

Management Agreement Between: International Beach Club Condominium Association, Inc. and Property Management with Distinction, LLC

August 7, 2025

This agreement (the "Agreement"), is made and entered into, effective as of the 11 day of August, 2025, by and between INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC. a not for profit condominium corporation, located in Volusia County, Florida, hereinafter referred to as "Association", and PROPERTY MANAGEMENT WITH DISTINCTION, LLC., a Florida corporation, hereinafter referred to as "Agent."

The Board of Directors of the Association (the "Board"), on behalf of the Association, hereby appoints Agent to manage the property of the Association and Agent accepts appointment to manage the Association property. The Association, by execution of its authorized representative below, represents and warrants that all necessary action by the Board of Directors of the Association (the "Board") has been taken to authorize this Agreement and the appointment Of Agent as contemplated herein. Agent shall act in accordance with Association's governing documents, applicable statutes and legal directives of the President of the Association.

TERM OF AGREEMENT – Association hereby engages Agent on an exclusive basis to manage Association for an initial term of (6) six months and thereafter for periods of one year unless this Agreement is terminated. Either party may terminate this Agreement at the end of the initial term, or at the end of any one-year renewal term, provided that written notice is given to the other party on or before the thirtieth (30th) day prior to the expiration of the initial term or any such one-year renewal term.

SERVICES OF AGENT - Agent shall perform the following services in the name of and on behalf of the Association and the Association hereby gives Agent the authority and powers required to perform these services.

A. ACCOUNTING

1. Agent warrants that all Agent's employees who handle or are responsible for the safekeeping of any Association monies shall be covered by a fidelity bond, at Agent's cost, in a minimum amount of \$1,000,000 with an insurance company determined by Agent.
2. Agent shall establish and/or maintain custodial bank account(s) to receive, deposit, disburse and account for all Association funds, as directed by Association Board, in a state or national bank where deposits are insured as required by law, separate and apart from Agent's own funds. A charge will be assessed against member's account for receipt of a check which has been returned from association's bank due to non-sufficient funds.
3. Agent shall have printed and distribute scheduled assessment coupon notices and payment envelopes to all members at the address provided by the member for billing purposes. If no such address is provided, mailing will be to the street address of the lot or living unit.
4. Agent shall assess interest and/or late fees to member accounts, as outlined in Association's Declaration of Covenants and Restrictions, and mail delinquency coupon notices to all members who are past-due in payment of assessments, on a monthly basis.

5. Agent shall at all times maintain individual account statements for each member on which are posted all debits and credits to include monthly computations of interest and/or late charges due on past-due or delinquent accounts.
6. Agent shall maintain a separate Accounts Receivable file for Special Assessments and additional ongoing assessments, such as utilities, storage fees, etc., levied by Association for an additional fee per assessment per lot or living unit.
7. Agent shall review invoices and charges to Association by vendors and contractors on a weekly basis. Such charges will be coded by account to Association's general ledger for payment in accordance with Accounts Payable schedule as follows: Invoices provided for payment by Friday of each week shall be paid on Friday of the following week. In the case of utility company (water, electric and gas) charges which cannot be paid timely within Agent's weekly schedule, monthly payments shall be processed via the utility vendor's automated clearing house (ACH) program. If Association is unable to maintain sufficient bank account balance to apply for ACH payments, then Agent shall not be held liable for any late fees or penalties which the utility vendor may assess.
8. Agent shall prepare monthly financial reports for Association utilizing the accrual method of accounting, including an income and expense statement, a statement of balances, a check register, an itemized listing of accounts receivable, cash flow statement and a disbursements journal by the 25th day of the following month.
9. Agent shall arrange for the filing of all required tax forms and the required annual financial report, all as prepared and directed by a Certified Public Accountant (CPA) of Association's choice. An Engagement Letter will be provided by Association's current CPA for the Board's review no later than the first day of the last month of Association's fiscal year. Additional Engagement Letters will be solicited if the Board of Directors so requests, Agent shall not be responsible for fines and penalties imposed due to Association's failure to make a timely decision regarding engagement of CPA or CPA's failure to meet mandated dates.
10. Agent shall assist Directors in preparation of Association's annual budget, to include Capital and Reserve items. Preliminary annual budget figures shall be submitted to Association Board at such time as requested each year. Agent shall continue to manage Association utilizing the current approved annual budget until the subsequent annual budget has been approved. Upon approval, Agent shall be authorized to operate and manage Association in accordance with the approved annual budget.

B. ASSESSMENT PROCESS

1. In order to protect Association's financial interests, Agent shall provide the following assessment process: a. Agent will provide multiple payment methods for members to enhance collection capability: i. Payment coupons to be mailed directly to Payment Center; ii. Auto-Pay debit; (no coupons will be mailed out except one each new year)
- b. Accounts which remain unpaid after the due date will be assessed delinquent penalties, as outlined in Association's governing documents and a reminder late coupon and payment envelope will be mailed to member.

c. If member's account remains delinquent, and at the option of the Board, Agent shall provide a second late letter to member with detailed account activity.

d. If member's account remains delinquent after scheduled late notices, Agent shall prepare a notice of Intent to File Lien against the member's property and a charge will be levied against the member's account for such notice.

e. As directed by Association, Agent shall arrange for Agent's attorney to prepare liens for delinquent assessments and, when appropriate, prepare satisfactions of lien. An administrative lien fee will be levied against the account of the property owner as a cost of collection concurrent with lien preparation. Said lien fee shall include preparation of a satisfaction of lien, prepared by Agent's attorney. Agent shall charge Association a fee to prepare and record a satisfaction of lien if said lien was not originally prepared by Agent's attorney.

f. As directed by Association, Agent will provide a collection package to attorney of Association's choice for legal collection and/or foreclosure action and assess a processing fee against the property owner's account. Agent will act as liaison between attorney and Association and account for monies as disbursed and directed by Association's attorney. Agent shall be appointed as Association's Registered Agent and will accept and log service of summons and complaints on behalf of Association and forward same to attorney of Association's choice for response within the timeframe mandated by law.

C. CLOSINGS

1. Upon request or notification by a closing agent or attorney, of a pending sale or mortgage refinance, and upon receipt of required Association approvals, if any, Agent will review the property account status and arrange for an Estoppel Certificate and advise the total amount of maintenance fees, special assessments, late fees, transfer fees, etc. due to be collected during the process of closing of the pending sale or mortgage refinance, including Agent's fee for related preparation of each Certificate. As part of Agent's closing services, Agent will arrange for deposit of funds received from closing agent and update Association's files and financial records with new owner information.

2. Agent shall provide an information package to new owners; said package will include notification of Agent's contract with Association, emergency telephone numbers, payment coupons and return envelopes, and the name, phone number and e-mail address of the Association's community manager. Agent shall receive a fee to research and update a new owner record for which an Estoppel Certificate has not been prepared. Agent shall not be held liable for closings which occur of which Agent has not been properly notified.

3. If Association's governing documents provide for Association approval of sale. Agent shall provide Notice of Intent-to-Sell form to closing agent for completion and provide to Association Board of Directors for approval process. Agent, at Association's expense, shall arrange for screening services to include credit investigation, criminal history and/or resident history as determined by the Board of Directors.

D. ADMINISTRATION

1. Agent shall maintain a roster of all lot or unit owners complete with mailing addresses provided. Additionally, Agent shall maintain current official records for Association including correspondence files, minute books, insurance policies, contracts and financial records.

E. COMMUNITY MANAGEMENT

1. Agent shall attend the annual budget and membership meetings of the Association.
2. Upon not less than 72 hours prior notice, Agent shall attend (12) Board meetings per year at no additional charge. Agent will attend additional meetings of the Board or of the Association as requested, provided that the Association shall pay Agent an additional special services hourly fee of \$200.00 for attendance at each additional meeting.

F. PAYMENT OF EXPENSES

All expenses of operation and management under this Agreement may be paid from Association's funds held by Agent and Agent is authorized to pay any amounts owed to Agent by Association via electronic transfer of funds from such account, without prior notice to Association. Agent shall have no obligation to advance funds to Association for any purpose whatsoever. From the funds of the Association, Agent shall pay all expenses of management of Association Property, including taxes, building and inspection fees, utilities, licensing and other governmental charges, and all other charges or obligations incurred by the Association or by Agent as permitted by this Agreement with respect to the maintenance or operation of the property or pursuant to the terms of this Agreement or pursuant to other authority granted by the Board on behalf of the Association.

G. MANAGEMENT FEE

Association shall pay Agent a management fee of \$3,500.00 per month. The management fee shall be paid monthly in advance. The management fee shall be increased annually upon approval by the Board of the Annual Budget, which adjustment shall be incorporated into this Agreement by reference. The management fee covers all services included in this contract, unless otherwise noted, with the exception of sales tax, postage & handling fees, payment coupons, supplies, bank charges, mailing supplies, other items specially provided for elsewhere in this Agreement and Addendum, and all items which become the property of the Association. Payments received later than the 15th day of the month will be assessed a late charge of 18% per annum. Disputed items shall not constitute a reason for non- payment.

Any services requested by the Client that are outside the Scope of Work defined in this Agreement shall be subject to additional fees, to be agreed upon in writing by both parties prior to commencement of such services. Such fees shall be invoiced at the rate of \$100.00 and payable in accordance with the payment terms herein, unless otherwise agreed in writing.

H. INDEMNIFICATION

1. Indemnity of Association. Agent shall indemnify, defend, protect and hold harmless Association and all of their respective officers, directors, members, managers, shareholders, employees, agents and representatives (the "Association Parties") from and against any and all claims, demands, damages, judgments, costs, losses, penalties, fines, liens, suits,