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(BDA55-5-09) (Mandatory 7-09)

**THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.**

**DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE LANDLORD AGENCY, TENANT AGENCY, BUYER AGENCY, SELLER AGENCY OR TRANSACTION-BROKERAGE.**

## **BROKERAGE DUTIES ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT (Leasing Activities)**

**LANDLORD AGENCY**     **TRANSACTION-BROKERAGE**

This Brokerage Duties Addendum (Addendum) is made a part of the agreement for the management and leasing of the Property known as \_\_\_\_\_ (Property), which is dated \_\_\_\_\_, between Brokerage Firm and Landlord (Agreement). This Addendum supplements the Agreement.

### **1. BROKER AND BROKERAGE FIRM.**

**1.1. Multiple-Person Firm.** If this box is checked, the individual designated by Brokerage Firm to perform leasing services for Landlord is called Broker. If more than one individual is so designated, then references in this Addendum to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

**1.2. One-Person Firm.** If this box is checked, Broker is a real estate brokerage firm with only one licensed natural person. References to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall perform leasing services for Landlord.

### **2. DEFINED TERMS.**

**2.1. Landlord:** \_\_\_\_\_

**2.2. Brokerage Firm:** \_\_\_\_\_

**2.3. Broker:** \_\_\_\_\_

shall act for or assist Landlord when performing leasing activities in the capacity as shown by the box checked at the top of this page 1.

### **3. BROKERAGE RELATIONSHIP.**

**3.1.** If the Landlord Agency box at the top of page 1 is checked, Broker shall represent Landlord as a limited agent (Landlord's Agent). If the Transaction-Brokerage box at the top of page 1 is checked, Broker shall act as a Transaction-Broker.

**3.2. In-Company Transaction – Different Brokers.** When Landlord and tenant in a transaction are working with different brokers, those brokers continue to conduct themselves consistent with the brokerage relationships they have established. Landlord acknowledges that Brokerage Firm is allowed to offer and pay compensation to brokers within Brokerage Firm working with a tenant.

**3.3. In-Company Transaction – One Broker.** If Landlord and tenant are both working with the same broker, the parties agree the following applies:

**3.3.1. Landlord's Agent.** If the Landlord Agency box at the top of page 1 is checked, the parties agree the following applies:

**3.3.1.1. Landlord Agency Only.** Unless the box in § 3.3.1.2 (**Landlord Agency Unless Brokerage Relationship with Both**) is checked, Broker shall represent Landlord as Landlord's Agent and shall treat the tenant as a customer. A customer is a party to a transaction with whom Broker has no brokerage relationship. Broker shall disclose to such customer Broker's relationship with Landlord.

**3.3.1.2. Landlord Agency Unless Brokerage Relationship with Both.** If this box is checked, Broker shall represent Landlord as Landlord's Agent and shall treat the tenant as a customer, unless Broker currently has or enters into an agency or Transaction-Brokerage relationship with the tenant, in which case Broker shall act as a Transaction-Broker.

**3.3.2. Transaction-Broker.** If the Transaction-Brokerage box at the top of page 1 is checked, or in the event neither box is checked, Broker shall work with Landlord as a Transaction-Broker. A Transaction-Broker shall perform the duties described in § 4 and facilitate lease transactions without being an advocate or agent for either party. If Landlord and tenant are working with the same broker, Broker shall continue to function as a Transaction-Broker.

**4. BROKERAGE DUTIES.** Brokerage Firm, acting through Broker, as either a Transaction-Broker or a Landlord's Agent, shall perform the following **Uniform Duties** when working with Landlord:

**4.1.** Broker will exercise reasonable skill and care for Landlord, including, but not limited to the following:

**4.1.1.** Performing the terms of any written or oral agreement with Landlord;

**4.1.2.** Presenting all offers to and from Landlord in a timely manner regardless of whether the Property is subject to a lease or letter of intent to lease;

**4.1.3.** Disclosing to Landlord adverse material facts actually known by Broker;

**4.1.4.** Advising Landlord regarding the transaction and advising Landlord to obtain expert advice as to material

66 matters about which Broker knows but the specifics of which are beyond the expertise of Broker;  
 67       **4.1.5.** Accounting in a timely manner for all money and property received; and  
 68       **4.1.6.** Keeping Landlord fully informed regarding the transaction.  
 69       **4.2.** Broker shall not disclose the following information without the informed consent of Landlord:  
 70       **4.2.1.** That Landlord is willing to accept less than the asking lease rate for the Property;  
 71       **4.2.2.** What Landlord’s motivating factors are to lease the Property;  
 72       **4.2.3.** That Landlord will agree to lease terms other than those offered;  
 73       **4.2.4.** Any material information about Landlord unless disclosure is required by law or failure to disclose such  
 74 information would constitute fraud or dishonest dealing; or  
 75       **4.2.5.** Any facts or suspicions regarding circumstances that could psychologically impact or stigmatize the Property.  
 76       **4.3.** Landlord consents to Broker’s disclosure of Landlord’s confidential information to the supervising broker or designee for  
 77 the purpose of proper supervision, provided such supervising broker or designee shall not further disclose such information without  
 78 consent of Landlord, or use such information to the detriment of Landlord.  
 79       **4.4.** Brokerage Firm may have agreements with other landlords to market and lease their property. Broker may show  
 80 alternative properties not owned by Landlord to other prospective tenants and list competing properties for lease.  
 81       **4.5.** If all or a portion of the Property is subject to a lease, or letter of intent to Lease, obtained by Broker, Broker shall not be  
 82 obligated to seek additional offers to lease such portion of the Property.  
 83       **4.6.** Broker has no duty to conduct an independent inspection of the Property for the benefit of tenant and has no duty to  
 84 independently verify the accuracy or completeness of statements made by Landlord or independent inspectors.  
 85       **4.7.** Landlord understands that Landlord shall not be liable for Broker’s acts or omissions that have not been approved,  
 86 directed, or ratified by Landlord.  
 87

88 **5. ADDITIONAL DUTIES OF LANDLORD’S AGENT.** If the Landlord Agency box is checked, Broker is Landlord’s Agent,  
 89 with the following additional duties:  
 90       **5.1.** Promoting the interests of Landlord with the utmost good faith, loyalty and fidelity.  
 91       **5.2.** Seeking rental rates and terms that are acceptable to Landlord.  
 92       **5.3.** Counseling Landlord as to any material benefits or risks of a transaction that are actually known to Broker.  
 93

94 **6. MATERIAL DEFECTS, DISCLOSURES AND INSPECTION.**  
 95       **6.1. Broker’s Obligations.** Colorado law requires a broker to disclose to any prospective tenant all adverse material facts  
 96 actually known by such broker including but not limited to adverse material facts pertaining to the title to the Property, the physical  
 97 condition of the Property, any material defects in the Property, and any environmental hazards affecting the Property required by law to  
 98 be disclosed. These types of disclosures may include such matters as structural defects, soil conditions, violations of health, zoning or  
 99 building laws, and nonconforming uses and zoning variances. Landlord agrees that any tenant may have the Property and Inclusions  
 100 inspected and authorizes Broker to disclose any facts actually known by Broker about the Property. Broker shall not be obligated to  
 101 conduct an independent investigation of the tenant’s financial condition except as otherwise provided in the Agreement.  
 102       **6.1.1. Required Information to County Assessor.** Landlord consents that Broker may supply certain information to  
 103 the county assessor if the Property is residential and is furnished.  
 104       **6.2. Landlord’s Obligations.**  
 105       **6.2.1. Landlord’s Property Disclosure Form.** A landlord is not required by law to provide any particular disclosure  
 106 form. However, disclosure of known material latent (not obvious) defects is required by law. Landlord  **Agrees**  **Does Not Agree**  
 107 to provide a written disclosure of adverse matters regarding the Property completed to the best of Landlord’s current, actual knowledge.  
 108       **6.2.2. Lead-Based Paint.** Unless exempt, if the improvements on the Property include one or more residential  
 109 dwellings for which a building permit was issued prior to January 1, 1978, a completed Lead-Based Paint Disclosure (Rental) form must  
 110 be signed by Landlord and the real estate licensees, and given to any potential tenant in a timely manner.  
 111       **6.2.3. Carbon Monoxide Alarms.** Landlord acknowledges that, unless exempt, if the Premises includes one or more  
 112 rooms lawfully used for sleeping purposes (Bedroom), an operational carbon monoxide alarm must be installed within fifteen feet of the  
 113 entrance to each Bedroom or in a location as required by the applicable building code, prior to offering the Property for sale or lease.  
 114

115 **7. ADDITIONAL AMENDMENTS:**  
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 117  
 118  
 119 Date: \_\_\_\_\_ Date: \_\_\_\_\_  
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 121  
 122  
 123 \_\_\_\_\_  
 124 Landlord Landlord  
 125  
 126 Date: \_\_\_\_\_  
 127 \_\_\_\_\_  
 128 Broker  
 129 Brokerage Firm’s Name: \_\_\_\_\_  
 130