

JAN 21 2021

CONDOMINIUM ASSOCIATION MANAGEMENT AGREEMENT

This Agreement is dated as of March 1, 2021, and is entered into by and between the GREEN TIMBERS CONDOMINIUM ASSOCIATION (the "Association"), the Michigan non-profit corporation established to maintain and to manage the affairs of the Green Timbers Condominium Association of Greenville, Michigan (the "Property"), and GEROW MANAGEMENT COMPANY (hereafter referred to as "Gerow"), 4060 Cedar Commercial Drive, Cedar Springs, Michigan 49319.

In order to assure professional management of the Property and in consideration of the terms, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

1. **Appointment of Agent.** Pursuant to the authority granted it in the Condominium Bylaws (Article IV, Sections 2 and 7), the Association hereby appoints Gerow and Gerow hereby accepts the appointment as exclusive managing agent of the Property subject to the terms and conditions set forth below.

2. **Gerow Compensation.** The Association agrees to pay Gerow a fee of \$5.00 per unit per month, beginning on March 1, 2021, and ending at 11:59 p.m. on February 28, 2022, unless extended as set forth in Section 8 or unless terminated earlier as provided in this Agreement.

3. **Description of Services.** Commencing on March 1, 2021, Gerow will provide the following services in the name of and on behalf of the Association, and the Association hereby gives Gerow the authority and powers required to perform such services.

a. **Bank Account.** Gerow shall establish and maintain in a bank authorized to do business in Michigan a separate bank account or accounts as agent and trustee for the Association for the deposit of the Association's funds. Gerow shall have authority to draw thereon for any payments to be made by Gerow to discharge any liabilities or obligations incurred pursuant to this Agreement and for the payment of the management fee provided herein.

b. **Bond.** At all times during Gerow's handling of the Association funds, Gerow shall be bonded by a blanket fidelity bond in the amount of \$400,000.00 with a Certificate of Insurance for Gerow and its employees who handle or are responsible for the handling the Association's funds, without expense to the Association.

c. **Budget.** Gerow shall prepare and submit to the Board of Directors on or before sixty (60) days prior to the beginning of the next fiscal year (or at such other reasonable time as may be requested in writing by the Board) a proposed operating budget for the forthcoming fiscal year showing anticipated receipts and expenditures for such year. Copies of the budget, upon adoption by the Board of Directors, shall be furnished to each Co-owner as provided in the Condominium Bylaws. Gerow shall use its best efforts to operate within the budget as adopted.

d. Collection of Fees. Gerow shall collect all regular monthly and other assessments and charges due the Association from the Association's Co-owners with respect to the Property. All monies collected by Gerow on behalf of the Association shall be deposited in the Association's account in a state or national bank where the Federal Deposit Insurance Corporation and/or Federal Savings and Loan Deposit Insurance Corporation insures deposits, separate and apart from Gerow's own funds. Gerow will send notices of delinquent fees and/or assessments to any Co-owner in arrears and exert reasonable efforts to collect such delinquent accounts in accordance with any existing and/or future collection policy adopted by the Association. In the event of the failure to collect delinquent accounts, and at the discretion of the Association's Board of Directors, Gerow will pursue payment through any Board-authorized method at the expense of the Association. For any Co-owner who is delinquent for more than forty five (45) days in their maintenance fee, it is the policy of Gerow to notify such Co-owner in writing that the process of collection shall begin using any and all legal options. If Gerow is required to take legal action beyond Small Claims Court, Gerow reserves the right to charge an additional fee of \$50.00 per hour to cover its expenses. These options can be waived at the written discretion of both Board of Directors and Gerow Management Company.

e. Disbursements. Gerow shall disburse regularly and timely from the funds collected under subparagraph (a) of this section and deposited in the special account for the Association (1) salaries and other compensation due and payable to employees (if any) of the Association and the taxes payable under subparagraph (o) of this section, (2) fire and other insurance premiums due under subparagraph (i) of this section, and (3) sums otherwise due and payable by the Association as operating expenses authorized to be incurred by Gerow under the terms of this Agreement, including Gerow's compensation.

All payments to be made by Gerow under this Agreement shall be made out of such sums as are available in the special account of the Association or as may be provided by the Association. Gerow shall not be obligated to make any advance to or for the account of the Association or to pay any sum except out of the special account or other funds provided.

f. Meetings. Gerow shall attend Three (3) regular meetings of the Board of Directors throughout the year, at the Board's discretion, and the Annual Meeting of the Co-owners without additional charge. In the event that additional meetings are held or a meeting should last longer than two (2) hours, an additional charge of \$40.00 per hour will be charged.

g. Mailing & Postage. The labor portion of the cost of mailing services, such as newsletters, notices, etc., to all Co-owners in the Association (including drafting, typing, copy time, collating, stapling, labeling, and stuffing) will be \$0.75 per condominium unit. The cost of postage, envelopes, labels, and copies will be billed directly at actual cost (unless otherwise agreed in writing) and not included in the \$0.75 per condominium unit mailing charge. Copies

shall be billed to the Association at the rate of \$0.12 per copy for black and white and \$0.80 per copy for color.

h. Recordkeeping. Gerow shall maintain a complete set of books and records relative to the operation of the Property in accordance with reasonable accounting practices. Gerow shall maintain records, on an accrual basis, showing all of its receipts and expenditures relating to the Property and shall promptly submit to the Board of Directors, a financial statement for the preceding month and a statement indicating the balance or deficit for the Association on or before the 15th day of the following month. Such statement shall include a report of all Co-owners who are fifteen (15) or more days late in the payment of assessments. In the event an independent audit of the Association's records shall be required, the cost of providing the same shall be paid entirely by the Association. Within thirty (30) days after the end of each fiscal year, Gerow shall issue a report to the Association showing expenditures relating to the Property for the preceding year; provided that this service shall not be construed to require Gerow to supply an audit or review.

i. Taxes. Gerow shall engage an independent accountant, on behalf of the Association and at their expense and approval, to prepare tax returns, information tax reports, and review of audits required by law to be made, kept, filed and/or distributed to Co-owners. Within thirty (30) days after the end of each fiscal year, Gerow shall provide a report of expenditures relating to the Association for the preceding year, provided that this service shall not be construed to require Gerow to supply an audit or review. Any audit or review required by the Association shall be prepared at the Association's expense by accountants of its selection.

4. Indemnification and Liability of Gerow. The Association agrees to indemnify, defend, and hold Gerow harmless for, from, and against all claims, losses, expenses or damages (including attorneys' fees) of any nature whatsoever in connection with the management of the Property and from liability for injury to any person or property on, about or in connection with the Property from any cause whatever, unless such costs, expenses, damages or liabilities were caused by Gerow's own gross negligence or willful misconduct. Gerow shall not be liable to the Association or to any other person for any error in judgment or for doing or omitting to do any matter or thing pursuant to the terms of this Agreement except in cases of willful misconduct or gross negligence.

5. Additional Fees. An additional management fee may be charged in the event that supervision is required for any major construction, modernization, improvements, remodeling or reconstruction above \$12,000.00. The Association shall reimburse Gerow for its costs not to exceed 3% on the contractor's price. If the amount of the fee is not agreed upon by the parties in writing prior to the time that Gerow provides the additional services, then Gerow shall not be entitled to collect the fee.

Gerow may charge a one-time administration fee of \$125.00 for services provided by it at the time of sale of a condominium unit in the Association.

Gerow is required to maintain all financial records and cancelled checks for a minimum of 7 years. These items along with any other property of the association that needs to be stored are stored at Gerow's main office. Gerow charges a one-time annual fee of \$150.00 for this service. This fee will increase annually by 3%.

6. **Assignment.** Gerow's obligations under this Agreement may not be assigned or transferred to any other person, firm or corporation without the prior written consent of the Association.

7. **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

If for Gerow:

Gerow Management Company
Attention: Mr. Scott Gerow
4060 Cedar Commercial Drive
Cedar Springs, Michigan 49319

If to the Association:

Sheryl Tisdell
President, Board of Directors
Green Timbers Condominium Association
Greenville, Michigan

8. **Term/Termination.** This Agreement shall commence on March 1, 2021, and end on February 28, 2022. This Agreement shall be automatically extended in one (1) year increments unless written notice of cancellation is given by either party (to the other party) at least sixty (60) days prior to the expiration of the existing contract. The terms and conditions of such extension(s) shall be the same as this original Agreement unless modified in writing and agreed to by both parties. Either party shall have the right to terminate this Agreement at any time with ninety (90) days' written notice. The Association shall not be responsible to Gerow for any liquidated damages or unrealized income by reason of such termination. As used in this paragraph 8, Gerow's "unrealized income" means the gross amount of compensation which Gerow would have received under this Agreement after the date of termination had this Agreement not been terminated.

9. **Return of Records.** Upon termination of this Agreement and at no cost to the Association, Gerow shall deliver to the Association within fifteen (15) days after termination all

records, contracts, leases, receipts for deposits, Co-owner files, and other paper documents which relate to the Property, and a copy of all information pertaining to the Property stored in Gerow's computers.

10. **Association Responsible for Payment.** Upon termination or withdrawal from this Agreement by either party, the Association shall assume the obligation of any contract or outstanding bill duly executed by Gerow under this Agreement for and on behalf of the Association and responsibility for payment of all unpaid bills that were contracted for in accordance with this Agreement. In addition, the Association shall furnish Gerow with security, in an amount satisfactory to Gerow, against any obligations or liabilities which Gerow may have properly incurred on the Association's behalf under this Agreement. Gerow may withhold sufficient funds for thirty (30) days after the end of the month in which this Agreement is terminated in order to pay bills previously incurred but not yet invoiced and to close accounts. Gerow shall deliver to the Association within sixty (60) days after the end of the month in which this Agreement is terminated, any balance of monies due the Association which were held by Gerow with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal which pertain to the Property.

11. **Relationship of the Parties.** It is understood by the parties that Gerow is an independent contractor with respect to the Association, and not an employee of the Association. Accordingly, the Association will not provide any fringe benefits, such as health insurance benefits, paid vacation or any other employee benefit, for the benefit of Gerow. Gerow shall be acting only as an agent for the Association, and nothing in this Agreement shall be construed as requiring Gerow to bear any portion of losses arising out of or connected with the ownership or operation of the Property. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Gerow is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

12. **Association Representative.** The Association shall designate persons that shall be authorized to deal with Gerow on any matter relating to the management of the Property. Gerow is directed not to accept directions or instructions with regard to the management of the Property from anyone else. In the absence of such specific designation by the Board of Directors of the Association, any member of the Board shall have this authority.

13. **Indemnification Survives Termination.** All provisions of this Agreement that require the Association to have insured or to defend, reimburse or indemnify Gerow shall survive any termination and, if Gerow is or becomes involved in any proceedings or litigation by reason of having been the Association's agent, such provisions shall apply as if this Agreement were still in effect for a period of one (1) year.

14. **Force Majeure.** In the event that any party shall be delayed or hindered in or prevented from doing or performing any act or thing required under this Agreement by reason of strikes, lockouts, casualties, Acts of God, inability to procure materials, power failure, governmental laws or regulations, riots, insurrection, war or other causes beyond the reasonable control of the party required to do or perform such act or thing, then the doing or performing of such act or thing shall be excused for the period of the delay and the period for the performance of any such act shall be extended for the period equivalent to the period of such delay.

15. **Entire Agreement.** This Agreement contains the entire agreement of the parties, and there are no promises or conditions in any other agreement, whether oral or written.

16. **Amendment.** This Agreement may be modified or amended at any time only if such amendment is made in writing and signed by both parties.

17. **Severability.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

18. **Waiver.** Any waiver, alteration or modification of any of the provisions of this Agreement, or cancellation or replacement of this Agreement, shall not be valid unless in writing and executed by both parties.

19. **Applicable Law.** This Agreement shall be governed by the laws of the state of Michigan.

20. **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Gerow and the heirs, administrators, successors, and assigns of the Association

IN WITNESS WHEREOF, the parties have executed this agreement on the date set forth above.

GREEN TIMBERS CONDOMINIUM ASSOCIATION

By: Sheryl L Tisdal

Sheryl L Tisdal

(Printed name)

Its: Board of Directors President

GEROW MANAGEMENT COMPANY

By: 

Scott M. Gerow

Its: President