

PROPERTY MANAGEMENT AGREEMENT

Apex Property Management, Inc.
&
Weston Place Condominium Owners Association, Inc.

This agreement is made and entered into this 20th day of October, 2015 by and between Weston Place Condominium Owners Association, Inc., a Wisconsin corporation (hereinafter referred to as "Association") and Apex Property Management, Inc., a Wisconsin corporation (hereinafter referred to as "Manager").

WHEREAS, the Declaration of Condominium creating the Association provides that its control and administration shall be vested in the Condominium and its Board of Directors; and

WHEREAS, the Board of Directors of the Association deems it in the best interest of the Condominium to employ the Manager to manage the property of the Condominium; and

WHEREAS, the Manager, which is in the business of providing management services to condominium associations, is desirous of performing such services for the Association as an independent contractor:

NOW, THEREFORE, in consideration of the terms, conditions and covenants hereinafter set forth, the parties thereto mutually agree as follows:

- (A) **Contract** The Association hereby contracts with the Manager and the Manager hereby accepts the contract, on the terms and conditions hereinafter provided, as exclusive managing agent of Weston Place Condominium Owners Association located in the city of Madison, Wisconsin.
- (B) **Term of Contract** This agreement shall be in effect beginning November 1, 2015, unless otherwise modified, and shall be in effect unless terminated as below:
- (1) This agreement may be terminated by either party, without cause and without termination fee, on sixty (60) days written notice.
 - (2) In the event a petition of bankruptcy is filed by or against the Manager or in the event that the Manager shall make an assignment for the benefit of creditors, or take advantage of any insolvency act, either party hereto may terminate this Agreement, and such termination shall be effective upon the mailing of written notice from one party to the other by certified mail.
 - (3) In the event it is alleged or charged that any act or failure to act by the Association or its Board of Directors fails to comply with or is in violation of the requirements of any constitutional provision, statute, ordinance, law, rule, order or regulation of any governmental body or of any public authority or official thereof having or claiming to have jurisdiction over the Association and its Board, and the Manager in its sole discretion considers that the action or position of the Association with respect hereto may result in damage or liability to the Manager, the Manager shall have the right to terminate this Agreement, which shall not release the indemnities of the Association set forth in paragraph (C)(4) below and shall not terminate any liability or obligation of the Association to the Manager for any payment or reimbursement or other sums of money then due and payable to the Manager hereunder.

- (4) Upon termination and within thirty (30) days of the termination of this Agreement, unless extensions of time are agreed upon by both parties in writing, the parties hereto shall account to each other with respect to all matters outstanding as of the date of termination, and all documents and records belonging to the Association shall be returned to the Association.

(C) **Scope of Services** The Manager hereby agrees to perform the following services in the name of and on behalf of the Association and the Association hereby gives to the Manager the authority and powers required to perform the following services:

(1) **Financial Management**

- (a) The Manager shall maintain the Association's records, files and books of account.
- (b) The Manager shall attempt to collect all monthly assessments and other charges (including attorney's fees costs, fines, penalties and interest) due the Association. The Manager is hereby authorized to request, demand, collect, receive and receipt for all such charges which may at any time be or become due to the Association by way of legal process otherwise as may be required for the collection of same, provided the Manager shall not commence any legal actions or process unless authorized by the Board of Directors. The Association shall reimburse the Manager for all costs of legal action incurred in the collection of same. The Manager shall furnish an itemized list of all accounts for delinquency charges with each financial statement if requested to do so by the Board of Directors.
- (c) From funds collected and deposited in special accounts hereinafter provided, the Manager shall prepare drafts for payments of all charges and obligations incurred by the Association after receipt of the same at the Manager's office provided, however, the Manager shall not be obliged to make any advances to or from the account of the Association without assurance that necessary funds for the discharge thereof will be provided. From the funds collected and deposited in special accounts hereinafter provided, the Manager shall cause to be disbursed regularly and punctually in any order that may be specified by the Board of Directors of the Association for payment or for allocation to reserve accounts; and sums otherwise due and payable by the Association as operating expenses authorized to be incurred under the terms of this Agreement; including the management fee payable to the Manager.
- (d) After disbursement, any balance remaining in the special accounts may be disbursed or transferred to other Association accounts from time to time, but only as directed by the Board of Directors of the Association.
- (e) The Manager shall maintain office records, books and accounts which shall be subject to examination by agents authorized by the Association during reasonable business hours. The Manager shall prepare and promptly submit to the Board of Directors of the Association on a monthly basis a standard financial statement indicating account balances, budget figures, and year to date operating figures. The format of the financial statements may be customized at additional cost.

- (f) The Manager shall, in consultation with the Finance Committee, monitor the Association's checking and savings accounts and reconcile said accounts each month. The Manager shall not reduce the balances in any of the accounts below zero at any time.
- (g) Prior to the annual meeting the Manager shall, in consultation with the Finance Committee, assist the Board of Directors of the Association in preparing a proposed budget for the next fiscal year showing anticipated expenditures for such year and any other data specifically requested by the Board of Directors.
- (h) The Manager shall send each member of the Board of Directors, and the Chairperson of the Finance Committee, a monthly financial statement.
- (i) Within forty-five (45) days after the end of each fiscal year, the Manager shall submit to the Association a financial statement for the preceding year. This service is not to be construed as to require the Manager to supply an audit or tax preparation. The audit or tax preparation which may be required by the Association shall be prepared at the expense of the Association by accountants selected by the Association.
- (j) The Manager shall prepare and file annual 1099 tax forms required by law in connection with contracting of all independent contractors. In the event the Manager uses its own employees, the Manager shall be responsible for payment of workers compensation and employment insurance.
- (k) The Manager shall establish and maintain, in a bank whose deposits are insured and in a manner to indicate the custodial nature thereof, separate bank accounts as Agent of the Association with the authority to draw thereon for any payments to be made by the Manager in order to discharge any liabilities or obligations of the Association incurred pursuant to the Agreement, all of which payments shall be subject to the limitations of this Agreement. The Manager shall deposit all reserve funds provided for in the Declaration and as established by the annual budget or as directed in writing by the Board of Directors of the Association.
- (l) The Manager shall be the Secretary/Treasurer of the corporation for the purposes of signing all resale forms on behalf of the Association and acting as the custodian of the Association's records and files.
- (m) If the Board of Directors chooses to require the signature of an officer on financial drafts, the designated signer will do so at the office of the Manager on a timely basis. The Manager will not be required to deliver bank checks for signature.
- (n) The Manager will provide a system for 24-hour emergency management and maintenance service. Service from 8am – 5:30pm Monday – Friday, shall be charged at normal rates shown in paragraph (C)(5)(f). Emergency services at other times shall be charged at \$85.00 per hour. The emergency technician on call will normally contact the member who places an emergency service call within 30 minutes to confirm the nature of the emergency and plan for response. Manager shall be paid from Association funds for building emergencies, and shall invoice unit owners directly if appropriate.

- (o) All employees of the Manager who handle or are responsible for the safekeeping of any money of the Association will be covered by employee dishonesty insurance in the amount of \$75,000, with a company determined by the Manager, protecting the Association and Board of Directors.

(2) Maintenance Management

- (a) Subject to direction and at the expense of the Association, the Manager shall cause the buildings, appurtenances and grounds of the condominium and its common areas and facilities to be maintained according to the standards acceptable to the Association and consistent with the Declaration, By-Laws and Rules and Regulations of the Condominium as determined by the Board of Directors, including, but not limited to exterior cleaning, carpentry, lawn maintenance, snow removal services, tree trimming and such other and normal maintenance and repair work as may be necessary, subject to any limitations imposed by the Association in addition to those contained herein.
- (b) For any one item of repair or replacement the expense incurred shall not exceed One Thousand Dollars (\$1000) unless specifically authorized by the majority of the Board of Directors of the Association by separate writing or by budget which has been approved by the Board of Directors of the Association; provided, however, that emergency repairs involving manifest danger to life and property or safety of the owner, or required to avoid the suspension of any necessary service to the Condominium or to its common areas or facilities, shall be made by the Manager, irrespective of the cost limitations imposed by this paragraph. Notwithstanding this authority as to emergency repairs, it is understood and agreed the Manager will, if at all possible, confer immediately with the Board of Directors of the Association regarding every subject expenditure.
- (c) On the basis of the budget, job standards and contract rates previously approved by the Board of Directors of the Association, the Manager shall contract with all insured independent contractors on behalf of the Association that are required for the efficient discharge of the duties of the Manager hereunder. All payments for services, salaries, taxes and other expenses payable on account of such independent contractors shall be operating expenses of the Association. The Manager, and not any Association or Board member, will be the contact with all contractors. Notwithstanding the foregoing, the board may appoint a committee to undertake any specific project. Such committee shall administer its project independent of the Manager, but may authorize Manager to undertake specific sub-projects, which shall be clearly defined.
- (d) The Manager shall negotiate and present to the Board of Directors for approval all contracts for services (except routine maintenance) which the Manager or the Association shall deem advisable. The Manager shall also place orders for materials and supplies as are necessary to properly maintain the Condominium and its common areas and facilities. All such contracts and orders shall be in the name of the

Association and shall be subject to the limitations set forth hereto. The Board shall receive contract copies upon request, at no charge.

- (e) When taking bids or issuing service contracts the Manager shall act at all times under the direction of the Board of Directors of the Association and shall be under a duty to secure for and credit to the latter any discounts, commissions or rebates obtainable as a result of such purposes. The Manager shall maintain appropriate records of all such contracts and correspondence related thereto.
- (f) The Manager shall handle all unit owner call and complaints directly from the unit owners unless a unit owner is unable to correspond with the Manager in a professional manner (to be determined solely by the Manager), at which time a member of the Board of Directors shall be appointed as a liaison between the Manager and the unit owner to collect all monthly condominium fees, correspondence and maintenance requests.
- (g) Any other provision in this Agreement notwithstanding, the Manager shall have no authority or responsibility for maintenance or repairs to the interior of the units of the Condominium or to those portions or those portions which the Condominium Declaration states are part of the unit and the responsibility of the unit owner. Unit owners may contract with Apex for service work within their Unit at their expense.

(3) Administrative Management

- (a) The Manager shall attend the annual meeting of the Board of Directors unless specifically requested not to, and four additional meetings at no additional cost.
- (b) The Manager, as Secretary/Treasurer of the Association shall be the custodian of the official records and files of the Board of Directors of the Association and shall provide access to said records at the office of the Manager at any time during normal business hours to any member of the Board of Directors of the Association or to any member of the Association upon appointment by a majority of the Board of Directors.
- (c) The Manager shall assist the Board of Directors of the Association in calling and conducting any meetings of the members of the Association. The Manager shall send out timely meeting notices along with an agenda for business for the meeting. The Manager shall not be responsible for contacting individual unit owners in person for voting proxies for the annual meeting. Proxies shall be sent by mail or electronic means, with the annual meeting notice and, if not returned by a majority of the unit owners, said proxies shall be solicited by members of the Board of Directors.
- (d) The Manager shall distribute to all members the minutes of the meetings of the Association and other Association correspondence by prepaid postage through the U.S. Mail or by providing the correspondence to members of the Board of Directors or their assignees to be distributed door-to-door, e-mail, or by posting on the Association's web site.
- (e) The Board of Directors shall cause to be placed and kept in force at the expense of the Association all forms of insurance needed to adequately protect the Association, its members and mortgagees holding mortgages covering dwelling units in the Condominium as their

respective interest appear or as required by law, including but not limited to, workers compensation insurance, public liability insurance, property damage insurance, directors and officers liability insurance and any other insurance required by the By-Laws. The property and liability insurance shall specify Manager as additional named insured. The Manager shall investigate and make a full written statement of all accidents or claims for damage relating to the management, operation and maintenance of the Condominium and its common areas and facilities, including any damage to or destruction of the same and the estimated cost and repair and shall cooperate and make any and all other reports required by the insurance company insuring the Condominium and if necessary retain at the expense of the Association the service of a public fire loss adjustor if the Board of Directors feels one is necessary.

- (f) Subject to the direction of the Board of Directors of the Association, the Manager shall solicit, negotiate and present to the Board proposals and bids for insurance coverage.
- (g) The Manager shall, to the best of its ability and under the direction of the Board of Directors, enforce the Rules and Regulations as established by the Condominium Documents and the Board of Directors.
- (h) In the event of any major damages caused by such incidents as fire, high winds, flooding, negligence of an individual unit owner, etc., the Board of Directors may authorize the Manager to negotiate a settlement with the insurance company to restore the property to its original condition. If the Board authorizes the Manager, the Manager shall be responsible for negotiating and collecting the settlement. Manager shall be compensated for such responsibilities in the amount equal to ten percent (10%) of any and all monies paid to the Association, and in no other way. Specifically, the hourly rate for additional services provided under (5)(d) below shall not apply. Manager shall attempt to collect such fee from the insurance company directly involved, however, in the event the insurance company does not cover manager's fee, these costs shall be paid to the Manager by the Association.

(4) Association Responsibilities. The Association agrees to the following conditions and responsibilities which shall become effective on the date of execution of this agreement.

- (a) The Association, in performing and acting under this Agreement, shall act through its Board of Directors and its officer. The Manager, its officers and employees may and can rely on the directions and authorization given to it by the Board of Directors of the Association and any such officers and the Manager, in relying on said directions and authorization of the Board of Directors or officers of the Association, shall not be obligated or required to inquire into the authority of the Board of Directors or any such officers, provided, however, that the Manager and its officers shall not rely on any direction or authority which is contrary to the terms and conditions of this Agreement as the same may be amended from time to time as herein provided.

- (b) The primary liaison between the Board of Directors and the Manager shall be the President of the Board of Directors unless otherwise directed in writing by the Board of Directors.
- (c) The Association is fully responsible for and the Manager has no responsibility for, compliance by the Association of any of its equipment with the requirements of any ordinance, law, rule and regulation of the city, county, state or federal government or any public authority or official thereof having jurisdiction over the Association; provided, however, that the Manager shall promptly notify the Board of Directors of the Association of any complaints, warnings, notice or summons received by the Manager relating to such matters. The Association hereby represents that to the best of its knowledge the Association complies with all such requirements. The Association further holds harmless and agrees to indemnify the Manager, its representative, servants and employees from all loss, costs, expense and liability whatsoever which may be imposed on the Manager or any of its representatives, servant, employees by reason of any present or future violation or alleged violation of such ordinances, laws, rules or regulations by the Association.
- (d) The parties hereto hereby agree that they shall indemnify, defend and hold each other harmless against any losses, claims, damages, or liability, causes of action (including without limitation, reasonable attorneys fees) they incur arising out of the other party's performance of its obligations under this Agreement, including without limitation any negligent acts and omissions by the parties, their employees and agents.

(5) Fees For Service

- (a) The Association shall pay the Manager a fee of \$22.00 per unit per month, payable in advance on the first day of each month. This fee will be unchanged until Dec. 31, 2017. Manager must then give the Association a minimum of 60 days advance notice of any increase in fees.
- (b) No management fee will be charged to the Association for any unit presently existing or proposed until an occupancy permit has been issued therefore by the appropriate governmental agency.
- (c) The above fees include but are not limited to: routine postage, phone calls, photocopies and faxes.
- (d) Manager shall be paid \$48/hour for meetings, tours, inspections, court filings, or any other purpose which requires manager to leave his/her office to attend to Association business, except as provided in paragraph (C)(3)(a).
- (e) Manager shall be paid \$30 for providing a paper copy of the Condominium disclosure material (no charge for electronic copy), on behalf of the Association, to any unit owner and/or their agent. Condominium questionnaires used for financing purposes will be completed by Manager at a cost of \$50. Said cost to be paid in advance, by the person requesting the condominium materials or the cost is to be placed on the real estate closing statement for the sale of said unit and, upon receipt by Association, paid to the Manager.

- (f) Repairs and maintenance services may be provided by the Manager or its employees on a time and materials basis, plus mileage. The hourly rate for skilled repair technicians will be \$48/hour. The hourly rate for grounds, cleaning, painting or other general laborers will be \$36/hour.
- (g) The Manager shall not be obligated to perform or render any services beyond, or in addition to, those required of it hereunder. Any additional services shall be performed or rendered by the Manager only pursuant to a separate mutual agreement and for additional consideration. Unless otherwise agreed upon in advance, such additional consideration shall be at the rate of \$48/hour. Manager shall inform Association in advance if any service to be performed will be at additional charge as described in this paragraph.

(D) **Notices.** Any notice required or permitted hereunder may be served by registered mail, e-mail or in person as follows:

Manager: APEX PROPERTY MANAGEMENT, INC.
1741 COMMERCIAL AVE
MADISON, WI 53704
Phone: 608-255-3753
Fax: 608-255-5668

Association: WESTON PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.
625 N. SEGOE RD #1201
MADISON, WI 53705

(E) **Assignment.** The Manager shall not assign its interest under this Agreement.

(F) **Entire Agreement.** This Agreement shall not constitute the entire Agreement between the parties hereto, and no variance shall be valid and enforceable, except by supplemental agreements in writing, executed and approved in the same manner as this Agreement. This Agreement shall inure to the benefit of and constitute a binding obligation upon the parties hereto, their respective successors and assigns.

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

WESTON PLACE CONDOMINIUM OWNERS ASSOCIATION, INC.

BY: Thelma J. Wells
Thelma J. Wells, President

APEX PROPERTY MANAGEMENT, INC.

BY: Brian S. Bosben
Brian S. Bosben, President, Broker