

MANAGEMENT AGREEMENT

THIS AGREEMENT is made this 5th day of September, 2002, by and between Maplewood Resort Condominiums Owners Association, Inc., a Wisconsin corporation (hereinafter referred to as **Association**) and Maplewood Resort Management, LLC, a Wisconsin limited liability company (hereinafter referred to as **Management Firm**).

WITNESSETH

WHEREAS, the Maplewood Resort Condominiums Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and Conditions (hereinafter referred to as **Declaration**) indicates that a management firm is to be hired by the Association to manage the condominium;

WHEREAS, the Management Firm wishes to be hired to perform the services required by this Agreement;

IN CONSIDERATION of the mutual promises and covenants contained herein, the recitals listed above and for other good and valuable consideration,

IT IS HEREBY AGREED by and between the parties hereto as follows:

1. That the foregoing recitals are true and correct.
2. That the terms used in this Agreement shall be defined as said terms are defined and used in the Wisconsin Condominium Ownership Act, or in the Declaration of Condominium for Maplewood Resort Condominiums, dated April 17, 2001.
3. The Association does hereby retain the Management Firm as the exclusive manager of the condominium property, and the Management Firm hereby accepts such position. As used in this paragraph, condominium property includes all common elements and limited common elements of the condominiums.
4. The term of this Agreement shall commence as of the date hereof, through May 31, 2007. Thereafter, it shall be automatically renewed for successive three (3) year periods until terminated, at a duly authorized meeting of the owners by a majority of the votes of the owners, including proxies, assembled at such meeting, or by the Management Firm notifying the Association in writing that it will not renew this Agreement at such renewal date.
5. The Management Firm, subject to the exceptions contained in Paragraph 6 herein, to the exclusion of all persons except the Declarant but, including the Association and its

members, shall have all the powers and duties of the Association as set forth in the Declaration of Condominium for Maplewood Resort Condominiums, dated April 17, 2001 (subject to power of Declarant set forth in Article V of the Declaration), and shall perform by way of illustration and not of limitation, the following services:

A. Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the condominium, including a manager who, in each instance, shall be the employee of the Management Firm, as the Management Firm, in its absolute discretion shall determine, and cause to be discharged, all persons unnecessary or undesirable.

B. To maintain and repair the Association properties and the common elements of said condominium to the same extent that the Association is required to maintain and repair the same, as provided in the Declaration.

C. Take such action as may be necessary to comply with all laws, statutes, ordinances, rules and of all appropriate governmental authority, and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

D. To enter into contracts for garbage and trash removal, vermin extermination, and other services, and make all such contracts and purchases in either the Association's or the Management Firm's name, as the Management Firm shall elect.

E. To purchase, maintain and operate equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the condominium. Purchases and costs of maintenance and operation as provided in the preceding sentence shall be in the name of the Management Firm, or the Association, as the Management Firm shall elect.

F. Cause to be placed or kept in force all insurance required permitted in the Declaration act as agent for the Association, each unit owner, and for each owner of any other insured interest; to adjust all claims arising under said insurance policies; to bring suit thereon and deliver releases upon payment of claims; to otherwise exercise all of the rights, powers and privileges of the insured parties; to receive on behalf of the insured parties, all insurance proceeds, subject to the provisions of the Declaration.

G. Maintain the Association's financial record books, accounts, and other

records as provided by the Association's Bylaws and pursuant to the Condominium Act. Provide copies of all records to unit owners annually and, if requested, more frequently to unit owners at their expense.

H. Maintain records sufficient to describe its services hereunder and such financial books and records sufficient in accordance with prevailing accounting standards to identify the source of all funds collected by it in its capacity as the Management Firm, and the disbursement thereof. Such records shall be kept at the office of the Management Firm, and shall be available for inspection by an expert employed by and at the cost and expenses of the Association and at such reasonable time as the Management Firm may agree to; however, said request for inspection cannot be made more than once in any calendar year.

I. Will cause a representative of the Management Firm to attend meetings of the unit owners of the condominium, and of the Board of Directors of the Association; however, it is understood and agreed that the minutes of all the Association's meetings, whether of unit owners or of the Board of Directors, shall be taken by the Management Firm; that possession of the minute book shall be in the possession of the Management Firm who shall always be responsible for preparing and furnishing notices of all meetings to the required parties; that the determination of when and how to call meetings of the Board of Directors or the unit owners of the condominium shall solely be vested in the Association.

J. The Management Firm shall cause such alterations and/or additions to the common elements or limited common elements of the condominium to be made as authorized by the Board of Directors of the Association and their members where required, pursuant to and in accordance with the said Declaration. As to the foregoing, the Management Firm shall be paid for the cost of its personnel and overhead, material and equipment in regard thereto, and any and all contractors, subcontractors or materialmen, as are required therefor.

K. Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder, and to employ same on such basis as it deems most beneficial.

L. Exercise such powers and rights delegated to it, if any, under the terms and provisions of the Declaration of Condominium for Maplewood Resort Condominiums.

M. If maintenance of Maplewood Resort Condominiums, or any portion thereof, including any unit or common element, is required due to loss by act of God or other

cause, which is other than normal wear and tear, and which loss is less than Amajor damage@, as defined in the Declaration of Condominium, and in such event, the Management Firm shall be authorized and empowered to charge the costs of repairing and restoring such loss to the Association and the Association shall be responsible for assessing such costs to the appropriate unit owners as it deems advisable, pursuant to the Declaration of Condominium, and notwithstanding the fact that said insurance or damage was or was not covered by insurance. Said total charge shall be equal to the cost of said repair but shall include the costs of the Management Firm's personnel, overhead, materials and equipment, and any and all other contractors, subcontractors or materialmen, as are required. Should the loss be covered by insurance, the Management Firm will make claim therefor and the proceeds thereof shall be applied as a credit against the total cost of said repair and restoration, shall be from the insurance proceeds where such are received, and in such assessments collected, and should there be a surplus of such funds, the said surplus shall be distributed to or no behalf of the unit owners, as provided in the aforesaid Declaration of Condominium.

N. Collecting all assessments from association members, and shall apply those assessments in payment of the Management Firm's fees and its overhead and expenses which shall be deemed common expenses.

O. Deposit all funds collected from the Association members or otherwise accruing to the Association, in a special bank account or accounts of the Association in banks and/or savings and loan associations in the State of Wisconsin, with suitable designation indicating their source.

P. Make and collect special assessments for such purposes and against such parties as the Association determines, subject to the provisions of the Declaration.

6. Notwithstanding any delegation to the Management Firm of powers as set forth in Paragraph 5 herein, during the term of this Agreement, the Association shall be solely responsible for:

A. The Association, during the term of this Agreement, may file a lien against a unit owner's condominium parcel should he fail to pay his assessments or maintenance fee as required and provided in the Declaration of Condominium and take such other action as provided in said Declaration.

B. The Association, after consultation with the Management Firm, shall

determine the budget as to the condominium for the term of the Management Agreement. Upon said budgets being determined annually, the Association shall submit annually to the Management Firm the operating budget for the ensuing year and said Management Firm shall specify therein each unit owner's monthly share thereof. Should an increase in assessments be required or a special assessment be required during the year, the same shall be determined and made by the Association and the Management Firm shall be advised thereof and as to the share thereof payable by each of the Association's members. The Association shall collect the assessments based upon the foregoing. The Management Firm shall not be responsible for obtaining the best price available as to any services, material or purchases, but shall, purchase or contract for same with such person or party as it deems advisable and in the best interest of the Association and the Management Firm, without the necessity of obtaining the best price.

7. The Management Firm shall aid and assist the Association in any reasonable manner required by the Association as to the collection of assessments.

8. It is specifically understood that the Management Firm does not undertake to pay common expenses from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as, the payments required by the next paragraph are paid in timely fashion by the Association. If it shall appear to the Management Firm that the Association's assessments to unit owners and other revenue are insufficient, the Management Firm shall forthwith determine such additional assessments as are required and advise the Association and its members.

9. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself but solely in exchange for the fees to be paid by the Association as set forth herein. As compensation for its services herein, the Management Firm shall receive a net general fee, free from all charges and expenses, for all services, except linen and laundry changeover, in the sum of \$1,416.67 per month. The general fee shall be due on the first day of each month during the term of this Agreement. It is specifically permitted, under this Agreement, that the fees to be paid the Management Firm under this contract may be increased every January as long as this Agreement remains in full force and effect. At that time, the Management Firm reserves the right to increase the fees payable for the services rendered hereunder, based upon its experience from the previous year.

10. The Association shall not interfere nor permit, allow or cause any of the officers, directors or members to interfere with the Management Firm in the performance of its duties or the exercise of any of its powers hereunder.

11. The Management Firm, shall have the right to assign this Agreement as herein set forth. The Management Firm may assign its right, title and interest herein to another management firm operating and existing under the laws of the State of Wisconsin. However, said assignment shall not be valid unless and until the assignee thereunder expressly assumes and agrees, in writing, to perform each and every covenant and term of this Agreement. The said agreement shall be duly recorded in the public records of the county wherein the condominium is located and an executed duplicate of said assignment shall be delivered to the other party of this Agreement by certified mail or its equivalent. The Management Firm may also subcontract all or portions of its duties and powers under this Management Agreement.

12. The Association agrees to assess a condominium unit owner for those damages and special assessments as set forth in the Declaration and in this Agreement - i.e. maintenance, repairs, or replacements caused by the negligence or misuse by a unit owner, his family, servants, guests or invitees, or lessees; or failure of a unit owner to maintain those portions of his condominium unit and limited common elements assigned to his unit, as he is required to repair and maintain; or violation of the provisions of the aforesaid Declaration which require the removal of same by the Management Firm and/or which increase the cost of maintenance and/or repair upon the Management Firm, or increase insurance rates and premiums, etc.

13. No waiver of a breach of any of the covenants contained in this Agreement shall be construed to be a waiver of any succeeding breach of the same covenant.

14. Time is of the essence in every particular, and especially where the obligation to pay money is involved.

15. No modification, release or discharge or waiver of any provision hereof, shall be of any force, effect or value, unless in writing, signed by the parties to this Agreement, i.e. the Management Firm and the Association or their respective successor or assigns.

16. This instrument, together with the Declaration, the Bylaws, the Rules and Regulations constitute the entire Agreement between the parties hereto, as of the date of the execution hereof, and neither has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations,

promises or understandings whatsoever, in any way touching the subject matter of this instrument or the instruments referred to herein, which are not expressly contained therein.

17. The invalidity in whole or in part of any covenant, promise or undertaking, or any section, subsection, sentence, clause, phrase or word, or of any provision of this Agreement or the exhibits attached thereto, and the Declaration of Condominium for Maplewood Resorts Condominium, and the exhibits attached to that Declaration, shall not affect the validity of the remaining portions thereof. The provisions of this Agreement shall be paramount to the Condominium Act as to those provisions of this Agreement of permissive variances which are permitted; otherwise, the provisions of said Condominium Act shall prevail and shall be deemed incorporated herein.

18. If the Association or its members, shall interfere with the Management Firm in the performance of its duties and exercise of its powers hereunder, or if the Association shall fail to promptly do any of the things required of it hereunder, then the Management Firm may, thirty (30) days after having delivered written notice to said Association of said default by delivering said notice to any office of the Association, or in their absence, to any member of the Association, declare the Association in default unless such default is cured by the said Association within thirty (30) days after service of such notice. Notwithstanding the preceding sentence, in the event of a default in the payment of a fee due under Paragraph 9 herein, which default continues for a period of fifteen (15) days following the specified due date, then the Association shall automatically be in default of this Agreement without any notice whatsoever. Upon default, the Management Firm, in addition to any other remedy available to it by this Agreement, or in law or in equity, may bring an action against the Association for damages and/or specific performance and/or other rights and remedies as it may have. All of such rights of the Management Firm upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

19. Failure by the Management Firm to substantially perform its duties and obligations under this Agreement for a continuous period of thirty (30) days after written notice of a default from the Association specifying the default complained of shall be grounds for the said Association's cancellation of this Agreement.

20. The Management Firm shall have the right in its sole discretion to suspend any unit owner and/or authorized user of the recreational facilities for any infraction of the promulgated

rules and regulations pertaining to said recreation facilities for a period not to exceed seven (7) days, and during said period of suspension, there shall be no reduction in the assessments due and payable from said unit owner and/or authorized user.

21. Should the unit owner fail to pay an assessment within thirty (30) days after its due date, the Management Firm, upon receiving written notice thereof from the Association, may deny to the unit owner and/or the authorized user the use and enjoyment of the recreational facilities until such time as all assessments are paid.

22. The Association shall be responsible for all bills for outside services, utilities, supplies, cable T.V., garbage removal, and other bills incurred in behalf of the Association. The Management Firm assumes no responsibility or liability whatsoever for payment of these bills.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

MAPLEWOOD RESORT CONDOMINIUM OWNERS ASSOCIATION, INC.

BY: William D. Brandenburg
William D. Brandenburg, President

BY: Dawn M. Brandenburg
Dawn M. Brandenburg, Secretary

MAPLEWOOD RESORTS LLC

BY: Andrew P. West
Andrew P. West, Member

BY: Donna M. West
Donna M. West, Member