



Urban Enterprises Inc.
4542 Nicollet Ave.
Minneapolis, MN 55419
(612) 236-9296

How did you hear about us?

Date 5/30/12 **Property Management Agreement** MF

IN CONSIDERATION of the covenants herein contained, VNE Properties, hereinafter designated as owner, agrees to contract URBAN ENTERPRISES INC. as exclusive Agent, hereinafter designated as Agent, to rent, lease, operate, and manage the real property situated at 579 Van Buren in the City of Saint Paul County of Ramsey, State of Minnesota, commencing on this date of 5/30/12 and will terminate upon the sale of the property or by the written notice of either party on thirty day's written notice to the other.

Additional Properties covered under the terms of this agreement:

Address _____ city _____ MN Zip _____ Effective _____

Address _____ city _____ MN Zip _____ Effective _____

AGENT'S AUTHORITIES AND OBLIGATIONS

Owner hereby confers upon Agent the following authorities and obligations, and Owner agrees to pay:

1. To show available rental units to prospective tenants. To display "For Rent" signs, promote available unit on www.urbanrent.com and other online sources. To expend and disburse Owner funds for direct advertising costs when additional promotion is necessary. To Screen and use diligence in the selection of prospective tenants. To discharge all duties and obligations within the parameters of the Fair Housing Act. Agent shall not discriminate based upon race, color, religion, disability, sex, familial status, or national origin.
2. To negotiate and execute leases and rental agreements on behalf of Owner. Lease terms not to exceed one year. Agent has responsibility to establish the terms and conditions for tenancies of the subject property, including but not limited to rents, deposits, fees, lease terms and conditions.
3. To collect rents, security deposits, and all other receipts, and to deposit such moneys in a Trust Account with a qualified banking institution in Minnesota.
4. To serve notice of termination of tenancies and such other notices as Agent may deem appropriate.
5. To employ attorneys for the purpose of enforcing Owner's rights under leases and rental agreements and instituting legal action on behalf of Owner.
6. To provide all services reasonably necessary for the proper management of the property including periodic inspections, supervision of maintenance and arranging for such improvements, alterations and repairs as may be required by Owner.
7. At the Owner's direction Urban Enterprises will supervise and or contract for all remodel projects and capitol improvements at the rate of actual costs plus 10%. Remodel projects and Capital improvements include but not limited to re-painting walls and ceilings, flooring replacement, window replacement, carpentry, floor plan changes, kitchen remodel and bath remodel as well as exterior siding replacement, roof replacement, exterior painting, additions and structural repairs
8. Turnover: A turnover is defined as the act of restoring a rental to move in condition. Walls ceilings should be clean, without holes and painted as necessary. Carpet should be clean and not stained. Carpet should be replaced at the end of its useful life. Harwood floors should have a glossy surface. Other flooring should be clean and free of damage. Windows should have clean and working blinds or window covering. Windows should have screens. Smoke detectors and carbon monoxide detectors should be in a place. All components of the dwelling should be in working order. The rental unit should be thoroughly cleaned to include but not limited to including floors, walls, appliances, counters, cabinets, bath fixtures and carpets. At the Owner's expense Urban Enterprises Inc. will contract for the necessary turnover repairs. Urban Enterprises Inc. will bill the previous tenant's security deposit for turnover repairs when possible.
9. To hire, supervise and discharge all independent contractors required in the operation and maintenance of the property.
10. To contract for repairs or alterations at cost to Owner.
11. To contract for emergency repairs and expenditures as are necessary for the protection of the property from damage, or to provide services to the tenants provided for in their leases.
12. To contract as Agent deems necessary for utilities, services and supplies for the operation, maintenance and safety of the property.
13. To pay from gross receipts maintenance and property management fees. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of agent's duties set forth in this agreement.
14. Agents spending authority is limited to \$300 per expense without Owner's prior consent except in the case of an emergency as defined in clause 11 or a turnover as defined in clause 8.
15. To maintain accurate records of all moneys received and disbursed in connection with the management of the property. Said records shall be open for inspection by Owner during regular business hours and upon reasonable notice.
16. To submit monthly statement of all receipts and disbursements.

All loan payments, property taxes, insurance, homeowner's association payments, utilities, advertising, administrative costs, legal fees, and license fees are the direct responsibility of Owner. Owner may direct Agent to make these payments on his behalf, using coupons, vouchers, or billing statements, which must be provided by Owner. Owner is solely liable for any charges. If Agent does not receive payment instructions in a timely fashion, Owner is solely liable and no payment will be made. Agent is not responsible for any late fees and/or credit issues due to late payments. Agent cannot under any circumstance advance money for payment of Owner's obligation.

OWNER'S OBLIGATION

1. Owner shall not hold Agent liable for any error of judgment, or for any mistake of fact or law, or for anything which Agent may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.
2. Owner agrees to carry, at Owner's expense, bodily injury, property damage and personal injury public liability insurance. In the event Agent receives notice that said insurance coverage is to be canceled, Agent shall have the option to immediately cancel this agreement.

COMPENSATION

Owner agrees to pay Agent fees for services rendered at the rates hereinafter set forth. Owner agrees to assign to the Company all rents and other income collected for the purposes specified in this Agreement, including the payment of obligations incurred. Such compensation is due and payable on demand and may be collected from any of the Owner's funds.

MANAGEMENT SERVICES: ⁶8% of the gross income of the building, payable by the 15th of each month. Gross income shall include, but is not limited to, actual rental income, vending machine income and short occupancy income. Owner agrees that management fee represents payment for management services.

LEASING FEE: \$500 ☒, \$600 ☐ or ☐ % of 1 month's rent for each signed lease that is shown and rented by Agent's Leasing Agent. This fee is increased to 100% of the first month rent if the owner cancels this agreement within the first four (4) months.

MULTIPLE LISTING SERVICE (MLS): Owner Elects ☐, ☐ 20/ ☐ or, Owner does not elect ☒ to advertise the property for rent on the MLS and pay a leasing fee of \$700 for each signed lease that is shown and rented by another Brokerage's Leasing Agent.

COLLECTION FEES: Owner agrees that any late fees and, or non-sufficient funds (NSF) fees collected from tenants are compensation to Urban Enterprises for the service of collecting rent due to owner.

PROJECT MANAGEMENT FEE: 10% of the Gross Expense of any capitol improvement that requires the Agent's supervision.

AGENTS GUARANTEE TO OWNER

Agent guarantees tenancy for 6 months. Agent will re-rent the property unit free of charge if the tenant(s) vacates the premises either by abandonment or eviction within the first 6 months of the lease or prior to the full term of the lease whichever is shorter.

OTHER TERMS

All Notices required to be given hereunder shall be in writing and mailed to the parties hereto at the address set forth below.

Agent shall mail Monthly Net Income Profit to the owner prior to the 15th of the following calendar month. At Owner's request, Agent will deposit Monthly Net Income Profit directly into Owner's account prior to the 15th of the following calendar month for a service fee of \$5.00/month.

In the event of legal action by the parties arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, to be determined by the court in which such action is brought.

Agent accepts the employment under the terms hereof and agrees to use diligence in the exercise of the obligations, duties, authorities and powers conferred herein upon Agent.

Owner signature:

E.H.

Telephone:

651-373-4787

E-mail:

Enicherm@gmail.com

Street Address:

1512 West 28th St

City

MPLS State MN Zip 55407

Urban Enterprises Inc.

Jahn Sto

Property Insurance: Company/Policy
#/Agent/Telephone #

Appliance service plans? XCel,
Centerpoint?

Revised 05/30/2012

Other properties will also be charged at
6% as long as we manage more than 10 units.