

CANYON LAKE

PROPERTY OWNERS ASSOCIATION

May 1, 2023

Dear CLPOA Members,

At the April 4, 2023 Open Session, we announced the Board intended to enter into a new 5-year contract with CLPOA's General Manager, Eric Kazakoff. That contract is now fully executed. For those interested, a copy of said contract follows this statement.

Prior to entering into the new contract, the Board conducted a thorough due diligence period which involved evaluating Mr. Kazakoff's performance measured against the Board's stated goals, and researching comparable compensation packages for general managers of similar organizations, with similar amenities to CLPOA. After researching relevant market data, and evaluating Mr. Kazakoff's performance, the Board and Mr. Kazakoff entered the new contract, which includes compensation consistent with market rate for an organization of CLPOA's size and complexity.

Eric's commitment to the community association management profession is demonstrated through his volunteer position on the Board of Directors of the California Association of Community Managers (CACM), he has served on the statewide Board since 2020. Furthermore, he holds several certifications, including CAMEx® Community Association Management Executive, CCAM-LS® Certified Community Association Manager-Large Scale, and CMCA® Certified Manager of Community Associations, reflecting his community association management expertise. His involvement with CACM helps him stay current with industry trends and best practices. In recognition of his exceptional leadership and innovative contributions to the industry, Eric has received not one but two of five prestigious CACM Vision Awards in 2023 (Leadership and Innovator), which highlight his dedication to excellence and his commitment to staying at the forefront of the community association management profession.

During Mr. Kazakoff's tenure as General Manager, the Board has been consistently impressed with the dedication and commitment he has shown our community. We look forward to continuing to work with Eric into the future.

Sincerely,

Canyon Lake Property Owners Association,

Board of Directors 2022/23



Corporate Department
951.244.6841 x210



corporate@canyonlakepoa.com
www.canyonlakepoa.com



31512 Railroad Canyon Road
Canyon Lake, CA 92587

General Manager Employment Agreement 2023

I. Preamble

This "Agreement" shall supersede and replace any prior agreements on the subject matter contained herein and shall be in full force and in effect as of May 1, 2023 ("Effective Date"). This agreement is between **Canyon Lake Property Owners Association**, a California mutual benefit nonprofit corporation (hereinafter "Association") and **Eric Kazakoff** (hereinafter "GM"). Association and GM are collectively referred to herein as the "Parties" collectively, or singularly as "Party." The Parties agree as follows:

II. Term of Agreement

The term of the Agreement shall be for a period of five (5) years. The Parties acknowledge this Agreement takes effect shortly before an election of CLPOA's Board of Directors. The Parties intend, and agree, this Agreement cannot be terminated, or amended, in the first 100 days following the Effective Date.

III. Duties and Authority

Association agrees to employ the GM as General Manager of the Association to perform the functions and duties specified in the governing documents of the Association and Job Description of General Manager. The GM is expected to also carry out any other legally permissible and proper duties and functions as are customary to the position or as may be later determined.

GM will have purchasing and contracting authority up to fifty thousand dollars (\$50,000.00); any amount beyond will require the written authorization of the Board of Directors or duly passed Resolution of the Board of Directors and recorded in its Minutes. The Reserve Spending Fund resolution passed by the board on March 7th, 2022 shall also apply. The Accounts payable approval grid, approved on June 20, 2017 will apply to AP approvals.

The GM will be responsible for hiring and firing all employees of the Association with the exception of the following positions: Controller, Assistant General Manager, and Director of Operations who may be hired or terminated by the GM only after consultation with the Board of Directors as a whole in a duly noticed or emergency meeting in Executive Session.

The GM reports directly to the Association Board of Directors. The Board, by majority vote, may give direction to the GM concerning a specific issue. The GM is accountable to the Board as a whole. The Board, as a whole, appraises the GM's performance and determines employment conditions for the GM. It shall require an affirmative vote of 4 board members to terminate the GM with or without cause, as defined below.

It is important for the GM to maintain good relationships with all individual Board Members. Individual Board Members may contact the GM directly with requests for information on any issue they have concerns and/or for projects that they are working on at the direction of the Board of Directors. The GM is expected to provide said information but in the event that the GM believes that the request is not appropriate, the GM shall notify the President of the Board who will bring the matter to the full Board for determination.

GM and Staff relationships to the overall individual membership are also very important. Individual Association members may contact the GM or other staff with questions and/or concerns about issues. It is important that the GM when contacted respond to such contacts in a timely and appropriate manner. The GM should also ensure that staff are also instructed to respond to such Member requests in a timely and appropriate manner.

IV. Base Salary

The Association agrees to pay GM an annual base salary of \$262,000. The current POA baseline budgeting for year over year employee cost of living increases is 4-5% per year. All employees are reviewed based on this guideline with room for merit increases or decreases as determined by their supervisor. In this case the GM's annual cost of living increase will be established at a guaranteed 5% for satisfactory performance, with additional merit increases available at the discretion of the Board, during annual performance reviews.

The base salary will be pro-rated for any partial month worked under this Agreement. Upon termination of this Agreement, payment under this paragraph shall cease; provided however that the GM shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which the GM has not yet been paid and severance pay per Section XI b. Accrued vacations will be paid in accordance with state law and the Association's employee handbook.

V. Incentive Compensation

The GM will have the following incentive program: up to 15% of the base salary annually based on achievement of specific measurable goals, to be defined by the incoming Board for the next fiscal year. The goal results from the prior year will be presented to the outgoing Board of Directors at a meeting of the Board of Directors during an Executive Session scheduled in April of each year. The outgoing Board of Directors will evaluate the GM's performance to prior year goals, and will make an appropriate incentive award up to 15% of the base salary.

VI. Primary Benefits (Health, Disability, Life)

The Association agrees to provide, at no cost to GM, PPO Medical, PPO dental, Vision, and standard life insurance as provided to other employees of the Association. Association will also provide the same medical, dental, and

vision health insurance for GM's child at no cost.

VII. Vacation and Holiday Benefits

The association will provide GM with vacation benefit accrual of five weeks per year beginning on the employment anniversary date. Unused accrued vacation will roll over to the next anniversary year not to exceed a total accrual of four weeks. If the maximum accrual of four weeks is reached, and the GM does not take vacation time off, accrual will stop until GM takes time off. Accrual lost is not recoverable. GM will also receive the standard holidays under the same provisions as all other employees.

VIII. Automobile Expense and/or Allowance

The Association will pay the GM an auto allowance in the amount of \$500.00 per month. This automobile allowance is intended to compensate GM for travel and mileage expenses travelled in his car. GM will not be compensated for mileage but will receive this automobile allowance instead.

IX. Retirement Benefits

GM Shall be entitled to the same retirement benefits provided to other employees of the association, and per this employee's original offer letter, allowing matching 401K participation since 6 months from GM's employment anniversary date, which has since passed.

X. Homeowners' rights

The GM shall be able to participate and experience the community in the same way its residents do. GM shall be granted the same rights and privileges that a homeowner at Canyon Lake enjoys, including the ability to use the facilities and lake, and to obtain a boat sticker. All the standard fees paid by a homeowner for decals, facility usage, etc. will apply.

XI. Termination (Voluntary, Involuntary)

This Agreement is subject to termination under the following circumstances:

A. Termination "For Cause."

Upon a vote of 4 out of 5 of the of the Board of Directors, Association may terminate this Agreement at any time for cause. In the event of termination under this paragraph, Association's obligations to GM under this Agreement shall cease except for monthly salary and vacation benefits accrued to the date of termination. If employment is terminated under this paragraph, GM shall not be entitled to severance pay. The term "for cause" under this subsection is defined as any of the following:

- Any material breach by GM of any of Association's policies and procedures in existence at the time of the material breach;
 - Any actions taken by GM which in the sole opinion of Association materially adversely affect the business, goodwill or reputation of the Association or its members;
 - GM' s material failure to perform duties as assigned by the Association;
- or
- GM is un-bondable or becomes un-bondable by a bonding company as recommended by the Association's Insurance broker;
 - Any act of fraud, embezzlement or dishonesty;
 - Falsification, misrepresentation or material omission of any information provided by GM to the Board of Directors or the Association; or
 - Conviction of a felony.

B. Termination without cause.

Upon a vote of 4 out of 5 of the board of directors to terminate without cause, The Association agrees to pay GM severance pay equal to 12 months' salary and full incentive bonus. In addition to severance pay, the association shall pay for COBRA continuation coverage of employee's primary benefits described in Section VI for a period of 18 months or until GM obtains subsequent employment, whichever comes first, provided the GM requests coverage for such period. GM's right to receive severance pay is conditioned upon execution of a release of claims against the Association, in a form provided by and satisfactory to the Association.

C. Non-renewal of Agreement

Should the then-current Board intend to not renew this Agreement, 120 days' notice to the GM is required. Severance pay in Item B, above, will apply starting on the separation date, not to exceed 12 months' salary. The GM may also choose not to renew the agreement, provided 120 days' notice is given to the association. If GM chooses not to renew the agreement, no severance will be paid. If the intent of the parties is to renew this Agreement, GM will engage the Association in the renewal process at least 120 days before the expiration of the term of the Agreement.

XII Performance Evaluation

Association will annually review the performance of the GM in April, If GM has been employed for 6 or more months, the review process will include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and(3) present a written summary of the evaluation results. Annual salary increases and incentive per Section V will also be determined at this time. The final written evaluation should be completed and delivered to the GM within 30 days after the evaluation meeting. GM is responsible for initiating the evaluation process in time to allow for the exchange set forth herein.

XIII. Hours of Work

GM is expected to work during the regular business hours of the Association and it is further recognized that additional hours will be required for Board meetings, committee meetings, and other meetings with staff and vendors. GM understands that he may be required to work weekends and some holidays. Flex time is permitted as approved by the Board.

XIV. Bond

Association will bear the full cost of any bonds required of the GM under provisions of any law, ordinance or the governing documents. In the event that GM has done or does some act that prevents him from being bonded, he shall be terminated and said termination will be for cause and GM will not be entitled to any severance or other compensation other than that accrued to the date of such termination.

XV. General Business Expenses

Association will provide a Smart Phone and cellular account including data plan necessary to support Internet and email access. Association will also provide at no cost to GM a Computer, Laptop and tablet for business use.

Association recognizes that it is in the interest of the Association and the GM for the GM to obtain and maintain CACM and CAI certifications while employed by the Association. The GM also serves on the CACM Board of Directors. Accordingly, the Association will pay for the time, expenses, courses and conferences to obtain and maintain these certifications, and attend the CACM Board of Directors Meetings.

XVI. Notices

Notices that are required to be made to either GM or the Association shall be made as follows:

ASSOCIATION:

To the President at their home address as well as to their email address on file with the Association.

With a copy to General Counsel for the Association:

Sean Kane
Berding Weil
1660 Hotel Cir N #701, San Diego, CA 92108
Email: skane@berdingweil.com

General Manager

Eric Kazakoff

Email: ekazakoff@canyonlakepoa.com

[REDACTED]
[REDACTED]
[REDACTED]

Either Party's address may be changed by providing notice to the other in writing at the address so listed herein. Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil legal practice.

Notice will be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

XVII. General Provisions

A. *Integration or Merger*

This Agreement sets forth and establishes the entire understanding between the Association and the GM relating to the employment of the GM by the Association. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written Agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments will be incorporated and made a part of this Agreement.

B. *Binding Effect*

This Agreement will be binding on the Association and the GM as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. *Choice of Law*

This Agreement will be deemed executed in Riverside County, State of California regardless of the current domicile of GM and will be governed by and construed in accordance with the laws of the State of California. Any legal disputes will be decided in the County of Riverside, State of California.

D. *Effective Date*

This Agreement will be effective on May 1, 2023.

E. *Severability*

The invalidity or partial invalidity of any portion of this Agreement will not

affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions will be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expunging or judicial modification of the invalid provision.

F. Arbitration

Any claim, dispute, or controversy which would otherwise require or allow resort to any court or other governmental dispute resolution forum between GM and Association arising from, related to, or having any relationship or connection whatsoever with GM's employment or the terms of this Agreement, whether based on tort, contract, statutory, or equitable law, or otherwise, shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the Judicial and Mediation Service (JAMS). In the event that a Party desires to initiate an Arbitration proceeding, said Party shall deliver a demand for arbitration in accordance with the rules of JAMS. The arbitration will take place at the JAMS Riverside office.

The Parties understand by agreeing to this binding arbitration provision, both Association and GM give up their right to a trial by jury.

I UNDERSTAND AND AGREE TO THE TERMS OF EMPLOYMENT SET FORTH ABOVE.



4.26.23

Canyon Lake Property Owners Association General Manager, Eric Kazakoff

Date



4-26-2023

Canyon Lake Property Owners Association Board President, Renee Griffiths

Date

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Riverside)

On April 26, 2023 before me, Kati Trask,
(here insert name and title of the officer)

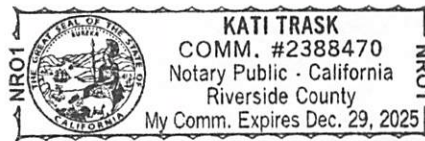
personally appeared Eric P. Kazakoff

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kati Trask



(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____

containing _____ pages, and dated _____

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-Fact
- Corporate Officer(s) _____ Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer(s) Signer(s) Thumbprint(s)
- _____

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

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State of California)

County of Riverside)

On April 26, 2023 before me, Kati Trask,
(here insert name and title of the officer)

personally appeared Renee T. Griffiths

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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(Seal)

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Other

Additional Signer(s) Signer(s) Thumbprint(s)
