

Stanley Property Management  
17122 HWY 371 N  
Brainerd, MN 56401  
Fax (218) 824-8236

Dear Prospective Client,

Thank you for inquiring about our property management program. Stanley Property Management has been managing leased property throughout The Brainerd Lakes Area.

What can we do to make your experience as a landlord a pleasant and rewarding one?

1. We qualify tenants based on standard income procedures, and a credit report is done for every applicant.
2. We conduct annual inspections of your property to ensure that the tenant is living up to his/her end of the lease and before a new lease is signed.
3. Our lease is probably the tightest one in the area. We have incorporated many real experiences into our lease, so that tenants do not have the opportunity to abuse their privilege of renting your property.
4. We take prompt action against tenants who do not pay, or who do not maintain your property. Our goal is to get you fair market rent from good tenants, and when that does not happen, we will take swift action.
5. We will keep you apprised of laws which affect your property and your landlord/tenant relations.
6. You will receive a complete accounting of all monies received by us, whether in the form of rent, other fees and late fees. A year end re-cap is sent to you along with a 1099 for your taxes.
7. Your property will be maintained to ensure you continue to receive fair market rent. You will be asked to approve all repairs above certain minimum amount, ensuring your active participation in the management of your property.
8. In all cases, someone will accompany prospective tenants to your property, ensuring that questions can be answered on the spot and in order to point out features and benefits of your property to the prospective tenants.
9. Turn around time between tenants is kept at an absolute minimum. We do our best to have all work performed within six days, ensuring minimal loss of rent to you between tenants.
10. Tenants can be charged in advance for carpet cleaning, move-out cleaning, any applicable pet fees (if you allow pets). In some cases they pay for certain repairs (please refer to our lease for details). The security deposit will equal one month's rent, including non-refundable fees.

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11. We will use only good quality repairmen, many of whom have been working with us for many years. Prices are checked on a periodic basis and corrected if out of line with other vendors. We will ask for at least two bids for all major repairs, such as air conditioner, furnace replacement, carpeting or re-roofing.
12. We do a pre-contract walk through to ensure your house is up to city codes for the sake of you and your tenant.

What is your agreement with us?

1. We will ask you to enter into a property management agreement for at least one year, after which a thirty day termination notice is required.
2. We may charge a 50% rent out fee to initially get a tenant in the property. We then collect 10% to 12% of rents & fees collected thereafter. Other management options may be available.
3. We will maintain the current renters that we place into your property until they vacate the property.

The decision as to whether to allow pets or not is yours; we do require a sizable pet fee from the tenant if you will permit pets, and it may or may not be non-refundable. Decisions about rental price range and length of lease is yours to make as well.

We hope that this has convinced you that the property management program at Stanley Property Management LLC, is the best, and we look forward to working with you. Please feel free to call us with any questions you may have, and we shall be calling you in the near future to discuss your plans.

Sincerely,

Tim Bosch  
Broker/ Property Manager  
218-851-9908

## EXCLUSIVE CONTRACT FOR PROPERTY MANAGEMENT

In consideration of the covenants contained in this **EXCLUSIVE CONTRACT FOR PROPERTY MANAGEMENT ("CONTRACT")**, between \_\_\_\_\_ ("OWNER") and **Stanley Property Management LLC, ("AGENT")**, agree as follows:

1. **AUTHORITY:** The **OWNER** hereby employs the **AGENT** exclusively to rent and manage the real and personal property (collectively "**PROPERTY**") located at \_\_\_\_\_, City of \_\_\_\_\_, County of \_\_\_\_\_, upon the terms hereinafter set forth beginning on the \_\_\_\_\_ day of \_\_\_\_\_, (year) \_\_\_\_\_, and ending on the \_\_\_\_\_ day of \_\_\_\_\_, (year) \_\_\_\_\_.  
**CONTRACT** will continue after the expiration date until tenants placed in the property by **AGENT** have vacated the **PROPERTY**. Upon expiration either party may terminate this **CONTRACT** by giving at least 30 days written notice of cancellation to the other party by certified mail. **OWNER** certifies and represents that he/she has the legal authority and capacity to lease the **PROPERTY** and improvements.
2. **AGENT AGREES:**
  - a. To accept and does hereby accept the management of **PROPERTY** for the period and upon their terms herein provided, and agrees to furnish the services of his/her organization for the renting, operating and managing of **PROPERTY**.
  - b. To advise the premises or any part thereof for rent, to display signs thereon, and to rent the same; to sign, renew and/or cancel leases for **PROPERTY** or any part thereof, with express authority in the **AGENT** to negotiate and sign leases in regards to **PROPERTY**, for and on behalf of **OWNER**, provided, however, that such leases are for a period not to exceed 12 months and/or for a period not less than 6 months; to handle tenant negotiate, institute and prosecute eviction and damages actions to oust tenants and recover possession on behalf of **OWNER**; to sue for and recover rent and other sums due; to procure legal counsel when necessary to protect **OWNER'S** interest and rights in connection with the **PROPERTY**; and when expedient, to settle, compromise and release such actions or suits. Rent amount is to be set at \_\_\_\_\_.
  - c. To investigate carefully all references of prospective tenants.
  - d. To collect, hold and disburse rents, other amounts due or to become due and give receipts therefore.
  - e. To aid, assist and co-operate in the matter of real property taxes and insurance loss adjustments, and to perform such duties in connection therewith as may be requested by the **OWNER**.
  - f. To care for, place and supervise, subject to **OWNER'S** instructions, all insurance coverage.
  - g. To make or cause to be made and supervise repairs and alterations and to do decorating on the promises in order to maintain and repair interior, exterior and landscaping of **PROPERTY**, including making periodic inspections; to purchase supplies and pay all bills. The **AGENT** agrees to secure the approval of the **OWNER** on all expenditures in excess of \$100 for any one item, except monthly or recurring operating charges, and/or emergency repairs in excess of the maximum, if in the opinion of the **AGENT**, such repairs are necessary to protect the property from becoming uninhabitable or damaged, to maintain services to the tenants as called for by their tenancy, or to avoid penalties or fines to be imposed by governmental entity.
  - h. To hire, discharge and supervise all labor and employees required for the operation and maintenance of the **PROPERTY**; it being agreed that all employees shall be deemed the employees of the **OWNER** and not the **AGENT** may perform any of its duties through its attorneys, agents or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in its appointment and retention. The **AGENT** shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which it may do or refrain from doing hereunder, except in cases of willful misconduct or gross negligence.

- i. To make contracts for electricity, gas, fuel, water, telephone, window cleaning, ash hauling, vermin extermination and other services or such of them as the **AGENT** shall deem advisable; the **OWNER** to assume the obligation of any contract so entered into at the termination of this agreement.
- j. To render monthly statements of receipts, expenses and charges and to remit receipts less disbursements. In case the disbursements shall be in excess of the rents collected by the **AGENT**.
- k. **Agent** does not agree to make recurring payments on **OWNER'S** behalf, such as mortgage, insurance, property taxes, homeowner's insurance, unless otherwise specifically stated
- l. \_\_\_\_\_.

**3. OWNER AGREES:**

- a. To cooperate with **AGENT** in carrying out the purpose of this CONTRACT.
- b. To assume all expenses incurred in connection with the above actions, and to promptly repay **AGENT** for any monies billed to **OWNER** for authorized expenditures upon demand.
- c. To advise the **AGENT** in writing if payment of mortgage indebtedness, property or employee taxes, special assessments or the placing of fire, liability, steam boiler or any other insurance is desired. **OWNER** agrees to verify current insurance policy. **OWNER** understands that a normal "Homeowner's Insurance" policy may not be effective for residential rental property. **OWNER** agrees to supply **AGENT** with copies of all insurance policies related to the **PROPERTY**.
- d. To provide complete and accurate information to **AGENT** including disclosing all known facts that materially affect the value of the **PROPERTY**. **OWNER** agrees to supply **AGENT** with a copy of the Warranty Deed to the **PROPERTY**.
- e. To indemnify and hold harmless **AGENT** and **AGENT'S** officers, directors, agents and employed from all claims, demands, causes for action, costs and expenses including reasonable attorneys' fees at all levels, and from liability to any person, to the extent based on (1) **OWNER'S** misstatement, negligence, action, inaction or failure to perform the obligations of this contract or any lease or agreement with a vendor; (2) the existence of undisclosed material facts about the **PROPERTY**; (3) **AGENT'S** performance, at **OWNER'S** request, of any task beyond the scope of services as regulated by state law, including **AGENT'S** referral, recommendation or retention of any vendor; or (4) services or products provided and expenses incurred by any vendor.
- f. To provide **AGENT** with all information **OWNER** knows about lead-based paint and lead-based paint hazards in the **PROPERTY** and with all available documents pertaining to such paint and hazards as required by federal law. (Only applies to residential properties built in 1977 or earlier.)
- g. Not to list **PROPERTY** for sale or lease with another company while this CONTRACT is in effect and if **PROPERTY** is sold to tenant obtained by **AGENT**, **OWNER** agrees to pay **AGENT** a sales commission of 7%.
- h. If **PROPERTY** is rendered uninhabitable, and insurance company compensates **OWNER** for loss of rents, **OWNER** agrees to pay **AGENT** its fee for the period it was unoccupied.
- i. Upon termination of this CONTRACT, to assume obligations of all contracts that **AGENT** entered into on **OWNER'S** behalf.
- j. \_\_\_\_\_.

4. **COMPENSATION:** **OWNER** agrees to compensate **AGENT** as follows, plus any applicable taxes on **AGENT'S** services;
- a. For securing a tenant, which includes showings, qualifying tenant, obtaining deposits and fees, and securing a signed lease, **OWNER** shall pay the **AGENT** 50% of the gross amount of one month's rent and/or a flat fee of \_\_\_\_\_.
  - b. For managing the **PROPERTY** and tenant relations, **OWNER** shall pay the **AGENT** 10% of the gross amount of money received from the operation of said premises during the period herein provided and/or a flat fee of \_\_\_\_\_.
  - c. For supervision and coordinating of repairs, alterations, modernization and/or redecorating above and beyond a total cost of \_\_\_\_\_, \_\_\_\_\_ of the total cost of project or \$20 per hour.
  - d. For selling **PROPERTY**, 7% of closed purchase price.
  - c. \_\_\_\_\_.

5. **ADDITIONAL CLAUSES:** \_\_\_\_\_.

6. **MISCELLANEOUS:**

- a. **AGENT** advises **OWNER** to consult an appropriate professional for related legal, tax, property condition, environmental, foreign reporting requirements and other specialized advice.
- b. In compliance with the federal Fair Housing Act, restrictions on the **PROPERTY** are not allowed based on a prospective tenant(s) racial, religious, handicap, sex, national origin or familial status. Federal laws prohibit placing any such restrictions on any property.

This CONTRACT is entered into by and between the **OWNER** and **AGENT**, subject to any and all provisions, when properly signed, below; and shall be binding upon the successors and assigns of the **AGENT**, and the heirs, executors, administrators, successors and assigns of the **OWNER**.

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

Date: \_\_\_\_\_

Owner's Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Owner's Tax ID/ SSN \_\_\_\_\_

Address: \_\_\_\_\_

W. Phone: \_\_\_\_\_

H. Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Date: \_\_\_\_\_

Owner's Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Owner's Tax ID/ SSN \_\_\_\_\_

Address: \_\_\_\_\_

W. Phone: \_\_\_\_\_

H. Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Date: \_\_\_\_\_

Agent's Signature/ Printed Name \_\_\_\_\_

Copy returned to OWNER on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by: Personal Delivery  
US Mail    Fax