



**COMMUNITY ASSOCIATION MANAGEMENT
SERVICES AGREEMENT**

This Agreement is made and entered into by and between

MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME, INC.

A South Carolina Non-Profit Corporation
(The "Association")

and


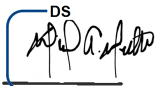
FIRSTSERVICE RESIDENTIAL SOUTH CAROLINA INC.

A South Carolina Corporation having its registered office at
11822 Highway 17 Bypass South, Murrells Inlet, SC 29576
("FIRSTSERVICE RESIDENTIAL" or "FSR")

In respect of that certain community known as

MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME, INC.

(The "Community")

Initials: Assoc.  FSR 

In consideration of the terms, conditions and covenants herein contained, the parties mutually agree as follows:

ARTICLE I

APPOINTMENT OF MANAGING AGENT


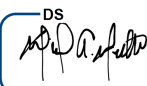
The Association hereby appoints FirstService Residential and FirstService Residential hereby accepts such appointment on the terms and conditions herein contained as the Managing Agent of the Association in accordance with the terms and provisions of this Agreement and to achieve the objectives as hereinafter set out.

ARTICLE II

RESPONSIBILITIES OF MANAGING AGENT

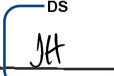
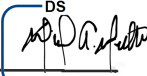
The role of the Managing Agent is to implement the decisions and the policy established by the Board of Directors of the Association. The Board of Directors of the Association has control of all common areas and amenities and is responsible for the administration of the programs, services, and activities of the Association as established in the Association's Governing Documents and as amplified or clarified by resolution of the Association. Subject to direction by the Board of the Association, FirstService Residential's duties may include the following:

- 2.1 **Administrative Services:**
- 2.1.1 Organize meetings of Owners, including preparation of notices, agendas, and other necessary documents.
 - 2.1.2 Organize meetings of the Board of the Association, including the preparation of notices, agendas and other necessary documents.
 - 2.1.3 Guide and assist members of the Board in the performance of their obligations.
 - 2.1.4 Guide and assist the Board in the development of policies and procedures.
 - 2.1.5 As requested by the Board, to the extent practical, assist in the administration of the provisions of the Declaration, Articles of Incorporation, By-Laws, rules and regulations and policies of the Association (the "Governing Documents").
 - 2.1.6 Keep all records of the affairs of the Association and the Board, including, but not limited to, the Governing Documents, minutes of meetings, copies of contracts, financial records, etc. (which initial documents are to be provided to FirstService Residential by the Association) and maintain all such documents in a current status. All such records shall belong to the Association.
 - 2.1.7 Maintain registers of Owners, Officers and Directors and such other registers or schedules as may be required by the Governing Documents, the initial information for all of which is to be provided to FirstService Residential by the Association.

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- 2.1.8 Attend to necessary correspondence.
- 2.1.9 Assist in resolving individual Owner requests as they pertain to the administration of the Association, the Common Elements, and the Governing Documents.
- 2.2 **Fiscal Services:**
- 2.2.1 Prepare a proposed annual budget. The budget shall be based on prior operating expenditures, estimated future expenses, and required or needed reserves for capital replacement or improvements as determined by the Association. FirstService Residential shall not be responsible for any discrepancies between the budget and actual expenses, the budget being an estimate to be used only as a guide. The budget shall be submitted to the Board for its consideration and adoption.
- 2.2.2 Account for all assessments and other charges due by or received from Owners.
- 2.2.3 Maintain checking, savings and other investment accounts in the name of the Association at a bank named by FirstService Residential and maintain records thereof; each of such accounts to be separate and apart from all other accounts of Association's served by FirstService Residential and the amounts therein shall not to be commingled with any funds of other Associations served by FirstService Residential or funds of FirstService Residential.
- 2.2.4 Mail notice of delinquency to an Owner in arrears and take such reasonable action for the collection of the delinquent assessments and for other charges or fees due the Association as the Board may determine in accordance with the Governing Documents and adopted policy procedures. Association agrees to adopt a resolution or take other legal and necessary steps to incorporate FSR's standard collection procedures unless a deviation is agreed to in writing by and between the Association Board of Directors and FSR. ¹
- 2.2.5 Make all disbursements from the Association's funds for normal recurring expenses of the Association. All expenditures from the replacement/reserve fund shall require Board approval. Approval of all expenditures shall be deemed on presentation of the monthly financial statement at the subsequent meeting of the Board.
- 2.2.6 By the 20th of each month, furnish a monthly financial statement prepared on a modified accrual basis, which will include all income and expenses and will reflect the net cash position of the Association.
- 2.2.7 For the purpose of accounting continuity, FSR shall input such financial information as is available to it respecting operations prior to FSR's tenure and otherwise use reasonable efforts to establish accurate opening period balances. FSR does not warrant the accuracy of any financial information that was not developed by FSR. If it

¹ The Board hereby authorizes FirstService Residential, as its Agent, to request, demand, collect, receive, and receipt for any and all charges, assessments, or rents due the Association which may at any time become due by way of legal process or otherwise and to undertake such action as may be required for the collection of delinquent assessments from the unit owners. Collection will be made from all unit owners as identified on the rolls provided FirstService Residential by the Association.

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is necessary for FSR to correct, complete, and organize accounting entries, records, and systems initiated by prior management companies then an hourly charge as listed in Addendum A shall apply.

Manager & Assistant will be dedicated to Myrtle Beach regimes. [Signature] DS [Signature] DS

2.3 Common Area Management:

2.3.1 FirstService Residential shall provide all property management functions and resident services as specified in this Agreement and shall hire or cause to be hired an employee as the Manager to do those things that are necessary to maintain the property in accordance with the provisions of the operating budget.

2.3.2 FirstService Residential will provide the Manager with training for and access to its computerized management system.

2.3.3 On behalf of the Association, and as authorized by the Board, and if required by the terms of this Agreement, monitor the performance of on-site employees dedicated exclusively to the Association, if any. Any employee hired for the Association may be an employee of the Association or of FirstService Residential as may be mutually agreed upon. All remuneration payable to such employees and/or salaries, tax, benefits and other expenses payable on account of such employees shall be operating expenses of the Association and shall be paid by FirstService Residential out of the funds of the Association or shall be reimbursed to FirstService Residential, if paid by FirstService Residential.

2.3.4 As authorized by the Board, negotiate and execute, on behalf of the Association, contracts for water, electricity, landscaping, trash removal, and such other services for the Community as may be necessary and advisable. FirstService Residential shall also purchase on behalf of the Association such equipment, tools, appliances, materials and supplies for the proper maintenance of the Community. All such purchases and contracts shall be in the name and at the expense of the Association. With respect to binding commitments upon the Association, FirstService Residential is an agent, authorized to act only within the scope of this Agreement as expressly set forth herein, unless and until the Board of Directors of the Association (the "Board ") duly acts to modify the authority of FirstService Residential, which action must be approved by FirstService Residential in writing before it will be effective, both as to third parties and as between the parties hereto. Accordingly, all contracts must be executed by the President or other duly authorized officer of the Association, except where FirstService Residential is specifically directed by Board resolution to execute contracts on behalf of the Association or where actions are required by FirstService Residential without first obtaining execution by the proper officer of the Association (i) due to any emergency involving manifest danger to life or property or (ii) because same are immediately necessary for the preservation and safety of property or for the safety of persons or (iii) to avoid the suspension of any necessary service to the Association or its members, their tenants and invitees. ²

² FirstService Residential shall have first right of refusal to perform repairs or maintenance having an estimated cost of less than \$1,500.00 ("Minor Repairs"). FirstService Residential shall not be required to obtain competitive bids for Minor Repairs. FirstService Residential shall have the right to make Minor Repairs as needed, without obtaining prior approval of the Board. For repairs with an estimated cost in excess of \$1,500.00, FirstService Residential shall inform the Board, which shall have the right to hire any person or entity to perform such repairs; provided FirstService

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- 2.3.5 FirstService Residential will visit the Community in accordance with the Schedule A, line 3.11. The Association acknowledges that FirstService Residential personnel are not engineers or mechanical or construction consultants; that FirstService Residential does not guarantee or warrant the work of any contractors; and that FirstService Residential shall have no actual or potential liability for failure to detect a needed repair or maintenance requirements, or for failure to determine that any work was not performed properly or at all.
- 2.3.6 FirstService Residential has not been given control of the Common Areas and amenities and shall not be considered an owner for any purposes. FirstService Residential may only implement the decisions of the Board. The Association understands and agrees that FirstService Residential is not an insurer or guarantor of the safety of same.
- 2.3.7 Agent shall promptly notify the Association or forward to the Association promptly, any complaints, warnings, notices or summons received by it relating to compliance by the Association with requirements of any ordinance, law, rules or regulations (including those relating to the use, maintenance and disposal of solid, liquid and gaseous waste) of any County, State or Federal Government, or any agency or authority thereof. Agent will work with the Association to achieve any required compliance. Agent, however, will not be responsible for the Association's actual compliance with any such law, rules or regulations.


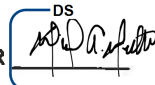
2.4 Deed Restrictions

- 2.4.1 Assist with the enforcement of violations of the Governing Documents. This includes providing the Manager with access to its computerized management system enabling the Manager to enter data and maintain computerized reports of violations, send notices to owners, and maintain current status of violations. Association agrees to adopt a resolution or take other legal and necessary steps to incorporate FSR's standard violation enforcement procedures unless a deviation is agreed to in writing by and between the Association Board of Directors and FirstService Residential.
- 2.4.2 Coordinate and assist in the administrative and secretarial functions of the Architectural Review Committee (ARC), including preparation of standard applications, correspondence to owners requesting ARC compliance or completion of applications, and correspondence with the ARC to assist in their functions.

2.5 Expenditures

Notwithstanding anything to the contrary contained in this Agreement and the limitations herein imposed, FirstService Residential may, but shall have no obligation, on behalf of the Association without prior consent, expend any amount, or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger to life or property, or may threaten the suspension of any necessary service to the Community within a reasonable time of becoming aware of

Residential shall have the right to match the bid of such person or entity and perform the repairs. FirstService Residential shall be authorized to pay and reimburse itself for Minor Repairs without seeking Board approval for such disbursement.

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the condition, but only to the extent that the Association has funds on deposit to pay for such expenditures.

2.6 Clarity of Duties

Everything done by FirstService Residential under the provisions of this Article shall be done as an agent for the Association, and all obligations or expenses incurred hereunder shall be for the account, on behalf, and at the expense of the Association. Any payments to be made by FirstService Residential hereunder shall be made out of such sums as are available in the banking or investment accounts of the Association. FirstService Residential shall not be obliged to make any advance to or for the account of the Association or to pay any sum, except out of funds held or provided as aforesaid, nor shall FirstService Residential be obliged to incur any liability or obligation for the account of the Association without assurance that the necessary funds for the discharge thereof will be provided.

2.7 Degree of Care

FirstService Residential shall not be held to a higher degree of care in regards to the performance of its tasks than a Director of the Association as provided in the South Carolina Non-Profit Corporation Act. Specifically, FirstService Residential shall discharge its duties, in good faith, with ordinary care, in accordance with good business judgment and in the manner that FIRSTSERVICE RESIDENTIAL believes to be in the best interest of the Association. **FIRSTSERVICE RESIDENTIAL IS NOT DEEMED TO HAVE THE DUTIES OF A TRUSTEE OF A TRUST WITH RESPECT TO THE ASSOCIATION, ITS MEMBERS, OFFICERS AND DIRECTORS. SIMILARLY, FIRSTSERVICE RESIDENTIAL SHALL NOT BE DEEMED TO BE A TRUSTEE FOR ANY OF THE TASKS THAT IT SHALL PERFORM FOR THE ASSOCIATION INCLUDING BUT NOT LIMITED TO THOSE TASKS SET OUT IN THIS MANAGEMENT AGREEMENT.**

ARTICLE III

INSURANCE


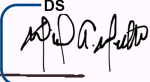
3.1 FirstService Residential shall cooperate in investigating and reporting all accidents or claims for damage relating to the Association's ownership, operation and maintenance of real or personal property within the Community and shall prepare claims when required and follow-up on payment. Investigating, reporting, and following-up on payment of insurance claims as directed by the Board of the Association shall be subject to the hourly charge in accordance with Schedule A or 10% of the claim, whichever is the greater, which shall be regarded as part of the loss and shall be included in the claim.



3.2 The insurance requirements set out in the following subparagraphs are independent from all other obligations of the parties to this Contract and apply whether or not required by any other provision of the Contract, and regardless of the enforceability of any other provisions of this Contract. If, at any time, either party hereto allows any of its required insurance policies to lapse, the other party may immediately terminate this Contract upon delivery of written notice to the other party.

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- 3.3 The Association hereby agrees to maintain at all times and to provide evidence of the following insurance. Coverage for FirstService Residential as an insured shall apply as primary and non-contributing insurance before any other insurance or self-insurance, including any deductible or retention maintained by or provided to FirstService Residential:
- 3.3.1. Commercial General Liability Insurance covering all premises and operations, including: 1) \$1,000,000.00 limit each occurrence for bodily injury and property damage, \$2,000,000.00 general aggregate limit, \$1,000,000.00 products and completed operations limit; 2) contractual liability coverage applicable to the indemnity obligations set forth in this Agreement, 3) \$1,000,000.00 limit for non-owned and hired automobile liability, 4) assault and battery covered as a regular occurrence, 5) "your real estate managing agent" included within the definition of "Insured" in the policy language, and 6) "Agent's affiliated or related entities, directors, officers, members, employees, servants and agents" to be specifically designated as "additional insured" using ISO Additional Insured Endorsement CG 20 26 11 85 or an endorsement providing equivalent or broader coverage to the additional insureds. Coverage for definitional and additional insureds shall apply as primary and non-contributing insurance before any other insurance or self insurance, including any deductible, maintained by or provided to the additional insureds. It is understood and agreed by both Association and Agent that Agent, as a definitional insured, is entitled to coverage under Association's CGL policy on a primary basis for negligence claims alleging bodily injury or property damage against Association, Agent or both parties.
- 3.3.2. Directors' and Officers'/Employment Practices Liability Insurance, with limits of not less than \$1,000,000.00 per claim and aggregate, providing a retroactive date back to the inception date of the Association or full prior acts coverage, including "your real estate managing agent" within the definition of "Insured" in the policy language, and naming FirstService Residential Carolinas, Inc. and any and all of its affiliated or related entities, directors, officers, members, employees, servants and agents to be specifically designated as "named insureds". The policy must include coverage for employment practices liability claims, both first and third party, alleging discrimination, sexual harassment, wrongful termination and other EPL-type torts."
- 3.3.3. Workers' Compensation Insurance according to state statutory limits covering all employees, subcontractors, or volunteers of the Association, with employers' liability including: (1) a minimum of \$500,000.00 each accident for bodily injury, (2) a minimum of \$500,000.00 each employee for bodily injury caused by disease, and (3) a minimum of \$500,000.00 bodily injury caused by disease. Said policy shall be endorsed to include a waiver of subrogation in favor of FirstService Residential.
- 3.3.4. Umbrella or Excess Liability Insurance, including: (1) a minimum of \$5,000,000.00 each occurrence and aggregate, (2) providing follow-form coverage over the General Liability, Directors' and Officers'/Employment Practices Liability and Employers' Liability policies, and (3) coverage for additional insureds shall be primary before any other insurance or self-insurance, including any deductible maintained by or provided to the additional insured other than the Commercial General Liability, Directors' and Officers'/Employment Practices Liability and Employer's Liability coverages maintained by the Association.

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- 3.3.5. Fidelity Insurance written on a "discovery form" basis (and not on a "loss sustained" form) with a policy limit of no less than the higher of the amount stated in Association's governing documents or the minimum amount as may be required by applicable law or any regulatory requirements. Management shall be included in the definition of an employee in the fidelity insurance policy.
- 3.3.6 (Recommended) Cyber liability insurance coverage (CLIC), with a policy limit of no less than \$1,000,000 covering liability for a data breach in which personal information of the unit owners or residents of the Association or any personal information of employees, customers or vendors of the Association or of the Agent, is exposed or stolen by a hacker or other unauthorized person who has gained access to the electronic network and data of the Association (if any) or of the Agent, with respect to records and data relating to the Community. The Agent as "property Agent" must be included within the CLIC policy's definition of "insured" to the extent acting on behalf of the Association pursuant to the terms of this Agreement. The policies will be in form and substance satisfactory to the Agent. The CLIC policies will cover liability arising from website media content, as well as exposures from: (i) business interruption, (ii) data loss/destruction, (iii) computer fraud, (iv) funds transfer loss, and (v) cyber extortion. The CLIC policies will cover expenses associated with data breaches, including: notification costs, credit monitoring, costs to defend claims by governmental regulators, fines and penalties, and loss resulting from identity theft.
- 3.3.7. All insurance carriers must be rated A IX or better by A.M. Best Company or, where a carrier is not AM Best rated, S (Satisfactory) or better by Demotech, and must be licensed or authorized to do business in the state in which the Association is located.
- 3.3.8. All such policies will provide that no policy may be cancelled or changed without at least thirty (30) days prior written notice from the applicable insurer to the Agent and at least (ten) 10 days prior written notice for nonpayment of premiums.
- 3.3.9 Prior to the commencement of work under this Agreement, the Association shall provide a current and original certificate of insurance providing evidence of the aforementioned insurance requirements. A copy of the additional insured endorsement to the Commercial General Liability policy indicated in Section A above shall be appended to the certificate of insurance. The Association and the Agent agree that no work shall commence under the terms of this Agreement until the original Certificate of Insurance is received and approved by the Agent. The Association will supply the Agent with an original Certificate of Insurance showing evidence of renewal coverage in compliance with the terms of this Agreement.
- 3.4 FirstService Residential hereby agrees to maintain at all times and to provide evidence of the following insurance coverages:
- 3.4.1. Commercial General Liability Insurance, including: (1) a minimum of \$1,000,000.00 each occurrence for bodily injury and property damage, (2) a minimum of \$2,000,000.00 general aggregate, (3) a minimum of \$1,000,000.00 personal and advertising injury, (4) a minimum of \$1,000,000.00 products and completed operations, and (5) contractual liability coverage.

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- 3.4.2. Commercial Auto Liability Insurance, including: (1) a minimum of \$1,000,000.00 combined single limit and (2) a minimum of \$1,000,000.00 non-owned and hired automobile liability.
- 3.4.3. Workers' Compensation Insurance according to state statutory limits covering all employees or subcontractors of Agent, with employers' liability including: (1) a minimum of \$500,000.00 each accident for bodily injury, (2) a minimum of \$500,000.00 each employee for bodily injury caused by disease, and (3) a minimum of \$500,000.00 bodily injury caused by disease.
- 3.4.4. Umbrella or Excess Liability Insurance, including: (1) a minimum of \$5,000,000.00 each occurrence and aggregate and (2) providing follow-form coverage over the General Liability and Employers' Liability policies.
- 3.4.5. Fidelity Coverage with limits of \$5,000,000.00
- 3.4.6 Professional Liability Coverage with limits of \$5,000,000.00 per occurrence and \$5,000,000.00 in the aggregate.
- 3.4.7 Employment Practices Liability coverage with limits of at least \$1,000,000.00.
- 3.4.8 Cyber liability insurance coverage (CLIC), with limits not less than \$1,000,000 to cover liability for a data breach in which personal information of employees, customers or vendors of Agent, is exposed or stolen by a hacker or other unauthorized person who has gained access to the electronic network and data of Agent, with respect to records and data relating to the operations of Agent. The policy will cover expenses associated with data breaches, including: notification costs, credit monitoring, costs to defend claims by governmental regulators, fines and penalties, and loss resulting from identity theft, as well as: (i) network and information security liability, (ii) communications and media liability, (iii) regulatory defense expenses, (iv) crisis management event expenses, (v) security breach remediation and notification expenses, (vi) computer program and electronic data restoration expenses, (vii) computer fraud (\$250,000 sublimit), (viii) funds transfer fraud (\$250,000 sublimit), (ix) e-commerce extortion and, (x) business interruption and extra expenses
- 3.4.9. Prior to the commencement of work under this Contract, FirstService Residential shall provide a current and original Certificate of Insurance showing the coverages outlined above. On the renewal date of any insurance policies required by this Contract, FirstService Residential will supply the Association with a new, original Certificate of Insurance in compliance with all terms of this Contract.
- 3.5 The Association expressly waives all rights of subrogation against FirstService Residential for damages, regardless of whether or not covered by any insurance obtained by the Association or required to be obtained by the Association pursuant to this Contract. The policies of insurance required to be carried by the Association pursuant to this Contract shall include an express waiver of subrogation either by endorsement or policy language. The waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly and whether or not the person or entity has an insurable interest in the property damaged.

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ARTICLE IV

TERM OF AGREEMENT

4.1 Term

The term of this Agreement shall be three (3) years. This Agreement shall automatically renew for successive periods of three (3) years each unless either party gives written notice of its intent to not renew at least ninety (90) days prior to the end of the then current term.

4.2 Termination

4.2.1 Notwithstanding the foregoing, the Association may terminate this Agreement as a result of a material and substantial violation of this Agreement by FSR on ninety (90) days' notice after FSR is given sixty (60) days' written notice to cure any violation and fails to do so (the 'Termination Date'). All sums due FSR shall be paid through and on the Termination Date. In the event the Association terminates this Agreement without cause during the term hereof, during any renewal period, or without providing a sixty (60) day period to cure the Association agrees to pay a one-time termination fee equal to six (6) months of monthly management compensation. FSR may terminate this Agreement for any reason on ninety days' written notice given to the Association.

And given 60 days notice to cure. bl

DS
JH

DS
[Signature]

4.2.2 On the Termination Date, all obligations hereunder shall cease except liabilities or claims that accrued or arose prior to such termination. As of the Termination Date, FSR shall, at no expense to the Association: (a) deliver to the Association or its designee originals (or copies if originals are not available) of the books and records maintained by FSR with respect to the Common Areas and the Community, (b) deliver to the Association all funds received by FSR under this Agreement or the Declaration, and (c) assign, transfer or convey, as directed by the Association, all service contracts and personal property relating to or used in connection with the operation and maintenance of the Common Areas, except any personal property paid for and owned by FSR. In addition, FSR is hereby authorized and directed to take such action as may be necessary to fulfill and/or complete any obligations that accrued or arose prior to such termination. Except as provided in the second sentence of this Section 4.2.2, any services requested of FSR after termination of this Agreement shall be subject to FSR's then current fees. . In some cases, the Association may desire for FSR to render certain services after the Termination Date. If FSR is asked or is required to perform services after the Termination Date, unless specified otherwise, the Association shall compensate FSR according to the hourly rates listed in Schedule A. Services include, but are not limited to: 1) receipting, receiving and/or processing payments, invoices and other items for the Association at the rate of \$5 per item (this applies to all items delivered to FSR after termination); 2.) Any other services, including, without limitation, assisting in the evaluation of books and records of the Association, 3) testifying, giving of formal or informal depositions, any other formal or informal debriefing FSR gives on behalf of the Association or, 4) giving of formal or informal debriefings regarding information FSR received in its role as manager, which FSR is asked to perform by the Association, or by virtue of FSR's knowledge, is required to perform. FSR is authorized to deduct these charges from any funds it holds on behalf of the Association. The Association agrees to make payment within 10 days of being billed if FSR does not deduct the charges due from Association funds on hand. At FSR's

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option, the Association may be required to pay a retainer of \$1,500.00 to FSR prior to FSR commencing with said services. The provisions of this paragraph shall survive termination of this Agreement.

In the event that the Association terminates this Agreement in violation of its terms, and/or fails to follow the dispute resolution procedures specified in paragraphs 8.8 *et seq.*, and FSR is required to take legal action to recover any sums due FSR for the Association's breach, then the Association shall be responsible to pay FSR's reasonable attorney's fees that it incurs as a result of the Association's breach. The parties agree that financial issues relating to disbursements and other financial records create a unique burden to FSR, and as such, the parties agree to raise any such issues promptly. In order to assure the prompt resolution of any dispute over a disbursement or other financial issue, the parties agree that unless the Association gives FSR written notice of a claim or complaint with respect to such disbursement within sixty (60) days of FSR's delivery to the Association of a financial report including such disbursement, then such claim or complaint shall be deemed waived by the Association.

ARTICLE V

COMPENSATION

- 5.1 For FirstService Residential's services under this Agreement, FirstService Residential shall receive the amounts specified in Schedule "A" attached hereto, which amounts shall be payable monthly in advance.
- 5.2 Commencing January 1, 2024, and each January 1 thereafter, unless otherwise agreed to by the Association in its budget and accepted by FirstService Residential, the fixed sums payable as and for consideration due and payable to FirstService Residential specified in Schedule "A" shall be adjusted by ~~the greater of the increase in the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics, 1982-1984=100, South Urban Average Index on the effective date of this Agreement, or 5%~~ **3%** *SP* DS
JH DS
[Signature]
- 5.3 In addition to the compensation payable by the Association to FirstService Residential in accordance with Schedule "A," FirstService Residential shall be entitled to charge fees, costs and expenses for services provided to an Owner or anyone else arising out of or ancillary to this Agreement or caused or created as a result of the action or inaction of an individual Owner, at FirstService Residential's then standard rates which amounts shall be charged to the Owner or the person to or for whom the service is provided. The fees reflected in Schedule "B" shall be charged by FirstService Residential to the Association; shall be paid by the Association; and shall be collected by the Association from the individual Owner. The fees reflected in Schedule "C" shall be collected by FirstService Residential from the individual Owner. FirstService Residential's current fees for such services are set forth in Schedules "A" "B" and "C" attached hereto. FirstService Residential may amend the fees listed in Schedules "A" "B" and "C" or add additional items to the Schedule in its discretion.
- 5.4 FirstService Residential is authorized and directed to deduct or obtain payment of such compensation when due from the Association's funds regardless of any other payments then required to be made.

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JH FSR DS
[Signature]

ARTICLE VI

EMPLOYEES

- 6.1 The Association acknowledges that FirstService Residential spends a great deal of time and expense to hire and train employees to provide the Association and other associations the services contemplated in this Agreement. The Association derives the benefits of FirstService Residential's experience and of such hiring and training procedures. The Association agrees that during the term of this Agreement and for a period of eighteen (18) months thereafter, it will not, without the prior written consent of FirstService Residential, hire or attempt to hire as an employee or leased employee or engage as an independent contractor or use the services of, in any way whatsoever, whether directly or indirectly, any person(s) who is or was employed by FirstService Residential during the preceding eighteen (18) month period. In the event that the Association breaches the provisions of this covenant, the Association agrees to pay FirstService Residential, as liquidated damages and not as a penalty, an amount equal to twelve (12) times the monthly salary paid to the any on site manager, property manager, assistant property manager, accounting staff person, or corporate employee whichever is applicable, by FirstService Residential at the time of the breach. This liquidated damages provision is recognition by the parties of the difficulty of ascertaining damages in the context of personal employment, training and hiring costs incurred by FirstService Residential and the unique nature of FirstService Residential's business.

- 6.2 FirstService Residential shall provide the on-site personnel identified in Section 2.3.1 to carry out the Association's business and perform the duties and responsibilities of FSR as set forth herein. The Association will provide FSR with suitable and customary, secure office space within the Community, including furniture, equipment, filing cabinets, telephone, facsimile, copy machine, computer with appropriate security and other software, printer, internet access, scanner, shredder and supplies. The cost of any lease or rental charges for the office space and cost of equipment maintenance and replacement as well as supplies shall be borne by the Association. All such equipment will be up-to-date and in working condition.

ARTICLE VII

SIGNS

- 7.1 FIRSTSERVICE RESIDENTIAL reserves the right to post signs on the Property up to a size of 8" x 20" that state, "Professionally Managed by". Said signs shall conform to the Association's architectural standards and colors. . Any such signs will be at Agent's expense after approval by the Board unless the signs are required by state statute or local ordinance.

ARTICLE VIII

MISCELLANEOUS

- 8.1 **Notices:**

Initials: Assoc DS
 JA FSR DS
 [Signature]

Any notice or communication hereunder must be in writing, and shall be personally delivered, or sent by telegram, telex, e-mail or facsimile, or by registered or certified mail, return receipt requested, and if given by registered or certified mail, same shall be deemed to have been given and received three days after its mailing, postage prepaid to the address listed below. Such notices or communication shall be given to the parties hereto at the following addresses:

To the Association at the address of the President of the Association at the date of the notice or communication.

To FirstService Residential at:
 FirstService Residential South Carolina, Inc.
 Attention: Dennis Abbott
 11822 Highway 17 Bypass South
 Murrells Inlet, SC 29576

Any party may at any time, by giving ten days written notice to the other party, designate any other address in substitution of the foregoing address to which such notice or communication shall be given.

8.2 One Board Member To Deal With FirstService Residential.

The Board shall designate one of its members who shall be expressly authorized to provide direction to FirstService Residential on any matter relating to management of the Property. FirstService Residential shall not accept directions or instructions with regard to the management of the Property from anyone else. In the absence of any other designation by the Board, the President of the Board shall be deemed to have this authority. Board appoints current Board Vice President as alternate should the President be unavailable. FirstService Residential may, but is not required to, submit any matter, direction, instruction or the like to the Board and shall then follow the direction of the Board. This paragraph shall not preclude officers and committee chairs of the Association from seeking counsel and advice from FirstService Residential for purposes of fulfilling their officer and/or committee chair responsibilities.

8.3 Hold Harmless/ Indemnification


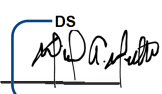
- 8.3.1 FSR is not liable to the Association (or to its members, tenants, shareholders or their guests and invitees) for any Claims (defined below) unless caused solely by the Agent's willful misconduct or gross negligence. "Claims" means any loss, claim, demand, liability, damages, injunctive relief, fines, penalties, costs and expenses, (including reasonable legal fees). The "Indemnified Parties" means FSR and its affiliates, their respective shareholders, members, directors, officers, partners, employees, representatives, assigns and agents. The Association will defend, indemnify and hold harmless the Indemnified Parties from Claims arising from any of the following: personal injuries or property damage; acts performed by the Agent under this Agreement; liens filed against the Property, the Association, or the Indemnified Parties; liability based on FSR's status as "managing agent"; acts of the Association or its employees or third parties hired by the Association; events that either occurred prior to FSR's appointment or after the termination of this Agreement; the FSR's negligence (but not for FSR's gross negligence or willful misconduct). FSR is not liable

for Claims covered by the insurance policies of the Association (or which would have been covered under policies required of the Association under this Agreement). This indemnification is not limited to amounts payable under insurance policies. FSR is not liable for consequential, exemplary or punitive damages. If any applicable legal limitations affect the enforceability of the indemnification under this Agreement, such legal limitations shall operate to amend the indemnification only to the minimum extent necessary to bring the provisions of this Agreement into conformity with the requirements of such limitations. This paragraph does not abrogate FSR's rights to coverage under any Association insurance policy, or modify the requirements that FSR must be a definitional insured under the Association's policies.

- 8.3.2 The Association agrees to indemnify and hold FirstService Residential harmless for all claims against FirstService Residential related to the matters between FirstService Residential and its employees where the claim is the result of an act, directive or omission of the Association, its directors, trustees, officers or committee members.
- 8.3.3 In the event of the failure by Association to fully perform its obligations in accordance with this Agreement, Indemnitees, at their option, and without relieving Association of its obligations hereunder, may so perform, but all costs and expenses so incurred by Indemnitees in that event shall be reimbursed by Association to Indemnitees, together with interest, on the same from the date any such expense was paid by Indemnitees until reimbursed by Association, at the highest lawful rate of interest allowed under applicable usury laws of the State of South Carolina (or if no maximum rate is applicable, at the rate of eighteen percent (18%) per annum). 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 Section, such legal limitations are made a part of 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.
- 8.4 The provisions of Section 8.3 shall survive the expiration or termination of this Agreement, and shall continue in full force and effect subsequent to the expiration or termination of this Agreement.

8.5 **Security:**

FIRSTSERVICE RESIDENTIAL SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL FIRSTSERVICE RESIDENTIAL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE BOARD OF DIRECTORS ON BEHALF OF THE ASSOCIATION, ALL OWNERS AND OCCUPANTS OF ANY DWELLING, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT FIRSTSERVICE RESIDENTIAL DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS,

Initials: Assoc.  FSR 


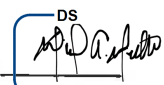
PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. THE BOARD OF DIRECTORS ON BEHALF OF THE ASSOCIATION, EACH OWNER AND OCCUPANT OF ANY DWELLING AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT FIRSTSERVICE RESIDENTIAL IS NOT AN INSURER AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT FIRSTSERVICE RESIDENTIAL HAS MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS THE ASSOCIATION, ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY. The Association shall indemnify FirstService Residential to the full extent provided by the indemnity contained in this Agreement for any claims arising out of security within the Community.

8.6 Environmental Conditions

FirstService Residential shall not in any way be considered an insurer or guarantor of environmental conditions or indoor air quality within the Community and shall not be held liable for any loss or damage by reason of or failure to provide adequate indoor air quality or for any adverse environmental conditions. The Association and its Board of Directors on behalf of all owners, occupants, guests and invitees of any premises within the Community acknowledges that FirstService Residential does not represent or warrant that the construction or any work performed, construction materials, air filters, mechanical, heating, ventilating or air conditioning systems and chemicals necessary for the cleaning or pest control of the Community will prevent the existence or spread of biological organisms, mold, mildew, cooking odors, animal dander, dust mites, fungi, pollen, tobacco smoke, dust or the transmission of interior or exterior noise levels. The Association further acknowledges that FirstService Residential is not an insurer and that each owner and occupant of any premises within the Community and each tenant, guest and invitee of any owner assumes all risks for indoor air quality and environmental conditions and acknowledges that FirstService Residential has made no representations or warranties nor has the Association, any owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to the air quality within the Community. The Association shall indemnify FirstService Residential to the full extent provided by the indemnity contained in this Agreement for any claims arising out of environmental conditions within the Community.

8.7 Disclosure:

FirstService Residential may from time to time have maintenance performed or have services provided or obtain quotes and/or bids from companies or other entities (including,

Initials: Assoc.  FSR 

but not limited to, banking, insurance, landscaping, and/or other professional services) in which it, its officers, directors, or shareholders may retain a financial interest. If, at any time, a bid involves a company or entity which FIRSTSERVICE RESIDENTIAL, its officers, directors, or shareholders have an interest, such disclosure will specifically be made at the time the bid is presented to the Board of Directors. FirstService Residential continues to believe that it, not only has a right, but the duty to obtain the most competitive bids at the best possible prices for the Association. FirstService Residential certainly believes its affiliated products and/or services add value to the Association and this Agreement.

8.8 Dispute Resolution

To avoid the emotional and financial costs of litigation and arbitration, the Association and FirstService Residential agree to encourage the amicable resolution of any disputes involving their relationship. Accordingly, each Party hereby covenants and agrees not to initiate any proceeding against the other before a judicial or administrative tribunal seeking redress or resolution of its claim, prior to complying with the terms of this Article, which will survive the termination of this Agreement.

8.8.1 Negotiation

The party asserting the claim must notify the other party in writing of the claim/dispute, stating plainly and concisely the nature and basis of the claim/dispute and what it wants the other party to do or not do to resolve the Claim. Representatives of each of the parties, who are authorized to settle the claim/dispute, will make every reasonable effort to meet in person at a mutually acceptable place within thirty (30) days of the delivery of the written notice, to resolve the claim/dispute by good faith negotiation.

8.8.2 Mediation

If the parties negotiate but do not resolve the claim through negotiation within sixty (60) days from the date of delivery of the written notice (or within such other period as may be agreed on by the parties), either party will have thirty (30) additional days within which to submit the claim/dispute to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the claim/dispute. If the claim/dispute is not submitted to mediation within the 30-day period, the claim is deemed to have been waived and the party against whom the claim was asserted is released and discharged from any and all liability in regard to the claim/dispute. The costs of the mediator shall be share equally by the parties.

8.8.3 Termination of Mediation

If the parties do not settle the claim within thirty (30) days after submission to mediation or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. Thereafter, the party asserting the claim may file suit, initiate arbitration, or commence administrative proceedings on the claim/dispute as appropriate.

8.9 Force Majeure

Neither party shall be in default of this Agreement by reason of its delay in the performance of, or failure to perform, any of its obligations hereunder if such delay or

Initials: Assoc.  FSR 

failure is caused by, acts of God or of the public enemy, acts of terrorism, fires, floods, epidemics, pandemics, quarantine restrictions, strikes, foreign embargoes, unusually severe weather or other events that arise from circumstances beyond the reasonable control of that party from any other event commonly included within the definition of "force majeure". During the continuance of such intervening event, each of the parties shall take all reasonable steps to fulfill its obligations hereunder by other means and, in any event, shall upon termination of such intervening event, promptly resume its obligations under this Agreement.

8.10 Severability:

If any provision of this Agreement shall be determined to be invalid and unenforceable to any extent, the remainder of this Agreement other than that which is determined invalid or unenforceable, shall not be affected thereby, and the remaining provisions hereof shall remain in full force and effect.

8.11 Applicable Law:

This Agreement shall be construed in accordance with and enforced under the laws of the State of South Carolina.

8.12 Assignment:

FirstService Residential shall not assign its interest under this Agreement except with the sale of all or a substantial part of its management business. In the event of such assignment, FirstService Residential shall be released from any and all liabilities by the Association.


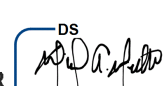
8.13 Amendments:

This Agreement constitutes the full understanding of the parties and no prior or contemporaneous oral or written representations made by either party shall be binding. This Agreement may be modified only in writing signed by the Chief Executive Officer or President of FirstService Residential and by the duly authorized representative of the Association.

8.14 Effective Date

This Agreement shall commence and be effective on the 1st day of January, 2023.

"Signature Page Follows"

Initials: Assoc  FSR 




11822 Highway 17 Bypass South, Murrells Inlet, SC 29576
Tel: 843.357.9888, Fax: 843.652.2190
www.fsresidential.com

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on this the
_____ day of _____, 2022.

For: MYRTLE BEACH RESORT HORIZONTAL PROPERTY REGIME, INC.

Date: 9/29/2022

Board President  DocuSigned by:
24632F486BA44CC...

Print Name John Harrington


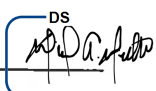
Witness _____

By: FIRSTSERVICE RESIDENTIAL SOUTH CAROLINA, INC.

Date: 9/29/2022

 DocuSigned by:
CA9835B9A96D463...
Michael A. Mendillo, President - East

 DocuSigned by:
85861630C02449C...
Witness _____

Initials: Assoc:  FSR: 



SCHEDULE "A"

COMPENSATION

Fees and Charges Payable by the Association to FIRSTSERVICE RESIDENTIAL

1.	A one time origination fee due and payable upon acceptance of the terms of this Agreement	N/A
2.	Our monthly fee for providing the full range of our services for the Association is as follows: 01/01/23 – 12/31/23	\$6,241.00
2.1	Human Resources and Payroll Administration Servicing Fee *** (For Sited Only)	7% of the sum of salary, taxes, benefits, and expenses
2.2	Recruiting employees dedicated to the Association	8% of Annual Salary + Direct Costs
3.	Additional charges for services performed from a corporate or regional office (outside the community's on-site office, if applicable):	
3.1	Annual Fee - Registered Agent for the Association	\$120
3.2	For general administrative expenses, including Computer Labels, Envelopes, Computer Checks, Postage. Overnight mailing charges and mass mailings may be done by a third party provider at an additional Direct Expense to the Association.	At Cost
3.3	Reproductions 1. B&W Copies/Scans/Electronic Copies 2. Color Copies	.20 per copy .80 per copy
3.4	Receivables Processing Fee (Coupons, Statements, ACH/Electronic Processing, etc.) - Coupon Communities: Statement Communities:	\$7.00 per unit annual fee \$1.50 per unit per billing period, excluding postage and inserts, if applicable
3.5	Community mailing	\$.50 per Unit plus copying & postage
3.6	Special Assessments	\$7.50 per Unit subject to a minimum of \$250.
3.7	Manual Check printing charge (if requested by Board)	\$25.00 per check
3.8	Customizing Financial Reports (if requested by Board)	Hourly fee

DS
 JH
 4% 2
 6% 2C
 8% 20
 DS
 [Signature]

Initials: Assoc. JH FSR [Signature]

3.9	Length of Meetings included in Monthly fee ³	2 hours								
3.10	Number of Board Meetings included in Monthly Fee	4 per year by Manager								
	Number of Member Meetings included in Monthly Fee	1 per year								
3.11	Attendance at additional Meetings or Meetings exceeding length stated above and/or beyond 7:30 pm.	Hourly fee								
3.12	Number of Community Site Reviews	4 times per month								
3.13	Additional site reviews	Hourly fee								
3.14	Preparation for and appearance at depositions, alternate dispute resolutions, hearings and in court.	Hourly fee								
3.15	Storage of Association records (other than on-site facilities). Paper Records Electronic Records	\$25 per Bankers box per year \$3.25 per GB per month								
3.16	Preparation and distribution of 1099s, W-2,, W-3, etc.	\$15 each								
3.17	Administration and/or supervision services in connection with insurance claim rehabilitation, construction, remodeling, renovations, restoration, and capital improvements, maintenance and repairs performed by third party vendors	<table border="0"> <tr> <td>Amount of Claim/Invoice</td> <td>Compensation</td> </tr> <tr> <td>\$0.01 to \$5,000</td> <td>10% of total expenditure</td> </tr> <tr> <td>\$5,000.01 to \$10,000</td> <td>9% of total expenditure</td> </tr> <tr> <td>\$10,000.01 or more</td> <td>8% of total expenditure</td> </tr> </table>	Amount of Claim/Invoice	Compensation	\$0.01 to \$5,000	10% of total expenditure	\$5,000.01 to \$10,000	9% of total expenditure	\$10,000.01 or more	8% of total expenditure
Amount of Claim/Invoice	Compensation									
\$0.01 to \$5,000	10% of total expenditure									
\$5,000.01 to \$10,000	9% of total expenditure									
\$10,000.01 or more	8% of total expenditure									
3.18	Preparing newsletter	Hourly fee								
3.19	Reimbursement for reasonable out-of-pocket expenses made on behalf of the Association.	At cost								
3.20	The Association shall pay any applicable sales taxes in regard to the compensation payable by the Association to FSR if and when such taxes are determined payable.	At applicable rates								
3.21	Resident Alert Telephone Calls SMS	.06/Called Resident/Minute .08/Text								

³ Attendance at a Board or general membership meeting other than Monday through Thursday to be billed at an hourly rate as listed in paragraph 3.22 of Schedule A multiplied by 200%. FirstService Residential is not required to attend meetings on weekends. FirstService Residential is not required to attend meetings on New Years Day, President's Day, Martin Luther King Day, Easter Sunday, Memorial Day, July 4, Labor Day, Thanksgiving, Christmas Eve and Christmas Day. FirstService Residential shall not be required to attend a meeting past 7:30 p.m. Attendance at a Board or general membership meeting after 7:30 p.m. to be billed at an hourly rate as listed in in paragraph 3.22 of Schedule A multiplied by 200%.

Initials: Assoc. JH FSR [Signature]

3.22	Initial Accounting and records clean-up (i.e., at the time FSR is first engaged by the Association, records should be accurate and complete. It may be necessary for FSR to correct, complete, and organize accounting entries, records, and systems initiated by prior management companies.)	Hourly rate
3.23	Hourly Fees –	
	Principals and Executives	\$150.00
	Directors	\$100.00
	Managers	\$75.00
	Assistant Community Manager	\$50.00
	Information Technology	\$75.00
	Maintenance & Repairs	\$65.00
	Others	\$35.00

SCHEDULE "B"


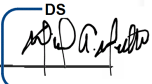
Costs for services billed to the Association and charged back to the individual Owner to the extent permitted by South Carolina law and the Declaration.

1.	Assessment Collections	
1.1	Late letter	\$35.00
1.2	Certified letter	\$50.00
1.3	Return check fee	\$25.00
1.4	Referral to Attorney	\$75.00
1.5	Non-routine collection policy correspondence	\$35.00
2.	Violation Enforcement (by personnel other than on-site staff)	
2.1	First letter	No Charge
2.2	Certified letter	\$35.00
3	Hearings	
3.1	Attending Hearing (Other than a regularly scheduled Board meeting)	Hourly fee
3.2	Processing fine	\$15.00
4.	Review Architectural Control Application for compliance with Governing Documents and Architectural Guidelines	
4.1	Modifications or additions to existing residential improvements	\$45.00
4.2	Modifications or additions to existing residential improvements requiring on-site visit	\$75.00

SCHEDULE "C"

Costs for services provided by FIRSTSERVICE RESIDENTIAL billed directly to the Owner (or anyone else arising out of or ancillary to this Management Agreement).

1.	Preparation of Resale Certificate, Account Verification, etc.	\$200.00
2.	Completion of Mortgage Questionnaire	\$200.00
3.	New Homeowner setup Fee	\$50.00
4	Miscellaneous (only applies if performed by personnel other than on-site staff)	
4.1	Reprogramming access control system – per Owner	\$10.00
4.2	Issuing individual duplicate access control device – Plus cost of device	\$10.00

Initials: Assoc.  FSR 



FirstService
RESIDENTIAL

11822 Highway 17 Bypass South, Murrells Inlet, SC 29576
Tel: 843.357.9888, Fax: 843.652.2190
www.fsresidential.com

*** Human Resources and Payroll Administration Servicing Fee includes ADP Processing Costs, Operation of a full-service Human Resources Department, Benefit Administration (including health insurance, long & short term disability, life insurance), All Human Resources Data Processing, Administration of Workers Compensation Claims, 401K Administration, Employment Practices Liability (EPLI Insurance), New Associate Orientation Programs, On-going Human Resources Education, W-2 Statements and FirstLine - Ethics Hotline.

All payroll related expenses such as FICA, FUTA, Medicare, SUI/SDI, employer's expense of medical benefits for those full-time staff who elect coverage, life insurance for eligible staff and 401K match for enrollees are not included in the Payroll Processing and HR Fee and are billed separately as a direct pass-through expense to the Association. Assessments, if any, resulting from workers compensation audits will also be treated as a "pass-through" cost to the Association.

Initials: Assoc ^{DS} JH FSR ^{DS} *[Signature]*

EXHIBIT A

Affiliate Business Disclosure Statement

This Disclosure is to provide the Board with notice that the following companies are affiliated with First Service Residential South Carolina, Inc. Through these affiliations FirstService Residential can offer quality services tailored to our clients' needs at very competitive prices.

- American Pool Enterprises
- BrandPoint Services
- California Closets
- CertaPro Painters
- College Pro Painters
- College Pro Window Cleaning
- Floor Coverings International
- FirstService Financial, Inc.¹
- FS Energy
- FS Insurance Brokers, Inc.²
- FS Project Management, LLC
- Heartline Fitness Services
- LIV unLtd, LLC
- Paul Davis Restoration
- Pillar To Post Home Inspection
- Planned Companies
- Service America
- TLS

The Association is not required to use the services of these companies as a result of its contracted relationship with FirstService Residential South Carolina, Inc. There are other service providers with similar services and Management encourages the Board to solicit competitive proposals to determine the best services and rates available.

¹ *FirstService Financial, Inc. (FFI) is an affiliate of FirstService Residential and subsidiary of FirstService Corporation that was formed for the purpose of aggregating the buying power of our managed properties located throughout North America. FFI develops banking and insurance programs that are offered exclusively to clients of FirstService Residential. The programs are not mandatory; however, many clients participate because of their added value. FFI may receive fees or commissions from their banking and insurance partners for their assistance with the development, placement, servicing and maintenance of these programs.*

² *FS Insurance Brokers, Inc., a subsidiary of FirstService Financial and an affiliate of your management company, FirstService Residential, may receive compensation as a co-broker from an agency that places your business. FS Insurance Broker's compensation may vary depending on a number of factors including the insurance contract and the amount of premium paid.*

Initials: Assoc. DS
JA FSR DS
