

COMMONWEALTH TERRACE COOPERATIVE, INC. (CTC) MANAGEMENT AGREEMENT

THIS AGREEMENT is entered into effective July 1, 2015, between Regents of the University of Minnesota, a Minnesota constitutional corporation (the "University") and the Commonwealth Terrace Cooperative, Inc., a Minnesota corporation (the "Co-op"). This Agreement is entered into by the University through its Department of Housing & Residential Life.

RECITALS

WHEREAS, the University owns certain apartment buildings and appurtenant facilities located on its campus in St. Paul and Falcon Heights as more fully described herein ("CTC Housing"); and

WHEREAS, the Co-op is organized for the purpose of managing and maintaining the facilities on behalf of the University in order to provide housing for qualifying students and their families at the lowest reasonable cost; and

WHEREAS, membership in the Co-op is limited to University students who meet the qualifications to reside, along with their families, in CTC Housing ("CTC Residents"); and

WHEREAS, the Co-op desires to manage CTC Housing for economic and educational reasons; and

WHEREAS, the University agrees to permit the Co-op to manage CTC Housing according to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The University hereby appoints the Co-op and the Co-op hereby accepts appointment as the managing agent of the residential property known as CTC Housing, located in Ramsey County, Minnesota, and described as follows: all buildings, dwelling units and common areas available for use by CTC Residents located on the real property bounded on the South by Como Avenue, on the West by Cleveland Avenue, and on the North by Commonwealth Avenue. The east boundary is established by installed

fencing which borders the east side of CTC Housing from Commonwealth Avenue to Como Avenue.

2. The Co-op's management responsibilities shall include (a) securing tenants for CTC Housing; (b) maintain accurate records of all persons living in CTC Housing; (c) entering into leases with CTC Residents; (d) maintaining CTC Housing in accordance with the attached Maintenance Addendum, as modified from time to time by mutual agreement of University and Co-op; and (e) performing certain operational and financial duties as more fully described herein. The Co-op shall provide documentation evidencing fulfillment of such responsibilities at the request of the University. CTC Housing policies and procedures relative to student data collection and storage are subject to University approval and applicable student housing laws. The Co-op agrees to distribute an annual survey to CTC Residents using a survey format provided by University and acceptable to the Co-op. University will provide the Co-op with a copy of the survey results and analysis.
3. The Co-op shall endeavor to keep CTC Housing occupancy at one hundred percent (100%). Eligibility to reside in CTC Housing shall be determined by the University in consultation with the Co-op. Except as provided below, eligibility will be limited to "students with families" who meet the academic eligibility requirements determined by the University. "Students with families" means University students who can provide the required documentation of being married or being in a domestic partnership, or of having at least fifty percent (50%) physical custody of one or more minor children. In the event that the number of available apartments in CTC Housing exceeds the number of eligible students requesting occupancy, eligibility will be expanded to include other categories of students meeting the academic eligibility requirements in the following priority order: 1) single graduate/professional students; 2) single post-doctoral, fellow, or medical resident students 3) single undergraduate students who have obtained senior class standing; and 4) single undergraduate students who have obtained junior class standing. Single students who meet the expanded eligibility requirements, as outlined previously, may have a roommate of his/her choice (the roommate does not need to be a University of Minnesota student). The Co-op and the University will work together to affirmatively market CTC Housing to University students who meet eligibility requirements. The assistance will include, but is not limited to, posting and distributing information about CTC Housing to existing and potential University students, working with the Co-op to analyze where University

students and potential residents may be located, and to otherwise help the Co-op promote and achieve 100% occupancy.

4. On or before 5 days after the last date to add/drop classes of each semester, the Co-op will provide to the University a complete roster of all residents residing in CTC Housing. The roster must include an accurate account of student ID number, first name, last name, address, and move in date of each resident. The University will process the student ID numbers to verify eligibility and provide the results to the Co-op. Only the University can grant exemptions or extensions regarding eligibility to reside in CTC Housing.
5. University's Disability Resource Center, in consultation with Housing & Residential Life ("H&RL"), shall have the right to certify eligibility for disability services, determine legally required reasonable accommodations, and develop plans for the provision of such accommodations to CTC Residents with disabilities. The Co-op agrees to abide by the determinations and recommendations of University's Disability Resource Center as they apply to CTC Residents. If the University Disability Resource Center directs the Co-op to make any accommodation or modification that has an expense associated with it, such as modifying or renovating an apartment premises or common area for accessibility or other disability related purposes, the cost of such mandated accommodation or modification shall be at the University's expense.
6. The Co-op shall enter into leases on behalf of the University with CTC Residents in the form approved by the University and attached to this Management Agreement as Exhibit B. The Co-op, with the advice and assistance of counsel, may update its lease paperwork and forms from time to time. Before implementing any changes, the Co-op will confer with the University and obtain the University's approval of such changes. The Co-op shall be responsible for performing all landlord obligations and CTC Residents shall be held responsible for performing all tenant obligations in such leases.
7. On or before November 15 in each year of the term of this Management Agreement, the University shall submit to the Co-op its projected annual operating budget (the "University Requirements") for CTC Housing for the next fiscal year, which shall include allocations for deferred maintenance reserves, capital improvements, bond payments and administration. The University Requirements are subject to final approval by the University's Board of Regents. The Co-op shall submit to the

University on or before each December 15 a preliminary operating budget for the next fiscal year. On or before February 1 in each year of the term of this Management Agreement, the Co-op shall submit to the University its final projected annual operating budget ("Cooperative Budget") for the next fiscal year and rent schedule, which shall include all planned expenditures and estimates for utilities, insurance, supervision, administration, maintenance, service expenses, and any other operating expenses to be incurred during the next fiscal year. The Cooperative Budget should include a rent loss estimate for the year.

8. The Co-op shall be responsible for collecting rent from CTC Residents. All rents collected by the Co-op shall be the property of the University. The Co-op shall remit to the University by the 15th day of each month one hundred percent (100%) of that month's total potential rent due for CTC Housing, minus the Management Fee. "Potential rent" is the total amount of monthly rent possible to collect for CTC Housing based on rental capacity as determined by the University, not accounting for occupancy variance. The "Management Fee" is based on the Cooperative Budget, divided equally into 12 installments to be retained by the Co-op monthly. The monthly remittance to the University is a fixed amount that will not be adjusted based on the actual rents collected by the Co-op, and the monthly Management Fee installment will be reduced accordingly by the amount of any uncollected potential rent for that month.
9. The Co-op shall be responsible for collecting any unpaid rent from CTC Residents, whether due before, on or after July 1, 2015. The Co-op will provide information concerning its collection efforts on all accounts that are in arrears by more than 1 month with the monthly rent transmittal. The University, at the request of the Co-op, will place holds on student accounts to assist with the Co-op's collection efforts. The Coop shall submit to University all collected unpaid rent from CTC Residents due prior to July 1, 2015 and shall retain all amounts collected from CTC Residents for unpaid rent due on or after July 1, 2015.
10. The Co-op agrees to promulgate and enforce reasonable rules and regulations for the operation and management of CTC Housing, including rules which assure protection of University property at CTC Housing, collection of rents, and the Co-op's responsibility for repair and maintenance of CTC Housing in accordance with the Maintenance Addendum. The Co-op shall provide copies to the University of any proposed changes to its rules, regulations, and policies at least thirty (30) days

before such regulations go into effect. If the University does not object, the Co-op may proceed to implement the rules and regulations. If the University has any objection, the Co-op agrees to postpone implementing any rule or regulation until University agreement is obtained. The Co-op agrees to comply with all applicable building codes as determined by University and University's Environmental Health & Safety policies in its management and operation of CTC Housing. The University shall conduct annual inspections of CTC Housing to ensure compliance with such codes and policies with applicable Department of Environmental Health and Safety representatives.

11. The Co-op shall establish procedures and processes for receiving and handling complaints from CTC Residents. Complaints received by University from CTC Residents regarding the Co-op's operation and management of CTC Housing will be handled by H&RL. After receiving such a complaint but before taking any action, H&RL will confirm that the complainant has first complied with the Co-ops' procedures and processes for making complaints. H&RL will then evaluate the complaint to determine if a breach of any provision of the Management Agreement has occurred. If H&RL determines that a breach has occurred, H&RL will follow the procedure set forth in this Management Agreement. If no violation is found, H&RL may offer to mediate or to seek another party to mediate the complaint. H&RL will not be required to take action unless the Management Agreement has been breached. The Co-op has no obligation to mediate any complaint and the provisions of this paragraph shall not be a defense to, or delay, any action taken by the Co-op against any resident to enforce the Lease, or Rules and Regulations and policies, or action by the Co-op involving its staff or employees.

12. The Co-op shall have the option to resolve complaints involving misconduct by student tenants by following the University Procedures for Disciplinary Proceedings for violations of the Student Conduct Code and all other University policies and procedures regarding student discipline. The Co-op agrees to comply with all requirements of the University's office of Student Judicial Affairs before taking any student disciplinary action involving students who are CTC Residents. The Co-op's election to utilize University policies and procedures regarding student discipline does not preclude the Co-op from enforcing the provisions of leases, Co-op Bylaws or applicable laws in its operation and management of CTC Housing. This paragraph shall not apply to any enforcement or actions taken in the ordinary course of business by the Co-op to enforce its Rules and Regulations, policies and procedures, or

bylaws, nor to any enforcement or actions taken by the Co-op to enforce the obligations of tenants under the Lease (even if such tenants are students) through the procedures set forth in the Lease and through the court system.

13. The Director of H&RL shall appoint one or more H&RL staff members to serve as the University's representative(s) to the Co-op. All proposals made by the Co-op for modifications, replacements or improvements to CTC Housing shall be subject to the approval of University's representative(s). The implementation of approved modifications, replacements or improvements will be coordinated with the University by the Co-op.
14. At any time if there is an interruption of service or significant event at CTC Housing impacting CTC students and families, the Co-op has the responsibility to notify the University as soon as possible. If the University becomes aware of a situation as described above, the University has the responsibility of sharing the information with the Co-op as soon as possible. In a catastrophic event or system failure, the Co-op and the University will work together to ensure the safety and wellbeing of the residents.
15. (a) Certain space located in CTC Housing has been designated for use as a childcare center. The University acknowledges that the Co-op has entered into an agreement with Community Child Care Center, Inc., a fully licensed childcare provider (the "Provider") to provide childcare services in such space on a non-exclusive basis to CTC Residents. University reserves the right to review and approve all subsequent agreements with a childcare provider or any renewal or extension of the current Provider agreement. Such new agreement, amendment or extension shall not be effective until approved by the University in writing, provided, however, that such approval shall not be unreasonably withheld. The agreement with Provider shall (i) require the Provider to comply with all applicable governmental regulations relating to childcare; (ii) require Provider to be subject to all Co-op policies, procedures, rules and regulations, including Co-op's obligations to comply with University policies, ordinances, rules and regulations as required in this Management Agreement; (iii) require the Provider to maintain general liability insurance, including sexual abuse or molestation coverage, in an amount not less \$1,000,000 per occurrence, for bodily injury (including personal injury) and broad form property damage liability and to provide a Certificate of Insurance for such coverage, naming the Co-op and the University as additional insureds; (iv) state that

the Provider shall have no rights to Co-op or University property, except as expressly stated in such agreement; and (v) automatically terminate upon termination or expiration of this Management Agreement. Any amounts then currently owed by Provider to the Co-op shall remain an obligation of Provider notwithstanding any termination of this Management Agreement or Provider agreement.

(b) Provider shall have exclusive access and use of the outdoor playground area. All use of the outdoor play area by Provider's customers shall be properly supervised by Provider to minimize liability. The Provider shall be responsible for authorizing all uses of the outdoor play area and shall install proper signage to inform the public that the outdoor play area is for the exclusive use of Provider. In the case of a CTC Housing special event, the Co-op, its tenants, their families and guests, may use the outdoor play area only upon receiving written consent from Provider prior to each use. All supervision of playground use is the responsibility of the users and not the University or the Co-op. The Co-op Rules and Regulations shall also incorporate these requirements.

(c) The Co-op shall maintain at its own expense, or contract with the Provider to maintain at Provider's expense, the playground area and equipment in accordance with applicable laws, ordinances, and University policies.

16. The Co-op shall maintain at its own expense for the duration of this Management Agreement, commercial general liability insurance in an amount not less than \$1,000,000 per occurrence, for bodily injury (including personal injury) and broad form property damage liability. The Co-op shall provide a Certificate of Insurance to the University for such coverage, naming Regents of the University of Minnesota as a primary additional insured.
17. The Co-op agrees to defend, hold harmless and indemnify the University, its officers, agents, employees and representatives against all claims for bodily (or personal) injury or property damage resulting from the performance of the Co-op's obligations under this Management Agreement or in any way relating to the Co-op's use and/or occupancy of CTC Housing, except to the extent such injury or damage is caused by the negligent act or omission of the University, its officers, agents, employees or representatives.

18. The Co-op agrees to maintain Worker's Compensation Insurance in compliance with Minnesota law, and to comply with all federal and state laws and regulations relating to employment, including but not limited to hours of work, working conditions of employees, minimum wages, and equal employment opportunity.
19. The Co-op shall maintain a Blanket Fidelity Bond made payable to itself and the University against the loss of funds through theft, fraud, embezzlement, or mysterious disappearance. Said Bond shall be supplied at the expense of the Co-op and shall be in an amount not less than Fifty Thousand Dollars (\$50,000.00) for fraud or embezzlement and Two Thousand Dollars (\$2,000.00) for theft or mysterious disappearance. Evidence of the existence of this Blanket Fidelity Bond shall be provided to the University's Risk Management and Insurance Office.
20. The Co-op will employ, pay, supervise and discharge the personnel necessary to perform its obligations under this Management Agreement. All contractors engaged by the Co-op to perform services or provide materials valued in excess of \$5,000.00 relating to the maintenance and repair of CTC Housing shall provide a payment and performance bond for the benefit of the Co-op and the University in a form satisfactory to the University.
21. The Co-op shall adopt and maintain personnel policies and procedures consistent with the terms of this Management Agreement and all applicable laws and regulations. Such personnel policies and procedures shall include an employee grievance procedure. The Co-op shall employ a general manager who shall be responsible for hiring, disciplining and retaining such additional supervisors and other employees as appropriate. In the event of a vacancy in the general manager position without the Co-op appointing an interim general manager, the University shall have the right to require the Co-op to schedule an emergency meeting of the Co-op Board, or the Executive Committee, in accordance with the Co-op's Bylaws, to discuss a plan of action for filling the duties of the general manager, including, but not limited to, a plan of action to hire or retain a qualified person or company to fulfill the duties as interim general manager until the Co-op fills the general manager position. If the Co-op fails to schedule or participate in this meeting or to otherwise adopt a satisfactory plan to fulfill the duties and responsibilities of the general manager position, then the University shall have the right to terminate this Agreement without giving the 60-day notice required under Section 35, or to suspend this Agreement and temporarily assume management and control of CTC Housing. The University shall exercise this

right by giving the Co-op written notice of termination or suspension of this Agreement pursuant to Section 39. Co-op residents, members, officers and Board members shall not be responsible in any way for supervising, disciplining, or directing employees except by and through the general manager or, in the absence of the general manager, the next appropriate supervisor. The Co-op agrees and acknowledges that its responsibility as a managing agent for the University and as a co-op is to act through the Board as a whole or through an appropriate executive committee or employment committee or through a third party management company approved by University as it relates to handling employment issues and setting goals and policies for employees and the general manager. The Co-op shall require the Co-op Board to conduct a training program, with written training materials, that includes instructions on Co-op structure, the Co-op Bylaws, Rules and Regulations, this Management Agreement and Maintenance Addendum, budgeting, legal obligations of the Co-op to residents and employees, other obligations of the Co-op Board, and the policy development process of the Co-op. This training shall be completed by all Co-op Board members within 90 days of election or appointment.

22. The Co-op agrees to comply with all federal, state and local laws, statutes and ordinances regarding discrimination with respect to employment or any matter directly or indirectly related to employment. The Co-op further agrees that every contract entered into by the Co-op will include a provision prohibiting discrimination in employment, as herein specified, on the part of the contractor. Discrimination in employment or contracting by the Co-op or its contractors may be regarded as a material breach of this Management Agreement. The Co-op will furnish such business and other records reasonably necessary to enable the University to comply with its obligations regarding nondiscrimination and to monitor Co-op's compliance with the provisions of this paragraph.
23. The Co-op shall furnish washers and dryers in adequate numbers to accommodate the needs of CTC Residents. It shall be the responsibility of the Co-op to ensure the satisfactory operation of the washers and dryers at all reasonable times, whether the equipment is owned by the Co-op or leased from a third party operator. The University shall have no interest in the proceeds derived from the use or rental of the washers and dryers.
24. The Co-op shall have the right to place vending machines in common areas at CTC Housing for the sale of goods customarily sold in vending machines, consumable or

otherwise, to CTC Residents. The Co-op's provision and maintenance of vending machines and inventories of goods shall not result in unsanitary or unsightly conditions, or constitute a hazard for insurance purposes or a hazard to health or property. The maintenance and operation of vending machines and the sale of goods through them shall be done in compliance with applicable government regulations and any exclusive contract between University and a beverage or vending provider.

25. The Co-op shall maintain in good working condition and keep in repair all appliances and personal property owned by the University and located anywhere in CTC Housing, provided, however, that such maintenance shall continue only for so long as it is financially practical to do so. Replacement of University owned appliances and personal property shall be in accordance with a replacement schedule established by the University. If, in the Co-op's judgment, replacement of appliances and personal property other than at the time specified in the replacement schedule is necessary, the Co-op shall obtain the approval of University before purchasing such replacement(s). The Co-op shall order appliances through the University's approved process.
26. The Co-op shall keep CTC Housing in good repair in accordance with the provisions of the Maintenance Addendum. The University is responsible for those capital improvements and those major maintenance items identified in its then-current 10 Year Capital Expenditure Plan, for restoration work covered by University's property insurance, the cost of which exceeds the University's deductible amount, and for unforeseen structural and systems work that meets the requirements for placement on the 10 Year Capital Expenditure Plan. The Co-op may perform time sensitive or after-hours emergency repairs for which the University is responsible under the preceding sentence, provided that the Co-op follows the University's policies and process for emergency repairs. Where the University's property insurance covers damage to CTC Housing, the Co-op shall cooperate with the University in making its claim and shall comply with requirements of the insurance policy in order to preserve the University's coverage. If University's failure to make the capital improvements or complete the major repairs for which it is responsible results in rent loss, such rent loss will be the responsibility of the University. If there is rent loss associated with a capital expenditure or insurance claim work for which the University is responsible, such rent loss will be the financial responsibility of the University. In such case, the University is responsible for providing the Co-op advance notice of no less than 45

days of a firm date when the unit will be rent-ready and habitable. The University will be responsible for rent loss until the end of the 45 day notice period. If a unit is permanently taken off line during a fiscal year, the resulting rent loss for that fiscal year will be proportionally split at the end of the year between the University and the Co-op based on the University Requirements and the Co-op's Management Fee.

27. The University will periodically furnish the Co-op with a complete set of the plans and specifications of all structural and system repairs and improvements to CTC Housing, including the construction, layout, location, character, and operating instructions of lighting, heating, plumbing, and ventilating systems, and any other mechanical equipment installed in CTC Housing.
28. In the event that a conflict should develop between the rights of the Co-op under this Management Agreement and the rights of the bond holders or the Trustees under the bond Indentures, the rights of the bond holders and the Trustees under the Indentures shall supersede the rights of the Co-op and be paramount thereto.
29. The University of Minnesota Police Department shall continue to provide primary police protection at CTC Housing.
30. The University will provide certain services that will be the financial responsibility of the Co-op. Such services include but are not limited to utility billing, property insurance, and Facilities Management charges. The University may provide additional services that will be the financial responsibility of the Co-op, subject to prior approval from the Co-op before such services are provided. The University and the Co-op must mutually agree to terminate such services. The cost of services provided by the University will be billed to the Co-op and paid by the Co-op by the date specified in each billing.
31. The Co-op shall operate on a cooperative basis without gain or profit to the Co-op. Any amounts collected by the Co-op, over and above expenses and reserves, shall be distributed as patronage refunds to Co-op members, used for improvement projects, or deposited in the Co-op's reserves.
32. The Co-op agrees that it shall not deny occupancy to any eligible student based on that student's unwillingness to become a member of the Co-op. However, the Co-op

shall not be required to pay patronage refunds to non-members. The Co-op shall have the right to charge a rent differential to CTC Residents who choose not to join the Co-op. Rent differential amounts that exceed fifty dollars (\$50.00) must have prior University approval. Non-member residents will not have member responsibilities.

33. The Co-op agrees that it will keep, in accordance with generally accepted accounting principles, accurate financial records and proper books of account relating to its operation and management of CTC Housing pursuant to this Management Agreement. The Co-op will furnish such other records and information and will permit inspection and copying of its books and records for any reason to the extent necessary to enable the University to comply with State and University audit regulations. The Co-op's obligation to provide such statements shall survive the expiration or termination of this Agreement,
34. No later than November 30 in each fiscal year in the term of this Management Agreement, the Co-op shall deliver to the University its complete, independently audited financial report showing income and expenditures arising out of its management of CTC Housing in the preceding fiscal year, along with a statement of actual income and expenses showing profit or loss for such period. If the audit report shows more than a five percent (5%) variance in expenditures from the projection for that year, the University may, upon ten (10) days' notice to the Co-op, request a meeting with the General Manager and the Board President to review the audit and to discuss the audit. If the meeting does not resolve University's questions regarding the audit or variance, then the University may submit questions to the auditor in writing with copies to the General Manager and Board President with a request for a written response from the auditor that can be reviewed by all parties, and the Co-op's Board of Directors. Failure of the parties to reasonably agree on adjusted rent or the Management Fee within forty (40) days after receipt of such notice shall constitute grounds for termination of this Management Agreement by either party, and the audited financial report for the final period for which the Co-op had management responsibility for CTC Housing shall be delivered within two (2) months of such expiration or termination.
35. A party's failure to perform its obligations under this Management Agreement, including the Maintenance Addendum, shall be cause for termination of this Management Agreement by the non-defaulting party. The non-defaulting party shall give the other party written notice of the default and the defaulting party shall have

sixty (60) days after its receipt of the notice to correct the default. Failure to cure the default within such sixty (60) day period, unless the time period is extended in writing by the parties, shall constitute cause for termination of this Management Agreement. In the event this Management Agreement is so terminated, management of CTC Housing shall revert to the University or its designee.

36. Neither party shall be responsible for any delays or failure to perform any obligation under this Management Agreement due to acts of God, strikes or other disturbances, including without limitation, war, acts of terrorism, insurrection, embargoes, governmental restrictions, acts of governments or governmental authorities, and any other cause beyond the control of such party.
37. If the occupancy rate of CTC Housing falls below ninety-seven and one half percent (97.5%) for a period of two (2) consecutive months, either party may, with ten (10) days' written notice, call a meeting to determine what steps need to be taken to improve occupancy. In the event that the occupancy rate falls below ninety five percent (95.0%) for two (2) consecutive months, either party may give written notice of termination to become effective sixty (60) days later. Units or buildings that are unoccupied because of necessary repair or improvements as provided for in Section II.A.3. of the Maintenance Addendum shall be not be included in calculating the occupancy rate.
38. This Management Agreement is effective as of July 1, 2015 and shall terminate June 30, 2020, unless terminated earlier pursuant to the terms of this Management Agreement. If on the termination date the parties desire to continue their negotiation of the terms and conditions for the renewal of this Management Agreement, then this Management Agreement shall automatically be extended during the negotiation period but in no event for more than one hundred twenty (120) days after the termination date.
39. This Management Agreement, including the Maintenance Addendum and all exhibits related thereto, is intended by the parties to be the final and binding expression of their agreement and is the complete and exclusive statement of its terms. All prior negotiations and agreements relating to the subject matter of this Management Agreement are merged herein.

40. Notices. All notices, requests, and other communications that a party is required or elects to deliver shall be in writing and shall be delivered personally, or by facsimile or electronic mail (provided such delivery is confirmed), or by a recognized overnight courier service or by United States mail, first class, certified or registered, postage prepaid, return receipt requested, to the other party at its address set forth below or to such other address as such party may designate by notice given pursuant to this Article:

If to the University:

University of Minnesota
Attn: Scott Creer
Housing & Residential Life
Comstock Hall - East
210 Delaware Street SE
Minneapolis, MN 55455
Phone No.: (612) 624-1969
Facsimile No.: (612) 624-6987
E-mail: creer003@umn.edu

With a copy to:

University of Minnesota
Office of the General Counsel
Attn: Transactional Law Services Group
360 McNamara Alumni Center
200 Oak Street S.E.
Minneapolis, MN 55455-2006
Facsimile No.: (612) 626-9624
E-mail: contracts@mail.ogc.umn.edu

If to the Co-op:

Commonwealth Terrace Cooperative, Inc.
Attn: Kris Graham
1250 Fifield Avenue
Falcon Heights, MN 55108
Phone No.: (651) 646-7526 (ext. 105)
Facsimile No.: (651) 646-7526
E-mail: KGraham@umnctc.org

With a copy to:

Hanbery & Turner, P.A.
Attn: Donna Hanbery
33 South Sixth Street, Suite 4160
Minneapolis, MN 55402
Phone No.: (612) 340-9350
Facsimile No.: (612) 340-9446
E-mail: Hanbery@hnclaw.com

41. Assignment. The rights or duties of the Co-op set forth in this Management Agreement may not be assigned or delegated to a third party without the prior written consent of University, which University may grant or withhold in its sole discretion.
42. Amendments. This Management Agreement, including the Maintenance Addendum and all exhibits, shall be amended only in a writing duly executed by the University and the Co-op.
43. The Co-op is an independent contractor of the University and, except as provided in this Management Agreement, the Co-op shall have no legal authority to bind the University in any way.
44. Governing Law/Jurisdiction. The laws of the state of Minnesota shall govern the validity, construction, and enforceability of this Management Agreement, without giving effect to its conflict of laws principles. All suits, actions, claims, and causes of action relating to the construction, validity, performance and enforcement of this Management Agreement shall be in the courts of the state of Minnesota.

IN WITNESS WHEREOF, Regents of the University of Minnesota and the Commonwealth Terrace Cooperative have executed this Management Agreement by their duly authorized representatives as of the date first set forth above.

REGENTS OF THE UNIVERSITY OF MINNESOTA

By Laurie Scheich
 Laurie Scheich
 Title: Associate Vice President,
 Auxiliary Services
 Date 6-18-15

COMMONWEALTH TERRACE COOPERATIVE, INC.

By Mike Billington
 Mike Billington
 Title: President, Board of Directors
 Date 6-16-2015

Commonwealth Terrace Cooperative, Inc.
MAINTENANCE ADDENDUM

I. The Co-op shall be responsible for all costs of operating and managing CTC Housing, except for those costs specifically identified in the Management Agreement or this Maintenance Addendum as being the responsibility of the University.

II. Maintenance, Operations and Alterations

A. GENERAL

1. Maintenance, Repairs, and Responsibilities

The Co-op shall be responsible for performing all maintenance and repair at CTC Housing. The University reserves the right to perform emergency and certain other maintenance obligations of the Co-op as hereinafter defined with such costs to be paid by the Co-op. The University will notify the Co-op in writing of any unsatisfactory maintenance or repair work done by the Co-op or its contractors. If the unsatisfactory work is not done, re-done, or completed within a reasonable period of time for such work, the University shall have the right to complete or re-do incomplete or unsatisfactory work at the Co-op's expense.

2. Utilities

The University will not be responsible for any damage, injuries or costs arising from interruption of any utilities. The Co-op, or its contractors, shall have access to apartments and common areas of CTC Housing for maintenance, operation and construction of any utilities. Should any utility service interruption occur on the property, the Co-op has the responsibility to notify the University as soon as possible. If the University has knowledge of any work or service that will result in any utility interruption, it has the responsibility to notify the Co-op as soon as possible.

3. Telecommunications and Coaxial Infrastructure

Hardwired telephone services to residential space will be subject to separate agreements between the Co-op, or individual residents, and telephone service providers. The cable or television service provider choice is at the discretion of the Co-op. Should the Co-op enter into a contract with a service provider, the contract is subject to review by the University to ensure compliance with University standards. The contract should specifically address installation and maintenance standards such as, but not limited to, burying cables below grade, running wires in conduit where visible, caulking exterior penetrations and running residentially inside interior walls when inside apartments.

4. Capital Improvements

If requested by University, the Co-op shall conduct and complete, or engage a contractor to conduct and complete the capital improvements outlined in the 10 Year Capital Expenditures Plan. The Co-op and all contractors shall perform such work in accordance with University policies and standards. The Co-op will obtain the prior written approval of University before commencing any work on the 10 Year Capital Expenditures Plan. The Co-op will provide the University evidence of contractor bond as required in the Management Agreement, and will enter into contracts with only licensed contractors approved by University. Rent loss resulting from the temporary closure of certain units or buildings for work outlined in the 10 Year Capital Expenditures Plan will be the responsibility of the University

5. In the event the Co-op requests a capital improvement to CTC Housing that is not included in the allocation for capital improvements in University's annual operating budget, such capital improvement, if approved by University, will be funded and amortized (with interest) by the University over the estimated remaining life of the capital improvement and the yearly amortized amount will be added to the University's annual operating budget during the amortized life of the capital improvement.

6. University Inspection

The University and the Co-op will together conduct periodic inspections of the condition of CTC Housing, and the workmanship and quality of materials used by the Co-op in the maintenance and repair of CTC Housing, or whenever suspected or reported deficiencies or major maintenance projects warrant inspection. The inspection personnel may consist of University

representatives from Housing & Residential Life, Environmental Health and Safety, and Facilities Management, and a representative of the Co-op. The University representatives will determine the nature of any deficiencies, corrective action to be taken, and date by which such action must be completed. A written report will be provided to the Co-op. A report as to the steps the Co-op is taking to correct all deficiencies identified in the report will be provided to the University every thirty (30) days, or until such deficiencies have been resolved to the satisfaction of the University.

6. The Co-op and the University will annually review the University's 10 Year Capital Expenditures Plan for CTC Housing on or before October 15. This Plan will contain detailed projections of the maintenance requirements of CTC Housing for the next ten year period. The Plan will include identification of: deferred maintenance items (i.e., major replacement projects: roofs, windows, cabinets, boilers, etc.), capital improvements (particularly code enforcement items: upgrading fire alarm systems, upgrading emergency lighting, etc.), and major on-going maintenance items.

B. ELECTRICAL

The Co-op shall be responsible for repair and maintenance of electrical panels located in units and buildings of CTC Housing and all secondary wiring beyond this point. The Co-op shall repair and maintain service outlets and fixtures, including such items as faulty and/or damaged light switches, wall outlets, etc., located in CTC Housing.

C. MECHANICAL

The Co-op shall be responsible for maintenance of all mechanical equipment and systems serving CTC Housing, including services up to and including service outlets (water and gas) in each building, and sewer services beyond building clean-out. The Co-op will repair and maintain any and all exposed motors, pumps, valves, plumbing fixtures (including hot water heaters), and water and gas lines, and will also be responsible for the cleaning and routine maintenance of sewer and waste lines

D. PAINTING

The Co-op will perform all interior and exterior painting. Work standards and quality of materials are subject to approval by the University. Storage areas, handrails,

halls and all painted surfaces of the buildings are to be included in the painting program.

1. Interior Painting

Apartments will be painted in neutral tones. The Co-op may allow CTC Residents to paint accent tones as desired, but apartments must be repainted in neutral tones upon termination or expiration of the Management Agreement, or the Co-op will be responsible for the cost incurred by the University to perform this work. Painting of stained surfaces (woodwork) is prohibited. Painting of metal surfaces or frames will be preceded by washing down, and application of rust inhibitor.

2. Exterior Painting

Exterior colors may not be changed unless approved by the University. Either exterior oil base or exterior latex paint shall be applied over a primer coat on outside surfaces. All metal, wood, and masonry window frames and door surfaces must be properly prepared before paint (as specified in Section 1 above) is applied.

Exterior painting shall be completed when, in the Co-op's or the University's judgment, it becomes necessary.

E. HEALTH AND SAFETY

The Co-op shall consult with University's Department of Environmental Health & Safety and Housing & Residential Life before initiating any modification, replacement or improvement intended to address a health or safety issue.

F. ROUTINE CUSTODIAL PROCEDURES, MAINTENANCE AND REPAIRS

The Co-op shall perform daily maintenance and custodial practices to ensure the safety and welfare of CTC Residents. The cleanliness and appearance of CTC Housing must meet University approval.

The following maintenance standards are provided as guidelines only, and repairs and maintenance sufficient to meet the standards set out in this Addendum must be performed as frequently as necessary to meet these standards either by the Co-op's maintenance personnel or by CTC Residents as part of their cooperative duties.

1. Daily

- Sweep entrances and walks to entrances.
- Check laundry rooms for trash and leaks.
- Check hall and entry lights.
- Check community center for litter and spot clean as required.
- Check and clean up garbage area as required.
- Remove snow and treat ice as necessary

2. Weekly

- Check fire/smoke alarms.
- Clean and scrub laundry rooms.
- Vacuum carpeted halls and stairs.
- Clean Community Center.
- Check laundry lint filters and exhaust louvers and clean.
- Check equipment rooms.
- Pick up outside litter.
- Water lawns in season.
- Mow lawns in season.

3. Monthly

- Clean walls and woodwork (hallways, stairs and laundry).
- Hose down garbage area and clean up as necessary.

4. Quarterly

- Check roofs for general condition.

5. Semi-Annual

- Clean light fixtures and public area windows.
- Repair or replace doors, windows and screens as needed.
- Spray lawns for weeds in Spring and Fall.

7. Annual

- Inspect and have all fire extinguishers recharged.
- Repair sod as needed.
- Prune trees and shrubs.
- Fertilize lawns.
- Edge lawns along sidewalks and curbs.
- Repair and replace damaged concrete.
- Patch and level asphalt areas.

□ Repair playground area and equipment.

8. A Preventive Maintenance Program shall be established for all mechanical equipment used for heating, cooling, or ventilating all buildings, laundry exhaust systems, and Community Building kitchen equipment. The program shall enumerate all functions to be performed, frequency, etc. This program would also dictate that a "good" supply of any and all replacement parts shall be kept on hand. (This becomes more critical as time goes on and parts are not obtainable because of obsolescence, etc.).

G. CHANGE OF TENANT PROCEDURES:

Clean and repair throughout in accordance with the following suggested guidelines.
Paint as needed.

1. All walls must be clean and free of streaks or marks.
2. All floors must be clean and waxed; replace cracked, chipped or badly marred tile and floor covering. All carpets shall be vacuumed and cleaned or extracted, at the Co-op's option with professional equipment. Damaged areas shall be repaired or replaced.
3. All closets must be clean and free from marks on interior and doors.
4. Kitchen cabinets, sinks and countertops must be clean and free of streaks and marks.
5. The refrigerator must be clean; ice trays and shelves and other interior items in place; check for general condition and insure that the refrigerator is undamaged.
6. Stoves must be absolutely clean inside and out; no spots on stove or in oven or broiler. Check physical condition to insure proper operation.
7. Bathroom must be clean with all fixtures, paper holders and racks in good condition.
8. All electrical fixtures must be clean and have light bulbs.
9. All heat radiation units must be clean.
10. All window must be clean inside and out.
11. Woodwork must be clean and free of nail holes.

- H. The Co-op shall enter into contracts for garbage collection, fire extinguisher inspection, insect and pest control, and snow plowing. With the prior written approval of University, certain major or deferred maintenance projects which are the

responsibility of the University may be contracted by the Co-op with reimbursement by the University.

III. Provision for Deferred Maintenance and Equipment Replacement

The University will be responsible for establishing a scheduled program for infrequently recurring repairs and restoration of buildings (deferred maintenance) and other permanent improvements. Allocations for deferred maintenance will be included in the University's annual operating budget as a deferred maintenance reserve account to be expended according to the scheduled program or as necessary. The deferred maintenance program will be reviewed and coordinated with the Co-op prior to implementation.

IV. Inspections

The University and the Co-op shall conduct a joint inspection of building, grounds, equipment and supplies upon termination or expiration of the Management Agreement and this Maintenance Addendum.