



## ADDENDUM TO MANAGEMENT CONTRACT

THIS ADDENDUM ("Addendum") is made and entered into on July 1, 2017 by and between **AQUAVISTA OF PANAMA CITY BEACH OWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation (the "Association") and **FIRSTSERVICE RESIDENTIAL FLORIDA, INC.**, a Florida corporation ("FirstService").

**WHEREAS**, the Association and FirstService entered into that certain Management Contract dated **May 4, 2016** which was subsequently modified by addendum (addenda) or amendment(s) thereto (the "Contract"); and

**WHEREAS**, the Contract provides for a term expiring on **May 31, 2017**; and

**WHEREAS**, the Association and FirstService have agreed to amend the Contract as more particularly set forth herein;

**NOW, THEREFORE**, in consideration of the premises, and other good and valuable consideration received by each party from the other, the receipt, adequacy, and sufficiency of which are hereby acknowledged, and in further consideration of the mutual covenants and agreements hereinafter set forth, the parties hereby agree as follows:

1. All of the statements contained in the above recitations are true and correct and are hereby incorporated by reference.

2. Paragraph 2 of the Contract, entitled *Term and Termination*, is hereby modified as follows:

a. Subparagraph 2.1 is modified to provide that the term of the Contract is extended to **May 31, 2018** unless terminated sooner in accordance with the provisions of the Contract.

3. Paragraph 5.2 E of the Contract is hereby deleted and replaced with the following:

"The Association shall be an additional insured for vicarious liability only on FirstService's Commercial General Liability and Commercial Auto Liability policies to the extent that FirstService is obligated to indemnify the Association pursuant to this Contract. On the renewal date of any insurance policies required by this Contract, FirstService will supply the Association with a new, original Certificate of Insurance in compliance with all terms of this Contract."

4. Paragraph 9 of the Contract, entitled *Liability*, is hereby deleted and replaced with the following:

**LIABILITY**. The Association hereby expressly agrees and understands that FirstService shall not be liable to the Association, its members or to Owners, their guests and invitees for any injury, loss or damage to person or property, except to the extent finally adjudicated to have been caused by FirstService's negligence or willful misconduct or material breach of this Contract. To the fullest extent of the law, the Association and its members will, and do hereby agree to indemnify, save, defend and forever hold harmless FirstService, its affiliated or related entities, partners, officers, directors, agents, servants and employees from any liabilities, damages, costs, penalties, fines, fees, losses, suits, demands, causes of action, judgments, obligations, claims and expenses, including but not limited to reasonable attorneys' fees and associated costs (whether pre-trial, at trial, mediation or at arbitration and/or in connection with any appeals) incurred, sustained, arising out of or connected with any injury to person or property however caused, or from any matter whatsoever arising from or in connection with FirstService's performance of services hereunder except to the extent that such liability is finally adjudicated to have resulted from FirstService's negligence or willful misconduct or from a material breach of this Contract. All personal property placed or moved into the Community will be at the risk of the Association or the Owner or occupant. FirstService will not be liable to the Association or others for any damage or injury to person or property, real or personal, arising from theft, vandalism, HVAC malfunction, the bursting or leaking of water pipes, the presence of mold, mildew or any pollutant, and any act or omission of any Owner or occupant or of any other person. However, the foregoing will not relieve FirstService of liability for damage to the extent finally adjudicated to have resulted from FirstService's negligence or willful misconduct. To the extent that such liability is finally adjudicated to have resulted from FirstService's negligence or willful misconduct, FirstService shall indemnify and hold harmless the Association. Both parties shall procure contractual liability insurance covering their respective obligations arising out of this paragraph;

however the indemnification shall not be limited to damages, compensation or benefits payable under insurance policies. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Contract, such legal limitations are made a part of the indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect. Nothing herein shall be interpreted to modify the obligations in paragraph 5 which provide for FirstService to be a definitional insured on the Association's Commercial General Liability, Excess Liability and Directors and Officers Liability policies on a primary basis. The provisions set forth in this paragraph shall survive the expiration or termination of this Contract."

- 5. Effective **June 1, 2017**, Schedule I and Schedule II of the Contract are hereby deleted and replaced as attached hereto, and by reference hereof, made a part of this Addendum.
- 6. Paragraph 11 of the Contract, entitled *Disclosure*, is hereby deleted and replaced with the following:

**"DISCLOSURE.** FirstService, through its affiliated or related companies, or divisions, offers certain goods or services to community associations. FirstService hereby wishes to ensure that these relationships are disclosed to the Association. FirstService and the current subsidiary/related companies providing services in Florida are: FirstService Financial, Inc.; FS Insurance Brokers, Inc.; Luke Brothers, Inc.; Luke's Landscaping, Inc.; Luke's Landscaping, Inc. d/b/a All Florida Pest Control and Fertilization; Service America Enterprise, Inc.; APS of Hollywood LLC d/b/a American Pool Service; LIV unLtd, LLC; American Leisure, LLC; California Closets operating under various fictitious names and/or related entities; College Pro Painters (U.S.) Ltd.; Floorcoverings, Ltd.; College Pro Window Cleaning, Inc.; Certa ProPainters Ltd.; Paul Davis Restoration, Inc. and all franchisees and related entities; Advanced Fire and Security, Inc.; and Century Fire Protection, LLC. The Association is not obligated in any manner to use any of the aforementioned affiliated or related companies or divisions to perform services other than those provided by FirstService under this Contract, nor is FirstService precluded from obtaining competitive bids, when required, to present to the Board of Directors for approval."

- 7. Except as herein modified, all of the terms and conditions of the Contract and all of the rights and responsibilities of the parties with respect to the Contract are hereby ratified and shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Addendum as of the day and year first above written:

Witness as to Association:

Laura Mohr  
Signature  
Laura Mohr  
Printed Name

AQUAVISTA OF PANAMA CITY BEACH OWNERS ASSOCIATION, INC.  
[Signature]  
Signature  
President  
Printed Title

Witness as to FirstService:

Pascate Kowalski  
Signature  
Pascate Kowalski  
Printed Name

FIRSTSERVICE RESIDENTIAL FLORIDA, INC.  
[Signature]  
Signature  
PRC-NO-FL  
Printed Title

**SCHEDULE I**  
**AQUAVISTA OF PANAMA CITY BEACH OWNERS ASSOCIATION, INC.**  
**84 Units/Lots**

**ADMINISTRATIVE MANAGEMENT**

Includes supervising regional director, bookkeeping services, and FSRConnect

**EFFECTIVE**

**June 2017**

**MONTHLY**

**\$742.00**

**Post term 4% annual increase if Contract is extended on annual basis (rounded to nearest dollar)**

**ON-SITE STAFF (IF APPLICABLE)**

The on-site staff shall consist of the following positions to be provided by FirstService. This is the minimum staffing and may only be increased upon prior written approval of the Association and FirstService:

<u>Position</u>	<u>Minimum Hours Per Week</u>	<u>Monthly Fee</u>
Licensed CAM	10	\$1,389.00
Maintenance	80	\$7,057.00

<u>Position</u>	<u>Minimum Hours Per Week</u>	<u>Labor Rate</u>
Any additional administrative	Per mutual approval	25 %
Any additional concierge/front desk	Per mutual approval	35 %
Any additional non-administrative	Per mutual approval	35 %

Labor rate as stipulated above includes, but is not limited to, social security tax, federal/state unemployment tax, workers' compensation insurance, FirstService's contribution to employee 401(k) benefit, drug testing, criminal background checks, recruitment expense, payroll processing and human resource administration.

Eligible on-site staff shall receive the following minimum benefits (if the Association elects eligible full-time employees of FirstService for a part-time position at the Association, these benefits will be on a pro rata basis):

1. Single standard medical benefits shall be offered to all eligible on-site staff members who are employees of FirstService at a shared premium between the Association and the employee. The Association's contribution is subject to increase on an annual basis. The contribution for such coverage is due in full as to any employee that elects coverage and is employed as of the first of the month, and there is no credit or pro rata return of any portion of the monthly contribution should an employee be on FMLA leave, resign, be terminated or transferred after the first of the month.

2. Employees shall receive paid time off for holidays, vacation, and personal time off ("PTO") as stipulated in FirstService's standard employment policies.

Initial fec Initial lmm

**SCHEDULE II**  
**AQUAVISTA OF PANAMA CITY BEACH OWNERS ASSOCIATION, INC.**

- A. The following office expenses will be charged to and become a cost of the Association and will be reimbursed to FirstService. These office expenses shall be substantiated with back-up documentation itemizing each charge. These office expenses are subject to increase upon 30 days' written notice to the Association.
1. Black & White copies at \$0.19 per page; color copies at \$0.40 per page.
  2. Paper at \$0.05 per page; envelopes at \$0.25 each; and labels at \$0.15 per label.
  3. Postage at actual cost.
  4. Long distance phone calls at actual cost.
  5. Maintenance fee payment handling of \$0.97 per Unit/Lot per month, regardless of payment frequency or method of payment (includes coupons, statements/direct debit letter, or other form of non-delinquent assessment communication).
  6. Special assessment coupons/statements at \$10.00 per Unit/Lot per complete coupon book and \$7.00 per Unit/Lot per statement.
  7. Annual \$180.00 fee for miscellaneous office expenses (i.e., trans file boxes, annual file folder updates, off-site document storage, customized association laser checks, 1099 forms and preparation, etc.).
  8. Special assessment processing shall be charged at \$2.50 per Unit/Lot per assessment installment period throughout the payment term of the assessment.
  9. Administrative fees for production and inspection of records by Association members (billed at \$50.00 per hour for staff and \$100.00 per hour for senior staff).
  10. Administrative fees for litigation support services, including, but not limited to, court appearances and preparation, production of documents, discovery, meetings with counsel, depositions, etc. (billed at \$75.00 per hour for staff, \$250.00 per hour for senior staff, and \$300.00 per hour for any officers of FirstService). This provision shall survive the termination or expiration of this Contract.
  11. Additional Accounting Services (i.e., Audit Services, Manual Check Processing, Customized Statements, Cash Management, Additional Bank Accounts (over 2), Other Accounting Services and 1099 Research, Preparation and Transmittal (billed at \$50.00 per hour for staff and \$100.00 per hour for senior staff).
  12. Any fees/costs to install, to service and operate a time clock or other time capture device in the Community.
  13. Payroll and benefits system technology cost of \$11.00 per person per on-site employee of FirstService, per month.
  14. In the event the governing municipality imposes a charge for a business tax receipt, occupational license or similar charge related to FirstService's performance of services for the Association from Association's on-site management office, the actual charge shall be paid by the Association.
  15. In the event the Association cannot provide accurate financial information at the commencement of bookkeeping services which would include, but is not limited to, accurate general ledger beginning balances, Owners' ledgers, financial statement packages and supporting documents or schedules, any additional time of FirstService to assist in the process of obtaining accurate financial information shall be charged to the Association at the rate of \$50.00 per hour for accounting employees and \$100.00 per hour for any of FirstService's vice-presidents or accounting directors.
- B. The following office expenses will be billed to the Association and charged to the delinquent Owner for reimbursement to the Association:
1. Delinquent account reminder letters at \$10.00 each; collection demand letters at \$50.00 each, attorney transfer packages on collection matters at \$125.00 each; and assistance with obtaining documents regarding small claims matters at \$275.00 each. These amounts will be billed to the Association and charged to the delinquent Owner.
  2. If the Association elects to have FirstService send out the statutorily required pre-lien letter, and governing law or regulation does not preclude FirstService from preparing this letter, a reasonable charge may be billed to the Association and charged to the delinquent Owner.
- C. The following office expenses will be charged to the Owner or third party:
1. Should the Association select a screening company which uses FirstService to assist in the screening process and/or the secure storage of screening reports, FirstService may be reimbursed by the screening company in an amount as FirstService and the screening company may mutually determine.
  2. FirstService may charge, collect and retain NSF check costs as authorized by applicable law to compensate FirstService for the preparation of the statutorily required notice.