

MANAGEMENT AGREEMENT

AGREEMENT made as of the 2nd day of April, by and between the Board of Directors of Sunfield Condominium Association (the "Board") on behalf of the Sunfield Condominium Association (the "Association"), of Portland, ME and Foreside Real Estate Management, Inc a Maine corporation, having a principal place of business at 76 Elm St., Portland Maine ("Management").

Witnesseth:

WHEREAS, the Association desires to have Management utilize its represented experience and knowledge to assist the Association in the management, supervision, and administration of the Association (hereinafter alternately referred to as the "Association").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter contained, the parties agree as follows:

1. **Appointment and Acceptance.** The Board hereby appoints Management and Management hereby accepts appointment, on the terms and conditions hereinafter provided, as managing agent of the Association.
 - 1.1 Management fully understands that the function of the Board is the operation and management of the Association; and Management will, notwithstanding the authority given to Management in this agreement, confer fully and freely with the Board as to the performance of its duties as herein set forth and will attend membership or directors' meetings at any time or times requested by the Board. It is further understood that the authority and duties conferred on Management hereunder are confined to the common areas and facilities and the limited common areas and facilities as defined in the plan of Association. Such authority and duties do not and shall not include supervision or management of residential units except as directed by the Board.
 - 1.2 Management accepts the relationship of trust and confidence established between itself, the Board, and the Association by virtue of entering in this Agreement. Management covenants to furnish its best skill and judgment and to cooperate in furthering the interests of the Association. Management agrees to furnish efficient business administration and supervision and to perform its administrative, financial and management responsibilities, in the best manner consistent with effective management techniques and in the most expeditious and economical manner consistent with the best interests of the Unit Owner' Association.
 - 1.3 All books, records, programs, documents, and procedures prepared, received, developed, and/or implemented pursuant to this Agreement shall be the property of the Association.
 - 1.4 Management shall conduct its duties consistent with the provisions and intents of the Maine Condominium Act (hereinafter referred to as the Act) or governing statute and, in general, consistent with Federal, State, and local laws and regulations as they pertain to the operation of the Association.

2. **Description of Association.** The Association to be managed by Management under this agreement is in Brunswick, Maine. Association shall be identified as a 21-unit property.

3. **Term.**

- 3.1. The Board employs Management to manage the Association for a period of one (1) year, beginning January 1, 2012 and expiring December 31, 2012. Association shall have the right to extend the agreement for two (2) additional one (1) year terms at rates not to exceed 5% above years one (1) and two (2), respectively.
- 3.2 Either party may terminate this agreement without cause or penalty, upon sixty (60) days prior written notice to the other party. Either party may terminate this agreement without cause or penalty for general default of

terms contained herein. Terminating party shall give seven (7) day notice to cure such default. If such default is not cured thereafter, this agreement may be terminated.

4. Duties of Management.

- 4.1 Management shall collect and, as necessary, issue a receipt for all monthly or other assessments or other charges collected due to the Association for the operation of the Association and all rental or other payments, if any. Management's duties in the collection of delinquent assessments or other charges shall include the sending of notice of delinquency, filing of a lien pursuant to state statute so as to protect the Association's interests and the appearance, if necessary, in the local district court to initiate and settle small claims actions filed on behalf of the Association.
- 4.2 Management shall maintain records showing all its receipts and expenditures relating to the Association and shall promptly submit to the Association or Board a cash statement indicating the balance or deficit in the Association's account(s) for the Association or before the twentieth (20th) day of the following month.
- 4.3 Management shall prepare and submit to the Board, on or before two (2) months prior to the fiscal year of each year, a recommended budget for the next year showing anticipated receipts and expenditures for such year.
- 4.4 Within thirty (30) days after the end of each fiscal year or ten (10) days after the Board awards the contract to an auditor, whichever is later, Management shall submit to the Board a summary of all receipts and expenditures relating to the Association for the preceding year, provided that this service shall not be construed to require Management to supply an audit. Any audit required by the Board shall be prepared at its expense by accountants of its selection.
- 4.5 Management will endeavor to cause the property to be maintained and repaired, in accordance with state statutes and local ordinances, in a condition at all times acceptable to the Board, including but not limited to such work as cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary. Incident thereto, the following provisions will apply:
 - 4.5.1 Special attention will be given to preventive maintenance.
 - 4.5.2 Management will contract with qualified independent contractors, approved by the board (except in emergency circumstances), for repairs to the property. Management shall ensure that such contractors maintain required insurances/licenses. Management will obtain bids, retain contractors, and inspect the work of all such contractors.
 - 4.5.3 Notwithstanding any provision to the contrary, the prior approval of the Board will be required for any contract in excess of Five Hundred Dollars (\$500.00) and in any single expenditure which exceeds Five Hundred Dollars (\$500.00) in any one instance, for labor, materials or otherwise in connection with the maintenance and repair of the property; except for recurring expenses within the limits of the operating budget or for emergency repairs involving manifest danger to persons or property or required to avoid suspension of any necessary service to the property. In the latter event, Management will inform the Board of the facts as promptly as possible.
 - 4.5.4 Management shall take such action as may be required to comply with any and all orders and requirements affecting the Association, placed thereon by federal, state, county or municipal authority having jurisdiction thereover; Management is nonetheless subject to the same limitations contained in paragraph (4.5.3) of this section in connection with the making of repairs or alterations. Management shall give notice to the Board on any such action taken regarding such compliance. Management shall not take any action under this paragraph (4.5.4) as long as the Board is contesting or has affirmed its intention to contest, in writing, any such order of requirement.

- 4.5.5 All maintenance or repairs performed by Management at Management's expense which is subsequently charged to the Association, shall be paid within (30) days of receipt of the statement rendered by Management to the Board. All outstanding bills due after thirty (30) days will be assessed a monthly interest charge at the rate of twelve percent (18%) per annum which shall be due and payable to Management by the Association.
- 4.5.6 All expenses of operation and management may be paid from the Association's funds held by Management, and Management may be authorized to pay any amounts coming due under the annual budget approved by the Association and owed to Management by the Association from such account at any time without prior notice to the Board. Management shall have no obligation to advance funds to the Association for any purpose whatsoever.
- 4.5.7 Other functions of Management incident to the maintenance and repair of the Association include those items on Schedule A attached hereto and incorporated herein by reference.
- 4.6. On the basis of the budget, job standards and wage rates previously approved by the Board, Management shall hire, pay, (after the Board President or Board Designee approves), supervise and discharge personnel required to maintain and operate the Association properly. Travel time to and/or from the property for management employed maintenance personnel shall not exceed a thirty (30) minute interval to/from the property. Such rates to be reviewed annually.
- 4.7. Subject to the direction of the Board, Management shall negotiate and execute on behalf of the Association contracts for lawn maintenance, snow plowing, water, electricity, gas, telephone and such other services for the common elements of the Association as may be necessary or advisable. Management shall purchase on behalf of the Association, upon the Board's approval, such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Association. All such purchases and contracts shall be in the name and at the expense of the Association.
- 4.8. Management shall pay, after approval of the Board President or Board Designee, from the funds of the Association all taxes, building inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the Board with respect to the maintenance or operation of the Association or incurred by Management on behalf of the Board pursuant to the terms of this agreement or pursuant to other authority granted by the Board. If any charges or obligations appear to be excessive or abnormal, then Management shall inform the Board of said obligation and receive signed authority to pay said charge or obligation from the Board.
- 4.9. Management shall maintain appropriate records of all insurance coverage carried by the Association. Management shall cooperate with the Board in investigating and reporting all accidents or claims for damage relating to ownership, operation and maintenance of the common elements of the Association including any damage or destruction to them.
- 4.9.1. Management shall not, as part of this management agreement, act on the Association's behalf in the settlement and oversight of common area repairs of any insurance claims placed or arising against the Association's Master Insurance Policy or any insurance policy carried by the Association.
- 4.9.2. The Board may delegate to Management settlement and insurance claim repair oversight authority as outlined in 4.9.1, and Management's compensation for these additional duties shall be paid from insurance claim proceeds.
5. **Structural Changes, Repairs, Compliance.** Management shall have no authority to make any structural changes in the Association or to make any other alterations in or to any building or equipment therein, except such emergency repairs as may be required because of danger to life or property of which are immediately necessary for the

preservation or safety of the Association or the safety of the Owners and occupants or for those repairs or alterations which are required to avoid the suspension of any necessary service to the Association.

6. **Association Manager.** The Association Manager shall attend all regular meeting of the Board each month and the annual meeting of the Association.
7. **Records and Reports.** In addition to any other requirements specified in this Agreement, Management will have the following responsibilities with respect to records and reports:
 - 7.1. Management will establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Board. All records, books, and accounts will be subject to examination at reasonable hours by the Board and/or its authorized representative(s).
 - 7.2. Within thirty (30) days following the end of each fiscal year of the property, the Board shall be furnished with a complete annual financial report for the Association, based upon an examination of the books and records held by Management and containing a detailed, itemized statement of all income and expenditures.
 - 7.3. Except as otherwise provided in the Agreement, all bookkeeping, clerical and other management overhead expenses will be borne by Management out of its own funds and will not be treated as property expenses.
 - 7.4. Other functions of Management incident to the records and reports of the Association include those items on Schedule A attached hereto and incorporated herein by reference.
8. **Bids, Discounts, Rebates, etc.** Management will solicit on behalf of the Association for Board approval contracts, materials, supplies, utilities, and services on the most advantageous terms to the Association. Management is required to solicit bids in writing for all non-routine maintenance costs greater than \$500.00 for those items that can be obtained from more than one source. Management shall inform the Board of all solicited bids in writing, and the Board shall select the winning bid.
9. **Emergency Answering Service.** The Association unit owners will be provided an emergency telephone number and property repair capability on a twenty-four (24) hour basis. This expense will be borne by Management and not the Association.
10. **Bond.** All Management employees who handle or are responsible for the safekeeping of any funds of the Association shall be covered by a fidelity bond insuring Management.
11. **Non-Discrimination.** In the performance of its obligations under this Agreement, Management will comply with the provisions of any federal, state, or local law prohibiting discrimination in housing on the grounds of race, color, creed, or national origin.
12. **Management Fee.** The Association shall pay Management a management fee equal to \$24 per month per unit for the term of this Agreement. The management fee shall be paid monthly in advance. Any non-routine clerical services performed for the Board or the Association, which are not directly related to Management's functions set forth in section 4 hereinabove shall be at the expense of the Board.
13. **Management's Compensation for Additional Non-routine Service.** Management shall maintain availability for services related to certain non-routine activities for which the need may or may not arise. Non-routine services are services not listed in section 4 hereinabove and may include, without limitation, the following:
 - 13.1 Participation in legal actions initiated by the Board or the Association exclusive of those related to collection of annual assessments and legal activities relating to covenant enforcement, which have not been subjected to court action, those exceptions being included in reoccurring services and fees as outlined in Section 4.1.

- 13.2 Negotiation and claims of a protracted nature arising from warranty claims for work by any contractor prior to effective date of this Agreement.
- 13.3 Rendering appraisals of the value of units, or showing the units to real estate brokers or agents or prospective purchasers.
- 13.4 Insurance claim administration in cases involving property damage and personal injury items covered under the Association's Comprehensive Multi-Peril Policy, if any. Such charges by Management under this provision shall be considered a normal expense item in filing a claim and administering the application of insurance proceeds and shall accordingly be submitted with the claim.
- 13.5 Capital improvement, construction management, and replacement oversight for large projects is not included in the standard management fee. This is due to the unusual increase in resources required to successfully complete a large project.
14. **Individual Units.** Notwithstanding any other provisions of this Agreement, Management has no authority or responsibility for maintenance of or repairs to non-Association portions of the dwelling units in the Association. Such maintenance and repairs shall be the sole responsibility of the Owners individually. Management will provide maintenance or repair services to non-Association property at the request and expense of the individual unit owners.
15. **Indemnity; Indemnification Expense.** Management shall not be liable, and the Association shall hold Management harmless, for any loss or damage caused by any contractor or other worker whose hiring was approved by the Board of Directors for Association work. The Association shall indemnify Management in all such cases. The Association shall not be liable, and Management shall hold Association harmless, for any loss or damage caused by Management or its employees and shall indemnify Association in all such cases.
16. **Insurance.** The Association shall carry its own expense public liability insurance and, should the Association's master insurance policy so require, workers compensation insurance naming the Board and Management as insured in such amounts adequate to protect their interests and in form, substance and amounts reasonably satisfactory to Management and the Board, and furnish insurance certificates evidencing the existence of such insurance unless the Board shall provide such insurance. Management shall carry its own commercial general liability, worker's compensation, and dishonesty bond insurance to protect its interests and in form, substance and amounts reasonably satisfactory to Management and the Board.
17. **Additional Documents Incorporated Herein.** In order to facilitate efficient operation, Association shall furnish Management with a complete set of the plans and specifications of the Association, if available. Management will inform itself with respect to the layout, construction, location, character, plan, and operation of the lighting, heating, plumbing and ventilating systems as well as elevators, if any, and other mechanical equipment in the Association. Copies of guarantees and warranties pertinent to the construction of the Association and in force at the time of the execution of this agreement shall be furnished to Management, if available.

In addition, the Declaration of Association of the Association, the Association's Bylaws, the Rules and Regulations and Board Resolutions, including all modifications, amendments, and changes issued subsequent to the execution of this Agreement, shall have the automatic concurrence of Management except to the extent that such changes materially alter Management's responsibilities and rights under this Agreement. If any conflict shall arise within this Agreement, the Declaration, Bylaws, Rules and Regulations and Board Resolutions as of the date of this Agreement, the Declaration, Bylaws, Rules and Regulations and Board Resolutions shall control.

18. **Notices.** All notices which are provided for under any of the provisions of this Agreement shall be in writing addressed to the parties at their addresses set forth herein below:

If to Management: **Jeff Martin, President**
 Foreside Real Estate Management, Inc

76 Elm St.
Portland, ME 04101

If to the Board: _____

All such notices shall be given by first class mail, postage pre-paid.

19. **Assignment.** Management may sell or assign any of its duties under this agreement with written notice to the Association.
20. **Successors.** This agreement shall be binding upon and insure to the benefit of the parties to this agreement and their representatives, successors and assigns, subject to the limitations contained in Section 19 hereinabove.
21. **Arbitration.** All claims or disputes arising out of this agreement shall be determined by arbitration in accordance with the rules of the American Arbitration Association, with all such arbitration-taking place in Portland, ME. Each party shall have the right to appeal any decision to court for legal or equitable relief within thirty days from the date of that decision. Each party waives the affirmative defense of limitations to the extent of the delay caused by and the period of arbitration.
22. **Waiver.** No waiver of any breach of this Agreement shall constitute a waiver of any other breach or waiver of any provision hereof.
23. **Severability.** Any provision of this Agreement which is invalid under or prohibited by the law of any appropriate jurisdiction shall be ineffective to the extent of such a provision without invalidating the remaining provisions of this Agreement, which shall remain in full force and effect.
24. **Entire Agreement.** This Agreement, including schedule A attached hereto, embodies the full understanding of the parties, and there are no other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof. This Agreement may be amended or modified only in writing signed by the parties hereto.
25. **Applicable Law.** This Agreement shall be governed by, and any question arising hereunder shall be construed and interpreted according to, the laws of the State of Maine.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

WITNESS:

SUNFIELD CONDOMINIUM ASSOCIATION:

By: _____

FORESIDE REAL ESTATE MANAGEMENT, INC

By: _____

Jeff Martin, President

SCHEDULE A

Summary of Services Included in the monthly Management Fee

FISCAL

- | | |
|-----------------------------|--|
| * Fee/Assessment Collection | * Budget Preparation |
| * Bill Payment | * Replacement Reserve Analysis (Cursory) |
| * Delinquency Follow Up | * Year-End Financial Report |
| * Monthly Financial Reports | * Bill Approval |
| * Lien Filings | * Foreclosure Proceedings |

ADMINISTRATIVE

- | | |
|---|--|
| * Board Meeting Attendance | * Owner Roster Maintenance |
| * Records and File Maintenance | * Association Status Report |
| * Welcome Package Preparation | * Legal Liaison |
| * Special Meeting Attendance | * Insurance Liaison |
| * Annual Meeting Coordination | * Contract Awarding |
| * Annual Meeting Attendance | * Spec./Bid Preparation and Coordination |
| * Rules and Regulations Enforcement | * Transcription of meeting minutes |
| * Work Orders Recording, Processing & Distribution | |
| * General Correspondence and Reports to Board Members | |
| * Preparation & distribution of monthly invoices | |

BUILDINGS & GROUND MAINTENANCE

- * Preventative Maintenance Program
- * Yearly maintenance plan
- * Report on Outside Contractor Programs
- * Regular Building/Amenity/Grounds Inspections
- * Oversight of all routine maintenance work as Directed by the Board of Directors