

Property Management & Accounting Agreement

This Agreement, made and entered into this 5th day of December, 2023, between Granville Management Inc., a Michigan Company, hereinafter referred to as "Management," and **The Lodge at Cedar River Condominium Association**, a Michigan Not-for-Profit Corporation, deriving its authority from the laws of the State of Michigan and certain Declaration of Covenants and Restrictions recorded in the Public Records of Antrim County, Michigan and other documents such as Bylaws, Rules & Regulations or other "Governing Documents", hereinafter referred to as the "Association."

Witnesseth That

Whereas, the Association is and shall be composed of the owners, from time to time, of certain residential units located in Antrim County, Michigan, and the Association is the entity responsible for the operation of the Association Property; and

Whereas, the Association, by the authority of its Board of Directors, has proposed to engage and hire the services of the Management Company for the administration of its bookkeeping and accounting for the Association and the Management Company is agreeable and desires to be so engaged.

Now Therefore, in consideration of the mutual covenants herein described and for other good and valuable consideration, it is hereby agreed by and between the parties as follows:

1. Employment

The Association hereby employs and engages the Management Company, on an exclusive basis to manage and supervise the maintenance and administration of the Association property which is for the use and benefit of its members and the Management Company does hereby agree to be so engaged.

2. Definition & Scope of the Association Responsibility

As used herein, the "Association Responsibility" shall be outlined and defined in the governing documents of the Association.

As used herein, the "Association Property" shall be that property, which may be both common and limited, as defined as such in the governing documents of the Association.

3. Term of the Agreement

The term of this agreement shall be for a period of twelve (12) months, commencing on the 1st day of January, 2024 and ending on the 31 day of December, 2024. This agreement shall automatically be renewed from year to year, unless notice is given by either party terminating the agreement per the terms and conditions outlined in this document.

4. Termination

This agreement may be terminated by either party for the following reasons:

a. For Performance Not Satisfactory to the Association

Termination of this agreement may take place under this contract for failure to perform responsibilities and duties outlined herein, to the satisfaction of the Association. A minimum of thirty (30) days' written notice of intent to terminate this contract must be given to the other party in the form of a "Notice of Intent to Terminate." Said notice shall provide specific and detailed reasons for the proposed termination, and shall provide the other party with the opportunity to cure or correct said cause or causes identified in the Notice of Intent to Terminate. If, at the end of the thirty (30) day period, the party receiving the Notice has not cured or corrected the cause or causes identified therein, then the terminating party shall provide the other party with a "Final Notice of Termination," which shall terminate this Agreement effective thirty (30) days after receipt of said Final Notice of Termination by the to be terminated party.

b. Fraud or Willful Neglect

In the instance where it can be demonstrated that fraud or willful neglect are involved, the Association has the right to terminate this agreement immediately with written notification outlining the basis of their claim. Requirements for notice are not necessary under this paragraph.

c. Compensation

Upon the expiration date of this contract, either party may negotiate the price structure of this agreement. The parties covenant to negotiate in good faith, but if an agreement cannot be reached, then the dissatisfied party shall provide the other with 30 days written notice of their intent to terminate the agreement.

Upon any termination the Management Company covenants to immediately surrender all books and records to the Association or its designated representative. The Company further pledges to cooperate with the Association for a period of thirty (30) days in order to answer questions or clarify issues presented after the termination.

5. Duties of the Management Company

The Management Company shall undertake to perform all the following functions as may be necessary and desirable, in accordance with standard management practices, for the professional administration of the Association.

I. Management Services

The Company shall coordinate and manage all services necessary for the continuing acceptable maintenance of the physical property of the Association. The areas of responsibility undertaken by the Company are generally set forth as follows:

- 1) Ensure that Board Members have full access to the principals of the Company.
- 2) Receive and log all maintenance requests and follow through to their satisfactory completion. Provide a designated Director with a monthly summary report of work performed or as otherwise agreed.
- 3) Design and implement a preventative maintenance program to avoid unnecessary capital expenditures.
- 4) Obtain and negotiate bids for work to be performed at the Association. Review said bids and make recommendations to the Board of Directors as to which work should be performed and by which sub-contractors. Coordinate obtaining Board approval as may be required.
- 5) Annually review Association insurance requirements and obtain insurance quotes. Review said quotes and make recommendations to the Board of Directors in addition to any suggested revisions or changes.
- 6) Process all insurance claims made on behalf of the Association. Such responsibility to include the securing of the premises after an insurance loss, contact with all affected parties, meeting with the insurance adjuster, written loss report to the Board of Directors, obtaining sub-contractor repair quotes, monitoring the repair process and final inspection. This paragraph does not apply in the event the Association suffers a total loss as defined in its organizational documents. Management work under said circumstances shall be separately negotiated.
- 7) Take such action as may be necessary to promptly comply with any changes in the laws governing the Association.
- 8) Maintain a businesslike relationship with all unit owners and guests.
- 9) Work with the Association attorney or accountant whenever necessary to handle the business matters of the Association.

- 10) Maintain and store all records and files of the Association. The cost of storage containers and other related supplies to be paid by the Association. The Company to take all reasonable steps to ensure the safety and integrity of said documents. Access to the records to be permitted at any reasonable business time and not to interfere with normal operations of the Company.
- 11) Annually prepare a proposed budget in compliance with Association documents. Said budget to include recommendations for the pending fiscal year, an analysis of past budget performance, a reserve analysis, and other recommendations for better operation of the Association.
- 12) Attend all meetings of the Board of Directors, the Association's Annual Owner's Meeting and any Special Meetings called.
- 13) Mail all required notices for meetings to Directors or Owners in compliance with the Association's By-Laws. Out-of-pocket costs expended in order to execute this paragraph to be paid by the Association.
- 14) Assist and / or prepare all Board meeting minutes and Annual or Special meeting minutes. Receive any and all proxies, ballots and the like for meetings and submit them to the Secretary for his or her review.
- 15) Attend meetings held by other parties or agencies which may affect the interests of the Association and act as their representative; if so directed. After said meeting, the Company to provide a written report to the Board of Directors for their review. Attendance may be active, or passive as directed by the Board.
- 16) Granville Management Inc. to be the primary point of contact for owners/tenants on a 24-hour, 7 day a week basis.

II. Bookkeeping & Accounting

a. Budget Preparation

Prepare a proposed annual budget, including any revised chart of accounts each year for the following budget year for the review and approval of the Board of Directors. Such preparation is to be completed in concert with the Treasurer of the Association or other designated representative. The Company may be asked to provide reasonable adjustments to the Association's budget anytime during the budget year.

b. Financial Reports

1. Balance Sheet
2. Bank Reconciliation
3. Income Statement (Budget vs. Actual)
4. Cash Disbursements Report
5. Cash Receipts Report
6. General Ledger

c. Accounts Payable

1. Establish and maintain a system to properly document all income and expenses of the Association.
2. Prepare checks to be drawn on the checking account kept in the name of the Association. Management shall pay from the Association's account; to the extent the sums collected by Management are sufficient to cover such obligations, all expenses for regular maintenance and operation of the Association.
3. Maintain and reconcile checking account(s). Copies of the bank reconciliation report shall be provided to the Treasurer monthly.
4. Receive, review, and pay all bills submitted in a timely manner. Management to contact the President or Treasurer of the Association for authorization for payment with respect to payment of any bill it deems to be out of the ordinary.
5. Code all bills to the proper expense account.
6. Prepare any and all checks for payment to Management or its affiliates for signature by an authorized officer of the Association whenever it pertains to a non-regular monthly installment associated with this contract.

d. Accounts Receivable

1. Management will maintain an up-to-date owner or tenant roster with mailing addresses and telephone numbers.
2. Allocate and collect monthly maintenance fees.
3. Allocate and collect special assessments.
4. Issue late notices.
5. Work with the Association attorney on collections, liens, or foreclosures.
6. Deposit and account for all funds collected into the Association's bank account(s) or depositories as directed by the Association.

e. Accounting System, Files & Records

Management pledges to adopt accounting procedures which will protect the information of the Association from fire, theft, loss, and the like. Computer files will be periodically "backed up" and stored off site.

f. Annual Audit

Management will work with the Association's selected Certified Public Accountant as required to satisfy the Governing Documents of the Association for the purposes of the annual review or audit of the Association's books and will have filed, on behalf of the Association, all forms, reports and returns as required by law. Should the Association not have a selected Accountant, Management will be free to use the Account which it regularly uses. All accounting fee costs are the responsibility of the Association.

6. Assessment Collection

The Association designates the Management Company as its authorized agent to enforce the collection of assessments from its owners. Management will take actions upon direction of the Board of Directors to collect delinquent accounts, including the preparation and filing of liens. Expenses resulting from the execution of such procedures, if taken, shall be borne by the Association.

7. Mailings

Management, upon the request of an Officer of the Association, will make mailings to the members of the Association. The Association will only be responsible for out-of-pocket costs, such as, but not limited to, printing, photocopying, postage, envelopes, stationery and the like. In the event the Association makes more than five mailings per calendar year, then Management may charge the Association for clerical time used in processing the mailing request.

8. Indemnification

The Association recognizes that there will be instances where it requires or places Management at risk whenever it requires the Management Company to enforce any of its condominium documents or related rules and regulations. Under such circumstances, the Association covenants and agrees to indemnify and defend Granville Management Inc., its officers, manager, employees or shareholders from any expenses and liabilities, including counsel or attorney fees, reasonably incurred by or imposed upon it in connection with any proceeding to which it may be a party, or in which it may become involved, by reason of having executed a specific directive of the by the Board of Directors or attempt to adhere, in good faith, to the obligations created under this agreement or customary practice developed between the parties. Such duty to indemnify shall survive the expiration of this agreement, provided the issue resulting in a request for indemnification resulted from action taken when the contractual relationship was in force. The Association shall not be responsible for indemnification if it is subsequently determined that Management acted with gross or willful negligence or with fraudulent intent in the performance of its duties.

9. Compensation

The monthly cost for the services outlined herein shall be \$29 per unit. Said monthly fee shall be payable by the 1st of each month during which services are provided. Interest charges will result on any amounts past due at a rate of 1.5 percent per month. Costs incurred by Management to collect its compensation shall be chargeable against the Association including any reasonable attorney fees. Any applicable sales, use or service taxes will be in addition to the price stated.

This agreement is not based upon actual hours spent by the Company; however, the parties acknowledge that special circumstances may arise which consume an inordinate amount of Management time in order to protect the interests of the Association. Instances of this may arise from complete building loss or major litigation. During such instances the parties agree to negotiate in good faith to provide for such circumstances. Normal management time is currently billed at \$65.00 per hour and shall serve as a floor for the discussions.

10. Notice

Notice to the Association will be deemed to be served if mailed by first class mail to the current known address of the then President of the Association. Notice to the Management Company shall be mailed to 12935 S. West Bay Shore Dr. Ste. 220, Traverse City, MI. 49684.

11. Access to Books & Records

Management will make available to all members of the Association, or their written designated representative, any and all books and records of the Association. Officers or Members may not remove the records from the offices of the Management Company; however, they may make photocopies, subject to reasonable reimbursement, of any materials they wish to have a record of. Access shall be limited to regular business hours of the Management Company and review of said records is not to disrupt normal business activities. Officers or Directors of the Association covenant not to direct Management to restrict disclosure of its books or records to any owner or authorized representative. Access given to any other party shall be limited to those granted permission, in writing, by the Association or through legal order of a court of competent jurisdiction.

12. General Conditions

This Agreement constitutes the entire agreement between the Association and the Management Company, such that any changes or modifications of any kind or nature must be in writing and executed by the parties with the same formality as this Agreement.

In the event any litigation arises out of, or in connection with the enforcement of any term of this Agreement, each party shall individually be responsible for its own cost of litigation including costs and attorney fees.

In the event any portion of this Agreement is determined to be invalid under the laws of the State of Michigan, it shall have no effect on the enforceability of the remainder of this contract.

The Management Company agrees to comply with and abide by all laws, rules, and regulations of the federal, state and local governments.

13. Applicable Law & Venue

It is the intention of the parties hereto that this Agreement and the performance hereunder in all suits arising hereunder shall be construed in accordance with the laws of the State of Michigan. The parties agree that the appropriate venue for any and all suits and special proceedings arising out of and in connection with or by reason of this Agreement shall be the appropriate Court of competent jurisdiction located in Grand Traverse County, Michigan.

14. Agreed to and Accepted

In witness whereof, the parties hereto have executed this contract and agree to all of its terms and conditions:



Tim G. Webb
President,
Granville Management Inc.

12-12-23
Date



President,
The Lodge at Cedar River
Condominium Association

12/15/23
Date

MARK SAWKA

12935 S. West Bay Shore Drive #220
Traverse City, MI 49684
Phone: (231) 933-6330
tim.gmi@hotmail.com

December 19, 2023

**TO: THE LODGE AT CEDAR RIVER
CONDOMINIUM ASSOCIATION MEMBERS**

RE: GRANVILLE MANAGEMENT INC.

We are pleased to inform you that Granville Management Inc. has recently been hired by your Association Board to handle the property management & accounting affairs for **The Lodge at Cedar River Condominium Association effective January 1, 2024.**

We would like to provide you with some information regarding Granville Management Inc. Tim G. Webb is the President of Granville Management and will oversee the property management & accounting responsibilities for your Condominium Association. Patrish Ashworth & Cara Stemo are my Administrative Assistants and will oversee all accounting functions, and office administration activities. Please feel free to contact us at the above address and numbers if you have any questions or concerns. Our office hours are normally 8:00 a.m. to 5:00 p.m. Monday through Friday. We are closed for all national holidays.

For your February monthly dues payments, please mail them to the above GMI address. Payments are to be made payable to **The Lodge at Cedar River Condo Association**. Please direct all future payments and correspondence to GMI. Should you wish to be enrolled in the ACH payment program for your monthly dues, please see the ACH form attached. They are processed the 10th of each month, the next business day if weekend or holiday. Please contact Patrish with any questions or concerns about the ACH payment process.

Thank you for giving us the opportunity to handle your Associations' property management & accounting needs. Please feel free to reach out to us with any questions or concerns. The 24-hour non-life-threatening emergency phone number is 844.941.8930.

Sincerely,

Tim G. Webb
President/Property Manager

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