

THIS AGREEMENT is made as of 7/31/2019 between Northridge Lakes-Woodlake Owners Association Inc ("Owner") and Founders 3 Management Company, a Wisconsin corporation ("Manager"). In consideration of the mutual covenants herein, Owner and Manager agree as follows:

1. BASIC TERMS

(a)	Owner Address:	6963a W Glenbrook Rd Milwaukee WI 53223		
(b)	Owner Federal ID Number:	23-7309497		
(c)	Manager's Address:	Founders 3 Management Company 252 East Highland Avenue Milwaukee, Wisconsin 53202		
(d)	Premises:	6963a W Glenbrook Rd Milwaukee WI 53223		
(e)	Original Term of Agreement:	<u>Duration:</u> 3 Years	<u>Starts:</u> 10/1/2019	<u>Ends:</u> 10/1/2022
(f)	One-Time Start-Up Fee:	\$ 2,000.00		
(g)	Monthly Management Fee:	\$ 2,500.00		
(h)	Management Fee Increase, Annual:	3%		
(i)	Commissions	\$ XXX		
(j)	Advance Deposit:	\$ 2,000.00		
(k)	Initial Working Capital Deposit:	\$ 5,000.00		
(l)	Minimum Funds Balance:	\$ 5,000.00		
(m)	Expenditure Limit:	\$ 2,000.00 – unless approved in budget, then budgeted amount		
(n)	Post-Termination Management Fee:	N/A		
(o)	Ownership Fiscal Year:	4/1-3/30		
(p)	Operating Budget Due Date	3/1		
(q)	Management Reports Due Date:	20 th of each month		

2. MANAGER DUTIES AND AUTHORITY

During the Term of this Agreement, Manager shall perform the following management functions and services for the Premises. To assist this, Owner grants Manager the authority, to do the following:

- (a) Property Management Standards: Manager shall exercise reasonable care and diligence in alignment with industry standards while managing the Premises and performing its obligations under this Agreement.
- (b) Collect Assessments and Deposits: Manager shall bill and collect all assessments and charges due from unit owners, and/or rents from renters if applicable. Manager shall deposit all receipts collected for Owner in a separate insured savings or checking account(s) in a reputable bank separate from Manager's other accounts ("Owner's Operating Account"). Manager shall make reasonable efforts to collect delinquent dues or rents before attorney collection efforts. If needed, Manager shall cooperate with Owner or attorney collection efforts, such as preparing necessary financial records and information.

- (c) Provide Management Reports: Manager shall provide Owner an accounting of the operation, income, expenses, and maintenance regarding the operation of the Premises on a periodic basis as stated in section 1(q) for all transactions occurring during the prior month. In addition, the reports shall compare the actual receipts and disbursements to the budgeted receipts and disbursements. Owner shall have access to Manager's books, records, and receipts at Manager's office during normal business hours.
- (d) Provide Operating Budget: On or before the date in section 1(p), Manager shall provide Owner a budget for the current fiscal year outlining the proposed expenditures for Owner's approval. For each new fiscal year, Manager shall provide Owner a new budget at least sixty (60) days prior to the beginning of each fiscal year. When approved by Owner, Manager will use the budget as a guide to operate the Premises, subject to any mutually-agreed revisions by Owner and Manager. If Owner does not approve the budget prior to the start of the new fiscal year, Manager may utilize Manager's proposed budget as a guide until revised by Owner.
- (e) Pay Operating Expenses: Manager shall, at Owner's sole cost and expense, pay utility charges, water charges, insurance premiums and other charges to operate and manage the Premises. Manager shall obtain and verify bills for real estate and personal property taxes, improvement assessments, and other like charges which are or may become liens against the Premises, and recommend payment or appeal in Manager's best judgment. If Owner agrees with Manager's recommendation to appeal a charge, Owner shall confirm this to Manager in writing in a sufficient period of time for Manager to timely file all the required objections and to avoid incurring interest and penalties. If Owner refuses or fails to provide Manager written authorization within ten (10) days of the due date Manager may pay the charge when it is due.
- (f) Administer Repairs and Maintenance: With owner's approval. Manager shall, at Owner's sole expense, make, or cause to be made, and supervise repairs, maintenance, replacements, alterations, and decorating of the Premises, and purchase supplies and pays all bills therefore. All fees for Manager's supervision under the preceding sentence shall comply with the Operating Expenses schedule in section 5(d). Manager shall obtain Owner's prior approval for all expenditures above the Expenditure Limit in section 1(m) for any one item, except recurring operating charges or other expenses approved by Owner in the Operating Budget, and emergency repairs. In the case of an emergency, Manager shall immediately notify Owner and attempt to mitigate any further damage and stabilize the situation before seeking additional expenditure approval. Owner shall receive the benefit of any rebate or discount which Manager may obtain.
- (g) Hire Independent Contractors: With owner's approval. Manager shall hire, supervise, and discharge any additional labor contractors required for the operation and maintenance of the Premises as independent contractors. Owner may request Manager to discontinue using a particular independent contractor. Manager is released from any liability arising directly or indirectly from the acts or omissions of such independent contractors.
- (h) Contract for Services: Manager shall, at Owner's sole expense, establish accounts and enter into contracts in the name of Owner for electricity, gas, fuel, water, steam, telephone, window cleaning, trash, janitorial, security, and other services Manager may deem advisable and as provided for in the Operating Budget.
- (i) Maintain Board Records and Board Liaison: Manager shall maintain the regular records of the Owner's Board of Directors ("Board") and Owner's records. However, Manager shall not be required to keep the Corporate Record Book or record the minutes of the meeting, nor conduct the meetings. The Board shall designate persons authorized to work with the Manager on any matter relating to managing the Premises. Absent any other designation by the Board, the President of the Board shall have this authority. In the President's absence, the normal descending order shall prevail.
- (j) Attend Meetings and Notices: Manager will attend a reasonable number of meetings as requested by Owner. Manager shall prepare and send unit owners all notices and documents relating to meetings.
- (k) Act as Government Liaison: Manager will prepare, execute and file, or submit to Owner for execution and filing, as applicable, all necessary reports to governmental or other regulatory authorities, such as sales tax

returns, if necessary, and insurance reports, and advise Owner of any necessary licenses or permits required by any regulatory authority of competent jurisdiction. Manager will establish the liaison with the real estate taxing authority and work to ensure that the Premises are assessed at a fair and equitable valuation or assist Owner in appealing the assessment if it is not fair and equitable.

- (l) Additional Services: Manager may, at its discretion, perform any other services beyond the scope of ordinary management services of this Agreement as requested in writing by Owner. This may include, but is not limited to, supervising major capital repairs, additions, or restoration of damage. Cost to Owner for such additional services will be reasonable and under terms as the parties may mutually agree.
- (m) Place On-Site Manager Signage: With Owner's prior written approval regarding location and type, which shall not be unreasonably withheld, Manager may place signage around the Premises indicating that the Premises is managed by a professional management company.

3. OWNER'S DUTIES

The Owner shall exercise reasonable efforts to enable the Manager to operate and maintain the Premises in first class condition, including, but not limited to, providing sufficient capital or financing for the Premises and approving operating budgets that provide sufficient funds to adequately maintain the Premises.

4. MANAGER'S ON-SITE EMPLOYEES

Any on-site property manager, maintenance technicians, front-desk, or other employees will be the employee of Manager and not of Owner. Manager shall comply with all applicable laws and regulations regarding employees including obtaining and maintaining worker's compensation insurance, withholding and paying employment taxes, paying wages, establishing an unemployment compensation account with the state of Wisconsin, filing required state and federal tax reports, and monitoring labor hours and other matters the parties may agree to in writing (collectively, the "Employee Related Expenses"). Manager is an equal-opportunity employer and will advertise as such. All employees shall be under Manager's sole direction and control to perform the services under this Agreement. As needed, Manager will provide Owner written job descriptions that define the roles and responsibilities of on-site employees, which will be reasonably discussed and approved by both parties.

5. FEES AND EXPENSES

Owner shall pay the following fees and expenses to Manager:

- (a) One-Time Start-Up Fee: Owner will pay the start-up fee in 1(f), on or before the beginning of the Term.
- (b) Monthly Management Fee: The Monthly Management Fee shall be paid monthly on the 10th of the month from Owner's Operating Account. The Monthly Management Fee will be increased 3% annually.
- (c) On-Site Employee Fees: All Employee Related Expenses of any on-site employees will be reimbursed by Owner on a monthly basis at cost plus normal burden such as PTO, SUTA, FUTA, worker's compensation, employee administrative costs, and related benefits, at cost. Owner shall have the right to approve all wage rates in writing in advance. Should owner request PTO coverage for any on-site employee, current labor rates as stated in section 5(f) shall apply.
- (d) Operating Expenses: Owner shall reimburse Manager for the following operating expenses:
 - (i) Office Expenses: Postage, courier fees, copies, telephone, bank/check charges, facsimile, after hour's answering service and similar expenses will be charged to Owner at cost without markup.
 - (ii) Yardi Accounting System: Electronic transactions and accounting records maintained in Yardi Voyager, including monthly fees for check scanning, invoice scanning, and on-line payment portal processing. Applicable Yardi licensing fees will charged to Owner at cost.

- (e) Labor Expenses: All labor expenses will be charged on an hourly basis consistent with the Operating Budget. Labor charges will be itemized and drawn from Owner's Operating Account on monthly invoices.
- (f) Labor Rates: Manager's current rates are shown below, and subject to reasonable adjustment upon advance notice.

Service	Hourly Rate
General Maintenance:	\$60/hour
HVAC, Mechanical, Electrical & Plumbing:	\$110/hour
Overtime and Emergency Rates: • Monday through Saturday, Prior to 8:00 AM & after 4:00 PM	150% of regular rate 2 Hour minimum charge
Overtime and Emergency Rates: • All hours on Sunday and Holidays (New Year's Day, Memorial, 4 th of July, Labor, Thanksgiving Thursday & Friday, Christmas Eve & Day)	200% of regular rate 2 Hour minimum charge
Property Manager	\$95/hour
Assistant Property Manager	\$75/hour
Leasing Specialist	\$60/hour

- (g) Manager's Executive Labor for Extraordinary Services: Owner will generally not be charged for the labor expense of Manager's executives, property managers, accountants, or clerical personnel; such expenses are included in the Monthly Management Fee. However, Manager may charge for such labor if certain required services are deemed extraordinary, in Manager's reasonable discretion. Manager will discuss the nature of such services and an appropriate hourly rate with Owner and obtain Owner's prior written approval before performing such services. If Owner instructs Manager not to perform the extraordinary service or fails to respond to Manager's request within ten (10) days after Owner's receipt of Manager's request, Owner shall be deemed to have declined Manager's authorization request.
- (h) Manager Fees for Construction Management / General Contracting Services: Manager will oversee and manage minor construction activities without additional charge. However, if Owner requests Manager to become a construction manager, Manager's fee will be [0% for projects under \$25,000], [8% for \$25,000-\$50,000], [6% for \$50,000-\$75,000], and [4% over \$75,000] of total construction costs.

6. ACCOUNTS AND DEPOSITS

- (a) Advance Deposit: Upon execution of this Agreement, Owner shall deposit sufficient funds with Manager to cover one month's payment of projected Employee Related Expenses and Monthly Management Fees. Such account shall be established and maintained by Manager. All advanced funds deposited under this section will be reimbursed to Owner upon termination of this Agreement after paying all payments due to Manager including, but not limited to, fees, reimbursements, and other payables.
- (b) Initial Working Capital Deposit: Before the Term of this Agreement begins, Owner shall deposit with Manager the initial working capital in section 1(k). This working capital deposit shall be held in Owner's Operating Account for Manager to pay Operating Expenses until sufficient revenue is generated by the Premises to pay them. The amount retained in Owner's Operating Account as working capital shall be adjusted as Manager and Owner approve and the operating budget shall be revised accordingly.
- (c) Minimum Fund Balance: Owner shall maintain the Minimum Funds Balance required in its Owner's Operating Account under section 1(l) to assure the timely payment of all applicable expenses and fees and to avoid penalties. Manager shall notify Owner if the balance in Owner's Operating Account decline below the Minimum Funds Balance and Owner shall immediately restore the Minimum Funds Balance.

- (d) Manager's Rights Upon Shortage of Funds: If Owner fails to make deposits into Owner's Operating Account required under sections 6(a) - (c), or otherwise fails to pay any required expense, or if any emergency makes it impractical for Manager to give the Owner prior notice of fund shortages, Manager may, at Manager's option, either (a) temporarily suspend its management obligations under this Agreement until Owner deposits the requested balances or (b) terminate this Agreement upon ten (10) days advance written notice to Owner, each without incurring liability to Owner. Notwithstanding the foregoing, Owner shall remain obligated to and shall timely pay the Monthly Management Fee for all periods through the termination of this Agreement. Similarly, Owner shall remain obligated to and shall timely pay all other fees and expenses of this Agreement.

7. MANAGER'S AGENCY STATUS

Manager is an independent contractor and shall act as Owner's exclusive agent to manage, operate, maintain and service the Premises in Manager's sole discretion, and as further stated in this Agreement.

8. OWNER DOCUMENTS AND RECORDS REQUIRED BY MANAGER

Owner shall provide Manager all documents and records, including all leases, amendments and applicable correspondence, name, contact information and account numbers for all lenders, mortgage payment schedules and any other recurring financial obligations, insurance policies and endorsements, and organizational documents including articles and amendments thereto file stamped by the state of organization, operating agreement, bylaws, federal employer identification number and consent resolutions. These organizational documents are for informational purposes only, and Manager is not responsible to interpret, apply, or enforce such organizational documents. Exclusivity of appointment shall not apply to construction management or general contractor activities because Owner reserves the right to contract with third parties for such services.

9. INDEMNIFICATION

- (a) Owner: Owner shall indemnify and hold Manager harmless for any claims, actions, proceedings, damages, liabilities, costs, expenses, interest, and fees including, without limitation, reasonable attorneys' fees and costs, arising directly or indirectly, from any of the following:
- (i) the negligent acts or omissions of Owner or its employees or agents;
 - (ii) the breach of any representation or warranty of the Owner given in this Agreement;
 - (iii) the breach or default in the performance by Owner of any of the obligations in this Agreement;
 - (iv) liability or claimed liability from an Owner-authorized appeal of any Operating Expenses (whether successful or unsuccessful) or from any other delay in the payment of any Operating Expenses in 2(e);
 - (v) the acts or omissions of any third party construction manager or general contractor retained by Owner;
 - (vi) Manager's failure or inability to perform necessary extraordinary services based on Owner's failure to respond or failure to approve Manager's request to perform such extraordinary services in 5(g).

If any claim is covered by an insurance policy maintained for the benefit of Owner and Manager, Owner waives, for itself and for all its insurers, all claims and rights of subrogation which it may have against Manager, its employees and agents. If the indemnification is due to the acts or omissions of Manager or its employees acting in their capacity as an agent for Owner, such indemnification be limited to the amount of insurance Manager has to cover claims against Manager. This Owner indemnity does not apply to any acts or omissions of the Manager or its employees involving negligence, willful misconduct, fraud, or bad faith.

- (b) Manager: Manager shall indemnify and hold Owner harmless for any claims, actions, proceedings, damages, liabilities, costs, expenses, interest, and fees including, without limitation, reasonable attorneys' fees and costs, arising directly or indirectly, from any of the following:
- (i) the negligent acts or omissions of Manager or its employees or agents;
 - (ii) the breach of any representation or warranty of the Manager given in this Agreement;

- (iii) the breach or default in the performance by the Manager of any of the obligations in this Agreement;
- (iv) any employment related claims or assertions by any employee of Manager performing services at the Premises of incorrect employment classification, direct liability, joint or co-employer responsibility, or claims of Owner's employment responsibility for Manager's employees. Such claims shall be the sole responsibility of Manager to defend, at its sole expense, unless such claim involves discriminatory conduct that was perpetrated by the Owner against the Manager's employee.

If any claim is covered by an insurance policy maintained for the benefit of Owner and Manager, Manager waives, for itself and for all its insurers, all claims and rights of subrogation, which it may have against Owner, its employees and agents. This Manager indemnity does not apply to any acts or omissions of the Owner, its directors, officers or employees involving negligence, willful misconduct, fraud, or bad faith.

- (c) Mutual Cooperation: If any claims, demands, suits or other legal proceedings are made by any person against Owner or Manager relating to this Agreement, each party shall give the other all pertinent information and reasonable cooperation in the defense or to the disposition thereof.

10. INSURANCE

Owner Insurance: Owner shall effect and maintain, at Owner's expense, commercial general liability insurance of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate, and equipment breakdown, fire, and general casualty (with extended coverage endorsement added), superintendent's fidelity bond, loss of rent, business interruption, and such other insurance and in such amounts as Manager may deem reasonably necessary for the protection of the interests of Owner and Manager and as stated in the approved operating budget. Upon execution of this Agreement, Owner shall provide Manager a certificate of insurance for the commercial liability policy in form reasonably satisfactory to Manager, which shall identify Manager as an additional insured and shall contain a clause that the insurer will not cancel or diminish the insurance without giving Manager thirty (30) days prior written notice. Manager shall receive a renewal of each certificate at least thirty (30) days prior to the expiration of such commercial liability policy.

Manager Insurance: Manager shall effect and maintain, at Manager's expense, commercial liability insurance of at least one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate.

Manager Notice of Insurance Lapse and No Responsibility: Manager will periodically review Owner's insurance coverage and shall promptly advise Owner if Manager learns that any such coverages have lapsed or have been cancelled without the knowledge of Owner. Notwithstanding the foregoing, Manager is not responsible to completely and accurately assess the adequacy of insurance coverages. Owner shall consult knowledgeable insurance advisors for the purpose of effecting adequate insurances with respect to the Premises.

11. TERM AND TERMINATION

- (a) Term: The term of this Agreement shall be as set forth in Section 1(e), unless otherwise terminated as provided in this Agreement. This Agreement shall automatically be extended for a like term following the expiration of the Original Term. After the Original Term, either party shall have the right to terminate this Agreement upon ninety (90) days prior written notice to the other at which time Manager and Owner shall fully and completely perform their remaining obligations under this Agreement including, without limitation, the payment of the Management Fee and all other fees, expenses and charges due to Manager and third parties through the date of termination of the Agreement pursuant to such notice, and the parties shall thereafter have no further obligations to each other.
- (b) Termination: This Agreement may be terminated (i) by either party without prior notice, if a petition in bankruptcy is filed by or against the other party, and such petition is not dismissed within thirty (30) days of filing or either party makes an assignment for the benefit of creditors, or invokes any insolvency act; or (ii) by either party upon material breach of any terms of this Agreement by the other party and failure to cure such breach within thirty (30) days after written notice of such breach has been given to the breaching party.

- (c) Return of Owner Records and Funds upon Termination: Upon termination, Manager shall, at owners cost, deliver to Owner (i) copies of all books, records, contracts, leases, deposit receipts, unpaid bills, and deposit account records related to managing the Premises; (ii) a final accounting reflecting the income and expense balances as of the date of termination, within 30 days after termination; and (iii) any balance of Owner funds or tenant security deposits held by Manager after Owner pays all applicable Monthly Management Fee and all other fees and expenses. Any security deposits shall not be offset to the extent such offset is prohibited by applicable law.
- (d) Operating Expense Deposit upon Termination: Upon Termination, Owner will deposit a sum equal to the average of one month's operating expenses in the Owner's Operating Account to ensure all Operating Expenses and independent contractor expenses are paid by their due dates.
- (e) Management Fees upon Termination: Upon termination, Owner will pay Manager post-termination Management Fees to assist with the ninety (90) day transition period. The post-termination Management fees will be a full month's Management Fee for the first thirty (30) days, (1/2) Management Fee for the next thirty (30) days and (1/4) Management Fee for the final thirty (30) days.

12. NO CONFLICTS OF INTEREST AND EXCLUDED SERVICES

Manager and its officers, directors, shareholders, and its affiliates are active in developing, marketing, managing, and leasing office, commercial, and industrial buildings in the same market as the Premises and Owner agrees that such activities do not constitute a conflict of interest or otherwise breach Manager's duties. Manager services do not include procuring tenants, leasing space within the Premises, or selling all or any portion of the Premises. If Owner hires such affiliates, the terms and conditions of this Agreement shall not be affected and there shall be no conflict of interest or breach of Manager's duties by reason of such arrangement.

13. NON-SOLICITATION OF MANAGER'S EMPLOYEES

Manager has invested significant time and expense selecting, developing, and integrating its employees and has a legitimate protectable interest in maintaining a continuous employment relationship with them. Therefore, Owner warrants that, in no event, will Owner solicit, or assist any person or entity to solicit, any employee to terminate their employment with Manager, or cause any event(s) to occur which terminates or curtails such employee's relationship with Manager.

If Owner, or any person or entity on its behalf, violates this provision, Manager shall be entitled to injunctive and other forms of equitable relief preventing such violation and to recover from Owner Manager's reasonable fees and costs incurred to enforce this provision. Owner shall indemnify and hold Manager harmless as set forth in 9(a) of this agreement which shall include Three (3) times annual salary and benefits.

14. ADDITIONAL PROVISIONS

- (a) Arbitration: Any dispute or claim between the parties shall be settled by a single arbitrator in binding arbitration conducted in Milwaukee, Wisconsin under the Commercial Arbitration Rules of the American Arbitration Association, or other arbitration service the parties may agree upon. The arbitrators award may be entered in any court having jurisdiction. Additionally, the following rules shall apply:
 - (i) Each party shall be entitled to discovery exclusively by these means: (i) requests for admission, (ii) requests for production of documents, (iii) up to 15 written interrogatories (subparts to be counted as a separate interrogatory), and (iv) depositions of no more than six individuals;
 - (ii) Unless the arbitrator states delay is justified, or as agreed by the parties, discovery shall be completed and the arbitration hearing shall begin within five months after the arbitrator is appointed;
 - (iii) Unless the arbitrator states delay is justified, the hearing will be completed, and an award determined within 30 days of concluding the hearing.

The arbitrator may provide equitable types of relief and any court may enter an order compelling such relief. The arbitrator also shall determine which party's legal position is more substantially correct (the "Prevailing Party") and the non-prevailing party shall pay the legal and other reasonable arbitration and court costs incurred by the Prevailing Party. However, a court of competent jurisdiction may enter a temporary restraining order or an order enjoining a breach of this Agreement pending a final award or further order by the arbitrator. Such remedy shall be cumulative and nonexclusive.

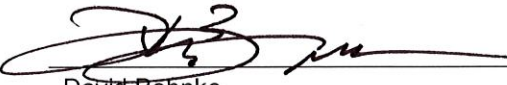
- (b) Notices: Any written notice to be given by either party to the other under this Agreement shall be delivered in person or sent by either US certified mail to the addresses in 1(a) and 1(c), return receipt requested, postage prepaid or by Federal Express or other nationally recognized delivery service.
- (c) Non-Assignable: This Agreement and any rights hereunder may not be assigned without the prior written consent of the other party. Manager consents to the collateral assignment of this Agreement by Owner to Owner's lender(s) and upon request Manager shall acknowledge such assignment(s). Any attempt to assign this Agreement or any rights herein without the prior written consent of the other party shall be void.
- (d) Binding Agreement: This Agreement shall be binding upon, and inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of the parties.
- (e) Applicable Law: This Agreement shall be governed by the laws of the State of Wisconsin.
- (f) Severability: Each provision of this Agreement shall be severable. If any provision is determined to be invalid, such invalidity shall not impair or affect the other provisions of this Agreement which are valid.
- (g) Headings: Section headings are for descriptive purposes only and shall not control or alter the meaning of this Agreement as stated in the text.
- (h) Entire Agreement: This Agreement is the entire agreement of the parties. Any amendments, additions, or deletions to this Agreement shall be null and void unless approved in writing by both parties.

[Signature Page To Follow]

15. SIGNATURES

Both parties below represent they are authorized to sign and bind their respective entities and Manager may delay any services until this Agreement is fully executed.

MANAGER: FOUNDERS 3 MANAGEMENT COMPANY

By: 
David Behnke

Its: CEO

Dated: 8/20/19

OWNER: NORTHRIDGE LAKES-WOODLAKE
OWNERS ASSOCIATION INC.

By: Daniel J Ogens 
Daniel J Ogens

Its: President

Dated: 08/18/2019
01:18 PM CDT

By: Sharon Ebel 
Sharon Ebel

Its: Vice-President

Dated: 08/18/2019
01:46 PM CDT