

## Management Contract

This agreement made this 22<sup>nd</sup> day of August 2019 between Quasar LLC (herein called Agent) and the East Lansing Downtown Development Authority ("ELDDA") (herein called Owner).

In consideration of the mutual promises and covenants herein contained, Owner and Agent agree as follows:

1. Owner hereby appoints and employs Agent as the sole and exclusive managing and leasing agent of Owner's premises, commonly known and located at 328, 334 340 and 344 Evergreen Avenue, East Lansing, Michigan, from September 1, 2019 to August 31, 2020; provided however, that either party wishing to terminate this agreement prior to August 31, 2020, shall notify the other party, in writing, at least 30 days in advance of that termination.

2. Agent hereby accepts such appointment and employment for and in consideration of the compensation hereinafter provided, and agrees to use its best efforts in managing and keeping said premises rented to desirable tenants.

3. Owner authorizes Agent, on the Owner's behalf, to perform the following in the name of, for the account of, and at the expense of Owner:

A. Advertise said premises or portions thereof, prepare and secure signs, plans, circulate matter and other forms of advertising, and show the premises to prospective tenants.

B. Execute, administer and enforce all leases, options, renewals or extensions or agreements for the rental, occupancy or operation of said premises, or any part thereof, including collection and deposit of rents and other sums due under any leases, options or other agreements relating to the premises through August 31, 2020.

C. Institute all actions (including legal) or proceedings for the collection of rent or other amounts from said premises, or the ousting or dispossessing of tenants or other persons therefrom, and engage attorneys for any such matters, if necessary. For this purpose and for all other purposes contained herein, Owner hereby appoints Agent as its Attorney in Fact during the term of this Management Contract.

D. On Owner's behalf Agent will hire, promote, supervise, and discharge employees, sub-contractors, and other such entities and/or persons as Agent may determine advisable to care for and operate said premises. It is understood and agreed that all employees, sub-contractors, and other such entities and/or persons shall be instructed and be under the sole direction of the Agent and shall not be considered subcontractors or employees of the ELDDA. During the period of this contact (not including any extensions, if any) the regular business hourly maintenance labor rate is \$50 per hour and the regular business hourly grounds labor rate is \$40 per hour. Overtime rates can range from one and a half to two times the normal business hourly rate depending on the time of day and day of the week and or year. Agent's "in-house" employees are covered with Agent's workers' compensation and general liability insurance, of which documentation will be supplied to owner upon request.

E. Make or cause to be made all ordinary repairs, replacements, alterations, improvements and decorations in and to said premises as Agent may determine advisable to keep the

property in good condition, equal to other properties of like character and quality Agent manages. The expense incurred for any one item of same shall not exceed the sum of One Thousand and No/100 (\$1,000.00) Dollars unless authorized by Owner, except under such circumstances as Agent shall deem to be emergency in nature.

F. Purchase all supplies, materials and services as Agent may determine advisable.

G. Make all contracts for electrical, gas, fuel, water, rubbish removal, exterminating, equipment maintenance, and other services, or such of them as Agent shall deem advisable.

H. Agent may contract for services, items or other expenses in the name of Owner (none of which are to not to exceed period of this management agreement) and shall not be required to advance its credit on behalf of Owner.

4. On or before the 15th business day of the month following, Agent shall furnish Owner a monthly statement of receipts and disbursements. Agent shall remit to Owner with each statement all net rental income in excess of \$3,000.

5. A. All monies furnished by Owner as working funds and all monies received by Agent for or on behalf of Owner shall be deposited by Agent in a separate joint checking account established in a local financial institution or credit union mutually approved by Owner and Agent. Account will be maintained by Agent and not mingled with the funds of Agent and shall be disbursed by Agent in such amounts and at such times as the same are required to pay for obligations, liabilities, taxes, costs, expenses and fees (including, without limitation, the compensation of Agent as hereinafter provided) arising on account of or in connection with this Agreement. In the event there are, at any time, insufficient operating funds in such account in order for Agent to pay all of the amounts required or permitted under this Contract, then in such event, Agent shall provide Owner with written notice of a capital request and shall provide Owner with an amount needed in order for Agent to perform its obligations contained herein. Owner shall, within 10 days of such request, remit to Agent the amount requested, and Agent shall deposit the same in the above account. Should Owner fail to remit to Agent the requested funds, Agent shall have the right to cancel this contract.

B. Owner shall be responsible for all obligations, liabilities, costs, expenses and fees arising on account of or in connection with the property and this Agreement.

C. Owner shall reimburse Agent promptly for any monies which Agent may elect to advance for the account of Owner. Nothing herein contained, however, shall be construed to obligate Agent to make any such advances.

6. Agent is clothed with such other general authority and powers as may be necessary or advisable to carry out the intent of this Agreement. Agent shall utilize leases and other forms commercially appropriate for any lease negotiation including, but not limited to, the use of tenant forms, procure and investigate references from prospective tenants, conduct negotiations with prospective and existing tenants, and negotiate for the renewal of expiring leases, all in accordance with Owner's direction. Owner agrees to allow Agent to use its leasing forms and agrees to work with Agent to establish rental rates and security deposits, which Agent will use in negotiating and accepting lease terms.

The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease and applicable law. Security deposits will be deposited by the Agent in the same account noted in Article 5A. In the event that security deposits may be required by law to be kept in another account, then such security deposits will be handled in accordance with applicable law.

7. Owner agrees to comply with all statutes, ordinances, laws, rules and orders of any federal, state or local government or department or officer thereof having jurisdiction in said premises respecting the leasing, use, operation or construction thereof, as well as with all orders and requirements of the local Fire Marshall or any other body exercising similar functions. If any violation regarding the property occurs, Agent is to notify Owner of such violation(s) within seven days of Agent receiving notice.

8. A. Owner agrees to the fullest extent permitted by law, to defend, indemnify and hold and save Agent and its agents, servants, and employees from any and all claims or threats of claims, damages, losses, expenses, liability, judgment, or liens, including reasonable attorney fees and other costs of defense arising by reason of Owner's acts or omissions. It is expressly agreed that the foregoing provision of this sub-paragraph shall survive the expiration, non-renewal and/or termination of this Agreement, but this shall not be construed to mean that Owner's liability does not survive as to other provisions of this Agreement.

B. Agent shall not be liable to Owner for any error in judgment when acting in a prudent manner representing the Owner, nor for any good faith act or omission in the performance of this Agreement.

Owner agrees and acknowledges that the East Lansing campus rental market, of which this property is a part, historically rents out several months in advance and that Agent's ability to command typical market rents for the property may be adversely affected by Agent's inability to offer the property for rent prior to the date of execution of this Agreement.

C. Owner agrees to procure and maintain during the term of this Agreement comprehensive general public liability insurance, including property damage insurance, and such other insurance as may be advisable for the protection of Owner and Agent. The insurance carrier and the amount of coverage in each such policy shall be mutually agreed upon by Owner and Agent, but shall not be less than that customary for said premises. A certificate of each such policy issued by the carrier shall be delivered to Agent, and shall provide that Agent shall receive at least ten (10) days prior written notice from the carrier in the event of cancellation or any material change therein. Owner and Agent hereby release each other and each other's Members and Agents from any liability or responsibility for any loss or damage to the Premises, covered by valid and collectible fire and/or casualty insurance with standard extended endorsement. This release shall apply not only to liability and responsibility of the parties to each other, but also extend to liability and responsibility for anyone claiming through or under the parties by way of subrogation or otherwise.

D. Agent shall obtain and maintain in full force and effect during the entire term of this agreement a policy of comprehensive general liability insurance with limits of liability of not less than \$1 million, and shall provide a certificate of insurance to the Owner naming the City as a certificate holder, which certificate shall provide that the Owner shall receive at least 30 days prior notice of cancellation or nonrenewal of such insurance.

E. Except as provided in Paragraph 8A. and B., Agent shall, to the fullest extent permitted by law, defend, indemnify and hold harmless the Owner, and all of its elected and appointed officers, agents, servants, and employees from any and all claims or threats of claims, damages, losses, expenses, liability, judgment, or liens, including reasonable attorney fees and other costs of defense arising out of any negligent, reckless, or intentional act or omission by: (a) Agent or (b) anyone acting on Agent's behalf under or in any matter connected with this agreement. Agent's obligations to indemnify the Owner shall survive the expiration, non-renewal, or termination of this Agreement.

F. To the extent permitted by its insurance policies, Owner does hereby waive and release any and all claims which it may have against Agent for damages to said premises or contents therein.

9. Owner hereby grants Agent the privilege of displaying Agent's signs in and upon said premises identifying when spaces are for rent and that said premises are under Agent's management. All signs will be placed and maintained in compliance with Chapter 32 of the East Lansing City Code and Agent will be responsible for obtaining any license or permit required for its signs.

10. A. Owner agrees to pay Agent:

i. On a monthly basis, 10% of all rent collected. This fee includes coordinating regular maintenance, collecting and disbursing rent, providing monthly statements, making sure a property is in compliance with municipal registration requirements.

ii. Leasing Fee: The leasing fee for fully managed properties is equal to 75% of the first month's rent of each new tenant. The leasing fee includes marketing, screening potential residents, resident selection, executing the lease and completing the move ins. There is no extra fee if a tenant renews a lease after the initial lease term is up.

iii. Coordination Fee: In addition to monthly management fees, there is a "Coordination Fee" for the coordination of any renovation or repair. The Coordination Fee is 10% of the total bill (materials and labor) from the contractor(s) involved in the renovation and/or repair.

B. All inquiries for any leases, options, renewals, extensions, continuations of tenancy, or agreements for the rental, occupancy or operation of said premises, or any part thereof, shall be referred to Agent, and all negotiations connected therewith shall be conducted solely by or under direction of Agent.

C. If Agent is called upon to perform any services not customarily a part of the usual services performed by a managing agent, it is agreed that Agent shall receive additional compensation therefore in an amount commercially reasonable in the relevant market area, to be mutually agreed upon between said parties.

11. All notices to be given hereunder shall be in writing and shall be sent by United States registered mail, return receipt requested, postage prepaid, addressed to Owner at 410 Abbot Road., East Lansing, Michigan, 48823, and to Agent at 416 Pearl Street, Lansing MI 48906 Center Street, or to such other addresses as may from time to time be given as provided in this Paragraph 12. Any notice mailed as herein provided shall be deemed and treated to have received on the date of mailing.

12. Agent is not and never shall be liable to any creditor of Owner or to any claimant against the property of Owner, and Owner shall indemnify and hold Agent totally free and harmless from the

same. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between Owner and Agent. This agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors and assigns, and may not be changed orally but only by a writing signed by the party to be charged thereby.

13. Owner hereby agrees to save and hold harmless the Agent and employees, subagents thereof, from and against any claims, liabilities or judgments, including court costs and reasonable attorney fees, arising from any environmental conditions which may affect the property.

14. In the performance of its obligations under this Agreement, the Owner and Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, sexual orientation, creed, handicap, national origin, religion, marital status, student status, height, weight, age (unless with respect to a senior citizen housing program) or other protected characteristic.

Agent agrees that it will comply with the East Lansing Civil Rights Ordinance, Article II, Chapter 22 of the Code of the City of East Lansing, which in part requires that an employer not discriminate against any person with respect to housing, hire, tenure, terms, conditions, or privileges of employment including benefit plan or system, or a matter directly or indirectly related to employment because of religion, race, color, national origin, age, sex, height, weight, marital status, sexual orientation, gender identity or expression, student status, because of the use by an individual of adaptive devices or aids, or because of an arrest record when a conviction did not result, except as exempted under Section 22-33(e) of Chapter 22. Applicant may apply to the East Lansing Human Relations Commission for an exemption on the basis that religion, national origin, age, sex, height, weight, marital status, sexual orientation, gender identity or expression, or student status is a bona fide occupational qualification reasonably necessary to the normal operation of the business or enterprise. These requirements of Article II, Chapter 22, shall be considered material terms of this Agreement, and breach of any of these requirements will be regarded as a material breach of this Agreement.

15. This agreement constitutes the entire agreement between the Owner and Agent with respect to the management and operation of the Project, and no change will be valid unless made by supplemental written agreement, executed and approved by the Principal Parties.

## EXECUTION

All the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

IN TESTIMONY WHEREOF, the parties have set their hands to counterparts hereof, each of which shall have the same force and effect as if it were original, this 11 of August 2019, as to Owner, and this 8/30/19 day of August 2019 as to Agent. Sept.

SIGNED IN THE PRESENCE OF:

Nick Popoff

Peter G. Dewan

Printed Name:

Owner: East Lansing Downtown Dev. Authority

By: Peter A. Dewan

Peter Dewan, Chair

SIGNED IN THE PRESENCE OF:

Nick Popoff

Nicholas Popoff

Printed Name:

Agent: Quasar, LLC

Nick Popoff

By: Nick Popoff, Partner  
Quasar, LLC

SIGNED IN THE PRESENCE OF:

Nick Popoff

Chad Sibbald

Printed Name:

Agent: Quasar, LLC

Chad Sibbald

By: Chad Sibbald, Partner  
Quasar, LLC