

MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the 7 day of December, 2022
Between **RIVERS RUN HOMEOWNERS ASSOCIATION, INC.**, a New York corporation, with its principal office at 111 Marsh Road, Suite 1, Pittsford, New York, 14534 (hereinafter designated as the "Association"), and

CROFTON PERDUE ASSOCIATES, INC., a New York Corporation with offices at 111 Marsh Road, Suite 1, Pittsford, New York 14534 (hereinafter designated as "Agent").

WITNESSETH:

The Association and the Agent, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, in addition to the mutual covenants and conditions contained herein, do hereby agree as follows:

FIRST: The Association hereby appoints the Agent, and the Agent hereby accepts the appointment as managing agent of the premises located at RIVERS RUN Homeowners Association, Inc. in the Town of Henrietta, Monroe County, New York, owned by the Association (the "Association"). The Association is responsible for the maintenance of the common areas and the exterior of the dwellings at RIVERS RUN Homeowners Association, Inc. as provided in the Declaration of Covenants, Conditions and Restrictions which was recorded in the Office of the County Clerk, County of Monroe (hereinafter referred to as the common areas).

SECOND: The term of this Agreement shall be for a period of three (3) years commencing as of 1/1/2023 and terminating 12/31/2025. This Agreement may be terminated, without cause, by either party giving sixty (60) days written notice of intention to terminate to the other party.

THIRD: During the first year of this Agreement the Association shall pay the Agent, as full compensation for its services provided in ARTICLE FOURTH, a management fee of \$20.33 per unit per month, per completed unit with completed exterior. During the second and third years of this agreement, there will be an increase of 5%.

If the Association is involved in litigation or complicated insurance claims requiring extensive time from the Property Manager, the Agent is to be compensated for time spent as mutually agreed by the Association and the Agent.

FOURTH: The Agent shall exercise its best efforts in performing the following services:

(a) Hire all persons necessary to properly maintain and operate the common areas. Such persons shall be paid by the Agent and be employees of the Agent and not the Association.

(b) Arrange for and supervise maintenance of the common areas in such condition as may be deemed advisable by the Association.

(c) Recommend, with the Association's approval, that all work be done in and about the common areas as shall be necessary to comply with all federal, state and local laws, ordinances and regulations and orders of the New York Board of Fire Underwriters or of a similar

body, except that if failure promptly to comply with any such orders or to remove a violation would expose the Association or Agent to criminal liability, the Agent may cause order or notice of violation to be complied with after consultation with the Board Member appointed as Primary Liaison with the Agent, or if no such officer shall be available, after consultation with the Association's attorneys, the Agent shall notify the Association's primary liaison or attorneys promptly after receipt of any order or violation.

(d) Enter into contracts for electricity, water, rubbish removal, landscaping, snow removal, architects' and engineers' services for planning and supervising alterations and/or improvements to the common areas, and other services as are advisable; any contract having a term longer than One (1) year or requiring annual payments in excess of One-Thousand Dollars (\$1000.00) must be authorized by the Association in writing.

(e) Purchase all supplies necessary to properly maintain and operate the common areas; all contracts and purchases shall be in the Association's or the Agent's name, as the Agent shall elect; the Agent shall credit the Association for any discounts or commissions obtained for such purchases.

(f) Advise the Association with respect to property insurance coverage of the common areas. In the event the Association has employees, the Agent will obtain and maintain in such amounts and through such carriers as the Association shall designate or approve, coverage for employer's liability, worker's compensation, disability and any other insurance the Association may elect to carry.

(g) Review all bills received for services, work, and supplies ordered in connection with maintaining and operating the common areas; pay or cause to be paid in a timely manner prior to the accrual of any penalties or interest: (1) all bills, water charges, electricity, or sewer rent assessed against the Association or the common areas; (2) real estate taxes; (3) other taxes assessed against the Association or the common areas.

(h) Bill the unit owners for assessments for common charges and other assessments and use its best efforts to collect such assessments. When directed by the Association, the Agent shall take action in the name of the Association by way of legal process, using counsel acceptable to the Association, to collect any delinquent monthly assessments.

(i) Consider and, when within the scope of Association responsibility under its Declaration of Covenants, as amended from time to time, attend to the complaints or requests of unit owners. If the Agent shall deem any such complaint beyond the scope of the Association's responsibility, it shall advise the Association of the complaint and the reason for its opinion that the complaint is beyond the scope of Association responsibility.

(j) Prepare and file all forms for unemployment insurance, withholding and social security taxes and any other tax form relating to Association employees, and employees of Agent performing duties or services in any way related to this Agreement.

(k) Prepare and mail regular monthly statements to the Board with a remittance of amounts collected during the previous month less disbursements made on behalf of the Association and less, also, all such amounts required by the Declaration or as in the judgment of the Board may be necessary or advisable to reserve or withhold to meet obligations due or which will or may become due thereafter, and for which current income will not or may not be adequate.

(l) Keep in good order the books and records of the Association and maintain orderly files containing records of common charges, assessments, insurance policies, correspondence, receipted bills and vouchers, contracts, warranties, and all other documents and papers pertaining to the common areas; those records shall be the property of the Association, and the Agent shall, upon the request of the Association, make them available to the Association, the Association's officers, accountants, attorneys or other representatives and shall deliver up same to the Association or its representatives on demand.

(m) Except as otherwise provided in the Agreement, all bookkeeping, clerical, and other Agent overhead expenses (including but not limited to costs of Agent's office supplies and equipment, and transportation for managerial personnel to and from Association) will be borne by the Agent out of his own funds and will not be treated as an Association expense. Any office expenses for supplies and services directly and solely related to the operation of the Association exclusively (including but not limited to the Association's advertising, brochures, stationery, postage, checks, credit checks, copying, and reasonable miscellaneous administrative expenses) shall be treated as an Association expense and paid from the Operating Account.

(n) Cooperate with and provide all information reasonably required by the Association's accountants and auditors in regard to the annual audit of the books of the Association, including the annual report of the Association's operations for the year then ended.

(o) Cooperate with the Association's accountants in regard to preparing and filing the Association's federal, state, and any other income and other tax returns required by the governmental authority.

(p) Send each year to all Board members of the Association a copy of a statement furnished by the Association's accountant.

(q) Prepare, before the 1st of every fiscal year an operating budget, setting forth an itemized statement of the anticipated receipts and disbursements for the new year based upon the assessments for common charges to be received by the Association; the budget shall comply with the Association's By-Laws, and shall be submitted to the Board at least forty-five (45) days prior to the commencement of the new budget year. The budget shall serve as a supporting document for the schedule of monthly assessments for the new budget year.

(r) When requested for the Annual Meeting, rent a suitable meeting place and send notices to the unit owners of the Association. The cost of such notices shall be borne by the Association. Attend meetings of unit owners and the Board as provided in subparagraph (t).

(s) Prepare and send letters and reports as the Board may request, except as provided in Article FIFTH.

(t) The Agent will prepare for and attend a two-hour Board meeting in every month to review the operation of the Association with the Board. The Agent will also attend the Association's Annual Meeting. For meetings over two hours, Association agrees to pay Agent a fee of \$80.00 per hour, fee to be prorated to the nearest quarter hour. For attendance of meetings in excess of those specified in this section, Agent is entitled to a fee of One-hundred Dollars twenty-five dollars (\$125.00) per meeting.

(u) Hire employees to be paid an hourly rate (portal to portal) to respond to miscellaneous complaints and requests of the members of the Association. Such employee shall be paid by the Agent and be an employee of the Agent and not the Association.

(v) Generally, do all things necessary or desirable as requested by the Board of Directors for the proper maintenance of the common areas.

FIFTH: Additional charges for services provided by the Agent, not included in this Management Agreement, are as follows: (Some charges are dependent upon unpredictable factors, and may be adjusted during the term of the contract.)

- 1. Mailings to homeowners; i.e., newsletters budgets, notification of major maintenance, etc. = Secretarial time + postage + copy cost
- 2. Special Assessments = Bookkeeper time + material
- 3. Late letter fee = \$7.00
- 4. Box Storage = \$1.90 per box per month
- 5. Postage = Charged per item at cost
- 6. Time spent for items not a part of this Management Agreement
 - Property Manager \$ 125.00/hour
 - Secretarial 2023 \$ 68.00/hour 5% cap for 2024 & 2025
 - Bookkeeper 2023 \$ 68.00/hour 5% cap for 2024 & 2025
 - Maintenance 2023 \$ 68.00/hour 5% cap for 2024 & 2025

SIXTH: The Association authorizes the Agent, for the Association's account and on its behalf, to perform any act or do anything necessary or desirable in order to carry out the Agent's responsibilities contained in Article FOURTH hereof. It is expressly understood and agreed that everything done by the Agent under the provisions of Article FOURTH shall be done as Agent of the Association, and any and all obligations, costs or expenses incurred by the Agent in the performance of its obligations under Article FOURTH (for which the Agent is not compensated as provided in Article THIRD hereof) shall be borne by the Association and not by the Agent.

Any payment made by the Agent shall be made out of such funds as the Agent may from time to time hold for the account of the Association or as may be provided by the Association. The Agent shall not be obliged to make any advance to or for the account of the Association or to pay any amount except out of funds held or provided as aforesaid, nor shall the Agent be obliged to incur any extraordinary liability or obligation unless the Association shall furnish the Agent with the necessary funds for the discharge thereof. If the Agent shall voluntarily advance for the Association's account any amount for the payment of any obligation or necessary expense connected with the maintenance or operation of the common areas, the Association shall reimburse the Agent on demand.

SEVENTH: All funds collected by the Agent for the account of the Association will be deposited in trust in a special account, as designated by the Association, to be entitled "Rivers Run Homeowners Association, Inc." Account, and will not be commingled with any other funds of the

Agent. The Agent shall not be responsible for any loss resulting from the insolvency of the depository.

EIGHTH: The Association agrees to (a) hold the Agent free and harmless from damages or injuries to person or property by reason of any cause whatsoever, other than Agent's negligence or willful misconduct, either in or about the common areas if the Agent is carrying out the provisions of this Agreement or acting under the expressed or implied directions of the Association and (b) reimburse the Agent upon demand for any monies which the Agent is required to pay out for any reason whatsoever, other than Agent's negligence or willful misconduct, either in connection with, or as an expense in defense of any claim, proceeding or charge or prosecution made, instituted, or maintained against the Agent or the Association and the Agent jointly or severally out of the condition or use of the common areas; or for the acts or omissions of the Agent or employees of the Association or the Agent arising out of or based upon any law, regulation, requirement, contract or award relating to the hours of employment, working conditions, wages and/or compensation of employees or former employees of the Association; provided, in each of the foregoing instances, that the Agent promptly advises the Association of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expenses. The Association will carry liability insurance, with limits not less than \$1,000,000 and include the Agent as a party insured under the liability policy and will deliver a copy of such liability policy to the Agent or a certificate evidencing the same.

Anything hereinbefore set forth to the contrary notwithstanding, the Association shall defend promptly and diligently, at its sole cost and expense, any claim, action or proceeding brought against the Agent arising out of the foregoing, and shall hold harmless and fully indemnify the Agent from any judgment, loss or settlement. The Agent shall promptly furnish to the Association and its attorneys all papers, documents and other evidence which, in the opinion of the Association or its attorneys may be necessary in order to defend any such claim. It is understood and agreed that the foregoing provisions of this Paragraph shall survive the termination of this Agreement. Nothing contained in this Agreement shall relieve the Agent from responsibility to the Association for negligence or for breach of Agent's obligations hereunder. The Board agrees to appoint one (1) Board member as Primary Liaison with the Agent and to appoint additional Board members to be Secondary Liaison in the event that the Primary Liaison is not immediately available.

NINTH: If requested, the Agent shall forthwith procure and thereafter keep in full force and effect a fidelity bond reasonably satisfactory in form to the Association and issued by a bonding, insurance or casualty company satisfactory to the Association, pursuant to which the Association will be held harmless by the surety in an amount up to Five Hundred Thousand Dollars (\$500,000) from any loss of money or other personal property belonging to the Association or for which the Association is legally liable, caused by larceny, embezzlement, forgery, misappropriation, wrongful abstraction or any dishonest or fraudulent acts committed on or after the date hereof by the Agent, its directors, officers or employees.

TENTH: It is understood that this Agreement provides for all the responsibilities and duties of the Agent. From time to time, the Association may wish to have the Agent perform additional services not included in this Agreement. In such event, the Association will submit its requests for such services in writing and the Agent will promptly inform the Association of its charge for such additional services. The Association will be free to accept the charge quoted by the Agent or to have the services performed by a third party.

ELEVENTH: Any notice required to be served upon the Agent shall be mailed to 111 Marsh Road, Pittsford, New York, 14534. Any notice required to be served upon the Association shall be mailed to the President of the Association at the home address of the President of the Association.

TWELFTH: The Board represents that it has authorized this Agreement on behalf of the Association. The members of the Board have no personal liability hereunder.

THIRTEENTH: This agreement shall be governed by and construed in accordance with the laws of New York.

FOURTEENTH: The Agreement constitutes the entire understanding of the parties and may not be changed except in writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

RIVERS RUN HOMEOWNERS ASSOCIATION, INC.

By: Sinda McLaughlin
President R.R.H.O.A., Dec. 7, 2022

CROFTON PERDUE ASSOCIATES, INC.

By: [Signature]

Date: 12/7/22