

# MANAGEMENT AGREEMENT

IN CONSIDERATION of the covenants herein contained, (hereinafter called "Owner"), and Kessler & Company. (hereinafter called "Agent"), agree as follows:

1. The OWNER hereby employs the AGENT exclusively to list for rental, find prospective tenants and manage the property (hereinafter called the PREMISES) known as \_\_\_\_\_, upon the terms and conditions hereinafter set forth for a term of \_\_\_\_\_ months beginning on \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ Created by IRVIN KESSLER and ending on the \_\_\_\_\_ day of \_\_\_\_\_ unless terminated earlier as provided herein and thereafter for yearly periods from time to time until terminated as provided herein.

## 2. THE AGENT AGREES:

- 2.1 To accept the management of the premises, to the extent, for the period, and upon the terms herein provided and agrees to furnish the services of its organization for the rental operation and management of the premises.
- 2.2 To render a monthly statement of receipts, disbursements, and charges to the OWNER by e-mail, at the address specified by OWNER and to remit each month the net proceeds (provided AGENT is not required to make any mortgage, escrow, or tax payments on the first day of the following month) to the bank account specified the OWNER. AGENT will remit the proceeds or balance thereof after making allowance for payments to the following persons and at the addresses shown:

NAME : \_\_\_\_\_ - ADDRESS \_\_\_\_\_

In case the disbursements and charges shall be in excess of the receipts, the OWNER agrees to pay such excess promptly but nothing herein contained shall obligate the AGENT to advance its own funds on behalf of the OWNER.

## 3.0 THE OWNER AGREES:

3.1 To give the AGENT the authority and powers (all or any of which may be exercised in the name of the (Owner) to carry out the AGENTS duties as provided in this agreement and agrees to assume all expenses in connection therewith as provided herein.

3.2 To maintain responsibility for making all mortgage payments, property tax payments, and insurance payments relating to the premises.

## 4.0 DUTIES OF THE AGENT

4.1 To advertise the premises or any part thereof at the expense of the AGENT, to find prospective Tenants to recommend to the OWNER.

4.2 To diligently investigate references including credit references of prospective tenants before recommending same to OWNER.

4.3 To collect rents from tenants as well as late rent, administrative charges, credit report/application fees, and other administrative charges.

4.4 To administer the provisions of any lease agreements with tenants.

4.5 To terminate tenancies and to sign and serve such notices as are deemed needful by the AGENT; to institute and prosecute actions to oust tenants and to recover possession of the premises; to sue for and recover rent; and when expedient, to settle, compromise, release such actions or suits, or reinstate such tenancies, provided, however, that AGENT obtains the prior written approval of OWNER to take such actions. OWNER shall reimburse agent for all expenses of litigation attorneys fees, filing fees, and court costs which AGENT does not recover from tenants. AGENT may recommend to OWNER an attorney to handle such litigation, but engagement of such attorney shall only be made with the prior written approval of OWNER. Should OWNER agree in advance that AGENT may litigate any matter involving recovery of possession of the PREMISES or any money judgment from a tenant without the use of an attorney, OWNER shall reimburse AGENT for time and expenses in connection therewith.

- 4.6 To make or cause to be made all ordinary repairs and replacements necessary to preserve the Premises in its present condition; to negotiate and enter into contracts for nonrecurring items and to enter into agreements for all necessary repairs, maintenance, minor alterations, and utility services; and pay all bills. AGENT shall use to the extent possible, service providers selected by the OWNER. The OWNER is responsible for providing all relevant contact information to the AGENT in respect to such service providers.
- 4.7 To give receipts to tenants for all monies collected and to deposit all funds collected hereunder in the AGENTS custodial account. Interest earned, if any on such funds shall be retained by AGENT to defray banking costs.
- 4.8 To handle tenants deposits and to comply, on the OWNERS behalf, with applicable state or local laws concerning the AGENT'S responsibility for security deposits.
- 4.9 To respond to the needs of tenant and if necessary, to communicate same to OWNER .

## 5.0 OTHER AGREEMENTS

- 5.1 The OWNER shall be responsible for determining the terms and conditions of any lease with any prospective tenant and shall enter into such lease agreement directly with the tenant. Owner may ask AGENT for assistance in negotiating some of the terms and conditions with the prospective tenant, but OWNER shall have final determination regarding acceptance of any such terms. AGENT is not authorized hereunder to sign any lease agreements on behalf of the OWNER.
- 5.2 The AGENT may accept checks for rental and other payments from tenants, but it is understood that collection of same shall be at the risk of the OWNER. The OWNER agrees to immediately reimburse the AGENT for sums disbursed on the faith of such checks should they be un-collectable for any reason. AGENT shall notify OWNER immediately in writing of any checks which are un-collectable.
- 5.3 The AGENT shall not be required to advance any monies for the care or management of said property, and the owner agrees to advance all monies necessary therefore. If the AGENT shall elect to advance any monies in connection with the property. After securing approval from the OWNER, the OWNER agrees to reimburse the AGENT forthwith and hereby authorizes the AGENT to deduct such advances from any monies due to the OWNER. The AGENT shall only if instructed by the OWNER, reserve monies each month for the payment of certain authorized expenditures. In addition, the OWNER agrees to establish a permanent operating reserve account with the AGENT in the amount of . Any balance of the OWNERS account due and owing to AGENT and not paid within 20 days of receipt of statement will accrue at the rate of ( 7 %) per annum until paid in full.

## 6.0 AGREEMENTS OF THE OWNER

- 6.1 To indemnify, defend, and save the AGENT harmless from all suits in connection with the premises and from liability for damage to property and injuries to or death of any employee or other person whomsoever, except to the extent of AGENTS negligence, bad faith or willful misconduct.
- 6.2 To carry at his (its) own expense liability insurance covering the OWNER and the AGENT in amounts mutually agreeable to the OWNER and the AGENT and to furnish to the AGENT certificates evidencing the existence of such insurance. OWNER agrees to notify the AGENT in writing thirty (30) days prior to cancellation of such insurance policy.
- 6.3 To pay all expenses incurred by the AGENT, including, but not limited to, reasonable attorney's fees and AGENTS cost in connection with any claim, proceeding, or suit involving an alleged violation by the AGENT or OWNER, or both of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting , or making illegal, discrimination on basis of race, sex, creed, color, religion, national origin, age, marital status, or mental or physical handicap. Provided however, that the OWNER shall not be responsible to the AGENT for any expenses in the event that the AGENT violated any such law, was negligent, acted in bad faith, or engaged in willful misconduct. The AGENT shall not, unless instructed by the OWNER employ counsel to represent the OWNER in any such proceeding suit.
- 6.4 OWNER agrees that the AGENT shall not be liable for any willful neglect, abuse or damage to the premises by tenants or vandals or others nor for loss of or damage to any personal property of the OWNER or any tenant including loss due to exchange or theft by tenants or any third party unless AGENT has not performed its duties hereunder with respect to inspections. Further, that the OWNER agrees it will not hold the AGENT liable for any error of judgment or mistake of law except in case of willful misconduct, bad faith or negligence of the AGENT.

6.5 To give adequate and advance written notice to the AGENT if the OWNER desires that the AGENT make payment out of the proceeds for the premises, of mortgage indebtedness, general taxes, special assessments, fire or any other insurance premiums, condo association fees or other recurring fees. OWNER expressly agrees that AGENT shall not be responsible for making any mortgage, tax, insurance, condo association or other payments whether provided for herein or not unless OWNER shall have provided sufficient funds to cover said payments. Monthly income collected from the property by AGENT, if any, shall be first applied to current expenses including AGENTS fees, the remaining balance if any shall be available for such recurring payments. AGENT shall advise OWNER in writing of the need for additional funds. OWNER further agrees to assume full responsibility for any late charges, collection costs, or foreclosure actions resulting from late payments or non payments of any kind under this agreement should AGENT be unable to make said payment due to insufficient funds on hand, lack of income from property, or because of non delivery or delay of mail for any reason beyond control of AGENT, unless such charges, costs or actions result from AGENTS negligence, bad faith or willful misconduct.

## 7.0 AGENT FEES

### 7.1

FOR MANAGEMENT: Minimum of \$ 150 per month or 10 % of the monthly rent, not including utilities, association dues, assessments or other special charges from the operation of the premises during the period this Agreement remains in full force and effect. Earnest money forfeited by the tenants shall be divided 50/50.

Owner agrees to continue to pay agent the monthly management fee each month during vacancy periods.

7.2 FOR LEASING: One month's rent per year if the AGENT finds a prospective tenant who enters into a lease agreement with the OWNER.

## 8.0 TERMINATION

8.1 This Agreement may be cancelled by OWNER before the termination date specified in Paragraph 1 on not less than THIRTY days prior written notice to the AGENT, unless terminated by OWNER for cause, in which case termination shall be immediate upon delivery of notice to AGENT.

8.2 This Agreement may be cancelled by AGENT for cause on 7 days written notice to OWNER.

8.3 This Agreement may be terminated without penalty should the OWNER be transferred back to the area and provide 60 days written notice.

8.4 The OWNER shall reimburse the AGENT for any sums of money due it under this Agreement for services or actions prior to termination, notwithstanding any termination of this Agreement. All provisions of this Agreement that require the OWNER to have insured or to defend, reimburse, or indemnify the AGENT shall survive any termination and, if AGENT is or becomes involved in any proceeding or litigation by reason of having been the OWNERS AGENT, such provisions shall be in force as if this Agreement were still in effect.

8.5 The AGENT shall pay or reimburse the OWNER for all monies due the OWNER hereunder prior to termination the parties understand and agree that the AGENT may withhold funds for thirty(30) after the end of the month in which this Agreement is terminated to pay bills previously incurred but not yet invoiced and to close accounts.

## 9.0 MISCELLANEOUS

9.1 This Agreement shall be binding upon the successors of the AGENT and heirs, administrators, executors, successors, and assigns of the OWNER. This Agreement shall not be assigned by the AGENT without the prior written consent of the OWNER.

9.2 THE OWNER RECOGNIZES that the AGENT also handles properties for other CLIENT/OWNERS as well as property owned by principals of the AGENT and OWNER understands and agrees that the AGENT shall submit all available properties including those of other OWNERS and of the AGENT itself to all prospective tenants who may be interested.. OWNER further recognizes and agrees that the AGENT may become the AGENT of the tenant should the tenant be interested in purchasing the OWNERS property or other properties through the AGENT.

- 9.3 ENTIRE AGREEMENT: The Agreement embodies the entire understanding with respect to the transaction Contemplated by this Agreement and supercedes all prior or contemporaneous agreements, understandings, representations, warranties, or statements, oral or written. Neither this Agreement nor any provision hereof may be modified or amended except by an instrument in writing signed by both parties.
- 9.3 Approvals required by this Agreement shall be valid if given by fax or email, as well as in other written instruments.
- 9.4 APPLICABLE LAW: This Agreement shall be governed by and construed in accordance with the provisions of the Laws of the State of Michigan.
- 9.5 COUNTERPARTS: This Agreement may be executed in any number of counterparts, and each such counterparts shall deemed to be an original instrument, but all such counterparts together constitute but one Agreement.
- 9.6 SEVERABILITY: In case of one or more of the provisions contained in the Agreement shall for any reason held to be invalid, illegal, or unenforceable in any respect, that disability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if that provision had never been contained in this Agreement.
- 9.7 Captions to paragraphs and subparagraphs of this Agreement have been included solely for the sake of convenience Of reference and are entirely without substantive effect.

10.0 OTHER TERMS OF MUTUAL AGREEMENT:

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IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this \_\_\_\_\_ day Of \_\_\_\_\_, 2006.

**Witness:** \_\_\_\_\_

**Owner:** \_\_\_\_\_

**Agent:KESSLER AND COMPANY**

by: \_\_\_\_\_

**KESSLER AND COMPANY REALTY**  
 2820 W. Maple Road, Suite 122  
 Troy, MI 48084  
 248.643.9099 248.643.9208 fax  
 www.KesslerandCompany.com