Advisory Group for accepting the responsibilities associated with serving as the LLC's Designated Responsible Party, Managing Member of Record, and Executive Leadership Representative.

Beginning with the first renewal term, this fee will automatically adjust annually based upon approximately ten percent (10%) of the LLC's gross operating revenue as reflected on the prior year's completed federal income tax return.

2. Executive Advisory & Operational Oversight Services

Annual Fee: **$21,500.00**

Includes a minimum of **twenty-four (24) executive management hours per month**, including executive oversight, strategic planning, financial review, management coaching, operational support, Board reporting, and executive decision support.

Additional executive services requested beyond the included monthly hours shall be billed at **$75.00 per hour**.

Insurance

The LLC will maintain appropriate insurance coverage, including naming Lifestyle Realty Group, Inc., d/b/a LRG Advisory Group, as an Additional Insured where applicable. Insurance requirements and indemnification provisions will be detailed in the final agreement.

Term

- Initial Term: One (1) Year
- Automatic annual renewal unless terminated in accordance with the agreement.
- Sixty (60) day termination for cause by either party, subject to a ten (10) business day opportunity to cure.

Governance Structure

Under the proposed agreement:

- The **Board of Directors** will remain responsible for governance, establishing long-term vision and objectives, approving major financial and strategic decisions, and providing oversight of Executive Advisor's performance.
- **LRG Advisory Group** will be responsible for executive leadership, operational oversight, implementation of Board-approved strategic direction, financial oversight, management supervision, and overall business administration of the LLC.
- The **General Manager's** will oversee day-to-day operations and report directly to LRG Advisory Group.

This structure is intended to establish clear lines of authority and accountability while allowing each party to focus on its respective responsibilities.

Next Steps

This proposal is intended to obtain the Board's agreement in principle regarding the business structure, scope of services, authority, and compensation.

Upon receiving conceptual approval from the Board, LRG Advisory Group will prepare a comprehensive Executive Advisory, Managing Member & Responsible Party Agreement incorporating the agreed-upon business terms and governance framework.

The draft agreement will then be submitted to the Association's & LLC's legal counsel for review, refinement, and preparation of the final legal document. Following attorney review and any mutually agreed revisions. Once completed, both parties will sign and the proper implementation will occur.

Acceptance in Principle

Approval of this proposal signifies the Board's agreement in principle with the proposed business relationship, compensation structure, and scope of executive services, and authorizes the preparation of the formal legal agreement for attorney review.

This proposal is intended solely as a statement of business terms and does not constitute a final binding agreement between the parties.