

Contract No. _____
Resolution No.: _____
Date of Award _____
Funding Source: _____
Fund No.: _____

MANAGEMENT AGREEMENT

This Agreement ("Agreement") is made this 1st day of August, 2023, between the **Housing Authority of the City of Milwaukee**, a public body, corporate and politic, created and existing under the laws of the state of Wisconsin with its principal offices located at 809 North Broadway, Milwaukee, Wisconsin 53202, hereinafter referred to as "HACM," and **Travaux Inc.**, a Wisconsin non-stock corporation and instrumentality of HACM, with its principal offices located at 455 E. Ogden Avenue, Milwaukee, Wisconsin 53202, hereinafter referred to as "Manager."

1. Manager:

HACM hereby appoints Manager as its exclusive managing and leasing agent for the premises described in Paragraph 2 below (hereinafter referred to as the "Property") collectively called the Non-subsidized Developments, and the Manager hereby accepts such appointment, for the purpose of managing, leasing, operating, maintaining and servicing the Property, subject to the terms and conditions set forth in this Agreement.

2. Property:

Name: Southlawn Housing Development
Location: 3350 S. 25th Street
Milwaukee, Wisconsin 53215
Number of Dwelling Units: 330

Name: Southlawn Park Housing Development
Location: 2130-2148 W. Morgan Avenue
Milwaukee, Wisconsin 53215
Number of Dwelling Units: 8 Single Family; 2 Duplex Units

Name: Northlawn Housing Development
Location: 5145 N. 20th Street
Milwaukee, Wisconsin 53209
Number of Dwelling Units: 247

Name: Berryland Housing Development
Location: 6089 N. 42nd Street
Milwaukee, Wisconsin 53209
Number of Dwelling Units: 391

3. Management Plan:

The Manager has provided HACM with a Management Plan (Exhibit B) for the Property that provides a comprehensive and detailed description of the policies and procedures provided by HACM to Manager to be followed in the management of the Property. The content and form of that plan has been approved by HACM. In many of its provisions, this Agreement briefly defines the nature of the Manager's obligations, with the intention that reference be made to the Management Plan for more detailed policies and procedures. Accordingly, HACM and the Manager will comply in all material respects with all applicable provisions of the Management Plan, regardless of whether specific reference is made thereto in any particular provision of this Agreement. The Manager will continually review the Management Plan for the purpose of keeping HACM advised of necessary or desirable changes. At least sixty (60) days before the end of the first year of this Agreement, the Manager shall submit a Management Plan for the second contract year of this Agreement and so forth.

4. On-Site Management Office:

- a. HACM shall provide the Manager with adequate space, on a rent-free basis, on the Property for a management office. HACM shall pay from the operating budget all expenses related to such office, including, but not limited to, furnishings, equipment, postage, office supplies, electricity, computers, telephone, answering service, and security monitoring services, if any. However, whatever equipment, supplies, or services which are purchased by HACM for the activities related to this Management Agreement, shall be owned by and remain the sole property of HACM.
- b. HACM's Information Technology (IT) staff will provide the computer hardware and software configuration and installation at Manager's office on the Property. Software, other than that approved and installed by HACM IT staff, is not to be used (including "screen savers"), without the prior consent of HACM, which consent shall not be unreasonably withheld, conditioned or delayed.

Internet usage and E-mail usage is to follow City of Milwaukee security guidelines as outlined in IRM technical bulletins numbered TB001 and TB002 which have been or will be forthwith provided to Manager. Essentially, data downloaded from the Internet should be to the local drive only of the computer (usually C:) and E-mail usage must not degrade the computer network (e.g., attaching large files for communication).

HACM IT staff will provide “login” and “password” maintenance. Security restrictions will be put in place by HACM IT staff only and provided to the appropriate person designated by Manager.

5. Property Information:

As soon as possible, but not more than thirty (30) days after the commencement of this Agreement, HACM will furnish the Manager with a **complete set of as-built building plans and specifications**, as well as existing leases, contracts, agreements, licenses, certificates, and other documents pertaining to the Property. Also HACM will provide the Manager with such information and materials pertaining to the layout and construction of the Property, the lighting of the Property, and all mechanical systems and equipment together with copies of all manufacturer’s preventative maintenance schedules, guarantees and warranties pertinent to the fixtures, mechanical equipment, and appliances used in the operation of the Property. With the aid of this information and inspection by Manager’s personnel, the Manager will become thoroughly familiar with the character, location, construction, layout, plan, and operation of the Property and especially of the electrical, heating, plumbing, air-conditioning, and ventilation systems, and all other mechanical equipment servicing the Property.

6. Leasing and Occupancy

The Manager will use reasonable efforts to rent the dwelling units in the Property. The following provisions will apply to such leasing:

- a. Manager will be responsible for marketing, maintenance of waiting list for prospective residents, and the initial screening of prospective residents.
- b. The Manager will follow the resident selection policy described in the Management Plan and will show the dwelling units to prospective residents,
- c. The Manager is responsible in determining credit worthiness and suitability of prospective residents in accordance with the guidelines established by HACM and provided in writing to Manager. Manager shall in no event be responsible if any resident or other person shall fail to make payment of rental or other monies when required.

7. Rent Determination

Though not mandated, the HACM Board of Commissioners set a rent cap for the property at 90% of Fair Market Rent. Manager will review rents continuously to set rent at market demand levels but never exceeding the 90% FMR. Manager will comply with all Rent Determination and Rent Reasonable requests made to support the usage of Section 8 Housing Choice Voucher Payments.

8. Security Deposits:

The Manager will collect, deposit, and disburse security deposits in accordance with the terms of each resident's written lease ("Lease"). Every modification to a Lease will be provided to the Manager. The amount of each resident's security deposit will be as specified by HACM policy delivered in writing to Manager. The collection and disbursement of security deposits will also be governed by applicable state and local laws provided in writing to Manager. All security deposits shall be transferred by hand delivery to HACM's central office accounting department for deposit within five (5) working days, subsequent to such resident's Lease execution.

9. Collection of Rents and Other Receipts:

Residents shall continue to pay rent using the HACM's own software, existing mail and direct payment procedures. The Manager will be given access to the HACM software, responsible for timely collection of rents and action to pursue appropriate remedy when non-payment occurs. The Manager will also be responsible for assessing and collecting sales and service charges.

10. Enforcement of Leases:

The Manager will use its reasonable efforts to ensure compliance in all material respects by each resident with the terms of his/her Lease. Voluntary compliance will be emphasized. The Manager will counsel residents and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Manager. Eviction of residents should be avoided to the maximum extent consistent with the pertinent procedures prescribed in the Management Plan. The Manager may terminate any tenancy when, in the Manager's judgment, sufficient cause (including, but not limited to, nonpayment of rent) for such termination occurs under the terms of the resident's Lease. In such event, the Manager is hereby authorized to utilize HACM's legal counsel to bring actions for eviction and to execute notices to vacate and judicial proceedings incident to such actions; provided, however, the Manager keeps HACM informed of such actions and follows such written instructions as HACM may prescribe for the conduct of any such action. Attorneys' fees and other reasonable costs incurred in connection with such actions will be paid out of the General Operating Account as Property expenses pursuant to Paragraph 15 below. HACM has provided Manager with true and correct copies of all residents' Leases and all amendments thereto as of the date hereof.

11. Maintenance and Repair:

The Manager will maintain the Property in reasonably good repair in accordance with the Management Plan and local codes and in a condition at all times reasonably acceptable to HACM. This will include, but not be limited to,

cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may reasonably be necessary, subject to any limitations imposed by HACM and communicated to Manager in writing in addition to those contained herein. HACM will take note as of the date hereof of the existing condition of the dwelling units and the Property and subject to availability of funds establish goals for bringing all dwelling units up to appropriate quality standards. Expenses associated with maintenance and repair will be paid out of the General Operating Account referred to in Paragraph 15 below and will be treated as Property Expenses.

Incident thereto, the following provisions will apply to Manager's duty to maintain and repair the Property:

- a. The Manager will reasonably coordinate preventative maintenance activities with HACM's Maintenance Operations unit or Modernization and Development Services as appropriate.
- b. The Manager will contract with and utilize reasonably qualified independent contractors for maintenance and extraordinary repairs beyond the capability of regular maintenance employees. In addition, the Manager must go through HACM's Modernization and Development Services Section for all hazardous materials abatement services and consulting services relative to this work.
- c. The Manager must turn around a vacant unit within twenty (20) calendar days or less.
- d. The Manager will systematically receive and reasonably investigate all service requests from residents, take such action thereon as may be reasonably justified, and will keep records of the same.
- e. The Manager is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary or desirable for proper maintenance and repair of the Property. All costs and expenses associated with such purchases will be paid out of the General Operating Account as Property Expenses pursuant to Paragraph 15 below.
- f. Notwithstanding any of the foregoing provisions, the prior approval of HACM will be required for any expenditure which exceeds **\$10,000** in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Property. This limitation is not applicable for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the Property. In the latter event, the Manager will inform HACM of the facts as promptly as reasonably possible.

- g. The Manager will be required to incorporate HACM's Maintenance Plan in providing custodial and maintenance services. A copy of the Maintenance Plan and all amendments thereto shall be provided to Manager as of the date hereof and all subsequent amendments thereto shall be immediately provided to the Manager in writing.

12. Vehicles and Equipment:

HACM will provide vehicles and equipment assigned to the Development to the Manager as requested solely for use in maintaining the Property. Manager is responsible for the proper maintenance of the vehicles and equipment which will be considered as part of Property expense pursuant to Paragraph 15 below.

13. Utilities and Services:

Manager will make arrangements for water, electricity, gas, sewage and trash disposal, vermin extermination, and telephone service. All costs and expenses associated with such services will be paid out of the General Operating Account as Property Expenses pursuant to Paragraph 15 below.

14. Employees

The Management Plan prescribes the number, qualifications, and duties of the personnel to be regularly employed by Manager in the direct management of the Property. All such personnel will be employees of the Manager and will be hired, paid, supervised, and discharged by the Manager. Additionally, all employees of the Manager must meet all reasonable qualifications, licensing, and code requirements applicable to their assigned task. It is understood that Manager will be reimbursed for all direct costs associated with employees working "on-site", including, but not limited to, their direct salary, social security taxes, employment taxes, medical insurance, plan contribution, subject to review and approval by HACM, and worker's compensation. Such reimbursement will be paid out of the General Operating Account and will be treated as a Development expense pursuant to Paragraph 15 below. Manager's employees who work off-site or in the Manager's on-site office will be paid directly by the Manager out of the operations budget for the project.

15. Disbursements from General Operating Account:

- a. From the funds approved by HACM in the operating budget for the Property, HACM will make the following disbursements to Manager promptly when due and payable:

- (1) Reimbursement to the Manager for compensation payable to the employees specified in Paragraph 14 above, and for the taxes and

assessments payable to local, state and federal governments in connection with the employment of such personnel.

(2) All other sums otherwise due and payable by HACM as expenses of the Property authorized to be incurred by the Manager under the terms of this Agreement, including, but not limited to, compensation payable to the Manager, pursuant to Paragraph 26 below, for its services hereunder.

- b. Except for the disbursements mentioned in Subparagraph 15.a. above, funds will be disbursed or transferred from the General Operating Account only as HACM may from time to time direct in writing.
- c. Manager shall not be required to make any expenditures for HACM if the General Operating Account does not have sufficient funds in the General Operating Account to permit Manager to make the permitted expenditures.

16. Budgets:

Annual operating and capital budgets for the Property will be approved by HACM which approval will not be unreasonably withheld, conditioned or delayed. Except as permitted under Subparagraph 11.e. above, annual disbursements for each type of operating expense itemized in the budget will not exceed the amount authorized by the approved budget. The Manager will prepare a recommended operating and capital budget for each fiscal year beginning during the term of this Agreement, and will submit the same to HACM in accordance with HACM's budget development schedule, which schedule shall be provided to Manager on the date hereof, before the beginning of the fiscal year. HACM will promptly inform the Manager of any changes incorporated in the approved budget, and the Manager will keep HACM informed of any anticipated positive or negative variance of ten percent (10 %) or more for each major budget category stated in the approved budget.

17. Records and Reports:

In addition to any requirements specified in the Management Plan or other provisions of this Agreement, the Manager will have the following responsibilities with respect to accounts and reports:

- a. The Manager will establish and maintain a comprehensive system of records, books, and delinquent accounts including records to document compliance with HACM's requirements in a manner satisfactory to HACM which approval shall not be unreasonably withheld, conditioned or delayed. All records, books, and delinquent accounts will be subject to examination at the Site Manager's office located in each of the

developments or at the office of the Manager at reasonable hours by any authorized representative of HACM during regular business hours.

- b. With respect to each fiscal year ending during the term of this Agreement, the Manager will reasonably cooperate with HACM's contracted auditor.
- c. The Manager will furnish information as may be reasonably requested by HACM from time to time with respect to the financial, physical or operational condition of the Property.
- d. By the 15th day of each month, the Manager will furnish HACM with a monthly management report, a statement of receipts and disbursements, and any other financial information reflecting the status as of the end of the previous month, as reasonably required by HACM.
- e. Except as otherwise provided in this Agreement, all off-site bookkeeping, clerical, and other management overhead expenses (including, but not limited to, costs of office supplies and equipment, postage, transportation for managerial personnel, and telephone services) will be borne by the Manager out of its own funds and will not be treated as Property expenses.
- f. The Manager will prepare a quarterly report for the residents concerning activities under this Agreement.
- g. All reports required under this Agreement should also be submitted to the Associate Director of HACM.
- h. Wisconsin Public Records Law – The Manager and HACM understand that the HACM is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. 19.21, *et seq.* The Manager acknowledges that it is obligated to assist HACM in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that the Manager must defend and hold HACM harmless from liability under that law. Except as otherwise authorized, the Manager shall maintain such records for a period of seven (7) years after receipt of the final payment under this Agreement.

18. Fidelity Bond:

The Manager will place the Property on a master fidelity bond, which provides blanket coverage equal to, \$100,000. The bond will provide coverage for all principals of the Manager and all persons who participate directly or indirectly in the **management of the Property** and its assets, accounts and records. The premium for such a bond will be paid from the Manager's management fee.

19. Bids, Discounts, Rebates, or Commissions:

The Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for the proper maintenance and repair of the Property.

The Manager shall use competitive purchasing procedures pursuant to State Statutes Section 66.1201(24)(ag) for procuring services, supplies, material and equipment for use by the Manager in carrying out its responsibilities under this Agreement. Every procurement shall be documented including, but not limited to, written specifications, processes followed in the solicitation of quotes and written responses, insurance policies and copies of the subcontracts. The Manager shall solicit written cost estimates (i.e. Bids) from at least three (3) contractors or suppliers for any work item that the Manager reasonably estimates will cost between \$3,000 through \$150,000. For any contract of ongoing supply or service arrangement that is reasonably estimated to exceed \$150,000 per year, the Manager shall publicly solicit bids using sealed bids or proposals. Awards over \$150,000 will require approval by HACM's Board of Commissioners. A contract subject to bidding shall be awarded to the lowest qualified and competent bidder. The Manager must make a written record of any verbal estimates obtained. Copies of all required bids and documentation of all written or verbal cost comparisons made by the Manager shall be made part of the Property's records and shall be retained for seven (7) years from the date the work was completed. Such documentation shall be subject to reasonable inspection by HACM or its designee at reasonable times, at Manager's on-site office, during normal business hours, and the Manager agrees to provide access to such documentation upon request.

All procurement shall comply with applicable state, federal and local laws including but not limited to Wisconsin Prevailing Wage Rate Laws (See Exhibit C) and shall be conducted pursuant to full and open competition. The Manager is required to have all subcontractors submit Certified Payroll Reports via LCPtracker Labor Compliance Software, if applicable, as follows:

Electronic Submission of Certified Payrolls.

- a. The Manager and every contractor, subcontractor, and lower-tier subcontractor will be required to submit certified payrolls and labor compliance documentation electronically via the software LCPtracker™.
- b. The LCPtracker™ service is a paperless, online system of entering Certified Payroll Reports. Payroll data may be entered directly into the system or uploaded from major construction accounting and payroll programs. The service eliminates the need for contractors to submit paper prevailing wage documents and forms while providing an online database of all certified payroll reports. The service also generates audits, logs and correspondence.
- c. All contract-specific wage rates and worker classifications are online, within the system, and contractors select classifications from a menu. Worker information is entered once and then remains in the system accessible to all of the Housing Authority's public works contract activity. Potential errors in wage rates or worker classification entries are flagged to contractors preemptively, allowing contractors to correct data prior to submittal.
- d. Electronic submission will be a web-based system, accessed on the World Wide Web by a web browser. Each contractor will be given a login identification and password to access the Housing Authority's reporting system.
- e. Use of the system may entail additional data entry of weekly payroll information including; employee identification, labor classification, total hours worked and hours worked on this project, wage and benefit rates paid etc. The Manager's and contractor's payroll and accounting software might be capable of generating a 'comma delimited file' that will interface with the software.
- f. This requirement will 'flow down' to every subcontractor and lower-tier subcontractor required to provide labor compliance documentation.
- g. There is no cost to the Manager or contractors to use LCPtracker™. An email with login instructions will be sent to the Manager once the Manager is set-up in the system. This will also apply to your contractors, some of which are already set up in the Housing Authority's database.
- h. On-line training is provided at no cost. Manager and contractors may access the training after activating their accounts. Training options include computer-based training courses (pre-recorded videos) and web-based training sessions (online training sessions facilitated by LCPtracker™ support staff and requiring a computer with Internet access, an email

address, and access to a telephone).

- i. Upon execution of this Agreement, the Manager will be assigned to this Contract in LCPtracker™.
- j. Questions may be directed to the Contract Compliance Officer at 414-286-5863 at the Housing Authority. Complete and full support is also offered directly to contractors by LCPtracker™ for any technical questions on the use of the service. Contact LCPtracker™ Support at 714-669-0052, #4 or support@lcptracker.com.

The Manager further agrees to include the following clause in any contract entered into with an identity-of-interest firm for provision of goods or services to the Property, the cost of which services are to be paid from Property funds: "Upon request by HACM Manager, (name of contractor or supplier) will make reasonably available to same at a reasonable time and place (name of contractor or supplier's) records that relate to goods or services provided to the Property." The Manager agrees to request such records from the contractor or supplier within seven (7) days of receipt of a written request from HACM. The Manager agrees to make available to HACM when reasonably requested, all records of the Manager's management company and its identity-of-interest company(ies), if any, which relate to the provision of goods or services to the Property whenever Property funds have been used to pay for such goods and/or services (other than management services).

20. MBE/WBE/DBE Participation

Manager shall report monthly and upon request to HACM the total dollar value of the contracts procured and its compliance with HACM's MBE/WBE/DBE program goals (included in the RFP) via B2GNOW Diversity Management and Compliance System software.

21. Resident Services Program:

The Manager will be responsible to HACM for reasonably carrying out any resident services program described in the Management Plan. The HACM director of Community Services or designee will be the liaison with the Manager on such matters.

22. Resident - Management Relations:

The Manager will encourage and promote reasonable resident engagement. The Manager will promptly report to HACM's office all known accidents, claims, and potential claims for damage relating to the Property, and will reasonably cooperate with HACM's insurers in connection therewith.

23. Insurance and Indemnity:

A. Insurance

- (1) The Manager shall secure and pay for out of the Manager's management fee the following insurance and premiums associated therewith:

<u>Coverage</u>	<u>Amounts</u>
Workers' Compensation	Statutory Limit
Comprehensive General Liability	BI \$500,000 per occurrence PD \$100,000 per occurrence \$1,000,000 aggregate
Automobile Liability	BI \$500,000 per occurrence PD \$100,000 per occurrence \$1,000,000 aggregate
Errors and Omission	\$1,000,000

- (2) HACM shall be named as an additional insured as its interests may appear with respect to liability coverage, except for the Errors and Omissions policy. HACM shall be given by the insurance company thirty (30) days' notice in advance of cancellation, non-renewal, or material change in any insurance coverage.
- (3) The Manager shall provide HACM with Certificates of Insurance evidencing the coverage required by this Paragraph 23 subject to HACM's immediate review and approval, which approval shall not be unreasonably withheld, conditioned or delayed, prior to commencing the services set forth by this Agreement. Failure to provide the insurance required by this paragraph shall permit HACM to terminate this Agreement pursuant to Paragraph 28.
- (4) The Manager shall require all subcontractors to carry, at a minimum, the above insurance coverage. All subcontractors' Certificates of Insurance must be kept on file for seven years after receipt of the final payment under their Contract.
- (5) The liability of Manager under the Indemnification set forth below in this paragraph will be specifically included under the Manager's appropriate liability policy or policies of insurance.

B. Indemnification

- (1) Except as otherwise provided in Subparagraph 30.n. below, the Manager agrees that it will indemnify, save and hold harmless HACM, its officers, employees, or agents, from and against all claims, demands, actions, damages, loss, costs, liabilities, expenses and judgments, and litigation costs, including reasonable attorneys' fees, photocopying expenses and expert witness fees, recovered from or asserted against HACM on account of injury or damage to person or property or otherwise to the extent that such damage or injury may be incident to, arising out of, or be caused, either directly or proximately, wholly or in part, by, a negligent act or omission, or willful misconduct on the part of the Manager or any of its agents, servants, employees or subcontractors, provided, however, Manager shall not indemnify same and hold harmless HACM or its officers, employees, or agents from and against negligent acts or omissions, or willful misconduct.
- (2) Except as otherwise provided in Paragraph (1) above, HACM shall timely tender the defense of any claim or action at law or in equity, arising out of or otherwise related to a negligent act or omission, or willful misconduct on the part of the Manager or any of its agents, servants, employees or subcontractors, to the Manager's insurer and, upon such tender, it shall be the duty of the Manager's insurer to defend such claim or action without cost or expense to HACM.

24. Compliance with Governmental Orders:

The Manager will take such action as may be reasonably necessary to comply promptly with any and all governmental orders or other requirements affecting the Property and provided to Manager in writing, whether imposed by federal, state, county, or municipal authority, subject, however, to the limitation stated in Subparagraph 11.e. with respect to repairs. Nevertheless, the Manager shall take no such action so long as HACM is contesting and makes Manager aware thereof, or has affirmed in writing to Manager its intention to contest, any such order or requirement and HACM indemnifies Manager with respect thereto pursuant to Subparagraph 30.n. below. The Manager to the extent possible will notify HACM in writing of all notices of such orders or other requirements within seventy-two (72) hours from the time of their actual receipt at Manager's on-site office.

25. Nondiscrimination:

In the performance of its obligations under this Agreement, the Manager will comply in all material respects with the provisions of any federal, state, or local law prohibiting discrimination in housing on the grounds of race, color, religion,

sex, age, marital or familial status, national origin, or disability. Each such resident must have capacity to execute a legal contract.

26. Status of Manager:

Nothing contained herein shall be deemed to render the Manager and HACM as joint ventures or partners of each other and neither shall have the power to bind or obligate the other, except in accordance with the terms of this Agreement.

27. Manager' s Compensation:

The Manager will be compensated for its services under this Agreement by monthly management fees to be paid out of the General Operating Account and treated as Property expenses pursuant to Paragraph 15 above. Such fees will be payable on the first day of each month for the term of this Agreement.

- a. Each such monthly fee will be in an amount of **\$26.60 per unit per month of occupied units at the beginning of the month**. Except, however, if a dwelling unit remains vacant for 20 consecutive calendar days or more, the Manager will be entitled to the monthly fee for any such vacant unit, provided, such vacancy is the result of physical damage to the unit. All vacant units under approved modernization programs will be treated for fee purposes as if they are occupied. The management fee shall not exceed Three Hundred Twelve Thousand Eight Hundred Sixteen and 00/100 Dollars (\$312,816.00) for the Property broken down by each development as follows: Berryland: \$124,807.20; Northlawn: \$78,842.40; Southlawn and Southlawn Park: \$109,166.40.

28. Terms of Agreement:

This Agreement shall be in effect for an initial term of **one year** beginning on August 1, 2023, and ending at 5:00 p.m. on July 31, 2024, subject, however, to the following conditions:

- a. After the initial term, this Agreement may be renewed on a yearly basis up to a maximum of four separate one-year terms on the same terms and conditions as are herein contained. To renew this agreement, each party shall be required to give written notice to the other party of its election to renew this agreement for an additional one-year term. Said notice must be received by each party at least thirty (30) days prior to the conclusion of the then existing one-year term.
- b. This Agreement may be terminated by either Manager or HACM as of the end of any calendar month, provided that at least thirty (30) days advance written notice thereof is given to the other party.

- c. In the event that a petition in bankruptcy is filed by or against either Manager or HACM, or in the event that either makes an assignment for the benefit of creditors to take advantage of any insolvency act, the other party may terminate this Agreement as provided for in Subparagraph a. above.
- d. Upon Termination, the Manager will submit to HACM any financial statements required hereunder and, after Manager or HACM have accounted to each other with respect to all matters outstanding as of the date of termination, HACM will indemnify Manager pursuant to Paragraph 29 below against any obligations or liabilities that the Manager may properly have incurred on behalf of HACM hereunder. This paragraph shall survive any such expiration or termination.
- e. Termination for Cause: HACM shall have the right to terminate this Agreement upon five (5) days prior written notice if it determines in its sole reasonable business judgment that the Manager's performance of this Agreement or the activities of the Manager or its employees are so unsatisfactory or improper as to constitute a hazard to the occupants of the Property, or a threat to the continued viability or safety of the buildings, or HACM.

29. Indemnification of Manager:

Notwithstanding any provision of this Agreement or any obligation of Manager hereunder to the contrary, it is understood and agreed:

- a. That HACM has assumed under this Agreement and will maintain its responsibilities and obligations hereunder through the term of this Agreement for the finances or financial stability and other matters set forth herein for the Property, and
- b. That the Manager shall have no obligation or responsibility to fund authorized Property costs, expenses, or accounts other than those funds generated or provided by HACM.

In accordance with the foregoing, HACM agrees that the Manager shall have the right at all times to secure from HACM payment of its compensation, as provided for under Paragraph 27 of this Agreement, from the General Operating Account or other funds of HACM, immediately when such compensation is due and without regard to other Property obligations or expenses. Moreover, HACM hereby agrees to indemnify the Manager and agrees to hold harmless the Manager, its principals, officers, directors, shareholders, employees and agents from and against any and all Property costs, expenses, and accounts during the term of this Agreement, provided, however, HACM shall not indemnify, save and hold harmless Manager or its principals, officers, directors, shareholders,

employees or agents from and against their, negligent acts or omissions or willful misconduct, and further agrees to guarantee to the Manager the payment of its compensation under Paragraph 27 of this Agreement during the term of this Agreement to the extent that the Property's Operating and Maintenance Account is insufficiently funded for this purpose. Failure of HACM at any time to abide by and to fulfill the foregoing shall be a breach of this Agreement entitling the Manager to obtain from HACM upon demand, full payment of all compensation owed to the Manager through the date of such breach, plus costs, expenses and reasonable attorneys' fees. The provisions of this paragraph shall survive the expiration and any termination of this Agreement.

30. Miscellaneous Provisions:

- a. HACM hereby acknowledges its obligations to respond to and cooperate with Manager in the performance of any and all of Manager's duties or activities performed pursuant to this Agreement.
- b. Upon termination or cancellation of this Agreement, Manager will be entitled to continue to receive, in accordance with the provisions of this Agreement, any commissions and/or fees to which Manager became entitled prior to the effective date of such cancellation or termination and not received by it by such date.
- c. HACM hereby represents and warrants to Manager that the Property and all improvements located thereon do not contain any hazardous materials or substances except as delineated on Exhibit A attached hereto and incorporated herein by this reference. If it is later determined that the Building and/or any improvements on the Property do contain hazardous materials and/or substances, which must be removed, HACM shall have full responsibility for removal of the hazardous substances. Manager shall not be required to become involved in such removal. This paragraph shall survive the expiration or termination of this Agreement.
- d. Any request, demand or other notice required or permitted to be given under this Agreement shall be in writing and may be, and shall be deemed, given and sent, if mailed, two (2) days after the date when deposited in the United States mail, postage prepaid, or by overnight courier service, email, fax machine, telegraph or telex when delivered to the appropriate office for transmission, charges prepaid, or by fax when received, addressed:

- (i) if to the HACM, to:

Housing Authority of the City of Milwaukee
809 North Broadway, 3rd Floor
Milwaukee, WI 53202

Attn: Willie Hines Jr.
Fax: (414) 286-0833

(ii) if to the Manager to:

Travaux Inc.
455 E. Ogden AVE
Milwaukee, WI 53202
Attn: Greg Anderson

Each of the parties hereto may treat the persons listed above as the only HACM and Manager hereunder for all purposes of this Agreement unless such person has received prior written notice of such change.

- e. Neither party may assign this Agreement or subcontract the performance of the obligations hereunder without the prior written consent of the other party.
- f. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject, however, to the prohibition against assignment contained herein.
- g. The failure of either party to seek redress for violation or to insist upon the strict performance of any covenant, agreement, provision or condition of this Agreement, shall not constitute a waiver thereof, and such party shall have all remedies provided herein and by applicable law, with respect to any subsequent act, which would have originally constituted a violation.
- h. This Agreement embodies the entire understanding of the parties, and there are no further agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.
- i. This Agreement may not be modified, amended, or terminated, except in writing signed by HACM and the Manager.
- j. HACM and Manager intend and believe that each paragraph in this Agreement comports with all applicable local, state and federal laws and judicial decisions. However, if any of the provisions in this Agreement shall to any extent be found by a court of law to be invalid or unenforceable, the remaining provisions of the Agreement shall not be affected thereby and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- k. The captions of this Agreement are for convenience of reference only and are not to be considered in the construction or interpretation of this Agreement or any of the provisions hereof.

- I. The parties will voluntarily attempt to mediate all disputes between them, including issues involving liability. A mediator will be selected by mutual agreement from lists of recommended candidates exchanged by the parties.

Any dispute the parties are unable to resolve through mediation, including, but not limited to, issues of liability shall be resolved through binding arbitration. The parties will attempt to reach agreement on who shall serve as the arbitrator. If the parties are able to agree on an arbitrator, the arbitration shall proceed according to the rules and procedures of the American Arbitration Association (AAA), except that the arbitration will not be conducted under the auspices of the AAA. The rules and procedures of the AAA will be used independent of and without any involvement of the AAA. Further, the AAA will not be made aware of or become involved in the resolution of any such dispute.

If the parties are unable to reach agreement on an arbitrator within 10 working days after one of the parties has requested arbitration, either party may request that the AAA provide a list of possible arbitrators. The parties will then alternatively strike from the list until an arbitrator is chosen. The arbitration shall proceed according to the rules and procedures of the AAA.

Each party shall pay its own legal fees and expenses such as witness fees associated with the arbitration. The parties will split the cost of the arbitrator's fee, and AAA fee, transcript fees and other costs associated with the arbitration.

- m. This Agreement has been drafted as a joint effort between HACM and Manager, after lengthy negotiations, consultations, and approval as to form. Accordingly, neither HACM nor Manager may hereafter be entitled to a presumption that any portion of this Agreement should be construed either for or against a particular party or contend that this Agreement was drafted by a particular party.
- n. HACM shall indemnify and hold harmless the Manager, its principals, officers, directors, shareholders, partners, employees, and agents (individually and collectively, the "Indemnities") from and against any and all claims, liabilities, suits, damages, judgments, costs and expenses of whatever nature, including disbursements, to which Indemnities may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property on the Property, or otherwise, either directly or proximately, wholly or in part, in connection with any written or oral HACM policy or procedure or any written or oral directions by HACM to modify or change any such policy or procedure

(the "Indemnification"). HACM shall promptly reimburse the Indemnities for all amounts, including reasonable attorneys' fees and disbursements, which they are required to pay in connection with or in defense of any of the matters for which they or any of them are entitled to indemnification as set forth above. The provisions of this paragraph shall survive the expiration and any termination of this Agreement.

31. Defining the Agreement: This Agreement consists of the Documents enumerated in a through f below in order of priority. In the event of conflict between any of the documents enumerated below, the document of higher priority shall prevail.

- a. This Instrument;
- b. Exhibit A, as identified in and incorporated by Article 30.c;
- c. Exhibit B, as identified in and incorporated by Article 3;
- d. Exhibit C, as identified in and incorporated by Article 19;

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

Witness:

Travaux, Inc.
455 E. Ogden Ave.
Milwaukee, WI 53202

By _____

By _____
Willie Hines Jr.
Title President

Attest:

**Housing Authority of the
City of Milwaukee**
809 North Broadway
Milwaukee, WI 53202

By: _____
Willie Hines Jr.
Secretary-Executive Director

By _____
Mark A. Wagner, Chair

(SEAL)

Exhibit A

[Hazardous Materials or Substances]

DRAFT