

Owner:

and

Agent:

**ShipRock Management, Inc**

For Property located at

Property Type:

Unit 1 Type: \_\_\_\_\_ Rent Amount: \_\_\_\_\_

Unit 2 Type: \_\_\_\_\_ Rent Amount: \_\_\_\_\_

Unit 3 Type: \_\_\_\_\_ Rent Amount: \_\_\_\_\_

Unit 4 Type: \_\_\_\_\_ Rent Amount: \_\_\_\_\_

Beginning: \_\_\_\_\_

Ending: \_\_\_\_\_

## **MANAGEMENT AGREEMENT**

IN CONSIDERATION of the covenants herein contained, \_\_\_\_\_ (hereinafter called "OWNER"), and ShipRock Management, Inc. (hereinafter called "AGENT"), agree as follows:

1. The OWNER hereby employs the AGENT exclusively to rent and manage the property (hereinafter called the 'Premises') known as

upon the terms and conditions hereinafter set forth, for a term of \_\_\_\_\_ beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and ending on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, either party hereto shall notify the other in writing that it elects to terminate this Agreement, in which case this Agreement shall be thereby terminated on said last mentioned date. (See also Paragraph 6.3 and 7 below.)

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 following person(s) at the address(s) shown:

Name

\_\_\_\_\_

Address

Phone Number

Email Address

\_\_\_\_\_

and to remit each month the net proceeds (provided AGENT is not required to make any mortgage, escrow, or tax payment on the first day of the following month). AGENT will remit the net proceeds or the balance thereof after making allowance for such payments to the following persons, in the percentages specified, and at the addresses shown:

Name

\_\_\_\_\_

Percentage

\_\_\_\_\_

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. THE OWNER AGREES:

To give the AGENT the following authority and powers (all or any of which may be exercised in the name of the OWNER) and agrees to assume all expenses in connection therewith:

3.1 To advertise the Premises or any part thereof, to display signs thereon and to rent the same; to cause references of prospective tenants to be investigated; to sign leases for terms not in excess of two years and to renew and/or cancel the existing leases and prepare and execute the new leases without additional charge to the OWNER; provided, however, that the AGENT may collect from tenants all or any of the following: a late rent administrative charge, a non-negotiable check charge, credit report fee, a subleasing administrative charge and/or broker's commission and need not account for such charges and/or commission to the OWNER; 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, and release such actions or suits, or reinstate such tenancies. OWNER shall reimburse AGENT for all expenses of litigation including attorneys' fees, filing fees, and court costs which AGENT does not recover from tenants. AGENT may select the attorney of its choice to handle such litigation.

3.2 To hire, discharge, and pay all engineers, janitors, and other employees; to make or cause to be made all ordinary repairs and replacements necessary to preserve the Premises in its present condition and for the operating efficiency thereof and all alterations required to comply with lease requirements, and to do decorating on the Premises; to negotiate contracts for nonrecurring items not exceeding \$ \_\_\_\_\_ and to enter into agreements for all necessary repairs, maintenance, minor alterations, and utility services; and to purchase supplies and pay all bills. AGENT shall secure the approval of the OWNER for any alterations of expenditures in excess of \$ \_\_\_\_\_ for any one item, except monthly or recurring operating charges and emergency repairs in excess of the maximum, if, in the opinion of the AGENT, such repairs are necessary to protect the property from damage or to maintain services to the tenants as called for by their tenancy.

3.3 To collect rents and/or assessments and other items due or to become due and give receipts therefore and to deposit all funds collected hereunder in the AGENT's custodial account.

3.4 **TRUST ACCOUNT WAIVER** All monies collected by ShipRock Management (Agent) from any tenant, tenant representative, property owner or property owner representative will NOT be held in a trust account. They will be held in an account as selected by the AGENT, ShipRock Management. Monies collected would normally include, but are not limited to: security deposit, rent, application fees, late fees, NSF fees, damage fees, banking fees, reserve account or setup fees. Moreover, you are agreeing that any monies paid to or collected by ShipRock Management will not be held in a Minnesota Department of Commerce and Chapter 82 compliant trust account.

3.5 To handle tenants' security deposits and to comply, on the OWNER's behalf, with applicable state or local law concerning the AGENT's responsibility for security deposits and interest thereon, if any.

3.6 To execute and file all returns and other instruments and do and perform all acts required of the OWNER as an employer with respect to the Premises under the Federal Insurance Contributions Acts, the Federal Unemployment Tax Act, and Subtitle C of the Internal Revenue Code of 1954 with respect to wages paid by the AGENT on behalf of the OWNER and under any similar federal and state law now or hereafter in force (and in connection therewith the OWNER agrees upon request to promptly execute and deliver to the AGENT all necessary powers of attorney, notices of appointment, and the likely).

3.7 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 money in connection with the property, the OWNER agrees to reimburse the AGENT forthwith and hereby authorizes the AGENT to deduct such advances from any monies due the OWNER. The AGENT shall, upon instruction from the OWNER, impound reserves each month for the payment of real estate taxes, insurance, or any other special expenditure. In addition, the OWNER agrees to establish a permanent Operating Reserve Account with the AGENT in the amount of \$ \_\_\_\_\_ .

4. THE OWNER FURTHER AGREES:

4.1 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, and to carry at OWNER's expense public liability, elevator liability (if elevators are part of the equipment of the Premises) naming the OWNER and the AGENT and adequate to protect their interests and in form, substance, and amounts reasonably satisfactory to the AGENT, and to furnish the AGENT certificates evidencing the existence of such insurance. Unless the OWNER shall provide such insurance and furnish such certificate within 15 days from the date of this Agreement, the AGENT may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the OWNER. All such insurance policies shall provide that the AGENT shall receive thirty (30) days written notice prior to cancellation of the policy.

**4.2 Owner agrees to add ShipRock Management as an "Additional Insured" to the said premises' property insurance.**

Initial

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4.3 To pay all expenses incurred by the AGENT, including, but not limited to, reasonable attorneys' fees and AGENT's costs and time in connection with any claim, proceeding, or suit involving an alleged violation of the AGENT or the 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 the basis of race, sex, creed, color, religion, national origin, or mental or physical handicap, provided, however, that the OWNER shall not be responsible to the AGENT for any such expenses in the event the AGENT is finally adjudicated to have personally, and not in a representative capacity, violated any such law. Nothing contained herein shall obligate the AGENT to employ counsel to represent the OWNER in any such proceeding or suit, and the OWNER may elect to employ counsel to represent the OWNER in any such proceeding or suit.

4.4 To indemnify, defend, and save the AGENT harmless from all claims, investigations, and suits, or from actions or failures to act of the OWNER, with respect to any alleged or actual violation of state or federal labor laws, it being expressly agreed and understood that as between the OWNER and the AGENT, all persons employed in connection with the Premises are employees of the OWNER not the AGENT. However, it shall be the responsibility of the AGENT to comply with all applicable state or federal labor laws. The OWNER's obligation under this paragraph shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorneys' fees.

4.5 To give adequate advance written notice to the AGENT if the OWNER desires that the AGENT make payment out of the proceeds from the Premises, of mortgage indebtedness, general taxes, special assessments, or fire, steam boiler, or any other insurance premiums. In no event shall the AGENT be required to advance its own money in payment of any such indebtedness, taxes, assessments, or premiums.

5. THE OWNER AGREES TO PAY THE AGENT EACH MONTH

5.1 FOR MANAGEMENT: \_\_\_\_\_ per month or \_\_\_\_\_ percent ( \_\_\_\_\_ %) of the monthly gross receipts from the operation of the Premises during the period this Agreement remains in full force and effect, whichever is the greater amount. Gross receipts are all amounts received from the operation of the Premises including, but not limited to: rents, parking fees, deposits, laundry income, and fees. OWNER further agrees to allow AGENT to place a mechanics lien on said property for any unpaid monies owed to AGENT, including but not limited to management fees, maintenance or contract work, utility bills and/or any other costs that was directly associated to said property under the terms of this management agreement.

**\*\*\*SEE ATTACHED PRICE GUIDE PAGE 9\*\*\***

5.2 APARTMENT LEASING

5.3 SET-UP

5.4 MINIMUM MONTHLY CHARGE

5.5 VACANT BUILDING CHARGE

**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**

6. IT IS MUTUALLY AGREED THAT:

6.1 The OWNER expressly withholds from the AGENT any power or authority to make any structural changes in any building or to make any other major alterations or additions in or to any such building or equipment therein, or to incur any expense chargeable to the OWNER other than expenses related to exercising the express powers above vested in the AGENT without the prior written direction of the following person:

Name

Address

except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants thereof or are required to avoid the suspension of any necessary service to the Premises.

6.2 The AGENT does not assume and is given no responsibility for compliance of any building on the Premises or any equipment therein with the requirements of any statute, ordinance, law, or regulation of any governmental body of any public authority or official thereof having jurisdiction, except to notify the OWNER promptly or forward to the OWNER promptly any complaints, warnings, notices, or summonses received by it relating to such matters. The OWNER represents that to the best of OWNER's knowledge the Premises and such equipment comply with all such requirements and authorizes the AGENT to disclose the ownership of the Premises to any such officials and agrees to indemnify and hold harmless the AGENT, its representatives, servants, and employees, of and from all loss, cost, expense, and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes, or regulations.

6.3 In the event it is alleged or charged that any building on the Premises or any equipment therein or any act or failure to act by the Owner with respect to the Premises or the sale, rental, or other disposition thereof fails to comply with, or is in violation of any of the requirements of any constitutional provision, statute, ordinance, law, or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction there over, and the AGENT, in its sole and absolute discretion, considers that the action or position of the OWNER with respect thereto may result in damage or liability to the AGENT, the AGENT shall have the right to cancel this Agreement at any time by written notice to the OWNER of its election so to do, which cancellation shall be effective upon the service of such notice. Such Notice may be served personally or by registered mail, on or to the person named to receive the AGENT's monthly statement at the address designated for such person as provided in Paragraph 2.2 above, and if served by mail shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of the OWNER set forth in Paragraphs 4 and 6.2 above and shall not terminate any liability or obligation of the OWNER to the AGENT for any payment, reimbursement, or other sum of money then due and payable to the AGENT hereunder.

7. This Agreement may be canceled by OWNER before the termination date specified in Paragraph 1 on not less than 60 days prior written notice to the AGENT, provided that such notice is accompanied by payment to the AGENT of a cancellation fee in an amount equal to 0.00 % of the management fee that would accrue over the remainder of the stated term of the Agreement. For this purpose the monthly management fee for the remainder of the stated term shall be presumed to be the same as that of the last month prior to service of the notice of cancellation.

8. The OWNER shall pay or reimburse the AGENT for any sums of money due it under this Agreement for services for 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 (including but not limited to, Paragraphs 4.1, 4.2, and 4.3) shall survive any termination and, if AGENT is or becomes involved in any proceeding or litigation by reason of having been the OWNER's AGENT, such provisions shall apply as if this Agreement were still in effect the parties understand and agree that the AGENT may withhold funds for thirty (30) days 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.

\*Utilities associated for the property listed under this Agreement.

Utilities Paid by Owner

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Utilities Paid by Tenant

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9. If property is subject to a rental license through its local municipality, OWNER acknowledges that they will be fully responsible for receiving and responding to any and all requests or forms through said municipality. OWNER additionally agrees to keep contact information updated with said municipality.

**Initial**

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**This Agreement shall be binding upon the successors and assigns of the AGENT and the heirs, administrators, executors, successors, and assigns of the OWNER.**

**In the event this Agreement is used in conjunction with an attached proposal, the proposal would supersede this contract as to the matters specifically addressed therein.**

**IN WITNESS WHERE OF, the parties hereto have affixed or caused to be affixed their respective signatures this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_**

OWNER(s)

AGENT:





**1. Service Initiation:**

- a. Set-Up Fee: **\$25.00 / Unit** – Includes data entry of management information, utility set up
- b. Maintenance Account Deposit: - **\$300.00 / Building** (1-5 units)  
**\$500.00 / Building** (6 + units)

**2. Leasing:**

- a. Tenant application fee of \$40.00 (charged to tenant)
- b. \_\_\_\_\_ % of one month's rent. This number is the reciprocal of management fee. (Example: If the management fee is 10%, the leasing service is 40%)

**3. Property Management:**

- a. \_\_\_\_\_ % of Income; minimum of **\$100.00 /Month / Building**
- b. \$20.00 / Month management fee if entire building is vacant

**4. Late Fees:**

- a. Management company keeps all late fees collected from tenants

**5. Maintenance and Repair:**

- a. Routine Maintenance Call - \$48.00 per hour
  - i. After Hours x 1.5
  - ii. Holidays x 2.0
- b. Unit "turn" Owner Approved Bid
- c. Common Area Cleaning (standard) - \$30.00 per hour
- d. Lawn Care & Snow Removal by Owner Approved Bid
- e. Other Services per Management Agreement or by Arrangement

**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**

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

128 W. 1<sup>st</sup> St. • Duluth, MN 55802 • Phone: (218) 740-3800 • E-mail: [info@shiprockmanagement.com](mailto:info@shiprockmanagement.com) • [www.shiprockmanagement.com](http://www.shiprockmanagement.com)



**Management –**

**ShipRock  
Owner/Property Info**

- 1. Currently Licensed:  YES  NO
- 2. Pets allowed:  YES  NO
- 3. Is ShipRock handling lawn care:  YES  NO
- 4. Is ShipRock handling snow removal:  YES  NO
- 5. Will ShipRock be paying utilities:  YES  NO
  - a. Who is the garbage hauler:
  - b. Type of Heating \_\_\_\_\_
    - i. If fuel oil, who is the provider: \_\_\_\_\_

6. Square footage of units:

7. Unit / Building amenities:



**Direct Deposit**

**Authorization**

**Form**

Check all that apply:                      Begin Deposit       Change Information

**Authorization**

I (we) hereby authorize ShipRock Management to electronically credit my (our) account (and, if necessary, to electronically debit my (our) account to correct erroneous credits). I (we) agree that ACH transactions I (we) authorize comply with all applicable law.

**Owner Information**

Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Contact Phone Number:  \_\_\_\_\_

**Account Information**

Type of Account:      Checking       Savings

Depository (Bank) Name: \_\_\_\_\_

Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

Name(s) on the Account: \_\_\_\_\_

I (we) understand that deposit amounts and exact date will differ from period to period based upon the financial performance of my (our) property and the timeliness of rent payments by tenants.

I (we) understand that this authorization will remain in full force and effect until I (we) notify ShipRock Management in writing that I (we) wish to revoke this authorization. I (we) understand that ShipRock Management requires at least 15 days prior notice in order to cancel this authorization.