

MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT dated December 31, 2018 among Myriad Property Management, LLC and The Club at Norwich Inn & Spa, Inc.

The parties agree as follows:

I. THE PARTIES

1.1 The parties to this Agreement are Myriad Property Management, LLC and The Club at Norwich Inn & Spa, Inc.

1.2 Description of the Parties.

(a) The Club at Norwich Inn & Spa, Inc. is a Connecticut corporation with its mailing address as 1988 Old Pond Lane, Norwich, Connecticut, 06360. It is referred to below as "Association."

(b) Myriad Property Management, LLC is a Connecticut limited liability company with its principal place of business located at 113 Route 12, Preston Connecticut, 06365. It is referred to below as "Manager."

II. THE PROPERTY

2.1 The parties refer to a common interest community located in the Town of Norwich, Connecticut containing 160 Units, Common Elements and Limited Common Elements, as more particularly defined in a certain Declaration of Condominium ("Declaration") for The Villas at the Norwich Inn & Spa ("Condominium"). For purposes of this Agreement, the terms Unit, Common Elements and Limited Common Elements shall have the same meanings as set forth in the Declaration.

III. EMPLOYMENT OF MANAGER

3.1 Manager's Employment.

(a) Association hereby employs Manager, as an independent contractor, as property manager of the Condominium, with the intent of undertaking certain duties and responsibilities of the Association as set forth below.

(b) Manager shall act in its authority in accordance with the Approved Association Budgets, Governing Board policy, legal requirements and the reasonable requirements of any insurance company with which the Common Elements are insured.

(c) Association agrees to pay Manager the amounts set forth in this instrument.

3.2 Term.

- (a) The term and compensation of this instrument shall commence retroactively to March 1, 2018.
- (b) Association may terminate this agreement, without cause and with a fifteen (15) day notice to the Manager without penalty. The Manager may terminate this agreement, without cause, upon a sixty (60) day notice to the Association.
- (c) Manager will provide notice to review this instrument at least sixty (60) days prior to its expiration with the intent to propose an extension.

3.3 Scope of Employment.

- (a) Manager shall be Association's advisor, consultant and representative in connection with the day-to-day, routine operation of the Common Elements.
- (b) In that Manager is employed as an independent contractor, Manager, at its sole discretion, may refuse to perform any portion of its duties contained herewith, if the performance of said duty is in conflict with any law, ordinance, regulation, or is in conflict with any portion of the declaration, bylaws, rules and regulations, or is not in keeping with the highest standards of the Managers Code of Ethics, without penalty, withholding, or offset.

3.4 Competitive Bidding. All contracts for normal repairs, goods and services (excluding Capital Loan repairs based upon 2018 Community Planner Study) to the Common Elements involving payments by Association in excess of \$5,000.00 in the aggregate shall be solicited in the following manner:

- (a) A contract involving payments of over \$5,000.00 in the aggregate may require a minimum of three (3) bids at the Association's direction.
- (b) Manager, upon, written request from the Association stating a bona fide intention to execute a requested repair, capital improvements, goods, or services shall prepare a Request for Proposal (RFP) package.
- (c) Manager shall work directly with the Association to prepare RFPs in a manner to ensure the uniformity will exist in the bid quotes.
- (d) If Manager advises acceptance of other than the lowest bidder, Manager shall adequately support, in writing, its recommendations to Association.
- (e) Except as set forth in (c) above, Association shall be free to accept or reject any and all bids.

IV. ADMINISTRATION OF THE COMMON ELEMENTS

4.1 All decisions, consents and approvals of Association relating to the Common Elements shall be in writing pursuant to Article 11.1 below and shall be conclusive evidence that Association approves the act or omission indicated in writing.

V. DUTIES OF MANAGER

5.1 Operation and Maintenance of the Common Elements. Manager shall, at the sole expense of Association, perform the following duties and operate and maintain the Common Elements as follows:

- (a) Manager shall act as a consultant and advisor to Association in connection with the routine, day-to-day operation and maintenance of the Common Elements.
- (b) Manager shall prepare and submit to Association, at least forty-five (45) days before the beginning of the new fiscal year, a proposed operating budget and a proposed capital budget for the operation, repair, management and maintenance of the Common Elements for the forthcoming calendar year.
- (c) Manager agrees to use diligence and to employ all reasonable efforts to ensure that the actual cost of maintaining and operating the Common Elements shall not exceed the amount necessary and, in any event, will not exceed either the Approved Operating Budget or the Approved Capital Budget either in total amount or in any one accounting category. Manager shall secure Association's prior approval for any expenditure that will result in an excess of the annual budgeted amount in any accounting category of the Approved Operating Budget or the Approved Capital Budget.
- (d) During the calendar year, the Manager shall inform the Association of any major increases in costs and expenses that were not foreseen during the budget preparation period and thus are not reflected in either Approved Budgets.
- (e) Manager will use its best efforts to collect, when due, for the account of Association, all Common Charges (as defined in the Declaration) from the Unit Owners (as defined in the Declaration). The Common Charges the Association is entitled to receive from the Unit Owners is referred to below as the "Proceeds." Manager shall request and demand all proceeds and, except as set forth in Section 6.2, take all steps that shall be necessary and lawful under the Declaration to collect the Proceeds. Manager shall promptly notify Association of any delinquent accounts, and shall, upon the instruction of Association, coordinate the collection of outstanding Common Charges with outside counsel approved by Association. Coordination of collections with outside council shall be billed in addition to the base Management Fee.
- (f) Manager will consult on all routine repairs or maintenance to the Common Elements with association personnel or outside vendors at the Association's direction which may be advisable and necessary to maintain the Common Elements in good order. All repairs or alterations arising hereunder shall be made if the same are included with in the Approved Budgets. Any repairs or alterations that may cost in excess of amounts budgeted under the Approved Budgets shall require the prior approval of Association.

- (g) Manager shall not do repairs which shall be referred to herein as "Major Repairs" or "Extraordinary Repairs" without Association's prior written consent such as any structural repairs or changes in or to the Common Elements, any nonstructural repairs which would change the exterior architectural facade of the Common Elements, or exceeds the estimated amount approved by Association in the Approved Budgets or other writing.
- (h) If Association approves any Major Repairs or Extraordinary Repairs (excluding Capital Loan repairs based upon 2018 Community Planner Reserve Study), Manager shall administer the execution of work and keep Association informed about the progress of the work and advise Association, to the best of Manager's knowledge, if any of the work is not performed in accordance with any plans and specifications. As work progresses, Manager shall review invoices submitted by contractors, suppliers and other professionals. Manager shall, to the best of its knowledge, certify to Association that the work performed, and the materials furnished comply with any plans and specifications and that payments requested by the party submitting the invoice are approved.
- (i) Manager may purchase materials, supplies and use Association equipment, tools and vehicles necessary for the operation and maintenance and repair of the Common Elements consistent with the Approved Budgets.
- (j) The funds of the association shall be deposited to one or more accounts in banks or other financial institutions as determined by the Executive Board. The Manager will not be designated as a signatory but will be issued a debit card from a separate account funded solely at the discretion of the Executive Board.
- (k) Manager will receive all invoices, (excluding Capital Loan repairs based upon 2018 Community Planner Reserve Study) verify conformity with applicable specifications and agreements, verify work has been performed as reasonably expected and material received, record in appropriate accounting records and present to Executive Board designee for disbursement/payment.
- (l) Manager shall maintain a comprehensive system of financial records, books and accounts in compliance with the governing documents, applicable law and the requirements of the American Institute of Certified Public Accountants. These records shall be maintained at the office of the Manager and available for examination by the Officers and members of the Executive Board at all reasonable hours. As a standard practice, the Manager shall furnish the Officers and members of the Executive Board, no later than the fifteenth of the month, a statement of receipts and disbursements. The statement shall be accompanied by the following:
 - 1) Balance Sheet
 - 2) Budget Performance
 - 3) Check Register
 - 4) Debit Card Transaction Report
 - 5) Accounts Receivable Delinquency Report
 - 6) Accounts Payable
 - 7) Monthly Activity Report

- 8) Copies of the bank statements with the reconciliations. The original bank statements to be provided to the Treasurer upon request.
- (m) Manager shall, at the expense of and for the account of Association, continue to ensure that proper arrangements have been made for utility services to be furnished to the Common Elements.
- (n) Manager shall support Association at all Board of Director's and Association Meetings (printing agenda, mailings, identify and reserve meeting facilities) for the purpose of reviewing the operations of the Common Elements and discussing the future needs of the Common Elements.
- (o) Manager shall manage the procurement of insurance policies required to be obtained by the Association pursuant to the By-laws and the Common Interest Ownership Act and will promptly investigate all accidents, occurrences and claims for injury to persons or damage to property relating to the Common Interest Community.
- (p) Manager shall provide at the Association's request, all information obtained by Manager within the scope of Manager's duties arising hereunder to Association's attorneys, accountants and other professional consultants.
- (q) Manager shall issue and charge additionally for Resale Certificates and Statements of Common Charges in accordance with the requirements of the Common Interest Ownership Act upon a selling unit owner request.
- (r) Manager shall provide limited oversight of Association maintenance employees for facility operations and approve all payroll expenditures under the Association's directive.

VI. LIMITATIONS OF MANAGER

6.1 Limitations on Manager's Authority to Bind Association. Notwithstanding the provisions of Articles 4 and 5, Manager shall have no right or authority, expressed or implied, to commit or otherwise obligate Association in any manner for any obligation whatsoever, unless expressly authorized by this instrument, pursuant to the Approved Budgets or by Association in writing.

6.2 Commencement of Legal Proceedings. Manager shall not institute any legal proceedings, either in its own name or in the name of Association, for the collection of Proceeds or engage legal counsel for any purpose without the prior written consent of Association in each instance.

6.3 Major Repairs. Any repair (excluding Capital Loan repairs based upon 2018 Community Planner Study) in which cost exceeds \$5,000.00 shall qualify as a Major Repair. Manager shall not perform, or cause to be performed, any Major Repairs in or to the Common Elements without the prior written approval of Association in each instance, which approval shall not be unreasonably withheld or delayed, unless such Major Repairs are contemplated in the Approved Budgets.

6.4 Extraordinary Repairs. Any repair which not a routine, day to day maintenance action, or other common repair, or is made necessary due to the active or passive negligence of owners, overburdening, vandalism, or other act outside the direct control of the Manager shall qualify as an Extraordinary Repair.

VII. FEES

7.1 Management Fees.

- (a) Except as provided below, as compensation for the services set forth in this instrument, Association agrees to pay, and Manager agrees to accept as its base compensation payable in equal advance monthly installments of \$2,895.00 excluding Connecticut Sales Tax charges for investor owned units. This fee is referred to below as the "Management Fee."
- (b) The Management Fee shall be paid on the first day of each month during the term of this instrument commencing on March 1, 2018. Manager and Association agree that the first and last monthly installment of the Management Fee shall be equitably prorated if the term of this instrument does not begin or end on the first or last day of a calendar month.

7.2 Additional Service Fees.

- (a) For all extraordinary management services not associated with a major repair or not included in the scope of this contract, such as for court or other outside regulatory agency representation on behalf of the Association and only at the request and approval of the Association, Manager services shall be billed to the Association, at a rate of \$95.00 per hour for a property manager and \$40.00 per hour for clerical personnel services.
- (b) For all outside collection proceedings initiated against a Unit Owner who has become delinquent in the payment of common fees as defined by the Association documents, a Collection fee of \$175.00 shall be billed to the Association.

7.3 Reimbursable Expenses.

- (a) Association shall reimburse Manager for any monies which may properly have advanced out of its own funds for the account of Association in accordance with the provisions of this instrument, provided, however, that nothing in this instrument shall be deemed to require Manager to make any advances.
- (b) Except in emergency situations, Manager shall not incur any out-of-pocket expense not contemplated by the Approved Budgets without the consent of Association.
- (c) Association shall reimburse Manager for actual printing costs by outside vendors and postage fees associated with the operation of the Condominium.

7.4 Nonreimbursable Costs. The following expenses or costs incurred by Manager in connection with the management of the Common Elements shall be at the sole cost and expense of Manager and shall not be reimbursable by Association:

- (a) Cost of gross salary and wages, payroll taxes, insurance, worker's compensation and other benefits of Manager's office personnel not identified in the Approved Budgets.
- (b) General accounting and reporting services which are considered to be within the Manager's office not associated with the operations of the Condominium.
- (c) Cost of forms, papers, ledgers, and other supplies and equipment used in the Manager's office not associated with the operations of the Condominium.
- (d) Cost attributable to losses arising from negligence or fraud on the part of Manager, Manager's employees, agents or independent contractors.

VIII. OBLIGATIONS OF ASSOCIATION

8.1 Association's Obligation to Provide Information. Within ten (10) days of the execution of this instrument, the Owner shall provide the Manager with the following:

- (a) A conformed master copy of the Association documents and amendments.
- (b) All financial records for the previous two (2) years.
- (c) A copy of the most recent Operation and Capital Budgets.
- (d) All outside vendor contracts enforce.
- (e) All current personnel records.
- (f) Full disclosure and copies of all pending or current legal actions.
- (g) An up to date Association member master list with addresses and phone numbers.

8.2 Association Expense Obligations

- (a) All expenses of operating the Common Elements shall be borne by Association including all payroll, legal, accounting and other professional fees incurred in connection with the operation of the Common Elements and the performance of Manager's duties under this instrument.
- (b) The provisions and obligations of Association under this Article shall survive the expiration or sooner termination of this instrument.

IX. RELATIONSHIP BETWEEN ASSOCIATION AND MANAGER

9.1 Status of Manager. Manager and Association shall not be construed as partners or joint adventurers.

9.2 Indemnity. As long as the Manager is not in violation of Agreement, the Association shall indemnify Manager, its affiliates, officers and directors, members, managers and employees from any loss, liability or damages including any attorney fees which may arise because of (i) the performance of Manager's obligations under this instrument (ii) the performance of any non-compensated services performed by Manager outside of this instrument (iii) the nonperformance by Association of Association's obligations under this instrument or (iv) a violation of legal requirements, unless the loss, liability or damage arises from negligence or willful misconduct of Manager. The obligations of Association under this provision shall survive the expiration or earlier termination of this instrument.

9.3 Insurance. The Association shall provide full coverage for the Manager to the extent which is available under the Association's master policy and Connecticut Common Interest Act requirements of a Manger. The Manager shall provide and maintain evidence of General Liability Coverage.

9.4 Assignment by Manager. Because of the highly confidential relationship between Association and Manager, neither party shall assign their rights under this instrument without the prior written consent of the other.

X. OPTION TO TERMINATE AND OBLIGATION OF MANAGER UPON TERMINATION

10.1 Option to Terminate.

- (a) Association may terminate this agreement, without cause and with a fifteen (15) day notice to the Manager. The Manager may terminate this agreement, without cause, upon a sixty (60) day notice to the Association.
- (b) If Association terminates this instrument, Association's liability to Manager under this instrument shall be limited solely to the part of Manager's compensation as set forth in Sections 7.1 and 7.2 that is fairly allocable to the services actually rendered by Manager and which have not been paid for previously and reimburse Manager the amount of funds advanced by Manager on behalf of Association pursuant to Section 7.3.

10.2 Obligation of Manager Upon Termination.

- (a) Upon termination or expiration Manager shall cooperate with Association in accomplishing an orderly transfer of the operation and maintenance of the Common Elements to Association or any party designated by Association, provided that the Association has paid, in full, all fees due the Manager through the final termination of this instrument.
- (b) Upon the expiration date or earlier termination of this instrument, Manager shall cause all proceeds that maybe held by Manager and all records and documents relating to the Common Elements which shall then be in Manager's possession to be delivered to Association without delay. The documents and records shall and

may include all accounting data and records, original and copies of all maintenance contracts, construction contracts (if any), bank statements and any other instruments relating to the maintenance, repair and day-to-day operation of the common elements.

XI. INTERPRETATION AND COMMUNICATION

11.1 Notices. Notices, requests, consents and other communications given under this instrument shall be only valid if in writing and properly mailed by first class mail, if postage is prepaid, or a recognized and reputable courier service, or sent via electronic mail with return receipt notification, and if the notice is properly addressed to the address of the party set forth in Article 1.2 (a) and (b) or to any other address the party may designate by giving written notice to the other party.

11.2 Binding Effect.

- (a) This instrument shall be binding upon the parties and their respective successors and assigns.
- (b) The submission of any unexecuted copy of this instrument shall not constitute an offer to be legally bound by the provisions of the copy submitted, and this instrument shall bind no party until each party executes it.
- (c) This instrument may not be changed or cancelled orally.
- (d) No person shall be regarded as a third-party beneficiary of this instrument.
- (e) This instrument shall be governed by and interpreted under the laws of the State of Connecticut.
- (f) This instrument contains the entire agreement between the parties. Any previous agreements are void and of no further effect.

To signify their agreement to this contract, Association and Manager each have caused this instrument to be executed and attested to by their respective duly authorized officers.

Signed, Sealed, and Delivered
in the Presence of:

Myriad Property Management, LLC

By Joseph W. Brennan Date 01 / 05 / 2019
Joseph W. Brennan
Its Member

email: joe@myriadpropertymanagement.com

The Club at Norwich Inn & Spa, Inc.

By  Date 01/04/19
Laura Rose
Its President

email: president@villasatnorwichinn.com