

COMMUNITY ASSOCIATION MANAGEMENT AGREEMENT

ASSOCIATION: Edinburgh Square Homeowners Association, Inc
Located in Cornelius, NC

AGENT: Main Street Management Group, Inc.

BEGINNING: 10/1/2023

This agreement (the "Agreement") is made and entered into this 28 day of AUGUST 2023, by and between the community association known as Edinburgh Square Condominium Association, Inc (the "Association"), a North Carolina non-profit corporation property known as Edinburgh Square Condominium Association, Inc, located in Cornelius, NC the "Property"), and Main Street Management Group (the "Agent").

A. DESIGNATIONS

1. AUTHORITY OF THE AGREEMENT

The Board of Directors of the Association (the "Board") certifies that it has the authority to enter into this agreement, on behalf of the Association and hereby appoints Agent to manage the Property, and Agent accepts appointment to manage the Property.

The parties further agree as follows:

2. DESIGNATED BOARD MEMBER

The Board President, unless otherwise designated by the Board or specified herein, is authorized to act as the liaison between the Association and Agent on any matter relating to the management of the Property. Agent shall not accept directions or instructions with regard to the management of the Property from anyone else. The Board Vice President shall act as alternate should the President be unavailable. Agent may, but is not required to, submit any matter, direction, instruction or the like to the Board and shall then follow the direction of the Board. In the event that a suitable designation is not available in the Agent's sole opinion, the Agent may terminate this agreement with 30-days notice.

3. RELATIONSHIP OF AGENT TO THE ASSOCIATION

All duties performed by Agent under this Agreement shall be on behalf of the Association. Nothing in this Agreement shall be construed to create a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Principal and Agent, or to require Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Property.

4. LIMITATION OF AGENT'S AUTHORITY AND RESPONSIBILITY

Agent's authority to act and be responsible for the Property shall be subject to the following limitations set forth below:

a. STRUCTURAL CHANGES

Agent shall have no authority to cause any structural changes to be made to the Property or to cause any other major alterations or additions in or to any building equipment therein, except such emergency repairs as may be required because, in the Agent's sole opinion, could pose a danger to life or property or which are immediately necessary for the preservation and safety of the Property or for the safety of the individual owners and occupants or which are required to avoid the suspension of any necessary service to the Property.

b. BUILDING COMPLIANCE

Agent shall not be responsible for the compliance of the Property or any of its equipment with any building codes or with any statutes, ordinances, laws, rules, or regulations (including those relating to the existence and disposal of solid, liquid, and gaseous wastes, and toxic or hazardous substances) of any city, county, state, or federal governments or agencies, or any public authority or official thereof having jurisdiction over it. HOWEVER, Agent shall promptly notify the Association or promptly forward to the Association any complaints, warnings, notices, or summonses received by Agent relating to such matters. The Association represents that to the best of its collective knowledge the Property complies with all such requirements, and the Association authorizes Agent to disclose the ownership of the Property to any such officials and agrees to indemnify, defend, and hold Agent, its representatives, servants, and employees, harmless of and from all loss, cost, expense, and liability whatsoever which may be imposed on them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations.

c. AGENT ASSUMES NO LIABILITY

Agent assumes no liability whatsoever for any acts or omissions of the Association, the Board, any individual Board member, or any previous Boards or current or previous owners of the Property, or any portion thereof, or any previous management or other agent of either. Agent assumes no liability for any failure of or default by any individual member of the Association in the payment of any assessment or other charges due the Association or in the performance of any obligations owed by any individual member to the Association, pursuant to any lease or otherwise. Agent likewise assumes no liability for any failure of or default by concessionaires in any rental or other payments to the Association. Nor does Agent assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any regulatory violations or hazards or safety or security issues discovered by Agent shall be brought to the attention of the Association, and the Association shall promptly cure them. The Agent assumes no liability for the Association's failure to act.

5. OBLIGATIONS OF THE PARTIES

a. ASSOCIATION TO AGENT:

To the fullest extent permitted by law, the Association shall indemnify, defend and hold harmless Agent and its employees from and against all third party claims, damages, losses and expenses including but not limited to, reasonable attorney's fees arising out of or resulting from the performance arising out or related to Agent's management of the Association or Property in accordance with the requirements of this Agreement, when not a result of negligence or

intentional misconduct by Agent or its employees or breach of Agent's obligations hereunder. If any such suit or claim is made by a third party, unless Agent is judged of negligence or intentional misconduct, then the Association shall pay all expenses reasonably incurred by Agent as a result of such suit or claim including, but not limited to, attorney's fees, litigation expenses, court costs, settlements, fines, judgments and other reasonable expenses so incurred not included in this list. All provisions of this Agreement that require the Association to have insured or to defend, reimburse or indemnify Agent shall survive any termination; and if Agent is or becomes involved in any proceeding or litigation by reason of having been the Association's agent, such provisions shall apply as if this Agreement were still in effect. Before Agent incurs any expenses for which the Association may be required to indemnify Agent, Agent agrees to allow any insurance carrier who may be obligated to defend Agent in such adverse action the opportunity to do so.

b. INSURANCE OBLIGATIONS OF THE ASSOCIATION:

At all times during the term of this Agreement, Association shall carry, at its own expense, a comprehensive general liability policy with minimum policy limits of \$1,000,000.00 and Directors and Officers liability insurance. Agent is not responsible for obtaining Association insurance and shall not be responsible for determining the scope of coverage or any limits for any covered insurance. Association shall provide Agent with a certificate of insurance evidencing such coverage. Said policy shall contain a provision requiring written notice to Agent of any cancellation or change in the policy at least ten (10) days prior to the effective date of cancellation or change of the policy. Association shall maintain and be responsible for such other insurance and in such amounts as may be required by the Association's governing documents or by law.

Agent shall be named as an additional insured on Association's general liability policies and Directors and Officers liability policy. Association shall certify that such insurance shall be primary coverage for the benefit of Agent.

c. INSURANCE OBLIGATIONS OF AGENT:

At all times during the term of this Agreement Agent shall maintain at its own expense the following policies or equivalent thereof: (i) general liability insurance, including errors and omissions coverage, in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate for general liability, and \$1,000,000.00 per occurrence and \$1,000,000.00 aggregate for errors and omissions; (ii) employee dishonesty and fraud (or similar) insurance covering all employees and officers of Agent, insuring the aggregate value and full and faithful accounting to the Association of all monies for which Agent is accountable to the Association, its officers, directors and members; and (iii) worker's compensation insurance.

B. TERM OF AGREEMENT

This Agreement begins on 10/1/2023 and continues for a term of one year. If neither party gives written notice of non-renewal at least sixty (60) days prior to the end of the term, the Agreement shall automatically renew for an additional year term and such term renewal shall continue except as herein provided.

Either party may terminate this Agreement for breach of contract provided that the parties are first given written notice of the deficiencies in service that may lead to termination and sixty (60) days to cure.

After the 60-day period allotted to cure deficiencies, either party may terminate this Agreement by written notice thirty (30) days in advance of the termination date.

A termination fee of \$500.00 will be paid to the Agent by the Association upon termination by either party for transition time and expenses.

1. INDEMNIFICATION SURVIVES TERMINATION

All representations and warranties of the parties contained herein shall survive termination of this Agreement. All provisions of this Agreement that require the Association to have insured or to defend, reimburse, or indemnify Agent shall survive termination; and if Agent is or becomes involved in any proceeding or litigation by reason of having been the Association's Agent, such provisions shall apply as if this Agreement were still in effect.

2. ASSOCIATION RESPONSIBLE FOR PAYMENTS

Upon termination of or non-renewal of the Agreement, the Association shall assume the obligations of any contract or outstanding bill executed by Agent on behalf of the Association and responsibility for the payment of all unpaid bills. In addition, the Association shall furnish Agent security, in an amount satisfactory to Agent, against any obligations or liabilities which Agent may have properly incurred on the Association's behalf under this Agreement. Agent may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated or not renewed, to pay bills previously incurred but not yet invoiced and to close open accounts. Agent shall deliver to the Association, within thirty (30) days after the end of the month in which this Agreement is terminated or not renewed, any balance of monies due the Association which are held by Agent with respect to the Property, along with a final accounting reflecting the balance of income and expenses with respect to the Association as of the date of termination or non-renewal, and all records, contracts, leases, receipts for deposits, and other papers or documents which pertain to the Association.

C. COMPENSATION

Agent shall be compensated for specific services as stated below.

1. FOR MANAGEMENT SERVICES

The Association shall pay Agent a management fee of \$775.00 each month for the initial term of this Agreement. Payment is due on the first of each month. No further charge shall be made by Agent for its services and other services of its professional staff, except as otherwise expressly provided in the Agreement or Fee Schedule. Upon the initial signing, a one-time fee of \$250 will be charged for management services provided prior to the start of the contract.

2. FOR CONSTRUCTION, CONTRACTING, INSURANCE CLAIM SERVICES

Association shall compensate Agent for supervision services in connection with project administration. Agent compensation shall be computed as a percentage of the total expenditure by the Association in connection with project or service at a rate of 5% of the total cost of the project. If this provision applies to a project, Agent shall notify Association and negotiate compensation in advance.

3. FOR OTHER SERVICES AND MATERIALS

Except for as provided for in Sub-Section C(2) herein, any charge of an outside contractor shall be billed at the amount charged by the contractor.

Agent shall be reimbursed for materials and supplies used by Agent in connection with carrying out its duties.

4. COURT APPEARANCES

In the event that the Association finds themselves in a legal action that requires the Agent to appear at mediation, arbitration, depositions, court or similar formal situations, the Manager's time will be billed according to the Fee Schedule. All associated costs, such as parking, will also be reimbursed by the Association.

5. ANNUAL ADJUSTMENTS

A 3 % cost of living increase will be added on an annual basis for the calendar year.

D. SERVICES OF AGENT

Agent shall perform the following services on behalf of the Association, and the Association hereby gives Agent the authority and powers required to perform these services.

1. ASSOCIATION EMPLOYEES AND INDEPENDENT CONTRACTORS

Agent may hire, retain, supervise, and discharge employees or independent contractors that may be required to repair, maintain, and operate the Property on behalf of the Association in accordance with the budget. Agent shall ensure that any such employee or independent contractor has general liability and worker's compensation insurance, the adequacy of which shall be set by the Board. Prior written consent of the Board shall not be required for employees or independent contractors in emergency situation or when time is of the essence. Such determinations shall be made by Agent in good faith. All such employees or independent contractors shall be the financial responsibility of the Association and not of Agent, and all salaries, taxes, and other expenses payable to or on account of such employees or independent contractors shall be operating expenses of the Property.

2. GOVERNING DOCUMENTS

Agent shall maintain access to the Master Deed / CC&Rs / Declaration, bylaws, rules and regulations, and architectural standards provided by the Association. The Agent, acting on behalf of the Association, will send notice of violations as directed by the Board.

3. PREPARATION OF ANNUAL BUDGET

Sixty (60) days prior to the beginning of each fiscal year, Agent shall prepare and submit to the Board a recommended Annual Budget for the year showing anticipated income and expenses for such year.

4. ACCOUNTING

The Agent will use the Hybrid Method of accounting for the Association. The collection of assessments, fees, and other monies owed to the Association are reflected on an accrual basis, while operating expenses are reported on a cash basis. This Hybrid Method allows for an accurate report of income owed to and expenses paid by the Association.

a. COLLECTION OF ASSESSMENTS

Agent shall invoice for (and give receipts for, if necessary) all assessments and other monies that are due the Association with respect to the Property and for all rental or other payments from concessionaires, if any. HOWEVER, Agent shall have no authority or responsibility to collect delinquent assessments or other charges except to send notices of delinquency and to communicate the Association's instructions regarding collection action to those designated by the Association to take formal collection action on its behalf.

b. RECORDS OF INCOME AND EXPENDITURES

Agent shall maintain records of all income and expenses relating to the Property, and shall submit monthly reports of the same to the Association, including a statement of receipts and disbursements for the preceding month, and a statement of the balance in the operating account and reserves account for the Property.

c. BONDING OF EMPLOYEES

All employees of Agent who handle or are responsible for the safekeeping of any monies of the Association shall be covered by fidelity insurance protecting the Association. Such insurance shall be in an amount and with a company determined by Agent and may be a blanket or umbrella insurance. The expense of such insurance shall be paid by Agent.

5. DEPOSIT OF FUNDS

Agent shall deposit all monies collected on behalf of the Association in a bank or other financial institution whose deposits are insured by the federal government or such other depository as directed by the Association in writing. The funds of the Association shall at all times be maintained separate and apart from Agent's own funds and from the funds of any others. Agent and its designees shall be the only parties authorized to draw upon such accounts. Agent shall not be held liable in the event of bankruptcy or failure of such depository. Such operating account shall not be required to bear interest.

Certificates of Deposit opened on behalf of the Association by the Agent will be closed upon termination of this Agreement and any resulting penalties will be the responsibility of the Association.

6. DISBURSEMENTS

Agent shall, on behalf of the Association, pay expenses of the Property as stated below.

a. LIMITATION ON EXPENDITURES BY AGENT

In discharging its responsibilities under section D of this Agreement, Agent shall not make any unbudgeted expenditures or incur any nonrecurring contractual obligation exceeding \$1,500.00 without the prior consent of the Association. HOWEVER, no such consent shall be required to repay any advances made by Agent. Notwithstanding these limitations, Agent may, on behalf of the Association, and without prior consent of the Board, expend any amount or incur a reasonable contractual obligation required to deal with emergency conditions which may involve a danger to life or property or which may threaten the safety of the Property or the individual owners and occupants or which may threaten the suspension of any necessary service to the Property. The Association agrees that it will be responsible for payment of such expenditures subject to its right to recover any such expenditures from any person or entity which may be ultimately responsible.

b. PAYMENT OF EXPENSES

Agent shall pay all expenses of operation and management of the Property from the Association's funds held in account by Agent. Any amounts owed to Agent by the Association shall also be paid from such account at any time without prior notice to the Association.

From the funds of the Association, Agent shall pay all expenses of the Property, including taxes, building and elevator inspection fees, water rates and other governmental charges, and all other charges or obligations incurred by the Association or by Agent on behalf of the Association with respect to the maintenance or operation of the Property or pursuant to the

terms of this Agreement or pursuant to other authority granted by the Board on behalf of the Association. Agent will sign all checks on behalf of the Association.

c. PAYMENT OF TAXES

Agent shall, on behalf of the Association, execute and file all reports and do and perform all acts required of the Association as an employer under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, all applicable federal, state, and local income tax laws, and all other laws, regulations, and/or ordinances governing employment and payment of wages. Upon request, the Board shall promptly execute and deliver to Agent all necessary powers of attorney, notices of appointment, and the like. The Association shall supply all funds to pay any taxes.

d. AGENT NOT REQUIRED TO ADVANCE FUNDS

Agent shall have no obligation to advance funds to the Association for any purpose whatsoever.

7. RECORDS OF INSURANCE

Agent shall maintain access to appropriate records of all insurance coverage for the Property and the Association. Agent shall cooperate with the Board in investigating and reporting all accidents or claims for damage relating to the ownership, operation, and maintenance of the common elements of the Property, including any damage or destruction to them.

8. ATTENDANCE AT MEETINGS

Agent, or a designated employee or other representative of Agent, shall attend meetings of the Association as part of this contract as outlined in the Fee Schedule. Agent, or its representative, shall not be expected to attend meetings on weekends, holidays or evenings after 8:30 P.M. Meetings during the week must begin no later than 6:30 pm. Meetings that last longer than two (2) hours or extend past 9:00 pm will be billed for the extended time at the hourly rate listed in the Fee Schedule. Meetings held on weekends will be billed the hourly rate listed in the Fee Schedule. Meetings in addition to the number contracted and noted in the Fee Schedule will also be billed at the hourly rate. Agent will not attend meetings in December. Agent or its representative shall be custodian of the official records of the Board and the Association as received by the Association Secretary. HOWEVER, neither Agent, nor its representative, shall be required to record the minutes of such meetings.

9. OTHER SERVICES OF AGENT

Other services provided by Agent in consideration of the fee set forth herein shall include, maintenance of a membership roster, maintenance of records and files for individual homeowners, and distribution of mailings.

10. AGENT NOT RESPONSIBLE FOR MAINTENANCE OF INDIVIDUAL UNITS

Agent shall have no authority or responsibility for maintenance or repairs to individual lots or units in the Association. Such maintenance and repairs shall be the sole responsibility of the owners.

E. FORCE MAJEURE

Any delays in the performance of any obligation of Agent under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of Agent, and any time periods required for performance shall be extended accordingly.

F. COMPLETE AGREEMENT

This Agreement, including any specified attachments, constitutes the entire agreement between the Association and Agent with respect to the management and operation of the Association. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by the Association and Agent. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants or agreements, express or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants or agreements, express or implied, to such party, other than those expressly set forth herein.

G. RIGHTS CUMULATIVE; NO WAIVER

No right or remedy herein conferred upon or reserved to either party to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy in this Agreement may be exercised from time to time and as often as may be deemed expedient by the parties.

H. APPLICABLE LAW AND PARTIAL INVALIDITY

The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of North Carolina. If any term of this Agreement shall be declared invalid or unenforceable, the remaining terms of the Agreement shall remain in effect and binding upon the parties. However, if any part of this Agreement is deemed invalid or unenforceable, either party may then terminate this Agreement upon thirty (30) days written notice to the other party.

I. NOTICES

Any notice required or provided for in this Agreement shall be in writing and shall be addressed as indicated below or to such other address as Agent or the Association may specify hereafter in writing.

1. TO AGENT

Kelly Hawkins
MAIN STREET MANAGEMENT GROUP
P.O. Box 1329
Cornelius, NC 28031

2. TO THE ASSOCIATION

Board Emails
Mailing Address for Board President

3. DELIVERY OF NOTICES

Notices or other communications between the parties to this Agreement may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository regularly maintained by the post office. Such notices may also be delivered by hand or by electronic means or by any other method permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof, or three (3) days after having been deposited in the United States mail or sent by email as provided herein.

J. AGREEMENT BINDING ON SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Agent and the heirs, administrators, successors, and assigns of the Association. Notwithstanding the preceding sentence, Agent shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business. In the event of such sale, Agent shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

K. CONFLICT OF INTEREST

Agent shall not accept from any party providing goods and services to the Association, including vendors and independent contractors, any remuneration or consideration in any manner or form, as consideration for or inducement to Agent for using the party's goods or retaining their services on behalf of the Association, all such benefits being rightly due to the Association.

L. SIGNATURES

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 28 day of AUGUST 2023.

Association:

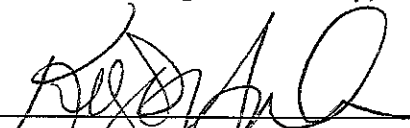
Edinburgh Square Homeowners Association, Inc

By: 

Board President

Agent:

Main Street Management Group, Inc.

By: 

Kelly Hawkins, President

FEE SCHEDULE

Included

Meetings attended annually	6
Property Visits annually	12

The following fees are subject to change throughout the contract.

Postage	At USPS rate
Printing, standard envelopes, folders, and checks*	\$0.20 each
Labels (30/page)	\$0.30 per page
Paper Statements, inc. return envelope & postage	at cost from Southdata
File Boxes	\$4.00 each
Towing Stickers	\$2.00 each
Doggie Station Mitts	at cost
Key Tags	\$1.00 each
Key Box	\$5.00 each
Notebooks	\$10.00 each
Misc. Supplies	At cost
Board Member Handbooks	\$20.00
Zoom Access	\$20.00/meeting
Minute Taking	\$75/meeting
Additional or Long Meetings	\$50 per hour for meetings over 2 hours, on weekends or past 9pm.
Court/Legal Appearances	\$50/hour
Storage of up to 10 boxes	\$6/month
Storage of additional boxes	\$1/box/month
Web Site, App,	\$30/month
Clubhouse reservations or FOB management	\$5/month
Dropbox Access	\$5.00/month
FHA Submissions	\$350/each
Audit Facilitation	\$250.00/each
Reserve Study Facilitation	\$250.00/each
Credit Card purchases	\$5/purchase
Management of additional monthly bank accounts	\$25/bank account/month
Management of CDs	\$5/CD/month
Intent to Lien Letters	\$15 each
Addendum Billing	\$2 each
Special Assessment Billing	\$25/charge
Loan Management	\$25/month
Fuel Surcharge (for rates over \$4.50/gal)	\$15/month

* In an attempt to save the Association money, large copy jobs will be outsourced at cost.

Providing closing information is not included in this contract and is provided through www.homewisedocs.com.