

MANAGEMENT AGREEMENT

THIS AGREEMENT is made this 1st day of January, 2022, by and between Overlook Lakes Condominium Association, Inc. ("Association") and SCI Real Estate, Inc. ("Manager")

Recitals

Association administers common elements and related improvements, for use by persons residing in certain condominium units located in Greendale, Wisconsin, commonly known as Overlook Lakes Condominium (the "Condominium"). Association desires that the Condominium be managed on its behalf and Manager desires to render such services.

Agreements

Now, therefore, in consideration of the above and for other value received, the parties agree as follows:

1. Management. Association hereby retains Manager to operate and manage the Condominium and Manager hereby agrees to operate and manage the Condominium, on the terms and conditions hereinafter set forth.

2. Powers and Duties of Manager. (a) Manager shall have the exclusive right and shall use its best efforts to (1) manage all aspects of the Condominium except as set forth herein; and (2) collect any income from the Condominium and make disbursements as provided below. Manager shall have the power to sign any contract on behalf of Association in accordance with the approved annual budget. Manager **shall** obtain the consent of Association prior to entering into **contracts where Association liability is in excess of \$25,000 per year. Manager need not obtain consent of Association prior to entering into a contract**, or modification or renewal thereof **less than \$25,000** per year, provided that no contract, renewal, modification or amendment shall be made by Manager on terms other than those then generally prevailing in comparable residential condominium complexes within the greater Milwaukee, Wisconsin area. Any such contract may be with an affiliate of Manager.

(b) On or before November **1st** of each year, Manager shall submit to Association a detailed proposed budget of anticipated revenues and all expenditures for the Condominium for the upcoming calendar year which commences January 1st, which budget will include a reserve, for the purpose of determining the budget and corresponding HOA fee for the upcoming year; this will enable the Board to notify homeowners on or around December 1st (of the current year) of any changes to the HOA fees which will commence on January 1st of the upcoming year. Manager shall not contract for or expend any sum which causes the actual expenditure in any category to be in the aggregate greater than 120% of the budgeted amount, without the prior consent of Association. Such limitation is in addition to any other limitations on expenditures or contracts contained in this Agreement.

(c) Manager shall in Association's name and at Association's expense take actions reasonably calculated to collect delinquent member's assessments or other amounts but shall not commence any legal actions or proceedings to collect the same or hire counsel therefor, without the prior consent of Association.

(d) Manager shall, at Association's expense, make or cause to be made such ordinary repairs or alterations to the Condominium as may be advisable or necessary and shall purchase such supplies as may be advisable or necessary for operation of the Condominium.

The expenses incurred for any one item of alteration or repair shall not exceed the sum of \$5,000 except as authorized by Association or except under emergency conditions. Manager shall credit to Association any rebate or discount on purchased items. Approved Service contracts for perennial maintenance are excluded from this limitation. In addition, ongoing repairs and maintenance performed on time and material basis at the request of the Association, that cumulatively exceeds \$10,000 is excluded from this limitation.

(e) Manager shall, at Association's expense and in Association's name, make contracts for electricity, gas, steam, fuel, water, telephone, window cleaning, pest control and other services as may be required for the efficient operation of the Condominium. Association shall assume all such contracts upon the termination of this Agreement.

(f) Manager shall disburse from monies collected such sums as are necessary to pay salaries and other expenses and other items set forth herein. Manager shall furnish to Association, by the 15th of the month, a monthly statement of receipts and disbursements for the preceding calendar month.

(g) Manager shall be promptly reimbursed for any monies which it may advance for the account of Association, but Manager is not obligated to make any advances.

(h) All monies received by Manager for or on behalf of Association shall be deposited in a bank selected by Association in an account or accounts maintained for the deposit of monies of Association and not commingled with the funds of Manager or others, as to which both manager and Association shall each have signature authority. Any withdrawals from said account in excess of \$5,000 shall require the signature of Manager and consent of Association. This limitation does not apply to approved Service contracts for perennial maintenance, insurance premiums, or for fees due manager. Upon Board approval Manager may withdraw any amount for the investment of such funds in bank and/or savings and loan interest bearing accounts or to make debt service payments, if any.

(i) Any employee of Manager, and Association Board Members with responsibility for the custody or handling of Association's funds shall be bonded by a fidelity bond. The amount, form and issuer of such bond

shall be approved by Association and Association shall pay the premium therefor. If a bond is obtained with respect to the Project and other activities, Association shall pay a reasonable portion of the premium for such bond.

(j) Manager shall pay real estate or other taxes and assessments, water charges, premiums for insurance, and debt service, if applicable, unless Association directs Manager not to do so in writing.

(k) If Association requests Manager to perform extraordinary services, as outlined in Addendum A, then Manager shall receive a fee therefor in an amount to be agreed upon in advance between the parties, in addition to the amounts set forth in Section 4. These extraordinary service fees shall be termed "Construction Management Fee". (See Addendum A). In addition, Manager shall receive a "General Contractor" fee for All insurance claim work submitted and expedited by Manager on behalf of the Association at the prevailing rates paid to General Contractors for Overhead & Profit, but not to exceed 18%.

(l) Manager shall keep, for Association's benefit, full and detailed records covering the operation and management of the Condominium. Association and Association's accountants at all times shall have access to such records as well as to all other books and records of Manager in connection with the management and operation of the Condominium. Manager shall provide monthly financial statements, trial balance, delinquency report, and monthly work order report to Association by the 15th of the month, for the preceding month. In addition, Manager shall provide to Association, a monthly trial balance for the Overlook Lakes Master Association on a monthly basis. Manager, or agent of manager shall attend (4) Association meetings per year.

(m) Upon obtaining written notice thereof, Manager shall promptly notify Association in writing of any violation, order, rule or determination of any federal, state, county or municipal authority affecting the Property.

3. Indemnification and Insurance. (a) Manager shall hold Association harmless from liability for damages or injuries to persons or property caused by the negligent or intentional misconduct of Manager or its employees.

(b) Manager shall reimburse Association for and indemnify Association against the payment of any monies which Association is required to pay in connection with or as an expense in defense of any civil or criminal action, claim, proceeding, charge or prosecution made, instituted or maintained against Association or Association and Manager jointly, due to, caused by, or arising out of the intentional misconduct of Manager and to fully indemnify Association against any judgment, loss or settlement on account of any of the foregoing.

(c) Association shall hold Manager harmless from liability for damages or injuries to persons or property in any way relating to the Condominium except for those matters described in subsection (a). This subsection shall survive the termination of this Agreement.

(d) Association shall reimburse Manager for and indemnify Manager against the payment of any monies which Manager is required to pay in connection with or as an expense in defense of any civil or criminal action, claim, proceeding or charge made, instituted or maintained against Manager, or Manager and Association jointly, which relate to the Condominium, except for matters described in subsection (b), and to fully indemnify Manager against any judgment, loss or settlement on account of any of the foregoing. This subsection shall survive the termination of this Agreement.

(e) Notwithstanding the foregoing, if any claim is made which is covered by an insurance policy maintained for the benefit of Association and Manager, then Association hereby waives all claims which Association may have against Manager, and its employees and agents. Association will attempt to remove from all such insurance policies any rights of subrogation which the respective insurers may have against Manager. The cost, if any, to obtain such waivers shall be borne by Association.

(f) Association shall carry public liability insurance and such other insurance as may be necessary for the protection of the interests of Association and Manager as Manager recommends. In each such policy of insurance, Manager shall be designated as an additional insured. If requested, Association shall provide to Manager a certificate or certificates of insurance evidencing each policy issued. Manager shall advise Association with respect to such insurance coverages and may obtain the same in Association's name and at Association's expense.

4. Compensation. As a fee for the management services performed hereunder, Association shall pay Manager \$12.50 per month per unit, or \$27,600.00 per year, during the term hereof, payable monthly. Manager shall deduct its fee from amounts collected before transmitting any funds to Association pursuant to Section 2. In addition, Manager shall deduct its fee for Construction Management Services in a like manner.

5. Terms and Extensions. (a) This Agreement shall be renewed on Jan. 1st, on an annual basis, with agreement between the Association and Manager.

(b) Association may terminate this Agreement effective (1) 5 days after the receipt of written notice to Manager given by Association if Manager commits or permits fraud, waste, acts of dishonesty or other willful material disregard of the duties imposed herein and (2) 90 days after the receipt of written notice to Manager given by Association for any other reason. Manager may terminate this Agreement effective 90 days after giving notice to Association for any reason or no reason.

(c) If a petition in bankruptcy is filed by or against either Association or Manager or if either shall make an assignment for the benefit of creditors or take advantage of any insolvency proceeding, either party hereto may forthwith terminate this Agreement without notice.

(d) Upon any termination, Manager shall submit to Association all records kept pursuant to Section 2 hereof. If Association requests Manager to prepare additional reports or if Manager incurs any costs in connection with the termination of this Agreement, Association shall, upon Manager's request, pay to Manager a fee equal to Manager's time and material costs incurred by Manager performing same. Manager's Billable Rate Schedule is attached in Addendum A.

6. Construction and Effect. (a) Manager may become or continue to be the owner or manager of other residential complexes in the metropolitan Milwaukee, Wisconsin area intended for occupancy by the same type of individuals intended for the Condominium without having a conflict of interest.

(c) This Agreement represents the entire agreement between the parties with respect to the subject matter contained herein and may be modified only by a writing signed by both parties.

Executed as of the date first written above.

**Overlook Lakes Condominium
Association, Inc.**

By: _____
Thomas Meyer, President

SCI Real Estate, Inc.

By: _____
John Sileno, President

Addendum A

Construction Management Fee

This Addendum serves as a clarification of the duties imposed by item (2d) of the property Management Agreement (Agreement) dated January 1, 2022, between SCI Real Estate, Inc. (Manager) and Overlook Lake Condominium Association, Inc. (Association).

More specifically “ordinary repairs” or “alterations” are to include but are not limited to the following: exterior building painting, asphalt seal coating, minor roof repairs, landscaping replacements & lawn and lawn irrigation repair.

The Agreement does not obligate Manager to perform “construction management” services for replaceable building or site improvements. As stated in item (2k), Manager shall receive a fee for performing “extraordinary services”. Extraordinary services would include but are not limited to: concrete curb and walk replacement, asphalt replacement, roof replacement, overhead door replacement, storm door replacement, window or patio door replacement, brick or siding replacement, gutter & downspout replacement.

In general, ordinary repairs are work that can be construed as repairs. Extraordinary services would include services performed to manage the replacement of building improvements.

These extraordinary services shall be termed Construction Management Services. Construction Management Services shall include: forming bid documents; bidding and/or coordinating materials, equipment & labor; contracting; supervision; collecting lien waivers; and processing invoices. SCI Real Estate, Inc. shall receive a Construction Management Fee for these services equal to:

Capital Expenditure /Replacement Reserve	Construction Management Fee	Fee Cap
\$ 0 < \$100,000	10%	\$9,000
\$100,000 < \$150,000	9%	\$12,000
\$150,000 < \$200,000	8%	\$14,000
\$200,000 <	7%	

Association is not obligated to hire Manager for Construction Management Services, in which case, Manager's only obligation is to pay Association approved invoices for work which they have contracted elsewhere to complete.

SCI Billable Rate (s)

Subject to item (5d), if Association requests Manager to prepare additional reports, update budgets more than once per quarter, or furnish paper copies, than Manager's time and material costs shall be billable based upon the following rates:

Staff Book-keeper:	\$50 per hour
Staff Property Manager	\$35 per hour
Staff Office Assistant	\$25 per hour