

MANAGEMENT AGREEMENT

This agreement is made this 1st day of May, 2008, between

(**DEL MAR ASSOCIATION, INC.**, (Hereinafter referred to as the "Association") and **STAMBAUGH, INC. d/b/a BUDCO MANAGEMENT**, (herein after referred to as "Manager").

In consideration of the terms, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

1. The Association hereby employs the manager, and the manager hereby accepts employment under the terms and conditions herein after provided as Manager of the Association known as (**Del Mar Association, Inc.**) The Association fully understands that the function of the Manager is to manage the Association and that the Manager will attend the annual membership meeting and one (1) Director's meeting per month (where applicable) consisting of not longer than two (2) hours in length.
2. Under the supervision of the Board of Directors of the Association, the Manager shall render services and perform duties as described in all Exhibits attached hereto including the following services and duties:
 - a. Collect all monthly assessments, special assessments, and all other monies due from Members of the Association, and under the Association's authorization, request, demand, collect, and receive any and all charges or rents that may at any time become due to the Association and to take such action with the Board's approval in the name of the Association by way of legal process or otherwise may be required for the collection of delinquent dues and/or assessments. The Manager will be in charge of all collections, but the manner and extent of it's efforts, such as the decision to institute a lawsuit or to file a lien against a unit owner shall be at the sole discretion of the Association acting through its Board of Directors or legal counsel. All monies collected by the manager will be deposited in Marine Bank & Trust bank account in the name of the Association.
 - b. **Where applicable**, oversee the condition and repair of the dwelling units, appurtenances, parking lots, roads and the recreational facilities according to reasonable standards acceptable to the Association; provided, however, that the Association will at all times abide by the requirements of all local housing and health codes; and further provided, that the Association shall fund the cost of all repairs, renovations, improvements and other expenses required by the Association other than specified herein to be paid out of the fees to be received by Manager under the terms and provisions of this Agreement.

Nonetheless, the Manager shall not place any single order or execute any single contract

or obligation on behalf of the Association unless specifically authorized by the Association; provided, however, that the Manager shall have the authority to have performed emergency repairs or expenditures that require immediate attention for the preservation and safety of life and/or property or that are required to avoid suspension of any necessary services to the Association. The Manager, irrespective of the cost limitation, may make such emergency expenditures. Notwithstanding Manager's authority concerning emergencies, the Manager will, if possible, communicate immediately with the Association regarding every such expenditure and will attempt to obtain the Association's prior approval.

- c. Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Association by any federal, state, county, or municipal authority having jurisdiction thereof. The Manager, however, shall not take any action under this paragraph so long as the Association is contesting or has confirmed its intention to contest any such order or requirement. Any such determination on the part of the Association to contest such order or requirement shall relieve the Manager of any liability or responsibility concerning said situation, and by directing Manager to not fulfill said order or requirement, the Association hereby indemnifies and agrees to hold Manager harmless concerning said matter.
3. Prepare an Annual Budget and supporting documentation and submit same to the Association for review and approval approximately sixty (60) days prior to the Association's Budget and/or Annual Meeting.
4. Manage the Association's property according to the highest standard achievable consistent with the overall plan and budget of the Association.
5. The Manager shall make every reasonable effort to see that all Members are informed with respect to such Rules, Regulations, and Notices, as may be promulgated by the Association from time to time.
6. This contract shall be in force for a period of twenty four (24) months from the commencement date. The commencement date for this Agreement is May 1, 2008. At the end of the original term this Agreement shall automatically be renewed for another year, unless either party in writing exercises its right to cancel said Agreement. After the first six months of the contract, either party hereto upon sixty (60) days written notice, with or without cause, by certified mail return receipt requested, may affect cancellation. On termination, the contracting parties shall account to each other with respect to all matters outstanding as of the date of termination. The Manager shall return all of the Association's records to the Association.
7. Management shall be paid monthly on the 1st of each and every month during the term of this contract. Payment is due immediately upon receipt of invoice.

8. The Association shall indemnify and hold Manager harmless from and against all claims, damages, and costs (including reasonable attorney's fees) arising out of or in connection with the management of the property and operation thereof, except for acts of gross negligence of Manager and acts of willful misconduct of Manager (collectively "Unauthorized Acts"). Manager shall indemnify and hold harmless the Association harmless from any and all claims, damages, and costs (including reasonable attorney's fees), arising out of or in connection with willful or Unauthorized Acts of the Manager. The Association agrees to indemnify and hold the Manager harmless from any and all liabilities, injury or damage to any member of the Association, a guest, tenant, or invitee of any such member, or to any third person, for any damage to the property arising out of or in the course of the performance of its authorized duties.
9. All authorized actions taken by the manager with respect to management and maintenance under the provisions of this Agreement shall be taken as the agent for the Association, and all obligations or expenses incurred in the performance of the Manager's duties and obligations shall be for the account of, on behalf of and at the expense of the Association. The Manager shall not be obligated to make any advances or to pay any sum, except out of the funds held or provided by the Association, nor shall the Manager be obligated to incur any liability or obligation on behalf of the Association without assurance that the necessary funds for the discharge thereof will be provided. Moreover, should Manager in good faith incur obligations on behalf of the Association because of an emergency or otherwise, Association hereby agrees to reimburse the Manager or to pay said obligations within ten (10) days of billing for said liability or obligation.
10. Since the Manager will be acting for or on behalf of the Association, it is understood and agreed that the public liability insurance carried and maintained by the Association shall be extended to cover Manager as well as the Association, at the expense of the Association. Within ten (10) days of Commencement Date the Association shall supply the Manager with a copy of the liability insurance policy showing coverage of the Manager as called for herein.
11. The Manager, by the execution of this Agreement, assumes and undertakes to perform, carry out and administer the management, operational, and maintenance responsibilities, imposed upon the Association as specified herein. Such assumption of obligation is limited, however, to operation, management, and maintenance as agent, and does not require the Manager to pay any of the costs and expenses, which are the obligation of the Association. It is understood by the parties hereto that the Manager shall not be responsible for the accuracy or completeness of any records maintained prior to the Commencement Date.
12. The fees and services shall be described in Exhibits as attached hereto and made part hereof.

Exhibit "B"

FEE SCHEDULE

Management Fee per month	\$ 17,834.00
TOTAL ANNUAL COST.	\$ 214,000.00

~~Pay increases for maintenance and housekeeping personnel as well as any landscaping increases would have to renegotiated at the beginning of the second year.~~

Barbara Palumbo
out - TB -
John C. Foley
W. Stambaugh

Please Note: Postage, stationary, long distance telephone, fax charges, payment coupons and or envelopes, checks and all supplies used specifically for the Association will be billed monthly in addition to the above fees.

Management Fees over the allotted time dictated in this agreement will be based on \$25.00 per hour.

Payment is due on the first of each month.

EXHIBIT "A"

PROFESSIONAL MANAGEMENT SPECIFICATIONS

- 1) Ability to work closely with the Board of Directors on all matters.**
- 2) Be present at Board meetings.**
- 3) Entailed assessment collections with special assessment.**
- 4) Monthly financial reporting format.**
- 5) Periodic status reports on progress (quarterly).**
- 6) Periodic reserve analysis responsibilities.**
- 7) Budget preparation.**
- 8) Maintain an up to date resident and tenant roster.**
- 9) Follow up on delinquencies if needed. (Monthly)**
- 10) Up to date bill approval and payment.**
- 11) Maintain vendor list for estimates when needed. Ensure all work done is complete and accurate.**
- 12) Handle emergency situations as needed. (24 Hour emergency number available)**
- 13) Handle all daily request in a timely manner.**
- 15) Prepare any required certification for sale/lease of units.**
- 16) File liens if necessary through the Association's attorney.**
- 17) Be present on the property at least 20 per week.**

Conduct violation inspections weekly and notify owners of violation by U.S. mail.

Additional specifications can be added in accordance with the Board of Director's management requirements.

Witness our hands and seals the date written below.

Witness:

Dated: 5/1/2008

Del Mar Assn. Inc.
"The Association"

Pres.

By: Barbara Colombo

By: John C. Foley

Corporate Seal

Dated: MAY 1, 2008

Ty C. Stambaugh
Ty C. Stambaugh
President

B. Robert
J. Stambaugh
J. Foley - See Vice President

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This agreement made this _____ day of _____ 2002 between Stambaugh, Inc., having an office at 1603 SW Laredo Street, Palm City, FL 34990, hereinafter referred to as "BUDCO" and Del Mar Association, Inc., hereinafter referred to as "ASSOCIATION"

WITNESSETH

WHEREAS, the ASSOCIATION maintains and operates the property located at 5400 N. A1A, Vero Beach, FL 32963, and

WHEREAS, the ASSOCIATION operates and maintains the property in accordance with certain provisions for Management/Maintenance Services,

WHEREAS, BUDCO is in the business of performing such Management/Maintenance Services and the ASSOCIATION and BUDCO wish to enter into an agreement to provide Management/Maintenance of the property

Now, therefore, in consideration of the mutual covenants herein contained, the parties hereby agree as follows.

1. REPRESENTATION- BUDCO represents that it has examined the attached specifications, annexed hereto as exhibits A, B, C, D, E, AND F is fully familiar therewith.

BUDCO represents to ASSOCIATION that a trained, capable, and qualified work force consisting of a manager working twenty (20) hours per week, maintenance personnel working eighty (80) hours per week, and cleaning personnel working sixty (60) hours per week can satisfactorily perform the work required of BUDCO under this contract and accordingly agrees to furnish to ASSOCIATION one (1) experienced manager approved by the ASSOCIATION'S Board of Directors who will be present upon the premises of ASSOCIATION four (4) hours per day each week, Monday through Friday, except for legal holidays.

BUDCO will furnish two (2) trained and capable maintenance personnel with experience in all aspects of maintenance including irrigation equipment, both of which will be present upon ASSOCIATION'S premises eight (8) hours each day, Monday through Friday, except for legal holidays.

BUDCO will furnish two (2) trained and capable cleaning personnel, one of which will be present upon ASSOCIATION'S premises eight (8) hours each day, Monday through Friday, except for legal holidays, and the other to be present on ASSOCIATION'S premises four (4) hours each day Monday through Friday, except for legal holidays.

BUDCO agrees that continuity of services by its personnel is necessary and agrees that the manager approved by ASSOCIATION'S Board of Directors and the maintenance and cleaning personnel, as is reasonable possible will constitute permanent assignments to ASSOCIATION.

2. TERMS- the term of this agreement shall be for a period of three (3) years, beginning on April 1, 2002 and ending on April 30, 2005.
3. DUTIES- BUDCO agrees to perform, provide and furnish all labor, materials, equipment, and supplies as to fully comply with its obligations for the management/maintenance of ASSOCIATION'S property as set forth herein and in the annexed attachments A, B, C, D, E AND F, each of which is made a part hereof as though incorporated herein
4. PREFERRED CUSTOMER STATUS- All work required by ASSOCIATION, over and above that required to be furnished by BUDCO under the provisions of this contract, will be offered to ASSOCIATION under the following conditions:
 - a) All materials and supplies furnished by BUDCO for ASSOCIATION, will be billed to ASSOCIATION at BUDCO'S cost plus ten (10) percent. ✓
 - b) All labor will be charged at actual time involved in accordance with Exhibit F.
 - c) All bills submitted for payment will be support by actual material invoices and timework sheets for labor performed. ✓
5. INSURANCE- BUDCO will, at its sole expense and cost, provide the following insurance coverage:
 - a) Statutory Workmen's Compensation and Employer's Liability Insurance covering anyone who performs any work covered by this contractual agreement.
 - b) Liability Insurance for bodily injuries in limits of not less than \$ 1,000,000 per person and \$ 1,000,000 per incident, and for property damage of not less than \$ 1,000,000 per incident, providing coverage for any accident resulting from the operation or use by BUDCO of any owned, non-owned or hired

automobile or other automotive equipment required to be licensed, and

- c) Public Liability Insurance for bodily injuries in limits of \$ 1,000,000 per person and \$ 1,000,000 per occurrence and for property damage in limits of \$ 1,000,000 covering hazards resulting from the use, operation, management or maintenance of the premises or from products, materials or substances used in connection therewith or emanating there from. ✓
- d) Copies of all insurance policies required to be furnished by BU'DCO will be furnished to ASSOCIATION and will be attached to ASSOCIATION'S master copy of this agreement and certificates of such insurance will be posted in ASSOCIATION'S clubhouse.
- e) BU'DCO'S insurance policies will list ASSOCIATION as additional insured and ASSOCIATION'S insurance policies will list BU'DCO as additional insured.

6. It is understood that BU'DCO is acting as an independent contractor in the performance of the work and that all workers assigned by BU'DCO to the performance of work under this contract will be BU'DCO employees

noted

7. NOTICE OF INJURY- BU'DCO shall, within 48 hours of its knowledge of any incident, notify the ASSOCIATION of any damage to the property of the ASSOCIATION, or others, or of injuries sustained by any person, including employees of BU'DCO in any manner relating directly or indirectly to the obligations of the parties set forth in the Agreement. Such notification will include details as to the cause and nature of the incident and all parties and witnesses thereto. Employee or agent of BU'DCO shall make no statement concerning the incident to the press, the public, insurance company, investigator, or any other party, without the prior written approval of the ASSOCIATION except when required by legal process.

*forward
file
@
Del Mar
office*

8. TERMINATION- This agreement may be terminated by either party ←
by giving sixty (60) - days written notice to the other party.

Termination may be with or without cause. All obligations arising under this contract shall be null and void as of the termination date, except for BU'DCO'S obligations to turn over all ASSOCIATION'S books, records, moneys, and personal property to the President of the ASSOCIATION or anyone he/she shall designate in writing and except for ASSOCIATION'S obligations to pay BU'DCO for services

rendered up to and including the termination date. BUDCO shall not be liable to ASSOCIATION or its members for any costs or delays incurred by ASSOCIATION to complete work in progress at termination and shall not be liable for any costs incurred by ASSOCIATION to change management companies even though the early termination may be instituted by BUDCO.

9. COMPENSATION- In consideration of the services performed the ASSOCIATION shall pay BUDCO in accordance with the attached Exhibit B on a monthly basis.
10. NOTICE- Any and all notices given by either party under this Agreement shall be in writing, and shall be delivered by certified mail, return receipt requested, to the address set forth, or to any other address hereafter designated by either party by notice given in accordance herewith.
11. ADDITIONAL DOCUMENTS- The parties agree to execute and deliver such additional documents and instruments, requested by either party, that may be reasonably required to effectuate the purpose and intent of this Agreement and to carry out its terms and provisions. In that connection, BUDCO agrees to cooperate in the making of any modifications to the Agreement required by any regulatory agency.
12. AMENDMENT- No amendment or modification of the Agreement shall be valid or binding upon the parties unless reduced to writing executed by both parties.
13. In the event of any dispute between the parties concerning the terms of this contract the prevailing party shall be entitled to recover attorney's fees, court cost and any reasonable cost associated with the said dispute.

AS WITNESS WHEREOF the undersigned do hereby agree to abide by the stipulations laid down in this Agreement as of the time and date first mentioned above.

DEL MAR ASSOCIATION, INC.

BY _____

DATE: _____

STAMBAUGH, INC.

BY _____

DATE: _____

WITNESSED BY _____

“EXHIBIT A”

MANAGEMENT SERVICES

Administrative Management

FAMILIARIZATION

BUDCO will make a complete inspection of the community to familiarize itself as to the layout, construction, and operation of the common elements including, but not limited to: irrigation system, lighting system, and all other mechanical equipment relative hereto. BUDCO will familiarize itself with ASSOCIATION'S documents and responsibilities. On-site personnel will provide an inventory of all the ASSOCIATION'S property.

MONTHLY, ANNUAL, AND SPECIAL MEETINGS

1. The manager assigned by BUDCO under this contract will attend all monthly, annual and special meetings of the Board of Directors of ASSOCIATION or the general membership.
2. BUDCO will make arrangements for the necessary meeting facility, procedures, materials, and personnel required in order to conduct all ASSOCIATION meetings.
3. BUDCO will give proper notification prior to all meetings in accordance with ASSOCIATION'S documents and legal requirements as directed by the Secretary of the ASSOCIATION.

GENERAL ADMINISTRATIVE SERVICES

1. Manager will provide guidance and advice to ASSOCIATION regarding administrative procedures and responsibilities.
2. BUDCO will research and present to ASSOCIATION recommendations regarding the hiring of Accountants, Engineers, Attorneys, and other professionals.
3. BUDCO will promptly investigate and report to ASSOCIATION all incidents relating to the protection of ASSOCIATION'S property and operation. BUDCO will keep ASSOCIATION informed as to any situations that could result in liability on the part of the Board of Directors of the ASSOCIATION and/or ASSOCIATION.

INSURANCE ADMINISTRATION

1. BUDCO will procure bids for insurance coverage, correspond with agent, prepare claims, and follow through.

2. BUDCO will maintain files of Insurance Certificates for all contractors who perform work within the community.
3. BUDCO will ascertain that all contractors performing work for ASSOCIATION have Worker's Compensation and Disability Insurance for their employees and maintain a copy of such policies on file.

ASSOCIATION RULES BY-LAWS

1. BUDCO will consult with ASSOCIATION and recommend additions and changes in ASSOCIATION'S Rules and Regulations, policies and governing documents.
2. BUDCO will implement the policies of ASSOCIATION and provide enforcement of the Rules and Regulations, By-laws and Resolutions as designated by ASSOCIATION'S Board of Directors.
3. BUDCO will receive, document, investigate, and follow through on complaints regarding violations of the documents.
4. BUDCO will inform residents who are in violation of the community documents as determined by ASSOCIATION'S Board of Directors.

CLERICAL SUPPORT

1. BUDCO will correspond with unit owners, vendors, government agencies, and others on affairs related to the day-to-day operation of the community and maintain files of it.
2. BUDCO will maintain files of all service contracts, specifications, insurance policies, legal matters, schematics, blueprints, and all other documents and records of ASSOCIATION.
3. BUDCO will receive calls relative to the community.
4. BUDCO will provide clerical support for ASSOCIATION related business, including sales and leases of individual units.
5. BUDCO will provide copies, collating and binding when requested

not interviews

BID SPECIFICATIONS AND CONTRACT ADMINISTRATION

1. BUDCO will develop specifications for all contractual services. — NO
2. BUDCO will advertise for bidders, procure, and present to ASSOCIATION at least three (3) comparable bids for contractual work beyond scope of work required of BUDCO by this contract unless this condition is waived by ASSOCIATION.
3. BUDCO will research references and financial worthiness of bidders and make recommendations to ASSOCIATION

4. With prior written approval of ASSOCIATION, BUDCO may enter into contracts on behalf of ASSOCIATION with providers of services, utilities, materials, supplies, etc
5. BUDCO will provide contract supervision to insure compliance with terms, conditions, and quality of products and services of such contractors and suppliers

3

COMPUTER SERVICES

1. BUDCO will prepare all ASSOCIATION documents and maintain database of same.
2. BUDCO will provide labels for mailing and sorting when required.

Physical Management

WORK ORDERS AND SERVICE REQUESTS

1. All service requests and work orders received for work on common area property will be in writing and maintained by BUDCO for tracking and reporting.
2. BUDCO will coordinate maintenance staff and/or contractors to service requests and work orders and clean-up.
3. Manager will inspect and follow-up maintenance work to insure successful completion
4. Work order logs will be generated monthly for review and for purposes of detecting trends and problem areas.
5. Unit owners will be apprised of scheduled services and the status thereof at all times

1
2
5
1
1

MAINTENANCE SCHEDULING/COORDINATING/SUPERVISION

1. BUDCO will provide close supervision and evaluation over all work, labor services, and materials. *20 hours a week?*
2. BUDCO will coordinate maintenance staff to service requests from unit owners.
3. BUDCO will diagnose maintenance and construction defects determining responsibility and provide clear directives regarding repair methods, etc.
4. BUDCO will inspect and follow-up maintenance work to insure successful completion of service requested.
5. BUDCO will keep work order logs of all incoming and completed orders.
6. Status reports will be included in monthly reports. ✓

5
4
3
4
1
1

SITE VISITS

1. BLDCCO will inspect buildings, grounds, and property of ASSOCIATION, in accordance with a property inspection program incorporated herein as "Exhibit C" and will report results of such inspections to ASSOCIATION on monthly inspection reports which are incorporated herein. *Semi-annually*
2. BLDCCO'S manager will visit the site once every month at night to inspect lighting system.

4

put

Additional Management

BUDCO will:

- Review and make recommendations to insure that ASSOCIATION is operating within its budget
- Obtain on behalf of ASSOCIATION any utility rebates that may be due
- Use its buying power to purchase supplies and products at the lowest cost
- Furnish supplies and products to ASSOCIATION at BUDCO'S cost plus ten (10) percent
- Will make available to ASSOCIATION the expertise of its in-house maintenance staff to insure that ASSOCIATION premises are maintained to the highest standards
- Provide ASSOCIATION with consultation with respect to all phases of operations as needed.

FINANCIAL SERVICES

BOOKKEEPING

All of the financial services to be rendered are computerized and will always remain the property of the ASSOCIATION.

On a monthly basis, BUDCO will maintain a complete set of ASSOCIATION books. These will include:

1. Checkbook ✓
2. Cash Receipts ✓
3. Accounts Payable ✓
4. Accounts Receivable ✓
5. Cash Disbursements ✓
6. Bank Reconciliation ✓
7. General Ledger through Trail Balance ✓
8. Reserve and Special Account Balances ✓

ACCOUNTS PAYABLE

1. BUDCO will check accuracy of all invoices on accounts payable including all vendors and contractors. ✓
2. BUDCO will prepare checks for ASSOCIATION approval and signature, and deliver same along with proper account number charge and provide proper verification of same. ✓

ASSESSMENT BILLING ACCOUNTS RECEIVABLE

1. All statements will be billed on a predetermined cycle.
2. All unit owners payments are to be mailed directly to Northern Trust Bank at P.O. Box 3308, Vero Beach, FL 32964-3308
3. BUDCO will prepare mailing coupons to be mailed to Northern Trust Bank by each owner.

DEPOSIT CONTROL

Any checks received by BUDCO will be recorded and deposited into ASSOCIATION'S account.

PAST DUE COLLECTION

1. BUDCO will send past due letters to all unit owners in arrears twenty-
one (21) days past due date and will follow up on collection, ✓
procedures, liens, and foreclosures.
2. If an account remains in arrears fourteen (14) days after the first
notice has been mailed, BUDCO will mail a second notice notifying
the unit owner that a penalty of 1 1/2 percent per month will be
imposed on all accounts past due more than thirty (30) days. *NOTE*
3. If an account remains in arrears fourteen (14) days after mailing the
second notice, BUDCO will notify the unit owner by registered mail
that a lien may be filed on the unit owner's property to secure
payment of the past due account and that all of the unit owner's
remaining installments of assessments may be accelerated and become
due and payable immediately.
4. BUDCO will document all its actions taken as described above in its
monthly written report. *Report*
5. BUDCO will coordinate all legal proceedings with the Treasurer of
the Board of Directors of ASSOCIATION and ASSOCIATION'S
attorney.

FINANCIAL STATEMENTS

A comparative financial statement will be issued monthly by BUDCO
containing the following.

Balance Sheet	Budget Variance Report
Income/Expense Statement	Cash Receipts
Cash Disbursements	YTD Ledger
Cash Flow Analysis	Accounts Payable/Receivable

A CPA provided by BUDCO at BUDCO'S expense will produce these
monthly statements.

AUDIT ENVIRONMENT

Any and all audits of books and records of ASSOCIATION may be
reviewed at BUDCO'S office or at any other location as designated by
ASSOCIATION.

MAINTENANCE SERVICES

BU DCO will inspect and maintain ASSOCIATION'S premises to the highest professional standards. BU DCO will provide general repairs and services through its on-site personnel for, but not limited to the following:

1. Complete building maintenance
2. Policing grounds
3. General repairs
4. ~~Painting, sheetrock, spackling/taping~~ *out*
5. ~~Roofing and siding maintenance~~ *out*
6. Carpentry
7. Lighting repairs *—*
8. Carport repairs *— when replaced*
9. Power washing carports, walkways and where needed *— when replaced*
10. Plumbing repairs - "Not individual owner's units" *—*
11. ASSOCIATION and Del Mar community functions
12. Sprinkler system maintenance
13. Dune walkover maintenance
14. Asphalt and concrete repair
15. Drainage correction

2 - 3 m an hours per day for general maint & work Req.

BU DCO will arrange for the following maintenance services by outside contractors/vendors:

1. Building sewage systems - flushing and cleaning every six months
2. Elevators - yearly inspection and as needed maintenance
3. Pool - routine service and maintenance by ~~Kelly's Pool Service~~ *Pool Dolphin*
4. Pest/rodent control - *massy for @ year*

BU DCO will include in its monthly written report specific actions taken to comply with its maintenance responsibilities.

BI DCO will abide by the following maintenance schedule:

✓ ~~June and December~~

- Assist cleaning personnel with waxing of clubhouse floors ~~28 months~~
- Clean out carport rain gutters
- Power wash carport roofs
- ~~See machine filter cleaned - once a year.~~ } 124 months when replaced.

July, November and March

- Power wash sidewalks, walkways, clubhouse porch and entrances and patios
- Spray clean balustrades - once a year ~~twice a year~~
- Clean out all building drains including sewer and downspouts. no.

July, October, January and April

- Assist cleaning personnel in cleaning and conditioning wood paneling

Once each month

- Clean all irrigation filters *after mowing*
- Check all lighting
- Assist cleaning personnel with sweeping of garbage and recycling corrals
- Check Smoke detectors in clubhouse - 1 hour
- Spray "touch-up" pool furniture as indicated

Weekly Maintenance

- Check irrigation system after mowing cycle - *as needed.*
- Order supplies for maintenance and cleaning - *1 hour*
- ~~Clean elevator control room drains~~ *clean elevator control room drains (leaks) when oak leaves are falling.*

Daily Maintenance

- ~~Hoist flag~~ *Out*
- Complete work orders as assigned *2-3 hours*
- Uncover pool in winter months - *15 minutes*
- Set up chairs and tables as needed - *30 minutes*
- Empty and clean clubhouse/shop trash cans - *15 minutes*

CLEANING SERVICES

BU DCO will inspect and maintain ASSOCIATION'S premises to the highest professional standards. BU DCO will provide cleaning services through its onsite personnel for, but not limited to the following:

1. Clubhouse and entrances
2. Pool and shower area
3. Shuffleboard area
4. Poreh
5. Patio
6. Dune Walk
7. Bathrooms
8. Sidewalk
9. Stairwells
10. Walkways
11. Laundry Rooms
12. Elevators
13. Dumpster Corrals

BU DCO will provide additional personnel for washing inside and outside of lower hall windows in accordance with Exhibit F.

BU DCO will include in its monthly written report specific actions taken to comply with its cleaning responsibilities.

BU DCO will abide by the following cleaning schedule:

June and December

- Strip, wax and buff lower clubhouse floors
- Remove mildew from porch and patio furniture

July, October, January and April

- Clean and condition clubhouse wood paneling with assistance from maintenance personnel

Once each month

- Check pool furniture for blemishes and report findings to maintenance 30 minutes
- Sweep out trash and recycle corrals - 1 1/2 man hrs
- Hose down all building walkways (as needed)
- Wash clubhouse windows - 4 man hours

Each week

- Clean around entrances to clubhouse
- Vacuum clubhouse carpet
- Polish clubhouse furniture
- Mop clubhouse tile floors
- Building cleaning (walkways, stairwells and sidewalks)
- Laundry rooms
- Elevators
- Garbage and recycling corrals (check for loose debris)

Daily

- Complete work orders as assigned
- (• Clean porch and pool areas -) weekly
- (• Wipe pool furniture
- (• Clean all ashtrays
- (• Empty all clubhouse trash receptacles) daily
- (• Wipe all tables) weekly
- (• Check for cobwebs, debris, etc. -) daily
- Clean bathrooms
- Mop lower meeting hall as needed
- Check condition of the kitchen - daily
- Dump walk-empty trash can, fill paper towels & tar-off solvent - daily

LAWN AND LANDSCAPE SERVICES

BUDCO'S in-house crews will perform all landscape services. BUDCO guarantees the quality of the lawn regardless of conditions. BUDCO will furnish at its sole cost and expense all labor and materials necessary to provide the following landscaping and gardening services.

SUPPLIES AND MATERIALS

1. BUDCO will only use chemicals in all applications that are approved by and generally used by reputable landscapers for similar application.
2. BUDCO will take soil tests as necessary through the terms of this contract to determine the ph level of the soil. Soil will be adjusted in accordance with the recommended horticultural requirements.
3. BUDCO will comply with the following in order to satisfactorily provide the required services and accomplish the scheduled tasks:
 - a) Furnish sufficient workers, including the supervisor, to accomplish the amount of work scheduled and services called for in these specifications
 - b) Conduct all work in a safe manner. All equipment used is state-of-the-art.
 - c) Exercise caution so that sprinkler heads, vent pipes, lights or other objects projecting above ground level are not damaged. BUDCO will repair or replace any such damaged items at its sole cost. *Del Mar replace these items.*

*Massy
Lawn Contract*

INSPECTIONS

All work accomplished by BUDCO will be subject to periodic inspections by ASSOCIATION or the appropriate committee sanctioned by ASSOCIATION to insure full compliance with the contract specifications.

SERVICES

BUDCO will, at its sole expense, perform, provide, furnish and otherwise be responsible for the following services, equipment, and material and will notify the proper committee of ASSOCIATION when such services are performed and materials that are used if requested.

MOWING GRASS AREAS

1. Grass will be mowed every seven (7) days, between April 15 and October 15 (summer months) and every two (2) weeks during the winter months.
2. Grass will be maintained at the proper height.
3. All excessive lawn clippings will be removed from the lawn areas immediately following cutting.

EDGING GRASS AREAS

Edging of all walkways and curbs will be performed every other week.

TRIMMING OF GRASS

All grassed areas (including the common areas) will be trimmed with weed-eaters where conventional mowers cannot reach. This will be performed during each mowing cycle. Extreme care will be exercised as to not damage posts, walls, ASSOCIATION and/or personal property, etc.

FLOWER AND SHRUB BEDS

All shrub and flowerbeds are to be treated for weeds no less than once every three weeks or as necessary to insure a neat appearance. (*Shane*)

WEEDING

Preventative treatment will be applied to all curbs, parking stalls, sidewalks, parking areas, and driveways. This will also include all streets and common areas in the community including recreation areas and corrals.

CLEANING ROAD, SIDEWALK, DRIVEWAY AND PATIO AREAS

All the clippings, leaves and other debris will be cleaned up and removed from all areas and including sidewalks, driveways and patios and will not be blown on the lawns. All common areas will be policed after each cutting.

TRIMMING SHRUBS AND HEDGES

All shrubs and hedges will be trimmed and pruned once per month in order to present a neat appearance and in accordance with horticultural requirements. All trimming will be removed from around such shrubs and hedges.

*0000
wrote*

FREE TRIMMING

All dead palm fronds and tree limbs accessible from the ground with a pole saw will be pruned, excluding oaks. Wax myrtles will be kept reasonably free of suckers

FERTILIZATION

1. All grassy areas will receive four treatments of specialized blend of fertilizer with micronutrients.
2. All palm trees, shrubs, deciduous trees, and flowerbeds will be fertilized three times per year.
3. BU DCO will provide ASSOCIATION with a report confirming such work has been completed following such fertilization.

*Budex
we do
six SE
cut back
to 4
may
Aug*

INSECT CONTROL

1. All shrubs and ground covers will be sprayed three times per year for insect control.
2. Cinch bugs, sod webworms, and grubs will be treated preventively.

*we do
four
as needed up
to
3 in
May*

WEED CONTROL

1. A pre-emergence weed control will be applied twice in early Spring and early Summer.
2. Broad leaf weed control will be applied twice during the season or as needed
3. If for any reason the effective control of weeds in flowerbed, shrub beds, or lawns is not being accomplished by spraying, BU DCO will apply additional controls (such as manual hand-weeding) as necessary to maintain a relatively weed-free environment.

LAWN GUARANTEE

BU DCO guarantees the quality of the lawn and will provide additional controls and applications at no additional cost if:

- a) Broadleaf weeds are present
- b) The lawn is not lush and the application of additional fertilizer will not harm the turf
- c) Insects are present in the turf

*will NOT
Guarantee
to many
people (own
and direct
messing
w/ Lawns
irrigation
orders
etc*

IRRIGATION

At conclusion of landscape maintenance services each week, BU DCO'S on-site personnel will turn on the sprinkler systems to inspect for sprinkler head damage caused by its employees.

LICENSES & MEMBERSHIPS

BUDCO will obtain and keep in force the following licenses and provide copies to ASSOCIATION to be attached to ASSOCIATION'S **Master Copy** of this contract.

1. CAM license
2. Occupational licenses
3. Pesticide License (sub-contracted by BUDCO)

Any damage to the sprinkler system, lawn lights, benches or other ASSOCIATION property caused by BU DCO employees will be repaired at BU DCO'S expense. BU DCO will submit to ASSOCIATION a monthly written report of damages caused by BU DCO employees.

Once each month BU DCO will inspect the operation of the sprinkler system at each building to insure that all lawn and shrubs are receiving adequate watering. Such inspection will include the inspections and adjustment of all clocks as well as the cleaning and adjustment of sprinkler heads as necessary. Cost to ASSOCIATION will be in accordance with Exhibit F.

✓
2/1/14

“EXHIBIT C”

PROPERTY INSPECTION PROGRAM

I. The purpose of the Property Inspection Program is to:

- Provide the Board of Directors of ASSOCIATION with current information regarding the condition of ASSOCIATION'S physical plant
- Facilitate the orderly development of capital replacement programs by providing early warning to ASSOCIATION'S Board of Directors of incipient problems relative to major units of property
- Provide information to the manager that will facilitate near term corrective action in those cases of reported relatively minor problems
- Provide a record that can be useful in the future development of a Preventive Maintenance Program for ASSOCIATION property

II. Property to be inspected and frequency of inspections:

For purposes of this program, eight classifications of property have been selected to facilitate the inspection process as follows:

Property Classification

1. Building sewer lines
2. Each of the nine condo buildings (except roofs and laundry water heaters)
3. Clubhouse and recreation areas
4. Condo roofs
5. Laundry water heaters
6. Irrigation system
7. Lighting system
8. Miscellaneous property (roads, carports, signs, etc)

Inspection Frequency

- twice a year *paid by Del Mar - one block a week*
- once every ten- week period
- once every ten- week period
May & October and after *stratly sup. only*
severe storms
- May and October
after lawn cutting for
breakage & 1x a month for
performance
- once every month ~~at night~~
- January, April, July, October

III Responsibilities

1. BUDCO will follow the Property Inspection Schedule as detailed on page 9 of 9.
2. BUDCO will conduct inspections in a timely manner.
3. BUDCO will report to ASSOCIATION'S Board of Directors in writing (a) results of each inspections completed or (b) the reason for each inspection not completed on schedule.
4. BUDCO will alert ASSOCIATION'S Board of Directors relative to incipient problems associated with major units of property.
5. BUDCO will maintain an up-to-date file of inspection activities.

IV Report Forms

Pages 3 through 9 of Exhibit C detail examples of elements to be inspected as well as what should be observed.

Building _____ Date of Inspection _____ Inspected by _____

CONDOMINIUM BUILDING INSPECTION REPORT page 1 of 2

<u>Element</u>	<u>What to look for</u>	<u>Comments</u>
Sidewalks	Spalled concrete; stumbling hazards; cracks; bad stains	
Stucco Surfaces	Cracks in exterior walls	
Expansion Joints	Cracks, separations; stumbling hazards	
Paint	Condition of paint on exterior walls and in stairwells	
Walkways	Adequacy and appearance of paint; condition of expansion joints	
Downspouts Drains	Evidence of leaks and/or back up, freedom from debris; water deflected away from building	
Balustrades	Structural soundness, evidence of rebar rust, adequacy of sealant, appearance (mildew, algae)	
Handrails	Looseness, condition of paint, rust, dirt	
Stairs	Integrity of treads, risers; structural support members and expansion joints, spalled concrete, rust; condition of paint; paint and anti-skid surfaces	
Exterior doors and thresholds	Condition of paint and caulking, ripples in outer lamination of door	
Laundry Rooms	Evidence of leaks, corrosion on pipes; obstructed washing machine and floor drains; condition of paint; general housekeeping	
Fire Extinguishers	Unbroken seal, adequacy of charge; excessive corrosion; latest inspection date	
Soffits and Vent screens	Condition of paint on soffit, missing and/or paint obstructed vent screens	

Building _____ Date of Inspection _____ Inspected by _____

CONDOMINIUM BUILDING INSPECTION REPORT page 2 of 2

<u>Element</u>	<u>What to look for</u>	<u>Comments</u>
Exterior lights	Integrity of fixtures; need for paint; proper photocell action; burned out bulbs; proper alignment of post type lamps; clean luminaires	
Elevator	Proper functioning cab lights; signal lights and alarm bell; condition of sump pump; valid inspection permit; cleanliness of cab and control room;	<i>fire service and log book.</i>
Bulletin Board	Soundness of frame; overall appearance; appropriate and necessary notices; emergency key; condition of cork; proper closure	
Garbage and recycle corrals	Cleanliness; offensive odor; adequacy of bin top restraints; presence of weeds and debris; general condition of wood fence including paint	
Meter room	Housekeeping	
Laundry water heater	Leaks; corrosion build-up; obstructed drain; excessively hot water temperature	

Date of Inspection _____ Inspected by _____

CLUBHOUSE AND RECREATION AREAS INSPECTION REPORT page 1 of 3

<u>Element</u>	<u>What to look for</u>	<u>Comments</u>
Pool Equipment	Plumbing leaks, proper temperature, setting of water heater; condition of fence enclosures and vents for heating and plumbing equipment including appearance; proper functioning and appearance of outdoors shower including drain	
Pool and Patio furniture	Mildew or blemishes on lounges; chairs and tables; condition of webbing; properly functioning umbrellas	
Beach overlook structure	Deteriorating wood; loose nails; integrity of hand rails, condition of white paint on edge of stair treads	
Shuttleboard courts	Cracked, chipped or spalled concrete, condition of paint on courts, benches and scoreboards, integrity of lighting fixtures, burned out bulbs	<i>note: to be in '09 completely - get bids</i>
Gutters downspouts	Debris in gutters, rust-through spots; evidence of leaks at joint and/or water back-up; water deflected away from building	
Exterior wood trim	Condition and cleanliness of paint	
Soffits and vents	Condition of paint on soffits, rusted and or obstructed vent screens	
Stucco surfaces	Cracks in exterior walls including lower courtyard and porch areas	
Exterior paint	Condition of paint on walls, doors, thresholds, walkways and stairs	
Hand rails	Integrity of anchors (both indoor and outdoor railing)	
Outdoor carpets	Stains, wear; condition of floor fasteners, tripping hazards	<i>out</i>

Date of Inspection _____ Inspected by _____

CLUBHOUSE AND RECREATION AREAS INSPECTION REPORT page 2 of 3

<u>Element</u>	<u>What to look for</u>	<u>Comments</u>
Porch screens	Integrity of screening and properly functioning screen doors; condition of paint on frames	
Porch flooring	Cleanliness; condition of flagstones and grout; condition of carpeting	
Watering system	Proper timing of complete watering cycle; proper functioning and area of coverage of each sprinkler head	
Sidewalks	Spalled concrete; stumbling hazards; cracks; bad stains; need for paint in certain areas	
Exterior lights	Integrity of fixtures; need for paint; proper photocell action, burned out bulbs; proper alignment of post type lamps, clean luminaries	
Roof	Blisters, bare gravel areas, cracks near penetrations; condition of flashing and gravel stops	<i>Clearance for Solar Panels Shingles & Dike Last Roof</i>
Interior paint	Condition and cleanliness of painted/varnished surfaces in all rooms	
Interior carpet	Appearance including stains and wear	<i>plus one year cleaning - Del Mar pass.</i>
Interior tile floors	Integrity of tiles and grout, cleanliness	
Interior lights	Appearance of fixtures, burned out bulbs and fluorescent tubes including cove lights in living room and those located above ceiling panels in office, kitchen and lavatories	
Interior ceilings	Appearance; need for paint on suspended ceiling panels And supporting trusses	
Emergency lights	Working condition	

Date of Inspection _____ Inspected by _____

CLUBHOUSE AND RECREATION AREAS INSPECTION REPORT page 3 of 3

<u>Element</u>	<u>What to look for</u>	<u>Comments</u>
Smoke-Detectors	Satisfactory alarm test, evidence of battery being less than one year old	
Fire-Extinguishers	Unbroken seal, adequacy of charge; excessive corrosion, last inspection date	
Lavatories	Appearance; cleanliness; odors; plumbing leaks; slow-obstructed drains; properly functioning toilets; and urinals, corrosion on plumbing and lighting fixtures and other lavatory appurtenances	
Kitchen Area	Good housekeeping, plumbing leaks; slow/obstructed drains	
Exhaust fan	Grease build-up on blades, vibration; cleanliness	
Water heaters	leaks, corrosion build-up, obstructed drain, excessively hot water temperature	
Shop area	Good housekeeping	
Air-Conditioners	Obstructed ducts, dirty filters, excessive vibration; rust on exterior units, proper response to thermostat control (both heating and cooling)	
Storage areas	Good housekeeping	

Date Inspected _____ Inspected by _____

MISCELLANEOUS PROPERTY INSPECTION REPORT page 1 of 1

<u>Element</u>	<u>What to look for</u>	<u>Comments</u>
Carports	Debris on roof, obstructed drains, rust; integrity of supporting members	<i>when and if replaced</i>
Parking areas & roads	Cracks; surface disintegration; poor drainage; condition of striping	
Signs	Condition of paint; alignment both horizontally and vertically; obstructions blocking easy view from highway	
Lighting	Integrity of fixtures; need for paint; proper photocell action; burned out bulbs; proper alignment of post lamps; proper aiming of tree and sign lamps; clean luminaries	

PROPERTY INSPECTION SCHEDULE

<u>WEEKS</u>	<u>PROPERTY TO BE INSPECTED</u>
1 st week	Building A. all condo-building roofs
2 nd week	Building B
3 rd week	Building C
4 th week	Building D. all laundry water heaters
5 th week	Building E
6 th week	Building F
7 th week	Building G
8 th week	Building H
9 th week	Building I
10 th week	Clubhouse and recreation areas

After each ten (10) week inspection cycle, the cycle will start over and repeat.

"EXHIBIT D"

REPORTING REQUIREMENTS

can not be

1. BUDCO will submit monthly to each member of ASSOCIATION'S Board of Directors a written report which will include:
 - a. A complete financial report including cash receipts and disbursements, accounts payable and receivable, cash balances, and reserve and special account balances and any other item necessary to inform ASSOCIATION'S Board of Directors of ASSOCIATION'S true financial condition.
 - b. A report on all actions taken by BUDCO within the last month regarding collections of past due accounts and a list of all accounts and assessments which are past due twenty-one (21) days or more.
 - c. A report showing all work orders and service requests received since the last monthly report, listing all, ~~which have been completed or give reasons for non-compliance.~~ *out*
 - d. A property evaluation and analysis accompanied by the inspections report forms with comments as required by "Exhibit C" of this contract and listing major maintenance items completed or undertaken within the past month. *out*
 - e. A report showing when inspections were made of lawn, lights and sprinkler heads, what damages were noted, the cause of the damage and showing whether the sprinkler system of all buildings was operating to provide adequate irrigation. *out*
 - f. A report showing the dates that fertilizer was applied to lawn grass areas, trees and shrubs and listing the type and amount of fertilizer used.
 - g. A report listing any plumbing, sewer, laundry room heaters and/or drainage defects discovered and the repairs made. *out*
 - h. A report detailing any damage of ASSOCIATION'S property caused by BUDCO employees. *out*
 - i. A report, which includes the time sheets of BUDCO employee work hours on ASSOCIATION premises. *Supervised by Jack.*
 - j. A report detailing all emergency calls made to BUDCO by ASSOCIATION'S unit owners, response time, and action taken. *out*

2. Within forty-eight (48) hours of its knowledge of any accident or injury to person or property BUDCO will give written notice to the ASSOCIATION as required by paragraph # 6 of this **Contractual Agreement**.

“EXHIBIT E”

MISCELLANEOUS

1. HURRICANE PROCEDURES

A. Hurricane Watch Declared

BUDCO will immediately deploy sufficient personnel (using on-site and/or additional personnel in accordance with Exhibit F) to properly secure the property as outlined in ASSOCIATION'S Hurricane Procedure Manual and Indian River County Emergency Management recommendations.

B. Hurricane Warning

BUDCO will maintain lines of communication with ASSOCIATION'S Hurricane Committee Chairperson and with Indian River Shores Emergency Headquarters.

C. All Clear

1. BUDCO will immediately survey ASSOCIATION'S property and take all steps necessary to secure damaged areas and eliminate conditions hazardous to a safe re-entry.
2. BUDCO will provide on-site (and/or additional personnel in accordance with Exhibit F) personnel to replace furniture, remove debris, trim broken tree limbs and otherwise restore ASSOCIATION'S property.

2. EMERGENCY LINE

BUDCO will maintain emergency lines twenty-four (24) hours per day and will immediately dispatch personnel, as needed, to cope with any emergency on ASSOCIATION premises. BUDCO will keep a record of such calls. After hour calls will be charged to ASSOCIATION as per Exhibit F of this contract.

3. FAILURE TO PERFORM

- A. If BUDCO fails to perform any of its functions or responsibilities under this contract in a timely fashion, ASSOCIATION may, at its option:
1. Call the matter to BUDCO'S attention and BUDCO will immediately remedy the deficiency
Or
 2. ASSOCIATION may cause the work or function that BUDCO failed to perform to be done by others and the cost incurred thereby will be deducted from the next payment due BUDCO after a notice to BUDCO and BUDCO'S failure to remedy the situation in a reasonable period of time.
- B. If BUDCO fails to provide personnel for the hours agreed to under the terms of this contract, any deficiency will be reimbursed on a monthly basis to ASSOCIATION at the appropriate hourly rate

4. ASSOCIATION HELD HARMLESS

BUDCO will be responsible for and hold ASSOCIATION harmless from any liability resulting from the failure of BUDCO to comply with any of its obligations under this contract.

5. This CONTRACTUAL AGREEMENT supersedes any and all previous contracts between Del Mar Association and Budco Management, Inc.