



Property Management Agreement

This Agreement is made and entered into this _____ day of _____, 20_____, by and between _____, hereinafter called "Owner", and **Housing Hub, LLC**, and its designated agents, hereinafter called "Company," which is duly licensed to manage the property as a real estate brokerage company licensed in the State of Minnesota. Owner hereby engages the services of the Company to manage, operate, control, rent and lease the property(ies) located at the following address(es): _____

1. Agreement to Manage:

- a. **Engaging the Company.** Owner hereby appoints Company as Owner's broker/agent and property manager, with full authority to engage in such activities or services as are identified within this Agreement. Company shall not be required to perform any services that are not specifically identified in this Agreement or any modification thereto, unless required to do so by any law that supersedes this Agreement.
- b. **Relationship of Company to Owner.** The relationship of the parties to this Agreement shall be that of principal and agent, with Company serving as the agent of the Owner and independent contractor of Owner. Nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship other than agency.
- c. **Description of Property.** The "Property" as used throughout this Agreement shall be limited to the property or properties described above and on Addendum A to this Agreement. Addenda may be added, amended or modified at any time by written agreement between the Owner and the Company.
- d. **Description of "Owner Income" and Management Fees.** "Owner income" includes all rent and payments due to Owner in excess of the Management Fees or fees due to the Company according to this Agreement. "Management fees" include all fees or receipts in excess of any monies due to Owner, and all fees identified within this Agreement as specifically due to the Company, including but not limited to, NSF fees, bank fees, rejected transfer fees, late fees, surcharges for credit card use, e-check fees, rent pick-up fees, administrative fees, and legal fees.
- e. **Term.** This Agreement shall begin on _____ and expire on _____. This Agreement does not automatically renew and to continue services, a new Property Management Agreement must be entered into upon expiration.

2. Company Responsibilities:

- a. **Collection and Disbursement.** Company shall collect all rent due and owing and provide to Owner all Owner Income. Company shall remit to Owner all income, less any deducted fees or charges, by U.S. Mail, wire, automatic payment, or other arrangement. Company shall remit balance owed to owner by the 12th of each month or if rent is received after the 12th, balance will be paid out the following month. Before payment is remitted to Owner, Company reserves the right to hold rent checks from the tenant with previous NSF or other payment issues until the check has officially cleared Company's bank. If the payment made by Tenant is refused or returned for any reason, Owner shall refund Company any such payment made to Owner within 5 days of request.
- b. **Late Payments from Tenants.** Any lease with Tenant shall include an 8% late rent fee in the event rent is not received from Tenant by the 5th day of each month. To the extent that the Company is not involved until after the lease has been executed, this fee shall still apply and will be deducted from the amounts due to owner. Owner may use his/her best efforts to amend the existing lease accordingly. All late fees & NSF Fees shall be paid to the Company by tenant.
- c. **Lease Negotiations.** Company will set rents that in the opinion of the Company at the time of the rent negotiations with the Tenant reflect the market conditions of that time and approximate rents of comparable rental properties. Company will not set the rents if expressly instructed in writing by Owner, with Owner confirming the amount of the initial rent and any subsequent increases. Owner designates the Company as its agent to negotiate and sign any and all lease agreements or related Addenda or its behalf, unless expressly instructed otherwise in writing. Company will use best efforts to pursue lease terms and agreements consistent with the terms Owner and Company have discussed for the Property. Company is not, nor shall it be expected to be, legal counsel or a legal advisor to Owner. Owner is advised to seek its own legal counsel for legal issues or legal questions related to the Property.

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Property Management Agreement (continued)

d. **Property Inspections.** The Company shall complete move-in and move-out inspections. Owner may request one property site visit or inspection per year, without additional charge. Company may conduct other site visits or inspections as necessary to respond to complaints and maintenance requests. Owner shall pay Company \$60.00 per inspection for all inspections beyond the move-in, move-out, and the additional one inspection per year. INSPECTIONS MAY INCLUDE photos and video of property before and after tenant occupancy.

i. **City Required Inspections.** Any inspections required by the City or municipality in which the Property is located will be in addition to the above referenced Property Inspections. Inspections requested by the City include, but are not limited to, Code Compliance Inspections, Subsidized Housing Inspections, and Rental License Inspections. Company shall be paid an inspection fee of \$60.00, which shall include one re-inspection. Company is not responsible or liable for any fees or costs associated with the maintenance, repair, or replacement of Property to meet any inspection items noted by the City or municipality inspector. The Company is not responsible for any fines, fees or costs assessed by the City or municipality associated with the re-inspection of the Property. City requested inspections may not be substituted for the move-in, move-out, or the one additional annual inspection.

3. **Management Fees and Expenses.** *NOTICE: THE COMPENSATION FOR THE SALE, LEASE, RENTAL, OR MANAGEMENT OF REAL PROPERTY SHALL BE DETERMINED BETWEEN EACH INDIVIDUAL BROKER AND THE BROKER'S CLIENT.* Minn. Stat. § 82.66 subd. 1 (b) (8). As compensation for the services rendered by the Company under this Agreement, exclusive of reimbursement of and in addition to expenses to which the Company is entitled, Owner shall pay the Company _____ per month. The management services to be performed by the Company include maintaining and enforcing the tenant lease, placing the utilities into the tenant's name, rent collection and accounting, damage deposit escrow, providing monthly income and expense reports, providing year-end CRP's, 24-hour maintenance services (additional fee required), 24-hour live answering service, and one unit inspection per year (in addition to move-in/out). The Company will identify for Owner approval time spent in excess of that required by this Agreement. Owner will be charged _____ per month for the Company handling monthly collection of money from laundry and vending machines. This fee will be added to the monthly management fee.

a. **Additional charges.** New client Owners who also have a Tenant Acquisition Agreement with the Company shall pay the Company a one-time _____ set-up charge upon signing this agreement. Owners who do not have a Tenant Acquisition Agreement with the Company and who have found their own tenants shall pay the Company a one-time _____ set-up charge upon signing this agreement.

b. **Evictions.** In the event that an eviction is necessary, Owner shall pay the Company a \$150 fee for time spent completing administrative tasks required for the eviction. Owner shall also be required to pay the costs and fees ancillary to an eviction proceeding, including the attorney fee, court filing fee, service of process fee, writ fee, and Sheriff's fee. Owner may seek their own eviction counsel, but the \$150 for administrative eviction tasks is due to the Company.

c. **Lease Renewals.** The Company shall be paid \$250 for each individual lease renewal that the Company executes.

d. **Advertising.** In the event the property comes vacant during this Agreement, in return for marketing and placing a tenant, Owner shall pay the Company an amount equal to 1 full month's rent for all leases up to 17 months, 1.5 months rent for 18-23 months and 2 months for a 24+ month lease. In the event that Owner procures a tenant on their own, Owner may choose to use Housing Hub's lease forms, addenda and background check services for a fee of \$399.

e. **Interest on unpaid fees.** Any sums that are due to the Company under the terms of this Agreement and are not paid within 30 days after such sums become due shall be subject to an 8% interest charge per year.

4. Deposits and Payments:

a. **Trust Accounts.** The Company shall maintain in a trust account, in a fiduciary capacity, all funds received and maintained for or on behalf of Owner. The Company will select the financial institution. Owner is responsible for the 1% simple interest on security deposits as mandated by Minnesota Statutes. Designated funds relating to the Property in such accounts remain the property of Owner subject to disbursement of expenses by the Company or the collection of Management Fees described in this Agreement.

b. **Deposit Disputes.** In the event a tenant challenges the security deposit disposition, it is the Company's policy to direct the tenant to address this issue with Owner, as Owner is required to determine the disposition of the security deposit. In the event the tenant brings any suit, claim or cause of action against or involving the Company in such a dispute, Owner agrees to indemnify and hold the Company harmless.

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Property Management Agreement (continued)

5. Collection of Rents and Other Receipts:

- a. **The Company's Authority.** The Company shall collect all rents, charges and other amounts receivable on Owner's behalf in connection with the management and operation of the Property. Such receipts shall be deposited into the rent account maintained by the Company.
- b. **Security Deposits.** The Company shall collect a security deposit from tenants as required by law and shall deposit the same into a trust account. Owner authorizes the Company to return or disburse the security deposit in accordance with Minnesota Statutes. However, Owner is required to determine the disposition.

6. Disbursement of Rents and Other Receipts:

- a. **Net Proceeds.** To the extent that funds are available, the Company shall submit the balance due to Owner on a monthly basis.
- b. **Paper check and statement.** Owners who choose to receive their rents via monthly printed-paper check accompanied by a paper statement shall be charged \$4.00 per check issued. This fee will be added to the monthly management fee. Paper checks are processed once per week.

7. The Company is Not Required to Advance Funds.

If the balance of funds held on behalf of Owner for disbursement is at any time insufficient to pay disbursements due and payable, Owner shall, not later than 10 days after written notice, submit to the Company sufficient funds to cover the deficiency. In no event shall the Company be required to use its own funds to pay such disbursements, nor shall the Company be required to advance any funds to Owner or to the Trust Account. If the Company elects to advance any funds in connection with the Property to pay any Owner expense, Owner shall reimburse the Company, including interest at a rate of 8% per annum, and the Company may deduct such amounts from any funds due to Owner. And funds paid by Owner to the Company that are rejected due to NSF or other similar reasons will incur an \$30.00 NSF fee due to the Company.

8. Financial and Other Reports:

- a. **Owner's Reporting to the IRS.** Owner is required to file all required IRS forms and meet all IRS requirements.
- b. **Reports.** The Company shall furnish Owner with a statement of cash receipts and disbursements from the operation of the property on a monthly basis. In addition, the Company shall, on a mutually acceptable schedule, prepare and submit to owner such other reports as agreed on in writing by both parties. The Company shall submit, as required by the IRS, at the conclusion of each calendar year a form 1099 to Owner indicating the total income received from the property.

9. Leasing and Renting:

- a. **The Company's Authority.** The Company is authorized to negotiate, prepare and sign all leases, including all renewals and extensions of leases, and to cancel and modify existing leases for Owner. However, it is expected that Owner approve and sign all leases, renewals, extensions, and addenda. To the extent Owner wishes to take this responsibility, or wants final approval of such terms, Owner must identify this to the Company in writing. Leases are to be written on the Company's standard lease form.
- b. **Enforcement of Leases.** The Company is authorized to initiate, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Property, or for the eviction of the tenants or other persons from the property. The Company is authorized to sign and serve such notices, as the Company deems necessary for lease enforcement, including the collection of rent or other income. If the Company deems it necessary, the Company may retain an attorney of the Company's choice, after notice provided to Owner, unless Owner supplies the Company with the name of Owner's attorney. Owner shall pay all attorneys fees and costs.
- c. **Rental Licenses.** Owner shall obtain and maintain a rental license or rental permit as required by the city or municipality in which the property is located. To the extent Owner fails to obtain or maintain any applicable authorization or permit necessary to rent the property, or authorization from a common interest community, Owner shall indemnify and hold harmless the Company and any and all related liability.

10. Reasonable Maintenance and Repair.

The Company shall coordinate repairs or maintenance for the Property as necessary to make the Property a desirable place to live as approved by Owner and at Owner's expense.

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Property Management Agreement (continued)

- a. **Ordinary Maintenance and Repair.** All expenses associated with repair and ongoing property maintenance shall require permission from Owner, which may occur by written or verbal permission, including fax or email. The Company reserves the right to inspect the Property randomly at the discretion of the Company. Owners with home warranty or service plans shall provide account information to the Company and may list the Company as an additional member on the account. Tenant shall be responsible for maintaining the Property as addressed in their lease. Fines assessed by the city, municipality or State for violations, such as snow removal, lawn, tree, landscaping, and other issues or the like, shall be paid first by Tenant, if consistent with terms of the lease, or by Owner, if Tenant is unable or unwilling to pay.
- b. **Emergency Maintenance and Repair.** In the event of a request for maintenance, which the Company deems to be an emergency issue, if Owner has not responded to the request for permission to address the request within 24 hours, the Company reserves the right to address and correct all repairs that are immediately necessary for the preservation and safety of the Property, at Owner's expense, to avoid the suspension of any essential service to the Property, to avoid danger to life or of the Property, or to comply with federal, state, or local law. Repair costs shall be paid to the Company from future rental income, deductible the month following the repair. Any amount above 1 months rent shall be paid directly to the company when billed to the owner. For extenuating circumstances or emergencies which may threaten the health or safety of the Tenant or others, the Company has authority to use reasonable discretion to take necessary actions to address emergency issues until the Owner has had an opportunity to respond or intervene.
- c. **Contractors.** Owner may select the contractor to perform maintenance and repairs on the property, provided Owner assumes all responsibility for the contractor maintenance and repair work for the contractor Owner has selected, including but not limited to, supervision, licensure, insurance, and payment of the contractor and subcontractors. The Company reserves the right to hire a Company approved contractor to complete maintenance or repairs originally contracted for by the Owner, should the maintenance not be completed in a timely manner. Owner shall be responsible for all maintenance and repair expenses.
- d. **Smoke Detectors.** At Owners expense, smoke detectors and carbon monoxide detectors will be installed on the Property in accordance with the law, prior to the Tenant's occupancy. During the occupancy, it should be the Tenant's responsibility to maintain all smoke detectors and carbon monoxide detectors.

11. **Utilities and Services.** The Company shall be able to communicate with the Property's utility companies (for electricity, gas or water and such other services as necessary or prudent for the operation of the Property). It is the Owner's responsibility to verify that all utilities have been transferred to the Tenant. All utility charges and deposits shall be the Owner's responsibility, unless provided otherwise by the lease as the Tenant's responsibility (for separately metered utilities). The Owner shall list the Company with all services and utility companies as an additional contact, so that the Company may communicate with the service provider.

12. Insurance:

- a. **Owner's Insurance.** Owner shall obtain and maintain adequate insurance against liability for loss, damage or injury to property or persons that might arise out of the occupancy, management, use, operation or maintenance of the Property. Owner shall obtain an additional insured endorsement naming the Company as the additional insured under the policy on all liability insurance maintained with respect to the Property. The additional insured endorsement shall provide coverage for the Company for any loss caused by the acts or omissions of the Company or any losses arising out of the Company's duties, work or operation under this agreement. Liability insurance shall be in an amount sufficient to protect the interests of both the Owner and the Company, in form, substance and amounts reasonably satisfactory to the Company but not less than \$300,000.00 per event or occurrence. Owner shall provide the company with proof of hazard and risk insurance policies in force and shall obtain adequate vandalism coverage for the property. Owner shall furnish the Company with a certificate evidencing fire and liability insurance or with duplicate copies of such policies, within 15 days after the date of this agreement. Owner's failure to maintain such insurance shall result in the Company's authority to obtain such policies on behalf of owner and

Initial(s) _____

Property Management Agreement (continued)

the Company, at Owners expense, which shall be deemed an additional fee or cost due to the Company. In the event of any loss, investigation, lawsuit, damage, cost or expense, including attorneys fees, liability or claims for personal injury or property damage, collectively referred to as claims, against the Company that would otherwise be covered under an additional insured endorsement to any insurance policy, and is not covered due to Owner's failure to obtain said endorsement, Owner shall indemnify and hold the Company harmless from said claims.

b. **Tenant's Insurance.** All Tenants procured by the Company are advised that it is recommended that they obtain renter's insurance and that Owner's insurance does not cover Tenant's personal items and or effects. Owner may require Tenants to obtain renter's insurance by notifying the Company in writing prior to lease execution.

13. **The Company Assumes No Liability.** The Company assumes no liability for any damages, losses, or acts of omission by the Tenant. The Company assumes no liability for any acts or omissions of Owner, previous owners or previous brokers. The Company assumes no liability for default by any Tenant. The Company assumes no liability for violation of environmental or other regulations that may become known during the term of this agreement. Any such regulatory violations or hazards discovered by the Company shall be brought to the attention of Owner, and Owner shall promptly cure them. The Company shall not be liable in any event of bankruptcy or failure of the depository bank where Owner's funds are deposited.

14. Indemnification and Owner's Responsibilities to Defend:

a. **Generally.** Owner shall indemnify, defend, and hold the Company harmless from all loss, investigation, suits, damage, costs and expenses, including attorneys fees, liability or claims for personal injury or property damage, including vandalism, on or about the Property.

b. **Indemnification Survives Termination.** All representations and warranties of the parties contained herein, including any provisions of this Agreement that require Owner to have insured or to defend, reimburse, or indemnify the Company, shall survive the termination of this Agreement. If the Company becomes involved in any proceeding or litigation by reason of having been Owner's manager, such provision shall apply as if this agreement were still in effect.

c. **Litigation and Compliance Expenses.** Owner shall pay all fines, penalties, or other expenses in connection with any claim, proceeding, or suit involving an alleged violation of any law pertaining to fair employment, fair credit reporting, environmental protection, or fair housing, including legal discrimination on the basis of race, sex, color, religion, national origin, physical handicap, familial status, public assistance, age or all other classes protected by state or federal law. Provided, however, that Owner shall not be responsible to the Company for any such expenses if Company is found in a court of law or tribunal of proper authority to have personally, and not in a representative capacity, violated any such law. Should Owner sue the Company, Owner shall pay the full cost of the Company's attorneys fees and other costs expended in defending itself, in the event the Company prevails in such suit. Nothing contained in this Agreement shall obligate the Company to employ legal counsel to represent the owner and any such proceeding or suit.

d. **Fees for Legal Advice.** Owner shall pay reasonable expenses incurred by the Company in obtaining legal advice regarding compliance with any law affecting the Property, which shall be requested or required by Owner. In the event of unrepresented appearances in court by the Company, Owner agrees to pay the Company \$75 per hour in lieu of attorneys fees. However, it in no way shall be deemed legal advice as the Company and its officers, staff and employees are not attorneys.

15. **Owner Representations.** Owner represents and warrants the following: that owner has full power and authority to enter into this Agreement; that there are no written or oral agreements affecting the property other than disclosed tenant leases, copies of which have been furnished to the Company; that there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Property for the purposes intended under this agreement; that the Property is zoned for the intended use; that all permits for the operation of the Property have been secured in are current; that any underlying mortgages or related liens permit rental of the Property or proper steps have been taken to ensure the Property is being used in a manner consistent with how it has been represented to third parties, that the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders or the like; that the information supplied by owner is dependable and accurate; and that any loans, notes, mortgages, dues or trust deeds are fully paid or are current without default.

16. Termination.

a. **Early Termination.** This Agreement may be terminated by either party for any reason and at any time with 30 days written notice with no financial penalty.

Initial(s) _____

Property Management Agreement (continued)

- b. **Termination for Violation of Agreement or Law.** The Company reserves the right to terminate this Agreement immediately if Owner acts in any manner which, at the discretion of the Company, creates a hostile or otherwise harmful relationship with the Company, or Owner is found in violation of any federal, state, or local law that may create a liability to Owner, impact the goodwill or public reputation of the Company, or otherwise endanger the Company in any way.
 - c. **Owner Responsible for Payments.** Upon termination, Owner shall pay the Company any fees, commissions, and expenses due to the Company for services already rendered or payments due through the month of termination. Owner shall assume and satisfy the obligations of any contract or outstanding bill incurred by the Company under this Agreement. The Company may withhold funds for 30 days after the end of the month in which this Agreement is terminated in order to pay bills previously incurred, but not yet invoiced, and to close accounts. The Company shall deliver to Owner, within 30 days after the end of the month in which this Agreement is terminated, any balance of the money due to Owner or tenant security deposits, or both, which were held by the Company with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of the termination or withdrawal. The security deposit will not be released unless all parties agree in writing to the transfer of the security deposit from the Company's trust account to the Owner.
17. **Rights Cumulative, No Waiver.** The exercise of any right or remedy provided in this Agreement shall not be an election of remedies, and each right and remedy shall be cumulative. 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 provided in this Agreement, shall not be construed as a waiver of such right or remedy with respect to the subsequent defaults. Every rate and remedy provided in this Agreement may be exercised from time to time and as often as may be deemed necessary by the party exercising such right or remedy.
18. **Authorization to Connect Services.** Owner authorizes the Company to sign for and allow professional installation of cable or satellite services using any existing wiring or connections. If any additional connections, mounts, or cabling is required, Owner authorization must be obtained by the Company.
19. **Applicable Law and Partial Invalidity.** The laws of the State of Minnesota shall govern the interpretation of this Agreement. Any action arising under this agreement shall be brought in Minnesota District Court in the Second Judicial District in Ramsey County.
20. **Consent to Communications.** By signing this Agreement, you have given express written permission to allow the Company to communicate with you using phone, email, text, fax, and instant messaging for contact necessary regarding the fulfillment of this Agreement and marketing and advertising purposes deemed appropriate by the Company. The Company will not be allowed to sell your personal contact information.
21. **Complete Agreement.** This Agreement shall be binding upon the parties and each of their respective heirs, executors, administrators, successors and assigns. There are no warranties or representations not herein contained. The Agreement shall not be modified or amended without written agreement of the parties.
21. Upon expiration of the Management Agreement, the Owner will not be obligated to pay the licensee a fee or commission if the seller has executed another valid Management Agreement pursuant to which the Owner is obligated to pay a fee or commission to another licensee for the sale, lease, or exchange of the real property in question. MN. Stat. § 82.66 subd. 1 (b) (11);

22. Additional Terms:

Housing Hub, LLC

Owner(s)

X
(sign)

Sign: X
(sign)

By: _____
(print)

Print Name: _____
(print)

Its: _____

Sign: X
(sign)

Print Name: _____
(print)