



I D E A L

PROPERTIES

I D E A L

INVESTMENTS

I D E A L

MANAGEMENT

I D E A L

MAINTENANCE

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Thank you for joining the **IDEAL F.A.M.I.L.Y.**, a full-service real estate property management brokerage, where admirable investors are aligned with reputable tenants, where we **Focused, Authentic, Motivated, Innovative, Loyal, and YES We Can**'rs, and are serious about ensuring your investment initially meets

THE IDEAL APPROACH

INCOME DEPRECIATION EQUITY APPRECIATION LEVERAGE

In order to familiarize yourself with our business processes and procedures, we have outlined the following steps and referenced the respective forms as highlighted, below, by page number in (parentheses):

1. AGREEMENT: Congratulations! By signing this Property Management Agreement, you've officially taken the first step towards renting your property! At this time, it's imperative you understand the importance of obtaining the correct type of **Insurance** as well as understanding your **Tax Benefit**, explained hereinafter:

A. Insurance - Rental property is usually one of your greatest long-term investments. As such, it is very important that as a Landlord, you are fully protected. However, most of us are unaware of how much coverage we really need. That is why we have a variety of carriers to design the best Landlord Package for you. Insurance is not one size fits all. Your insurance coverage is your key to protecting your investment and there are a variety of ways to provide the best protection to your investment, at an affordable cost. Whether you own one property in your own name or have a portfolio of properties under a real estate LLC, coverage should be designed to best suit you and your investment(s). Specifically, Landlord insurance offers more protection and coverage than a normal homeowner's policy. For example, let's start with:

1. Coverage for the building(s) and other structures on the property. This allows you to rebuild the property that was damaged. A few options available for property coverage include replacement cost and actual cash value. Replacement cost pays an extra amount necessary to replace the building with like-kind and quality of materials. Actual cash value is the value of the building less depreciation.
2. In addition, there are 3 types of coverage forms available: Basic, Broad, and Special. The most comprehensive coverage comes with a Special Form policy.
3. Next, we have the liability coverage and medical payments. This provides protection from any type of bodily injury arising when anyone is visiting the property (which can include walking on the sidewalk). Few carriers also include Personal Injury in their liability limits. Personal Injury is designed to help you in the event that a tenant accuses you of wrongful eviction, slander, invasion of privacy, to name a few. In most cases, a proper insurance policy is going to provide your defense costs if you are accused of an injury and any judgments made against you.
4. Then there is coverage for loss of rental value, which pays you the lost rent when the building is uninhabitable due to a covered loss.
5. There are a variety of optional coverages that should be reviewed, such as water and sewer backup, personal property coverage, vandalism, and theft to name a few.

In summary, it is imperative that prior to purchasing you know what is included in a quote and all understand the options available. Policies greatly vary from company to company and the specific type of policy you choose. Please take the time to understand what your policy will cover, or will not cover, prior to purchasing a policy, as we do not want you to be caught, unaware, when a problem strikes.

DISCLOSURE: INSURANCE AGENT REFERRALS AVAILABLE UPON REQUEST; HOWEVER, OWNER UNDERSTANDS AND AGREES THAT IDEAL PROPERTY INVESTMENTS, NOR ITS AFFILIATES, ARE RESPONSIBLE FOR CURATING AND/OR MANAGING ANY RELATIONSHIP.

B. Tax Benefit - You're officially a landlord; now, let's look at how it will affect your taxes. The first thing you need to know is all rental activity is considered a 'Passive Activity' and generally speaking a passive loss is not allowed, but with exceptions there are limits to how much you can use passive activity losses to offset other income. There are three basic categories you can fall into, for claiming the loss, of which are outlined, below, with a simple case study:

Let's assume your rental property generates a small positive cash flow after paying all expenses and mortgage payments, but shows a loss after you figure in the 27.5 year straight line depreciation on the structure (FYI - most of the time you can assume the land costs are approximately 20% of the purchase cost, unless the county values show a different ratio):
















1. Small investor exception for losses up to \$25K - this rule allows losses up to this amount, if your income is \$100K or less not counting the rental. This limit is reduced to \$0 as your AGI increases from \$100K to \$150K. Losses from small rental properties are not likely to exceed \$25K and as long as your AGI is under \$100K you can use this loss each year to save taxes, otherwise the loss is carried over to when the property is sold and you get to claim the loss then.
2. Investors with income over \$150K - no passive losses allowed until the activity is sold.
3. Investors who meet the 'Real Estate Professional' rule which says they can use any passive loss at any time, regardless of income level. The definition of such is met when either spouse puts in 750 or more hours in the professions including realtors, mortgage brokers, and builders.

When you sell the property you report a gain, and that gain will be computed using your cost basis reduced by the depreciation you have claimed, including the losses that were carried over to the year of sale. And that's what is called depreciation recapture, meaning the federal rate might be as high as 25% on the depreciation that has been claimed over the years. This means you cannot simply assume all the gain is going to be taxed at the current long term rate of not more than 15%.

These rules can be quite complex and tax regulations are changing all of the time; therefore, you'll find you may need a professional to help you. Please consider having your returns prepared by a professional if you are not in the 60% of families that already do so. Accordingly, we are not providing any tax advice, and encourage you to seek the counsel of tax advisors relative to your ownership of rental properties.

DISCLOSURE: PROFESSIONAL REFERRALS AVAILABLE UPON REQUEST; HOWEVER, OWNER UNDERSTANDS AND AGREES THAT IDEAL PROPERTY INVESTMENTS, NOR ITS AFFILIATES, ARE RESPONSIBLE FOR CURATING AND/OR MANAGING ANY RELATIONSHIP.

2. ADVERTISING | MARKETING: We have yet to meet a property we can't rent! By actively marketing on a myriad of Websites to which we syndicate. Our Internet Listing Service (ILS) partners, such as these listed, below:

 Zillow Rental Network	 ● Move.com	 ● Show Me The Rent	 ● Homes.com	 Trovit
 ● Michigan Affordable Housing Solutions	 ● RentLingo	 ● RadPad/Priority Real Estate Technology, LLC	 ● RentHop	 ● Walk Score
 ● EveryRent	 ● Abodo	 ● Hunt	 ● Uloop	 Apartments.com

● Premium Leads

We have yet to meet a property we can't rent! By actively marketing on a myriad of Websites we're blessed to brag of our 100% success rate! We expect yours to be no different! One favor, though - would you please help us advertise your property as accurately as possible by completing this Property Information section:

# of Bedrooms:	# of Bathrooms:
# of ½ Bathrooms:	# of ¾ Bathrooms:
Total Square Footage:	# of Garage Stalls (Attached Detached):
Requested Rent \$:	Requested Deposit \$:
Location Perks:	Will You Allow Pets?
Utility - Gas + Avg. Bill \$/Mo.	Utility - Electric + Avg. Bill \$/Mo.
Utility - Water + Avg. Bill \$/Mo.	Utility - Trash/Recycle + Avg. Bill \$/Mo.
Phone Internet Cable:	Is the Dryer Gas or Electric?
Is the Stove Gas or Electric?	Type of Heat?
Is there Central Air Conditioning?	Are there Window Air Conditioner(s)?
What (if any) Type/Size Air Filter for A/C:	Is there a Water Softener?
What (if any) Type of Softener Salt:	How Many Keys are You Providing?
Is There a Garage Door Opener?	How Many Garage Door Openers are you Providing?
Is the Property In an Association?	Who is the Association Contact?
Do the Association Dues include Water?	Do the Association Dues include Trash?
Do the Association Dues include Heat?	Is there a Sprinkler System?
Is there a Mailbox #?	Is there a Mailbox Key?
Will You Allow Tenants to Paint?	Is there an Active Security System?
Is the Property Under a Home Warranty Plan?	Do You Have An Active Rental License?
Does the Property have a Gutter System?	Will You be Providing a Lawn Mower?
Will You be Providing a Snow Blower?	Will You Allow Tenants to Garden?
When is the Last Time Your Appliances Were Serviced, or Property Updates/Maintenance was Conducted - please use the next blank box to add as much detail as you can to ensure we're as educated as possible - thank you!	

C. APPLICATION: We partner with AppFolio (<http://www.appfolio.com>) who collects Tenant Rental Applications and conducts Tenant Screening Reports. Because of their dedication to thoroughly investigating your applicants, we're able to help you make an informed decision on whether to accept, or deny, any prospective Tenant. Either way, rest knowing it is ultimately your decision. An example of what you'll see is as follows:

Tenant Screening Report



Applicant Name **Casey Taylor Williams**
 Applying For **Creekside Road, 243 - 243 Creekside Road, Lucedale, MS. 39452**

Prepared For **Premier Property Management, LLC**
 Report Date **08/27/2019**
 Report ID **0235-00078563**

REPORT SUMMARY

Application

	Rental Application	Provided by Experian™
First Name	Casey	! TAYLOR
Middle Name	Taylor	! S
Last Name	Williams	✓ WILLIAMS
AKA		TAYLOR SMITH / CASEY T SMITH WILLIAMS
SSN	XXX-XX-9867	✓ XXX-XX-9867
DOB	05/15/1985	✓ 05/15/1985
Current Address	135 Chancey Ln, Lucedale, MS 39452	145 CHANCEY LN, LUCEDALE, MS 394524235
Previous Address		1133B PRAIRIE DR, LUCEDALE, MS 39452365
Previous Address		
Employer	Paint Contractor (Self-Employed)	HOME DEPOT

Credit Score Factors Provided by Experian™

533 FICO® 2
Score

- CONTRIBUTING FACTOR 1** Serious delinquency and public record or collection filed
- CONTRIBUTING FACTOR 2** Number of accounts with delinquency
- CONTRIBUTING FACTOR 3** Lack of recent revolving account information
- CONTRIBUTING FACTOR 4** Length of time accounts have been established

Credit and Collection History Provided by Experian™

Creditor	Type	Status	Last Updated	Origination Date	High Credit/Original Amt.	Current Balance	Past Due Amt.	Delinquency (2 yrs.)
ACIMA CREDIT FKA	Collection Account	In Collections	01/31/2019	06/25/2018	\$1,378	\$1,418	\$835	30+ days: 0 60+ days: 1 90+ days: 0
LEASE; UNPAID BALANCE REPORTED AS A LOSS BY CREDIT GRANTOR; UNPAID BALANCE REPORTED AS A LOSS BY CREDIT GRANTOR								
24 MONTH PAYMENT HISTORY								
JAN	DEC	NOV	OCT	SEP	AUG	JUL	JUN	
B	B	B	60	✓	✓	✓	✓	
2019		2018						

D. ACCEPTANCE: Once an applicant is accepted, we will draft a Lease Agreement for your Tenant(s) to sign. Upon retrieving their signature(s), we will countersign, and then send to you for your signature. We find it's best to all be on the same page - - literally! The Tenant(s) will provide their security deposit, at this time, as well.

E. INSPECTION: Now that you have a signed Lease Agreement, we reinspect your property to reconfirm it is up to code and meets your City or Local authority's rental licensing rules, regulations, and/or ordinances. Given not every city mandates a rental license, we will investigate to confirm whether a rental license is necessary. If necessary, we will assist you in filing an application. If not necessary, we will still proceed as if it is and adhere to the City of Minneapolis Rental Licensing Regulations Requirements. Although we understand your rental property may not be located within the City of Minneapolis, we believe they have a reputable outline of what's necessary to ensure your home is a safe-haven and not a liability-trap! We expect you will work with us to guarantee your property will be ready for occupancy by allowing us to perform any repairs necessary to confirm rental-readiness. NOTE: Please read more on this topic under Section 2.L., Maintenance, below.

F. OCCUPANCY: It's time for us to move-in your Tenant(s)! Happy Day! Prior to providing them with the keys, we ensure they are properly insured and utilities have been transferred into their name(s). Once confirmed, we conduct a Pre-Occupancy Inspection, supplemented with video, to educate them about the property. This allows us to develop a relationship with them that sets the tone for a successful owner-tenant-management relationship! P.S. This is also why we ask that you be so super-specific in completing the Property Information section, above.

G. MANAGE: Now that the Tenants are nestled into their new home, we begin our management process! The first month's rent has been received and it is time for Month-End processing. We highly recommend you enroll in Direct Deposit (**ADDENDUM A**), which enables us to auto-deposit rents into your bank account by the 10th of each month, or next business day, in the event the 10th lies on a weekend or Holiday. Financial statements will accompany payment initiation, of which you'll be able to access via your own, personally secured, portal, as provided by AppFolio. Logon access will be sent to you upon finalizing this contract. An example of your financial statement will look like this:

Bayside Walk #A – 2790 Bayside Walk #A, St. Paul, MN 55104

Property Summary

Beginning Balance	15,592.27
Cash In	1,000.00
Cash Out	-300.00
Ending Cash Balance	16,292.27
Unpaid Bills	-8,102.27
Property Reserve	-250.00
Net Owner Funds	7,940.00

Transactions

Date	Payee / Payer	Type	Reference	Description	Cash In	Cash Out	Balance
				Beginning Cash Balance as of 08/01/2017			14,298.75
08/22/2017	I & B Carpet Cleaners	Check	125	2 – Carpet Cleaning		90.00	14,208.75
08/22/2017	Joe Brown	Receipt		1 – Prepaid Rent – Prepaid Any	1,000.00		15,208.75
				Ending Cash Balance			15,208.75
Total					1,000.00	90.00	

H. UTILITIES | UPKEEP | OTHER: As time passes, we ensure the tenants are remitting timely rent, up-keeping your property, paying their utilities, and all other necessary items of business to ensure a successful rental! Please know, unless there is a major issue, we will not contact you, rather just cure the situation and monitor it accordingly.

I. MAINTENANCE: Upon encountering a maintenance issue, we first attempt to work with the tenants to resolve; however, if unsuccessful, we'll alert our maintenance team and/or subcontractor to investigate the problem. Unless the repair expense exceeds our Property Management Agreement threshold, you will not be contacted, unless you request otherwise, and expenses will be deducted from rent the following month.

J. YEAR-END: Once December 31st arrives, it's time to buckle-down and tend to taxes. We complete all local, state, and federal requirements by completing your 1099 and your tenants CRP. All forms are mailed on, or before, January 31st. Due to this requirement, it's necessary you complete this W-9 form, otherwise we will withhold your payments:

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ► Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
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Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Text	
	2 Business name/disregarded entity name, if different from above Text	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► Text Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► Text	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) Text Exemption from FATCA reporting code (if any) Text <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions. Text	Requester's name and address (optional)
	6 City, state, and ZIP code Text	Text
	7 List account number(s) here (optional) Text	

Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Social security number</td> </tr> <tr> <td style="text-align: center;"> <div style="display: flex; justify-content: space-between;"> - - </div> </td> </tr> <tr> <td style="text-align: center;">or</td> </tr> <tr> <td style="text-align: center;">Employer identification number</td> </tr> <tr> <td style="text-align: center;"> <div style="display: flex; justify-content: space-between;"> - </div> </td> </tr> </table>	Social security number	<div style="display: flex; justify-content: space-between;"> - - </div>	or	Employer identification number	<div style="display: flex; justify-content: space-between;"> - </div>
Social security number						
<div style="display: flex; justify-content: space-between;"> - - </div>						
or						
Employer identification number						
<div style="display: flex; justify-content: space-between;"> - </div>						

Part II Certification Under penalties of perjury, I certify that: <ol style="list-style-type: none"> The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and I am a U.S. citizen or other U.S. person (defined below); and The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. 	
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Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	Signature <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>	Date ► MM/DD/YYYY <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div>
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K-Z. REPEAT: Time to do it all over again - Lease Renewal Agreements, Inspections, and More; so, let's discuss!

Thank you for taking the time to educate yourself of our policies and procedures. Although we attempt to be thorough in our details and explanations, we understand we may have missed something; therefore, please contact Kelli @ 612.209.6107 or kelli@idealpropertiesmn.com with additional comments, questions, and/or concerns.

Thank you so much and, again, welcome to the IDEAL FAMILY!

Kelli Johanson

FLEETHAM ADVANTAGE, INC.

dba IDEAL PROPERTY INVESTMENTS (RE40367277)

dba BRIGHT CHOICE MAINTENANCE (BC756119)

% Kelli Johanson (RE40367276)

323 N Washington Avenue, Suite 200, Minneapolis, MN 55401

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PROPERTY MANAGEMENT AGREEMENT

This Agreement is made as of this date _____ (the "Effective Date") between _____ (hereinafter known as "Owner"), and **Fleetham Advantage, Inc.**, under the assumed name of Ideal Property Investments, (hereinafter known as "Broker"). Owner hereby designates Broker as the exclusive managing Agent for Owner's real estate property (hereinafter known as "Property"), described and known as:

Property Street: _____

Property City, State, Zip Code: _____

1. RESPONSIBILITIES OF BROKER:

Whereas Ideal Property Investments is the managing Brokerage (RE40367277), owned and operated by Kelli Johanson, licensed Minnesota Real Estate Broker (RE40367276), who shall manage the Property as described hereinafter, and as summarized in **EXHIBIT B**.

A. Broker shall collect and enforce the collection of rents and other charges due Owner from tenants of Property (hereinafter known as "Property Funds") in accordance with the terms of Tenant's Lease Agreement. From Property Funds, Broker is authorized to pay these operating expenses as they relate to the direct management of the Property, by Owner electing "Yes", to each item hereinafter:

- Mortgage, Line of Credit, and/or Loan Assigned to Property.
- Association Dues.
- Common Area Utilities (Including Trash, Gas, Electric, and/or Water).
- Property Taxes (Including Liens and/or Assessments).
- Property Management Fees (Including Finders, Management, Lease Renewal Fees).
- Other As Indicated Hereinafter: _____

By Owner electing No to any of these aforementioned items, Broker shall have no responsibility to pay on Owner's behalf. For those elected "Yes" Broker shall pay said amounts from Property funds upon Broker receiving rent.

B. Broker shall have authority to hire and terminate, on behalf of Owner, any subcontractors necessary for the operation and/or maintenance of the Property, as referenced within below Section 2.L. of This Agreement.

C. Broker shall monitor subcontractors, hired by Broker, for the routine repair and maintenance of the Property. No single improvement, alteration, or repair costing more than FIVE HUNDRED and NO/100THS DOLLARS (\$500.00) per property unit, per month, shall be made by Broker without Owner's prior authorization. However, in the case of an emergency, which is by decision of the Broker, requires immediate repairs or alterations costing in excess of the above amount, Broker may exceed said amount in its discretion.

D. Broker shall submit all leases, modifications, and extensions thereof to Owner for review and execution, and Owner agrees to furnish Broker with a fully-executed copy of said documents. For month-to-month residential tenancies, Brokers shall be authorized to sign for the Owner.

E. Broker shall receive tenant communications on behalf of the Owner and shall use reasonable efforts to monitor tenant compliance with lease provisions.

F. Broker is not authorized to practice law. If Broker deems legal assistance to be necessary for any reasons including, but not limited to, rent collection or tenant eviction, Broker shall obtain such assistance from counsel approved by Owner. Any legal action undertaken shall be in the Owner's name only. All legal fees, costs, and expenses shall be the responsibility of the Owner and paid from the Property's Funds as an expense of the Property.

G. Broker shall maintain accurate records of all funds received and disbursed in connection with Broker's management of the Property and said records shall be available for Owner's inspection during business hours upon at least one week's notice. Broker's accounting records and reports will be provided in Broker's standard report format and may be revised from time to time, at the Broker's discretion. In the event Owner requests Broker to provide alternative reporting methods, reports outside of Broker's standard format, and/or process additional reports, Broker reserves the right to charge Owner an additional fee, of which will be discussed prior to generating said report.

H. Owner agrees for Broker to transfer Owner's funds, as needed for disbursements to centralized disbursement accounts maintained in Broker's name. Broker will derive direct benefits from such accounts which are hereby deemed permissible compensation to Broker in addition to that provided elsewhere in This Agreement. After deducting all respective expenses, as referenced in above section 1.A., from gross monthly rent collections, Broker will initiate a direct deposit to Owner's bank account, as directed by Owner completing the Direct Deposit Agreement (**ADDENDUM A**). Simultaneously, Broker shall render to the Owner a Financial Statement of all amounts received and disbursed for the period reported, supplemented with supporting invoices.

I. Tenant deposits (damage, pet, and/or security) will be held by Broker in a Minnesota Trust Bank Account in Broker's name, bearing interest for State withdrawal on the last day of each month. Interest earned on Tenant's deposit will be at the expense of the Owner. Broker shall return to Tenant, Tenant's deposits, less damages, plus interest (per Minnesota's Statutory Rate), TWENTY-ONE (21) days post Tenant's Lease expiration date, or vacate date, whichever comes later, provided Tenant provides Broker notice of Tenant's new address for mailing. However, Owner does retain the legal right to elect to hold Tenant's security deposit, independently. If Owner makes this election, Owner agrees to the following, as indicated by Owner stating "Yes":

- _____ i. Owner shall be responsible for holding said deposit funds and the Broker will notify tenant of such holding.
- _____ ii. Broker shall have no responsibility for returning said funds to Tenant.
- _____ iii. Invoices received for expenses incurred as a result of Tenant related damages to the Property will be the responsibility of Owner to pay from said funds.
- _____ iv. Owner shall return said funds to Tenant, less damages, plus respective interest, twenty-one (21) days post Tenant's lease expiration date.

J. Broker shall cooperate with appraisers and counsel retained by the Owner to evaluate the Property or to appeal assessed values but shall not be responsible for such undertakings.

K. Broker shall manage any residential property under This Agreement in full compliance with the requirements of the Fair Housing Act, in addition to any other applicable federal, state, or local anti-discrimination laws, regulations, and ordinances. Broker shall take any action it considers appropriate to carry out their purposes.

L. Broker shall manage the Property in compliance with the requirement of all applicable state laws, governmental orders and federal and state guidelines regarding COVID. Such requirements include, but are not limited to, mandatory facial coverings and mandatory social distancing.

2. OWNER RESPONSIBILITIES AND AGREEMENT:

Whereas Owner hereby confirms ownership of Property and in consideration engages Broker to render Property Management services under This Agreement, as described hereinafter:

A. Owner shall promptly furnish Broker with all documents and information required for Broker's management of Property including, but not limited to, lease agreements, lease amendments, association files, bills, insurance policies, and/ or any/all correspondence related thereto. In the event Owner neglects providing Broker with said documents, Broker reserves right to withhold from Owner's Property Funds, until Broker receives each document.

B. For purposes of This Agreement, the term "**Hazards**" includes, but is not limited to: Asbestos, PCB transformers, Mold, Radon, Underground Storage Tanks, Lead, and/or any other toxic substances with the potential liability to compromise public health and safety. Owner shall determine what laws, regulations, licenses, and/or ordinances apply to the Property (hereinafter known as "**Such Laws**"). Owner shall take all reasonable and necessary steps including, but not limited to: Inspections, Tests, or Studies to determine if Property complies with Such Laws and to ensure proper compliance therewith. To the best of Owner's knowledge, Owner represents that Property complies with all Such Laws and that no inspections are warranted at this time. In the event such tests are warranted, Owner immediately authorizes Broker to arrange for remediation (hereinafter known as "**Hazard Obligations**"). These Hazard Obligations shall continue during the term of This Agreement. Broker shall not be held responsible for Hazard Obligations. Any expenses related to Hazard Obligations shall be an expense of the Property. Such Hazard Obligations shall be performed by a date and in a manner satisfactory to Broker. Owner acknowledges that Broker does not have the expertise or qualifications technically to supervise subcontractors for work regarding Hazards, and Broker shall not be required to do so. If Owner has previously obtained any inspection reports regarding Hazards on the Property, such reports shall be listed on Exhibit A to This Agreement and made part hereof. In addition, Owner shall state on **EXHIBIT A** any other information Owner has regarding Hazards of the Property. If Owner has no such reports and information, **Owner shall initial here:**_____.

Owner further agrees to notify Broker, Tenants (current and prospective), and Buyers at any time Hazards are discovered, or reports are obtained addressing Hazards in or about the Property. This disclosure must be made prior to the execution of a Lease Agreement, or Purchase Agreement, between Owner and respective Tenant and/or Buyer. Owner agrees either to: (i) permit Broker to disclose to existing tenants Owner's information regarding Hazards and the results of any inspections, tests, or studies of the Property; or (ii) provide evidence satisfactory to Broker that such information and results have previously been disclosed to all existing tenants.

C. Owner shall, at all times, maintain sufficient funds in the Property account to enable Broker to pay all obligations of the Property in a timely manner. If collections are projected to be insufficient or will not be received in time to satisfy this requirement, Owner shall promptly provide the Broker with the necessary funds in advance. If the Owner has not provided said funds within SEVEN (7) days after Broker's request for them, Broker may, at Broker's sole option, immediately terminate This Agreement. Should Broker make a payment for the Property and should a deficit occur therein, upon notification by Broker, Owner shall immediately remit to Broker sufficient funds to remove deficit. Broker shall not be required to advance funds for the Property.

D. Although Broker is not responsible for filing rental licenses, permits, or obtaining certificates to comply with any provisions of state, city, village, township, and municipality laws, Broker will apply and comply on Owner's behalf, if Owner neglects to abide by such laws.

E. Broker may transfer funds amongst Owner's individual properties when more than one unit, or property, is managed for Owner. Said transfer will only apply if net proceeds of one Property fall short of its deposit, given that Property's expenses exceed its rental income. Such accounting will be identified on the Owner's Financial Statement.

F. If Property is currently managed by another property management company, or self-managed by the Owner and tenants currently reside within the Property, Owner shall pay Broker, as the fee for assuming management of Tenant (hereinafter known as "**Assumption Fee**"), _____

G. Owner shall pay Broker, as the fee for securing a Tenant (hereinafter known as "**Finders Fee**"), _____ of first (1st) Months Rent, to be collected upon Broker's receipt of Tenants first (1st) months rent. The Broker, at the Brokers discretion, may require the Owner to remit a portion of the Finders Fee upon the signing of this contract, and collect the remaining balance due from Brokers receipt of Tenants first months rent. The Finders Fee is charged per property unit and per each time the Broker secures a new Tenant for Owner.

H. As the fee for Broker providing monthly property management services (hereinafter known as "**Management Fee**"), Owner shall pay Broker _____ per unit, per month with a minimum fee of _____ per unit, per month throughout the duration of this term.

I. As the fee for Tenant renewing their lease agreement, Owner shall pay Broker a renewal fee (hereinafter known as "**Lease Renewal Fee**") of _____ per property unit.

J. Broker reserves right to retain Tenant assessed late fees, when applicable, to offset fees incurred by Tenant's delinquent actions.

K. If, during the term of This Agreement, Owner decides to sell the Property or any portion thereof, Broker will cooperate with the broker Owner selects to list the Property (the "**Listing Broker**"), on terms reasonably acceptable to Broker provided the Listing Broker agrees to not interfere with Broker's performance of its obligations hereunder. Within TWENTY-FOUR (24) hours following signing a listing contract, Owner will provide the Broker with the Listing Broker's name and contact information, as well as a timeline of events. As a result, Owner hereby authorizes the Broker to provide the Listing Broker with any Property information they request. If Owner elects to have Broker act as Listing Broker, Owner and Broker will enter into an Exclusive Right to Sell Listing Contract containing all pertinent terms and conditions, separate of This Agreement.

L. Broker may require use of employees, subcontractors and/or other vendor companies for property management services that are not specifically covered under This Agreement. This includes, but is not limited to, projects and/or renovations by third parties, projects/and or renovations by the preferred maintenance vendor, and any and all services reasonably requested by Broker to be performed at the Property Owner's property at the price terms customarily charged. Bright Choice Maintenance (hereinafter known as "**Bright Choice**"), a DBA of Fleetham Advantage, Inc., is the preferred maintenance vendor for Ideal Property Investments, which is also a DBA of Fleetham Advantage, Inc.. Broker provides maintenance services under Bright Choice and holds a license to act as a general

contractor (**BC756119**) to perform and subcontract maintenance services on the Owner's property. Pursuant to the Property Maintenance Agreement, Bright Choice shall provide any and all services reasonably requested to be performed at Property Owner's property at the price terms customarily charged by the Contractor to other third parties. Given the liability assumed and insurance required to be carried by Bright Choice in order to hire subcontractor services conducted at Owner's Property, Broker will charge ONE HUNDRED AND NO/100THS DOLLARS (**\$100.00**) per hour and assess a TEN PERCENT (**10%**) mark-up on supplies and/or invoices received for subcontractor services rendered; services including, but not limited to: General Maintenance Construction, Cleaning (including Carpet), Electrical, Painting, Plumbing, Pest Control, Landscaping, and/or Other Services necessary to repair and/or maintain Property; Invoices will be prepared by Broker and issued under Bright Choice. Mark-up's will not be assessed on Utilities (Trash, Gas, Electric, Water), Association Dues, Insurance Premiums, and/or Warranty Plans; Invoices will be forwarded as received by Broker from respective vendor. Owner retains the right to elect the contractor of their choice and is not required to utilize Bright Choice for their Property's maintenance services. If Owner elects to utilize a contractor other than Bright Choice, Broker is not responsible for monitoring Owner's contractor, nor will be required to pay any respective bill(s) incurred as a result of work conducted by Owner's contractor.

3. INSURANCE AND INDEMNIFICATION:

A. Owner hereby agrees to defend, indemnify, and hold Broker harmless from and against all actions, claims, allegations, liabilities, demands, damages, loss, attorneys' fees, costs, or expenses of any nature whatsoever (the "**Loss**") including, in any way arising out of, based upon, or related to the management of the Property by Broker or the performance of any of the duties, obligations, or authorities by Broker hereunder, except to the extent said Loss is based on Broker's gross negligence or willful misconduct. Broker represents that it maintains an adequate commercial general liability insurance policy to fulfill its obligation under This Agreement.

B. Owner agrees to insure the Property with liability insurance including coverage for bodily injury, property damage, and personal injury losses, and said insurance shall cover claims on an occurrence basis and have a broad form contractual liability endorsement: **(i)** in amounts of not less than ONE MILLION AND NO/100THS DOLLARS (**\$1,000,000.00**) combined single limit coverage along with an excess liability policy of an additional ONE MILLION AND NO/100THS DOLLARS (**\$1,000,000.00**); or **(ii)** in the form and coverage amounts commonly carried by reasonable owners of properties similar in type, location and value, whichever is the greater. Owner agrees that it will not make any claim against or seek to recover from the Broker any Loss to the Property or to the Owner which is coverable by such insurance.

C. Owner agrees that at all times during the continuance of This Agreement all bodily injury, property damage, and personal injury insurance carried by Owner on the Property shall list the Broker as an additional insured. Upon executing This Agreement, Owner will instruct its liability insurer to issue an endorsement of such insurance coverage specifically naming Broker as an additional insured for the full limits available to the named insured.

D. A certificate of insurance shall be furnished to Broker showing the required coverages set forth above and, in addition, naming Owner as an additional insured under the insurance referred to in above Section 3.B. If Owner neglects to provide such documentation, Broker may, at Broker's sole option, immediately terminate This Agreement.

4. TERMS OF AGREEMENT:

A. COMMENCEMENT and EXPIRATION: This Agreement shall commence on the Effective Date, and coincides to expire on the exact expiration date of the most recently signed Lease Agreement between Owner and Tenant.

B. RENEWAL NOTICE: In the event either Owner or Broker does not provide notice to renew or terminate This Agreement, it will renew annually under the same terms, herein.

C. TERMINATION NOTICE: A SIXTY (**60**) day written notice is required if either Owner or Broker terminates This Agreement *prior* to its expiration date (hereinafter known as "**Notice**"). Notice must be given on, or before, the last day of the calendar month to be effective TWO (2) full calendar months and one day later. This notice period does not apply to any breach of the terms, conditions, or covenants of This Agreement.

D. CANCELLATION FEE: As the fee for Broker providing additional services to cancel the current property management services (hereinafter known as "**Cancellation Fee**"), Owner shall pay Broker _____ per property unit, due upon Owners issuance of Notice. The Notice must be accompanied by the Cancellation Fee in order for Broker to accept and properly execute termination of This Agreement.

5. TERMINATION ACCOUNTING:

Following the expiration, or early termination of This Agreement, if Broker receives any invoices for Property thereafter, Broker shall first attempt to satisfy such expense by applying any credit balance due Owner by Broker; however, in the event and to the extent there are not sufficient funds in the Property’s account, Owner authorizes Broker to withdraw, via bank draft from the account information supplied on the Direct Deposit Form (**ADDENDUM A**) the amount of any unpaid invoice, and remit payment directly.

6. OWNERSHIP OF RECORDS:

Except for those documents and records furnished to Broker by Owner, Broker’s documents and records are the property of Broker and shall remain in its custody on termination of This Agreement. If Owner so requests, Broker will provide Owner with photocopies of pertinent documents in Broker’s files and records provided Owner reimburses Broker for Broker’s expenses related thereto. Broker will provide Owner with monthly electronic financial statements, e-mailed to Owner, at Owner’s preferred email address, as stated at the bottom of this page, Owner’s Notice Address.

7. GENERAL PROVISIONS:

A. If a petition in bankruptcy is filed by or against either Owner or Broker, or if either makes an assignment for the benefit of creditors or takes advantage of any insolvency act or proceeding, the other party hereto may cancel This Agreement upon TEN (**10**) day’s notice in writing.

B. If Owner requests that Broker perform any services which are not ordinarily involved with the ordinary management of the Property (such as coordinating non-routine repairs or attending any court related proceedings, with the exception of evictions), Owner will compensate Broker at the rate of ONE HUNDRED FIFTY AND NO/100THS DOLLARS (**\$150.00**) per hour for each hour any employee or representative of Broker devotes to such activities.

C. If either party hereto brings an action to enforce the terms hereof or to declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to reasonable attorneys’ fees, in an amount fixed by the court, and costs.

D. This Agreement represents the entire agreement between the parties and supersedes all prior oral and written proposals and communications. This Agreement shall be for the benefit of and binding upon the heirs, successors, and assigns of the parties hereto. This Agreement cannot be assigned without the written consent of the other party, except that Broker may assign This Agreement pursuant to a merger or reorganization of its parent company, any subsidiary of the parent, or Broker or any affiliate of either, provided that Broker shall not be discharged of its obligations herein.

E. This Agreement shall be governed by the laws of the state, city, village, township, and municipality in which the Property is located.

F. The person or entity executing This Agreement on behalf of Owner hereby represents and warrants that it is either the Owner of the Property, has legal authorization from the Owner of the Property, or has the power of attorney from Owner of the Property and has the authority to legally bind Owner to This Agreement.

G. The compensation for the sale, lease, rental, or management of real property shall be determined between each individual broker and the broker’s client.

For all purposes of This Agreement, unless changed by written notice, the contact information of the parties shall be:

OWNER'S CONTACT INFORMATION:

BROKER'S CONTACT INFORMATION:

FLEETHAM ADVANTAGE, INC.
dba IDEAL PROPERTY INVESTMENTS (RE40367277)
dba BRIGHT CHOICE MAINTENANCE (BC756119)
% Kelli Johanson (RE40367276)
323 N Washington Avenue, Suite 200, Minneapolis, MN 55401
612.290.6107 | kelli@idealpropertiesmn.com
www.idealpropertiesmn.com

By signature, below, Owner hereby acknowledges receipt of This Agreement and its Exhibits and/or attachments.

OWNER

BROKER

EXHIBIT A
REPORTS AND INFORMATION REGARDING HAZARDS

As relates to above Section 2.B., listed below are references to all respective inspection reports regarding Hazards on the Property. Owner agrees to provide copies of such reports to the Broker accompanying This Agreement. In addition, set forth below is any other information Owner has regarding Hazards on the Property, including, but not limited to:

- Asbestos
- PCB Transformers
- Mold
- Radon
- Underground Storage Tanks
- Any Other Toxic Substance(s) with the Potential Ability to Compromise Public Health and Safety.

If Owner has no such reports and information, **Owner shall initial here:**_____

EXHIBIT B
RESPONSIBILITIES OF BROKER

1. Publish Rental Advertising Via:
 - a. Internet and Intranet
 - b. Internal Network Group(s)
 - c. Realtor Affiliation(s)
2. Accept Tenant Calls | Answer Tenant Inquiries
3. Schedule, Show, and Guide Tenants Through Property
4. Conduct Tenant Background and Credit Check Reports
5. Facilitate Legal Documentation:
 - a. Lease Agreement
 - b. Lease Addendum
 - c. Lease Amendment
 - d. Rental Application
 - e. Pre-Post Occupancy Inspection
6. Remit Accounts Payable:
 - a. Association Dues
 - b. Insurance
 - c. Mortgage, Loan, Line of Credit
 - d. Property Tax
 - e. Utilities
7. Collect Accounts Receivable:
 - a. Deposit(s) - Damage | Pet
 - b. Fee(s) - RUBS | Other
 - c. Rents
8. Prepare and Distribute Monthly Financial Statements
9. Maintain and File Rental Activity Correspondence
10. Enforce Rental Licensing Laws
11. Enforce Association Rules and Regulations
12. Facilitate Tenant Evictions
13. Hire, Mentor, and Manage Subcontractors
14. Arrange Rental License Inspections
15. Process Year-End Tax Forms:
 - a. Tenant: MN CRP (Minnesota Certificate of Rent Paid)
 - b. Owner: 1099
 - c. Vendor: 1099

ADDENDUM A
DIRECT DEPOSIT AGREEMENT

AUTHORIZATION

I hereby authorize Fleetham Advantage, Inc. and its Subsidiaries to initiate automatic deposits to my account at the financial institution named below. I also authorize Fleetham Advantage, Inc. and its Subsidiaries. to make withdrawals from this account in the event that a credit entry is made in error.

Further, I agree not to hold Fleetham Advantage, Inc. and its Subsidiaries responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

This agreement will remain in effect until Fleetham Advantage, Inc. and its Subsidiaries receive a written notice of cancellation from me or my financial institution, or until I submit a new Direct Deposit Form.

ACCOUNT INFORMATION

NAME OF BANK

FINANCIAL INSTITUTION:

BANK ROUTING NUMBER:

BANK ACCOUNT NUMBER:

BUSINESS| COMMERCIAL ACCOUNT:

PERSONAL ACCOUNT:

SIGNATURE

AUTHORIZED SIGNATORY:

AUTHORIZED SIGNATURE:

ADDENDUM B
AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

2. **MINNESOTA LAW REQUIRES** that early in any relationship, real estate brokers or salespersons discuss with
3. consumers what type of agency representation or relationship they desire.⁽¹⁾ The available options are listed below. This
4. is **not** a contract. **This is an agency disclosure form only. If you desire representation you must enter into a**
5. **written contract, according to state law** (a listing contract or a buyer/tenant representation contract). Until such time
6. as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive
7. any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see
8. paragraph IV on page two (2)), unless the broker or salesperson is representing another party, as described below.

9. **ACKNOWLEDGMENT: I/We acknowledge that I/we have been presented with the below-described options.**
10. **I/We understand that until I/we have signed a representation contract, I/we am/are not represented by the**
11. **broker/salesperson. I/We understand that written consent is required for a dual agency relationship.**

12. **THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.**

13. _____
(Signature) (Date) (Signature) (Date)

14. I. **Seller's/Landlord's Broker:** A broker who lists a property, or a salesperson who is licensed to the listing broker,
15. represents the Seller/Landlord and acts on behalf of the Seller/Landlord. A Seller's/Landlord's broker owes to
16. the Seller/Landlord the fiduciary duties described on page two (2).⁽²⁾ The broker must also disclose to the Buyer
17. material facts as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and
18. significantly affect the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to
19. rental/lease transactions.) If a broker or salesperson working with a Buyer/Tenant as a customer is representing the
20. Seller/Landlord, he or she must act in the Seller's/Landlord's best interest and must tell the Seller/Landlord any
21. information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph
22. IV on page two (2)). In that case, the Buyer/Tenant will not be represented and will not receive advice and counsel
23. from the broker or salesperson.

24. II. **Buyer's/Tenant's Broker:** A Buyer/Tenant may enter into an agreement for the broker or salesperson to represent
25. and act on behalf of the Buyer/Tenant. The broker may represent the Buyer/Tenant only, and not the Seller/Landlord,
26. even if he or she is being paid in whole or in part by the Seller/Landlord. A Buyer's/Tenant's broker owes to the
27. Buyer/Tenant the fiduciary duties described on page two (2).⁽²⁾ The broker must disclose to the Buyer material facts
28. as defined in MN Statute 82.68, Subd. 3, of which the broker is aware that could adversely and significantly affect
29. the Buyer's use or enjoyment of the property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)
30. If a broker or salesperson working with a Seller/Landlord as a customer is representing the Buyer/Tenant, he or
31. she must act in the Buyer's/Tenant's best interest and must tell the Buyer/Tenant any information disclosed to him
32. or her, except confidential information acquired in a facilitator relationship (see paragraph IV on page two (2)). In
33. that case, the Seller/Landlord will not be represented and will not receive advice and counsel from the broker or
34. salesperson.

35. III. **Dual Agency - Broker Representing both Seller/Landlord and Buyer/Tenant:** Dual agency occurs when one
36. broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same
37. broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and
38. means that the broker and salesperson owe the same duties to the Seller/Landlord and the Buyer/Tenant. This
39. role limits the level of representation the broker and salesperson can provide, and prohibits them from acting
40. exclusively for either party. In a dual agency, confidential information about price, terms and motivation for pursuing
41. a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose
42. specific information about him or her. Other information will be shared. Dual agents may not advocate for one party
43. to the detriment of the other.⁽³⁾

44. Within the limitations described above, dual agents owe to both Seller/Landlord and Buyer/Tenant the fiduciary
45. duties described below.⁽²⁾ Dual agents must disclose to Buyers material facts as defined in MN Statute 82.68, Subd.
46. 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the
47. property. (MN Statute 82.68, Subd. 3 does not apply to rental/lease transactions.)

ADDENDUM B, CONT'D.
AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

49. IV. **Facilitator:** A broker or salesperson who performs services for a Buyer/Tenant, a Seller/Landlord or both but
50. does not represent either in a fiduciary capacity as a Buyer's/Tenant's Broker, Seller's/Landlord's Broker or Dual
51. Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY**
52. **DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A**
53. **WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of
54. confidentiality to the party but owes no other duty to the party except those duties required by law or contained in
55. a written facilitator services agreement, if any. In the event a facilitator broker or salesperson working with a Buyer/
56. Tenant shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson
57. must act as a Seller's/Landlord's Broker (see paragraph I on page one (1)). In the event a facilitator broker or
58. salesperson, working with a Seller/Landlord, accepts a showing of the property by a Buyer/Tenant being represented
59. by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's/Tenant's
60. Broker (see paragraph II on page one (1)).

61. ⁽¹⁾ This disclosure is required by law in any transaction involving property occupied or intended to be occupied by
62. one to four families as their residence.

63. ⁽²⁾ The fiduciary duties mentioned above are listed below and have the following meanings:
64. Loyalty - broker/salesperson will act only in client(s)' best interest.
65. Obedience - broker/salesperson will carry out all client(s)' lawful instructions.
66. Disclosure - broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge
67. which might reasonably affect the client(s)' use and enjoyment of the property.
68. Confidentiality - broker/salesperson will keep client(s)' confidences unless required by law to disclose specific
69. information (such as disclosure of material facts to Buyers).
70. Reasonable Care - broker/salesperson will use reasonable care in performing duties as an agent.
71. Accounting - broker/salesperson will account to client(s) for all client(s)' money and property received as agent.

72. ⁽³⁾ If Seller(s)/Landlord(s) elect(s) not to agree to a dual agency relationship, Seller(s)/Landlord(s) may give up the
73. opportunity to sell/lease the property to Buyer(s)/Tenant(s) represented by the broker/salesperson. If Buyer(s)/
74. Tenant(s) elect(s) not to agree to a dual agency relationship, Buyer(s)/Tenant(s) may give up the opportunity to
75. purchase/lease properties listed by the broker.

76. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION: Information regarding the predatory offender**
77. **registry and persons registered with the predatory offender registry under MN Statute 243.166 may be**
78. **obtained by contacting the local law enforcement offices in the community where the property is located,**
79. **or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections Web site at**
80. **www.corr.state.mn.us.**

