

**WENTWORTH PROPERTY MANAGEMENT**  
**Community Association Management Agreement**

THIS AGREEMENT, made as of March 1, 2004, by and between **THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION**, (hereinafter the "Association") and **WENTWORTH PROPERTY MANAGEMENT CORPORATION**, (hereinafter "Agent")

**WITNESSETH:**

In consideration of the mutual promises, terms and conditions as specifically set forth below, the parties agree as follows:

**1. APPOINTMENT.**

1.01 Association hereby appoints Agent as managing agent for the community known as **THE VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION** and situated in Atlantic County, New Jersey, (hereinafter the "Property") subject to the terms and conditions hereinafter set forth.

1.02 Agent agrees to provide management services to and for the Association for the term of this agreement, subject to the terms and conditions hereinafter set forth.

**2. TERM.**

2.01 The term of this agreement shall be for a period of two (2) year(s), beginning as of the date of the first home closing and ending two years thereafter, provided that either party may terminate this agreement, without cause, by providing the other with written notice such that the termination is effective at the end of the following month.

**3. SCOPE OF SERVICES.**

3.01 The Association specifically empowers the Agent, and the Agent agrees to perform all of the services set forth in this paragraph (3) three.

3.02 FISCAL MANAGEMENT.

Agent shall assist the Association in matters relating to its fiscal management, including, without limitation, the following:

(a) **RECEIPTS.** Agent shall collect and, as appropriate, receipt for all assessments and other charges due to the Association from its members or otherwise from Association operations including all rental or other income from concessionaires, if any. All such payments shall be received by Association's lock box at the financial institution selected from time to time by Agent. All funds received shall be immediately deposited in one or more Bank accounts titled to the Association.

(b) **COLLECTIONS.** Agent shall take such action as is reasonable and necessary to collect any delinquent receivables due to Association, provided that any such action is in accordance with law and Association policy and practices, as provided for by the Master Deed, Bylaws or Rules and Regulations of the Association (hereinafter the "Governing Documents") or by the resolution of the governing body of the Association (hereinafter the "Board"). Collection activity shall include late notices and imposition of late fee charges, notice of delinquency, and referral to and coordination with legal counsel. Agent shall assist Association to review and revise collection policies and practices where appropriate.

(c) DELINQUENT ACCOUNTS. Agent is authorized to take reasonable steps for collection of delinquent accounts. The Agent is authorized to assess each delinquent account a late charge and a delinquent processing charge, along with other charges for collection and lien fees, reflective of the costs of collection, accounting, payment plan monitoring and legal proceedings. Agent shall be paid an administrative charge of \$75.00 for the processing of any accounts turned over to the Association's attorney for collection.

(d) DEPOSITORY ACCOUNTS. All funds of the Association in the control of Agent shall be held in one or more depository accounts or investment instruments in the name of the Association segregated from any other funds of Agent or otherwise.

(e) DISBURSEMENTS. From the available funds of the Association, Agent shall disburse funds for operations, capital and other budgeted, approved or emergency expenditures (including Agent's compensation) subject to the terms and conditions herein set forth.

(f) FINANCIAL RECORDS. Agent shall maintain the financial books and records of the Association, including all contracts, purchase orders, vouchers and receipted bills and such other information as may be reasonable or necessary in order to administer and account for the financial affairs of the Association.

(g) REPORTS. Agent shall submit to the designated representative(s) of the Board monthly financial reports, which may include (at the discretion of Association) (1) Cash Receipts and Disbursements Statement, (2) Profit and Loss Statement with Variance to Budget, (3) Balance Sheet, (4) Schedule of Aged Receivables, (5) Schedule of Open Payables, (6) Bank reconciliation, and (7) such other information as the Association may reasonably require (the "Financial Report"). Each Financial Report shall be completed and submitted to the designated representative(s) on or before the 20th day of the succeeding month.

(h) PRIOR PERIOD ACCOUNTS. For the purpose of accounting continuity, Agent shall input such financial information as is available to it respecting operations prior to Agent's tenure and otherwise use reasonable efforts to establish accurate opening period balances. Agent does not warrant the accuracy of any financial information that was not developed by Agent.

(i) BUDGET DEVELOPMENT. Except where the Association has adopted a contrary procedure, sixty (60) days prior to the end of Association's fiscal year Agent shall submit to Association a recommended "draft" operating budget for the next year (the draft "Budget"). The draft Budget shall be presented with such support and documentation as necessary to test the credibility and assumptions utilized by Agent in the development of the draft Budget.

(j) RESERVE FUNDING. Agent shall maintain Reserve funds as required by Association and shall undertake to advise Association respecting investment alternatives and reserve estimate updates.

(k) ACCOUNTANT COOPERATION. Agent shall cooperate with Association's Accountant(s) or auditor(s) in connection with the preparation of an independent financial statement or audit and in connection with the preparation and filing of any tax returns required to be filed by the Association.

### 3.03 CONTRACTS.

(a) Agent shall, subject to the direction of Association, negotiate, execute, and make payments pursuant to the approved terms of all contracts for goods or services required by the Association, including, without limitation, contracts for water, electricity, gas, telephone, maintenance contracts, HVAC systems, fuel oil, landscaping, professional services, and contracts pertaining to such other goods and services required by the Association.

(b) To the extent reasonably feasible, except as permitted or directed by the Association,

contracts for all amounts in excess of \$1,000.00 in the aggregate in any one year with any one third party shall be solicited in a competitive bidding process, with the Agent making a recommendation to the Association based on price and competence.

(c) Agent shall oversee the initiation and performance of all contracts and shall require vendor compliance with the terms and conditions thereof, including without limitation (1) provision of insurance certificates, (2) review of work quality, and (3) enforcement of warranties.

(d) Agent shall maintain uniform purchasing systems and procedures in order to conform to the policies established by Association, the terms and conditions hereof, and generally accepted accounting principles.

#### 3.04 EMPLOYEES.

(a) On the basis of the Budget, job standards, and wage rates approved by the Association, Agent shall hire, pay, negotiate collective bargaining agreements with, supervise, and discharge managers, clerks, engineers, janitors, security, and other personnel as may be required to maintain and operate the Property.

(b) All such personnel shall be, at the option of Agent, employees of the Agent or employees of the Association; however, under either circumstance, except as set forth in Exhibit A, attached hereto and made a part hereof, the cost associated with such personnel shall be the Association's sole responsibility.

(c) Agent shall execute and file all tax returns and other instruments and do and perform all acts required as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, Subtitle C of the Internal Revenue Code of 1954 and any applicable State tax act with respect to wages paid by the Agent, all at the expense of the Association.

(d) Association recognizes the importance and value of Agent's employees to their business and agrees to refrain from hiring, directly or indirectly, any person(s) who is or was employed by the Agent during the term of this agreement and for two years following the termination of this agreement without first obtaining written consent of Agent.

(e) All of Agent's employees are subject to periodic training, education and certification programs, designed to provide such personnel with information respecting new procedures and developments and to reinforce their skills and ability. Association shall cooperate with Agent and periodically excuse Agent's employees from responsibilities at the Property so that employees can attend such programs. Programs are scheduled so as to provide for minimum interference and continuity at work. Agent estimates that each employee shall be required to attend 40 hours of in-service programs each year.

#### 3.05 INSURANCE.

(a) Agent shall assist the Association in procuring appropriate property and liability insurance, and such other coverage as may be necessary or desirable.

(b) Agent shall maintain records of all insurance coverage carried by the Association and assist the Association in reporting and investigating any accidents or claims for damage relating to the ownership, operation, or maintenance of the common elements of the Association, including any damage or destruction thereto.

(c) Agent shall assist the Association in responding to and taking such action to correct any noted deficiencies or violations contained in any report, citation, or other communication from any insurance underwriter, association of fire underwriters, federal, state or local agency.

### 3.06 COMMON ELEMENTS.

(a) Agent shall use its best efforts to maintain the Property, including all common elements and limited common elements of the buildings, appurtenances, and grounds, in accordance with appropriate standards of safety and maintenance consistent with the character and budget limitations of the Association.

(b) Agent will use its best efforts to establish and maintain such preventative maintenance regimes and inventory records as necessary in order to properly maintain the Property and personalty owned by the Association and situate therein.

(c) Agent shall conduct regular inspections of the Property, not less than once per month, in order to determine the condition of the Property, the adequacy of the care and maintenance thereof, and compliance with all Association's rules and regulations.

### 3.07 RULES AND REGULATIONS

(a) Agent shall assist the Board to adopt, maintain and enforce proper rules and regulations including architectural control issues.

(b) Agent will recommend action in the administration and enforcement of fines, legal action, etc., with regard to infractions of the rules and regulations and in accordance with Association's policies and procedures.

(c) Agent shall advise the Association respecting the laws and court decisions impacting on the enforcement of rules and regulations and shall proceed to enforce such rules and regulations in accordance with Association policies.

(d) Agent will receive, log and communicate all written complaints regarding violations of any covenant of the Association.

### 3.08 CAPITAL IMPROVEMENTS.

(a) Agent shall make such periodic recommendations as are necessary or appropriate to the Association with respect to capital improvements and reserves for capital improvements.

### 3.09 PROPERTY MANAGEMENT TEAM

(a) Agent shall designate one of its employees as the Community Manager for the Association. The Community Manager shall be the person primarily responsible for Agent's performance hereunder and shall be the primary contact and liaison between Agent and Association.

(b) The Community Manager shall be assisted and supported by Wentworth personnel including, without limitation, the Regional Vice President to whom the Community Manager reports, the Executive Vice President for Operations, the Vice President - Finance, staff accountants, bookkeepers and other accounting personnel, Wentworth's legal, construction and insurance specialists.

(c) In the event that the Community Manager is unavailable to perform required duties, Wentworth's senior management team shall intervene to insure continuity of services and resources.

### 3.10 ASSOCIATION COMMUNICATIONS.

(a) Agent shall assist the Association in maintaining necessary and appropriate communications with its members, including, without limitation, the provision of all notices required by the Governing Documents, information respecting the Association to new members, and response to all inquiries or complaints.

(b) Agent shall systematically log written inquiries, correspondence, and other matters reported to it by members, and shall maintain appropriate copies and records thereof.

(c) Agent shall maintain provisions for 24-hour access to the Agent for emergency services.

### 3.11 NON-FINANCIAL REPORTING.

(a) Agent shall communicate to the Association on a regular basis information respecting or pertaining to legislation, court decisions, tax rulings, financial practices, litigation, insurance matters, correspondence, title transfers, work in progress, rules and regulation infractions, site conditions, maintenance issues, and any other matter or material relating to the affairs or operations of the Association.

(b) In the event of an emergency condition, Agent shall report such condition to any officer of the Association as soon as possible.

### 3.12 MEETINGS

(a) Subject to the terms hereof, except in the event of matter beyond Agent's control, the Primary Community Manager shall attend all regular meetings of the Association and emergency meetings, when required, but not to exceed six (6) per annum.

(b) Agent shall assist the Association in the annual election meeting of the Association, including the preparation of all election material including proxies, ballots and notices.

(c) Agent shall distribute to Association's Board in advance of each meeting an agenda as established by Association, along with materials, which will support the facilitation of the meeting.

(d) Agent will attend six (6) meetings of the Board of Directors. Time in excess of two (2) hours per meeting or fraction thereof that lasts after 9:00pm shall be charge at a rate in accordance with Schedule A of this agreement. Agent will attend meetings scheduled Monday through Thursday, except holidays. Meetings held on days other than those identified herein, and that the Agent agrees to attend will be charged in accordance with Schedule A of this agreement.

### 3.13 RECORD KEEPING

(a) Agent shall retain a complete set of files and records where available respecting the Association including the following:

- a. Current Owner Listing
- b. Association Documents
- c. Amendments to the Declaration
- d. Rules and Regulations
- e. Policies and Resolutions

- f. Current Contracts
- g. Insurance Policies and Quotes
- h. Financial Statements
- i. Plot plans
- j. Specifications and Guidelines for Architectural Requests
- k. Minute Book
- l. Corporate seal
- m. Agendas
- n. Property/Equipment Inventory
- o. List of contractors
- p. Inspection reports
- q. Individual owner files

(b) The parties acknowledge that all such records and files shall be retained by Agent during the term of this agreement, provided that files that are more than three years old may be transferred to a storage facility and retained there at a charge to the Association.

(c) Agent shall use its best efforts to maintain all records and files of the Association in a safe and secure environment. The parties acknowledge, however, that Agent will not utilize fire resistant cabinets or facilities and files may be subject to loss or damage, for which Agent is not responsible.

#### **4. LIMITATIONS ON AGENT'S RESPONSIBILITY AND AUTHORITY.**

##### **4.01 EXPENSE LIMIT**

(a) In discharging its responsibilities pursuant to Paragraph 3 hereof, Agent shall not make any expenditure nor incur any non-recurring contractual obligation unless such expenditure is provided for in the Association's approved Budget or is specifically approved by Association, unless such expenditure is less than **\$500.00**, and with prior authorization by the Board of Directors.

(b) Notwithstanding the provisions above, Agent may exceed the **\$500.00** limitation, without consent of the Association in the event of an emergency, defined as a condition that involves a danger to person or property or may threaten the safety of any Association member(s) and/or community occupant(s), or may threaten the suspension of any necessary services to the Association or its facilities, including utilities. Agent will make reasonable effort to notify the President of the Board of Directors.

##### **4.02 MAINTENANCE & REPAIRS**

(a) Agent shall have no authority or obligation with respect to the maintenance or repair of any individual dwelling unit within the Property with the exception of emergency services or by mutual agreement.

(b) Agent shall have no authority to make any structural changes in or to the Association Property or to make any other major alterations or additions in any building or equipment herein except such emergency repairs as may be required because of danger of life or property or which are immediately necessary for the preservation and safety of the Association or its members or occupants.

(c) Agent is not responsible for 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, except to notify the Association promptly or forward to the Association promptly, any complaints, warnings, notices or summons received by it relating to such matters.

(d) Agent may advise and consult with Association respecting its mechanical systems; however Agent shall not be an operator of or otherwise in control of or charged with the maintenance of any system which utilizes fuels, substances or materials that, if handled improperly, could create an environmental impact. If necessary Association shall hire or retain independent professionals to operate or maintain such systems.

#### 4.03 EXCLUDED SERVICES.

(a) Agent is devoted to provide Association with such advice, administration and assistance as it may require with respect to the operation of the Association's property and business. Certain requested activities may, however, require extraordinary time commitments outside the scope of the parties' reasonable intentions. Such services include, but are not limited to the following:

- A. Litigation support (including court appearances and preparation therefore)
- B. Insurance claim administration on cases involving property damage and personal injury items covered under the association's policy. Administrative charges by the Managing Agent under this provision are charges incurred after the initial claim filing and shall accordingly be submitted with the claim.
- C. Any capital projects which would require the complete attention of the manager or management staff.
- D. Wholesale revisions of Association documents.
- E. Processing, supervision and negotiation respecting warranty claims resulting from work preformed prior to the inception of a management relationship with Agent.

(a) Should Agent provide direct supervision of major construction or capital project(s) at the request of the Board, Agent shall receive a fee equal to ten (10%) percent of the project expense.

(b) In the event of an insurance claim, Agent shall receive a fee equal to 10% of the insurance proceeds for assistance in the administration and adjustment of the claim and reconstruction.

- F. Consulting and administering requirements of the FHA, Fannie Mae and other approvals needed for financing.
- G. Publication of Association's newsletter.

(b) Should Association request and Managing Agent agree to provide additional or expanded services beyond the services outlined in the Agreement, unless otherwise agreed by the parties, the fee for such shall be charged at an hourly rate of not less than \$55 and not more than \$100 depending on the nature of services required.

(c) Should Association and Managing Agent agree to provide construction coordination services, unless otherwise agreed, Managing Agent shall receive a fee equal to 10% of the total project cost.

(d) Should Association utilize an affiliate of Agent to provide any construction or maintenance services, the charges shall be as negotiated by the parties or otherwise as set forth in Exhibit A. Agent shall not charge any supervision fee as set forth in Paragraph (c) above.

### 5. ASSOCIATION INDEMNIFICATION.

#### 5.01 AGENCY

(a) Association acknowledges that Agent is acting solely as an agent for the Association and, accordingly, any expenses or liabilities incurred by Agent hereunder, whether in its name or that of the Association, shall be the obligation of Association and not that of Agent.

## 5.02 INDEMNIFICATION

(a) Except for negligence, gross negligence or willful misconduct, Agent shall not be liable to the Association for any loss or damages incurred in connection with its performance hereunder.

(b) To the extent of the Association's insurance coverage as required herein, the Association will and does hereby indemnify, defend and forever hold harmless Agent, its employees and representatives, from and against any liability, damages, costs, expenses or claims incurred or sustained (including reasonable attorney's fees) in connection with any injury to person or property, or from any matter whatsoever arising from or in connection with Agent's performance of services hereunder.

## 5.03 ASSOCIATION INSURANCE

(a) Association will maintain liability insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000.00), workers compensation insurance, and such other insurance as necessary or appropriate, all acceptable to Agent, which shall name Agent as an additional insured. Association will provide Agent with a Certificate evidencing such insurance within ten (10) days of the date hereof, and each year thereafter, and such certificate shall provide that insurance may not be terminated without notice to Agent.

## 6. COMPENSATION.

### 6.01 BASE COMPENSATION

(a) Association shall pay Agent as compensation for its services hereunder the monthly sum in accordance to Exhibit A, Section 1 (Agent's Fee) payable on the first of each month during the first twelve months of this AGREEMENT (hereinafter "Base Compensation"). The Base Compensation shall be superseded by the adoption of a new annual association budget indicating an adjusted base fee for management services. Adoption of the annual budget by the Association's Board of Directors shall constitute an approval of a Base Compensation change under this agreement, but in no event shall the base fee be less than stated above

### 6.02 ADDITIONAL COMPENSATION

(a) In addition to the Base Compensation, should the Association require Agent to perform services in addition to those set forth herein, Association's shall pay agent in accordance with the provision set forth in paragraph 4.03 hereof.

(b) Association shall promptly reimburse Agent for (1) all costs associated with any approved Payroll pursuant to paragraph 3.04 directly allocable to the Association, including payroll taxes, workers compensation insurance and like obligations, (2) all direct postage, dedicated fax and long distance charges, stationary and check stock, and other charges set forth in Exhibit A hereof, and (3) any advances made by Agent for the benefit of the Association. The Association will reimburse these routine expenses to the managing Agent as identified in the attached Exhibit "A".

(c) Association acknowledges that affiliates of Agent may receive compensation from the Association for services rendered. Affiliates include Worthmore Maintenance & Construction Co., Worthington Insurance and First Service Financial, Inc. (FFI). FFI aggregates the purchasing resources of more than 1,700 community associations (containing more than 300,000 homes) located throughout the United States. FFI will provide lockbox services to the Association, and may make available insurance and other financial services and products, including access to its national preferred vendor program. FFI services are provided at no cost to Agent or the Association, however, FFI receives fees from the vendors it utilizes to cover its administrative expenses.



(d) Association acknowledges that it is Agent's practice to charge a handling fee directly to homeowners for researching, completing and providing resale and refinance surveys, financing questionnaires and certifications. In order to properly respond to such requests, Agent processes such requests through a separate department whose trained personnel respond with timely and accurate information.

## 7. TERMINATION AND RENEWAL.

### 7.01 TERMINATION

(a) This AGREEMENT shall be for the term as set forth in paragraph two (2) provided that the term shall be deemed to have renewed for an additional one year period and successive one year periods thereafter, unless either party provides the other with written notice such that the termination is effective at the end of the next month.

(b) This agreement may be terminated by the Association in the event Managing Agent is found to be in default of this Agreement and Managing Agent fails to cure the default as provided herein. In the event of a default, the Association, through its Board, shall notify Managing Agent in writing of the default, and Managing Agent shall have fifteen (15) days to cure the default. In the event Managing Agent fails to cure the default, the Association may terminate this Agreement, and the termination shall be effective immediately upon receipt of such notice by Managing Agent.

(c) Upon notice of termination, the Agent shall prepare for an orderly transition of responsibilities and records in accordance with the instructions of the Association. Within 15 days from the date of notice of termination, Agent shall make available to the Association for inspection all books and records of the Association in Agent's possession, which material shall be available for turnover to the Association as of the Termination Date. The Association shall bear the cost associated with photocopying material required to be retained by Agent.

(d) As of the date of termination, all sums due to Agent and all contractors, vendors, or other service agents procured by Agent on behalf of the Association shall be paid in full. In the event that there are insufficient funds to fully discharge all such liabilities, the Termination Date may, at the option of Agent, be extended until such funds are available. In the event that the Association disputes any such bills or charges, sufficient funds of the Association shall be deposited in an Escrow Account established in the joint control of the Association and Agent, pending resolution of the dispute. The Association agrees to bear full responsibility to the Provider of such goods or services and shall bear full responsibility for the cost of litigation resulting therefrom, if any.

(e) From and after the notice of termination, Agent shall not incur any expenses or obligations on behalf of Association unless in accordance with the specific written directive of the Association, except payments or reimbursements for previously approved bills.

(f) Agent shall, at no cost to the Association, prepare a final detailed accounting as of the Termination Date, which accounting shall be provided to the Association, together with any unclaimed books and records of the Association, as soon as practical but in any case no later than 45 days after the Termination Date, and thereafter the Agent agrees to cooperate with the Association's auditors regarding their financial and tax audits.

(g) Association acknowledges the value of Agent's employees and agrees to refrain from hiring or contracting with any of Agent's employees, affiliates or principals for a period of two years from the Termination Date.

(h) The revisions of paragraph 5 hereof shall survive termination.

## 8. AGENT'S INSURANCE

8.01 Agent shall maintain such insurance as is appropriate including without limitation, General Liability insurance, Workman's Compensation insurance, Employee Dishonesty Coverage, and Errors and Omissions insurance. Agent shall provide Association with suitable evidence of such insurance.

## 9. MISCELLANEOUS PROVISIONS

### 9.01 SIGNS

(a) Agent reserves the right to affix an (8" x 20") "Professionally Managed by ...." sign to the existing Association's sign(s). Said signs shall conform to the Association's architectural standards and colors.

### 9.02 ASSOCIATION'S AUTHORITY

(a) Agent shall take its direction from the Board, Council or other governing body of the Association, acting pursuant to the authority conferred upon it by the Master Deed, Declaration or other documents respecting the governance of the Association.

(b) The Association shall designate, from time to time, one officer of its governing body to act as liaison to Agent (the "Management Liaison"). Agent may rely upon any instructions, statements or approvals communicated to Agent verbally or in writing by Management Liaison, as if the same had been affected by a resolution of the Association's governing body.

### 9.03 BINDING EFFECT

(a) This Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereto, their successors and assigns.

(b) This Agreement shall constitute the entire Agreement among the contracting parties and no variance or modification thereof shall be valid and enforceable except in writing. Any subsequent change in this agreement, which might alter the Managing Agent's responsibilities or rights, as defined in this agreement, shall require prior approval by Agent. Should any part, term or provision of this Agreement be declared or decided by any court to be invalid or in conflict with the law, the validity of the remaining portion, terms or provisions, shall not be affected thereby, and the remainder of the Agreement shall continue in full force and effect.

### 9.04 GOVERNING LAW

(a) This AGREEMENT shall be governed by the laws of the State of New Jersey.

9.05 NOTICES

(a) All notices required hereunder shall be effective if delivered by certified or register mail, delivered as follows:

(a) If to Agent:  
Michael A. Mendillo, President & CEO  
Wentworth Property Management of NJ  
100 Highway 36, Suite 1A, W. Long Branch, NJ 07764

(b) If to Association:  
The Village Grande at English Mill Homeowners Association  
Attn.: President and Secretary

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

For: **VILLAGE GRANDE AT ENGLISH MILL HOMEOWNERS ASSOCIATION**

\_\_\_\_\_  
President Date

\_\_\_\_\_  
ATTEST Date

By: **WENTWORTH PROPERTY MANAGEMENT CORPORATION**

\_\_\_\_\_  
Michael A. Mendillo, President & CEO Date

\_\_\_\_\_  
ATTEST Date