

LELAND MANAGEMENT
ASSOCIATION MANAGEMENT AGREEMENT

This AGREEMENT is made between The Lakes of Windermere Community Association Inc., a Florida corporation located in Florida (the "Association") and Leland Management, Inc., a Florida corporation, with its principal place of business at 6972 Lake Gloria Blvd., Orlando, FL 32809-3200 ("Leland")

WHEREAS, the Board of Directors of the Association (the "Board") believes it to be in the best interest of the members of the Association, that the Association be managed by an organization in the business of Community Association Management; and

WHEREAS, the Board of the Association is empowered by provisions of the Association's governing documents to employ such an organization.

NOW THEREFORE, it is agreed as follows:

Article I - CONTRACT DOCUMENTS

1.01 The Contract Documents consist of this Agreement and Attachments. Certain terms in this Agreement relate to the Association Documents, Bylaws of the Association, and Board Resolutions.

Article II -MANAGEMENT RELATIONSHIP

2.01 Leland's function is to assist the Board in the operation and administration of the Association. Leland shall be an independent contractor in performing its functions on behalf of the Association as its Agent. Actions taken by Leland shall be made under the express or implied authorization of the Board in accordance with the terms of this Agreement, documents of the Association or under written or verbal instructions of the Board.

2.02 Notwithstanding the authority given to Leland in this Agreement, it is understood and agreed that the parties shall at all times endeavor to confer fully and freely to facilitate the performance of the services set forth in this Agreement.

Article III - RESPONSIBILITY OF MANAGEMENT

3.01 Leland agrees to perform the services described in this Agreement and Attachment "A" in the name of and on behalf of the Association, and the Association gives Leland the authority and powers required to perform these services:

A. Maintain the Association's records and files and books of account in good order; be the custodian of the official records of the Association and provide access to the records at Leland's offices to appropriate persons with prior appointment upon reasonable notice.

B. Leland shall establish and maintain a custodial bank account for the Association, in a bank whose deposits are insured by the FDIC and approved by the Association. Leland shall oversee the collection of assessments and other monies due the Association including preparation and



mailing of past due notices, Intent to Lien Notices and processing of liens in accordance with the collection policies of the Association.

C. Leland shall have authority to make disbursements from Association's bank account to pay obligations of the Association in accordance with Leland's responsibilities under this Agreement and as authorized by Association Documents and the Board. Leland shall make disbursements regularly and punctually for the Association to pay debts and amounts owed by the Association from funds collected and deposited in the Association's bank account. Leland shall not be required to use its funds for the Association, or to assume any liability for the Association.

D. Subject to this Agreement and the direction and the expense of the Association, Leland shall cause the common areas and facilities to be maintained according to standards acceptable to the Association. For any one item of repair or replacement, the expense incurred shall not exceed the sum of One Thousand Dollars (\$1,000) unless specifically authorized by the Board or by a budget which has been approved by the Board; provided, however, that emergency repairs involving manifest danger to life or safety of the property or for the safety of the owners, or required to avoid the suspension of any necessary service to the property or to its common areas and facilities, may be made by Leland irrespective of the limitation imposed by this Paragraph.

E. Leland shall provide assistance in obtaining property, directors and officers, liability and other forms of insurance appropriate for Association. Determination that the appropriate types, forms and amounts of insurance coverage are in force shall remain the responsibility of the Board.

F. Subject to this Agreement and approval by the Association, Leland shall negotiate contracts for maintenance and other necessary services which Leland or the Association shall deem advisable within the scope of services defined in Attachment "A". Leland will obtain at least three bids (3) for said services in excess of \$1,000 and provide the same to the Board of Directors so that they may choose who will provide said services. All contracts for services must be approved and signed by the Board of Directors. Leland shall also place orders for equipment, tools, appliances, materials and supplies as are necessary to properly maintain the Common and Limited Common Areas subject to the limitations set forth in Paragraph D. When taking bids or issuing purchase orders, Leland shall act at all times for the benefit of the Association, and shall be under a duty to secure for and credit to the latter any discounts, commissions or rebates obtainable as a result of such purchases. Leland shall maintain appropriate records of all such contracts and orders. The parties expressly agree that Leland shall procure necessary services for the property from third parties. Leland shall deal at arm's length with all third parties and shall serve the Association's interests at all times.

G. The Association may request Leland to oversee special projects of construction, such as restoration, renovation, repairs, or improvements exceeding \$20,000 in cost. If Leland accepts responsibility for oversight of such a project Leland shall work with the Board to obtain bids, negotiate agreements with contractors and oversee the work of the contractors and other professionals. Leland shall work with the Association's attorney to ensure that the Association is properly protected from construction lien law liability. Leland's role shall be to perform general monitoring and supervision of the project on behalf of the Board and shall specifically exclude without limitation work appropriately performed by other professionals such as contractors, engineers, architects, and inspectors. In the event that the Association requests that Leland provided the oversight services of this section Leland shall receive a fee of 5% of the contract price for this service. The fee shall be payable on a prorated basis as funds are disbursed to pay for the project.

This fee would not be applicable if the service is provided by on site staff during hours already being reimbursed by the Association.

H. Leland shall have NO authority or responsibility for maintenance or repairs to individual dwelling units unless required by the Association Documents.

I. Leland will assist the Association in the processing and administration of Architectural Review requests and shall provide the Board of Directors or the ARC with any request within 7 days of receipt of the same. However, the Board shall have final responsibility for the disposition and approval or disapproval of such requests.

J. Leland shall designate one of its licensed employees as primary Manager for the Association. Selection of the Manager assigned to the Association shall be within the discretion of Leland. However, the Board shall be entitled upon written notice to Leland to have the designated manager changed. At the request of the Board and upon availability and reasonable notice Manager shall attend up to twelve (12) regular Board meetings, (12) regular ARB meetings, budget meeting and one annual membership meeting each year provided that meetings are not scheduled on weekends or holidays. Additional meetings may be attended by Manager and/or other Leland personnel upon mutual agreement of the parties at a charge of \$75 per hour.

K. If applicable, Leland may assist Association in estimating reserve requirements. However, final responsibility for determining the amounts or adequacy of reserves shall remain with the Board of Directors. At written request of the Board, Leland will assist Association in securing the services of a professional reserve analysis firm to establish and/or support reserve estimates.

Article IV - RESPONSIBILITY OF ASSOCIATION

4.01 In order for Leland to effectively perform its duties, the Association agrees to assume the following responsibilities:

A. Maintain a legally constituted Board of Directors.

B. Designate a single individual who shall be authorized to direct Leland on any matter, including the incurring of expenses and the execution of contracts, relating to management of the Association. Leland shall accept direction from such designated representative and the directions of such designated individual shall be conclusively presumed to be the actions of the Association. Leland shall be under no obligation to investigate the actual authority of the designated representative. Unless a different specific appointment is made in writing, the designated representative shall be the President of the Association. Leland is authorized to act on behalf of the Association based on policies adopted by the Board and directives, written and oral, from the Board or the designated representative.

C. Supply Leland with an initial accurate Owner's information roster, showing the names as recorded on the deed, the last known address, phone number(s), if known, and any other pertinent facts with regard to ownership of the property.

D. The Association shall furnish Leland with a complete set of Association legal documents and any amendments that show the stamp of recording of the County and complete records and files of the Association for one year prior to the contract date.

E. Failure of the Board to provide adequate information to Leland, or if such information is not received in a timely manner, will revoke the right of the Association to claim nonperformance as to duties that require such information.

F. The Association shall not interfere with, nor allow or cause any of the officers, directors, or members to interfere with Leland in the performance of its duties or the legitimate exercise of any of its responsibilities, including, but not limited to direct contact with those persons or organizations performing services under the supervision of Leland.

G. Employees of Leland who handle or are responsible for the handling of the Association's money shall be bonded or insured by an endorsement to the Association's fidelity bond in an amount as required by the governing documents or any state statutes that are applicable to the Association.

Article V - COMPENSATION

5.01 Management Services

Leland shall be compensated for its services at the rate of \$5.00 per unit per month. Such compensation includes overhead of Leland, including salaries of employees, general and administrative expenses, and travel expenses of officers and employees of Leland incurred to perform services defined in Attachment "A". Fees are due and payable on the 1st day of each month during which such services are to be provided. Leland is hereby authorized to deduct the monthly fee directly from the account of the Association. If the amount due is not available to be paid in full by the 15th of the month, the balance due shall accrue interest at the maximum legal rate until paid.

5.02 Direct Expenses

Leland shall be reimbursed for expenses incurred in performing its responsibilities under this agreement in accordance with Attachment "B" including without limitation expenses related to mailings, photocopying, collections, and office supplies for the Association or other items that may be required from time to time as requested by the Board, owners or other authorized parties. Attachment "B" is Leland's current standard expense reimbursement schedule. Charges may vary over time due to changes in costs and shall be based on Leland's current standard schedule in effect at the time service is performed, with notice to the Board 30 days in advance of any fee changes.

5.03 Additional Services

Leland shall provide at no additional charge up to a total of four hours per year of support in the following areas if requested by the Board or required by law: 1) Legal/litigation support related to potential or actual litigation or legal issues involving the Association which may involve coordination, records research, depositions, testimony or similar activity; 2) Audit or Review support related to preparation and assistance with routine or special audits or reviews of accounting or tax records or similar activity; 3) Records Production support for research, production or review of official Association records for Board or members if requested by the Board or required by Florida Statute or other legal authority 4) Association computer systems and website support. Support in excess of four hours per year shall be charged to the Association at a rate of \$75 per hour for

managers/staff or \$125 per hour for officers/principals. This provision shall survive the termination of this Agreement in the event that Leland personnel are required by law to assist or otherwise be involved in Association business after the date of termination. Additional services not provided for in this agreement may also be available by mutual agreement of the parties. The above charges are not applicable if the service is provided by on site staff during hours already being reimbursed by the Association.

Article VI - CONTRACT PERIOD and TERMINATION

6.01 Term

This Agreement shall be for a period of one year commencing on March 1st, 2012 and shall automatically renew for one year periods unless canceled by either party at least sixty (60) days prior to the annual renewal date. At any time after the end of the initial one year term of this Agreement, Leland shall have the right to adjust its monthly management fee provided such adjustment is sent to the Board of Directors at least 90 days prior to the expiration of the contract.. Association shall have thirty (30) days to accept the proposed adjustments. If after thirty (30) days the Association fails to accept the proposed adjustment, Leland, at its option, may terminate this Agreement or continue under the then existing terms and conditions.

6.02 Termination for Nonpayment

Leland has the right to terminate immediately in the event payment is not made within 30 days of the due date. In no case shall termination forfeit any rights of Leland to collect its compensation or other amounts due according to this Agreement.

6.03 Termination Procedures

A time shall be set for a meeting to take place at Leland's principal office on the last day of the term of the Agreement for the purposes of turning over to the Association all requested records, all funds and deposit accounts and to execute any agreements and releases relating to the conclusion of contractual obligations.

Article VII - LIABILITY OF PARTIES

7.01 Leland will indemnify and hold the Association harmless from all loss, damage or injury resulting from willful and intentional acts done or caused by Leland, its officers, directors, or employees which cause harm to persons or property or which cause a monetary loss or expense to the Association. In no event, however, shall Leland be liable to the Association for actions or errors of judgment Leland may commit or refrain from committing in the reasonable good faith performance of its duties.

Except for willful acts or willful breaches of duties constituting gross negligence, the Association shall indemnify, defend and hold Leland, its shareholders, directors, officers, employees, and agents, harmless from all claims, actions, and damages arising from the performance of Leland's duties under this Agreement.

The obligations of each party under the above indemnifications include the payment of all settlements, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorney fees, including those incurred through all appeals.



7.02 Leland shall maintain in force, for the term of the Agreement, worker's compensation insurance, and such other insurance as may be reasonably requested in writing by the Board.

Notwithstanding the foregoing, the Board shall name Leland as an additional insured on the Association's insurance policies including without limitation its liability, casualty, and D&O policies and shall provide to Leland a certificate so evidencing the same.

7.03 The Association shall indemnify, defend, and save Leland and its shareholders, directors, officers, employees and agents harmless from all claims, investigations, and suits with respect to any alleged or actual violation of state or federal labor laws, environmental protection laws, fair housing laws, fair employment laws, or for any other reason whatsoever, where the alleged or actual violation is the result of action taken at the direction of the Board. The Association's obligation under this Paragraph shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorney fees including those incurred through all appeals.

The indemnification provisions of this agreement shall survive its termination for a period not less than the term of the Statute of Limitation for bringing any action against Leland or the Association for acts performed under the terms of this Agreement or while this Agreement is in effect.

7.04 Termination of this Agreement shall not terminate any liability or obligation of one party to the other for any act or occurrence having taken place during the term for the Agreement or for any indemnification, payment, reimbursement or other sum of money due and payable or thereafter becoming due and payable.

Article VIII - MISCELLANEOUS

8.01 Definitions

To the extent any definition is not inconsistent with the Association's legal documents, unless the context shall require otherwise, the terms used in these Contract Documents shall have the same meaning as defined in the documents or as defined in the same manner as in Florida Statutes, where applicable.

8.02 Conflicts

Any conflict, real or perceived, will not affect the whole of the contract. Any such real or perceived conflict shall be negotiated between the parties of the agreement.

8.03 Construction

This Agreement, which may be signed in several original counterparts, is to be construed as a bilateral contract. Headings are provided for convenience only and are not intended to be utilized in interpreting the contents. Terms of gender shall refer to the opposite gender where appropriate and terms of singular shall refer to plural and vice versa.

8.04 Notices

All notices as provided for, or as may be deemed desirable, shall be in writing and sent postage prepaid by certified mail, return receipt requested to Leland at the addresses indicated above, and for the Association to the then-serving President of the Board at his/her residential address or such other

addresses as given in a notice and to the Association attorney, Marlene Kirtland at Katzman, Garfinkel and Berger, 300 N. Maitland Avenue, Maitland, FL 32751..

8.05 Breach and Default

Failure by the Parties to this Agreement to insist upon the strict performance of any term of this Agreement or to exercise any right, power or remedy upon a breach thereof by the Parties shall not constitute a waiver of any such term of any such breach. Waiver of any breach shall not affect or alter this agreement, which shall continue in full force and effect with respect to any other then-existing or subsequent breach by the Parties.

If either party defaults by materially failing to perform its duties and obligations under this agreement, the party claiming the default shall provide written notice of such default to the nonperforming party specifying the nature of the default(s). If the default(s) are not corrected within 30 days of such written notice, the party claiming the default may cancel this agreement by giving not less than 30 days written notice.

8.06 Attorney Fees

Should any dispute arise as to the rights of any of the parties under this Agreement, including the powers and duties of the parties and all of the terms and conditions of this Agreement, Said parties agree to bring suit in Circuit Court in Orange County Florida. The party that prevails in said suit or any appeal thereof is entitled to recover their reasonable attorney fees and cost, including any cost of mediation that may be ordered by the court or agreed to by the parties.

8.07 Severability

In the event that any provision or provisions of this Management Agreement shall be determined to be invalid, void, or unenforceable, such determination shall not affect the other provisions of this Agreement, which can be given effect without the invalid, void or unenforceable provision or provisions.

8.08 Binding Obligations

This Agreement shall inure to the benefit of and constitute a binding obligation upon Leland and the Association, and their respective legal representatives, administrators, successors and assigns.

8.09 Governing Law and Venue

The Contract Documents shall be governed by and construed in accordance with Florida law. Any action commenced pursuant to this Agreement shall be brought in Orange County, Florida.

8.10 Licensure

Leland warrants and represents that it possesses and shall maintain during the term hereof, all licenses, permits, approvals, and similar items, as are necessary and/or appropriate to its performance hereunder.

8.11 Entire Agreement

The Contract Documents represent the parties' entire understanding and supersede any prior agreement. The parties acknowledge that there are no other understandings between them in these regards, except as may be evidenced by written agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals this 7th day of February, 2012.

The Lakes of Windermere Community Association Inc,



Rod Hallson, President

LELAND MANAGEMENT, INC

Rebecca Furlow, CAM President

11.24.11

**MANAGEMENT AGREEMENT
LELAND MANAGEMENT INC.
ATTACHMENT "A"**

Property Management:

- Perform weekly inspections of the Association's common areas and facilities to monitor their condition and maintenance needs
- Assist the Association in locating and contracting with maintenance providers
- Assist in securing competitive bids on services and products of the Association
- Coordinate and monitor the activity and performance of maintenance providers
- Confirm that maintenance providers are insured
- Perform weekly inspections of the physical appearance and condition of the members properties to assess compliance with the Association's Governing Documents
- Follow up on complaints of violations or maintenance issues received from Association members or the Board
- Issue violation notices and take other appropriate action necessary to resolve a violation in accordance with Association documents and instructions of the board
- Assist the Architectural Committee with policies, procedures and in the processing of Architectural Review applications
- Provide assistance in obtaining property, directors and officers, liability and other forms of insurance appropriate for Association
- Provide assistance in reporting and filing of insurance claims on behalf of the Association

Assessments:

- Maintain assessment rolls
- Complete invoice or coupon billing to each Association member on a monthly, quarterly or annual basis as appropriate for the Association
- Collect and deposit assessments into Association bank account insured by the FDIC
- Prepare and mail past due notices, intent to lien notices and oversee the filing of liens and collection of delinquent assessments.

Accounting:

- Prepare monthly and year end financial statements
- Prepare supporting financial reports including detailed general ledger, cash receipts and disbursements registers
- Maintain and update detailed accounts receivable records including aging reports
- Maintain Association bank account
- Prepare monthly bank reconciliation
- Prepare annual budget under guidance of the Association Board at least 60 days prior to the end of the fiscal year
- Prepare and approve of disbursements in accordance with the terms of approved vendor contracts or as authorized by the budget or Board



Tax and Association Reporting Requirements:

- Prepare IRS Form 1099 for vendor payments
- Coordinate the preparation and filing of Federal tax returns
- Coordinate the preparation and filing of State tax returns
- Prepare and file Annual Report required by the Florida Department of State
- Coordinate and oversee the financial audit and reviews by independent CPA if required by statute or requested by the Board

Association Governance:

- Prepare monthly Management Reports for the President of the Association summarizing significant events and actions for the period and provide the same at least 48 hours prior to the Board of Directors meeting each month.
- Attend Board of Directors meetings and the annual membership meeting at request of the Board
- Advise Board of items that may be appropriate for meeting agenda
- Prepare meeting minutes for the monthly board meetings, budget meeting, and the annual meeting
- Prepare and mail proper notice for annual and special meetings
- Facilitate communications between the members and the Board

Maintenance of Association Records:

- Act as custodian of official records and files of the Association including:
 - Minutes of Board meetings, special meetings and annual meetings
 - Annual and special meeting attendance records
 - Accounting records including cash receipt and disbursement records
 - Insurance records
 - Federal and State tax returns and other tax related records
 - Annual corporate filing

**MANAGEMENT AGREEMENT
LELAND MANAGEMENT INC.**

ATTACHMENT "B"

SCHEDULE OF CHARGES TO ASSOCIATION FOR DIRECT EXPENSES

Envelopes, Stationery, Outside Printing, etc.	Actual cost
Copies/Printer.....	\$.15 per page
Color Copies.....	\$.39 per page
Mailing/Postage.....	\$.15 per piece/Actual cost
Certified Mail.....	Standard Postal Rate + \$.25
Records Storage (historical/inactive files).....	\$2 box/month
Assessment Notices/Coupons.....	Copy / Actual cost
Annual Report Filing.....	\$25
Special Assessment Processing.....	\$2 per unit /\$200 min
Architectural Review Application Processing	as provided in documents

SCHEDULE OF CHARGES NORMALLY REIMBURSED BY OWNERS OR BUYERS

Change of Ownership:	
Estoppels/Ownership Transfer Processing.....	\$150
Delinquent Account Collections:	
Processing returned, unpaid/NSF checks.....	\$25.00 or 5% if greater
Late Notice.....	\$5
Intent to Lien Letter*.....	\$50
Lien Processing/Coordination	\$195
Foreclosure, bankruptcy Processing/Coordination.....	\$125
Rent Payment Processing and Monitoring**.....	\$75 per month
Payment Plan Administration.....	\$30 per month
Documents/Copies/Other:	
Unit owner request for copies of Association records.....	\$.40 per page
Access device replacement.....	\$15 ea.

* Includes postage and certified mail charges.

** Only applies when monthly payment is actually received from tenant

NOTE: Any additional charges noted in the management agreement will not be applicable if the service is provided by on site staff and/or equipment (examples are copies, supplies, record storage, gate programming, and extra charges for CAM hours if performed during hours already being reimbursed by the Association).