

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT HAS NOT BEEN APPROVED BY THE COLORADO REAL ESTATE COMMISSION. IT WAS LAST REVISED DECEMBER 2016 TO THE BENEFIT OF COLORADO REAL ESTATE MANAGEMENT LLC D/B/A ASPEN MANAGEMENT BY THE LAW FIRM OF TSCHETTER HAMRICK SULZER, PC

[John and Jane Doe](#) (LANDLORD) and Colorado Real Estate Management LLC D/B/A Aspen Management (BROKER) on this [20](#) day of [December, 2018](#) hereby enter into an agreement to lease and manage the PREMISES at [1234 Happy Lane, Boulder, Colorado 80303](#) (PREMISES).

The LANDLORD hereby authorizes and appoints the BROKER to manage the PREMISES and BROKER accepts the appointment to manage the PREMISES for the period and upon the terms of this Agreement.

1. DISCLOSURES. BROKER shall operate in the capacity of LANDLORD AGENCY. As part of this agreement, Broker is providing Landlord with the Brokerage Duties Addendum to Property Management Agreement, (BDA55-5-09)
2. TERM. The listing period shall begin the [1](#) day of [January, 2019](#) and ending on the [31](#) day of [December, 2019](#). This agreement automatically renews for one-year periods unless cancelled in writing on or before 30 days prior to the end of this agreement or the renewal date.
3. TERMINATION The LANDLORD may cancel this agreement with 30 days written notice only after paying a cancellation fee of 90% of the management fee that would have accrued until the earliest of the end of the agreement, its automatic renewal or the expiration of all lease agreements. The BROKER may terminate this agreement with 30 days written notice to the LANDLORD. This agreement shall automatically terminate upon the sale or demise of the premises.
4. FEES. LANDLORD shall pay BROKER the following fees, plus any tax, fee or charge arising from such fees if applicable:
 - a. a commission of [3%](#) of the sales price in the event that a sale of the PREMISES takes place between the LANDLORD and the tenant during the term of the tenant's occupancy or for the six months following occupancy.
 - b. LANDLORD shall allow the BROKER to withhold [75%](#) of the first months rent for tenant procurement and qualification during the initial lease period of each tenancy in addition to the management commission stated in time 4.d.
 - c. LANDLORD shall allow BROKER to withhold [40%](#) of the first months rent as compensation for tenant retention on the renewal of any lease in addition to the management commission stated in item 4.d.
 - d. LANDLORD shall allow BROKER to withhold the greater of a commission of [8%](#) of all rent collected or [\\$200.00](#)/month during the management agreement period as compensation for the management services
 - e. LANDLORD shall pay a one time set up charge of [\\$200.00](#)



- f. LANDLORD shall pay a monthly account service fee of **\$5.00**
 - g. LANDLORD shall pay a \$100.00 fee to the BROKER for successfully obtaining or renewing each City of Boulder SmartRegs or City of Boulder Rental License. Applies - **YES**.
 - h. Should this PREMISES be sold after an account is opened with BROKER, but before it is leased, the LANDLORD shall pay a cancellation fee of \$150.00 to BROKER
5. SERVICES/AUTHORITY. The BROKER agrees to perform the following services in the name of and on behalf of the LANDLORD and the LANDLORD authorizes BROKER to perform said services for the compensation described herein:
- a. To advertise for rent at LANDLORD's expense the PREMISES or any part thereof, to investigate backgrounds of prospective or actual tenants including credit, criminal, residency and employment at the tenant's expense. LANDLORD expressly authorizes BROKER to execute leases, renewals, extensions and addendums pertaining to the PREMISES on LANDLORD's behalf. BROKER utilizes a form lease that has been prepared for BROKER's use by an attorney.
 - b. To recommend monthly rental rates for every unit contained within the PREMISES
 - c. To allow BROKER to terminate tenancies and sign and serve notices BROKER deems necessary; to sue at LANDLORD'S expense for the recovery of rent and other proper monetary damages; to instigate eviction procedures; and when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies. BROKER shall provide reasonable prior notice to LANDLORD of such actions and shall not institute such actions without the written consent of LANDLORD. LANDLORD will pay expenses of litigation including BROKER'S expenses, attorney's fees, and court costs which BROKER does not recover from tenants. BROKER may select the attorney to handle such litigation.
 - d. To send in arrears, on or about the 1st of each month, a monthly statement of receipts, disbursements and charges, and to remit the net proceeds over and above a balance of **\$300.00** to be kept on account as a permanent operating reserve. In the event present or future disbursements shall be in excess of the rents that are collected by BROKER, LANDLORD hereby agrees to pay such excess within three (3) business days of notification by BROKER.
 - e. To allow BROKER to make repairs, provide services, and purchase supplies for the PREMISES as necessary to preserve the PREMISES in its present condition and for the operating efficiency thereof. The expense of any one (1) item or repair is not to exceed **\$300.00** without the LANDLORD'S authorization. LANDLORD hereby authorizes BROKER to undertake and effect repairs, maintenance and improvements BROKER deems necessary without prior notification of the LANDLORD in the amount of **\$300.00**. The aforementioned expense limit shall not apply to such emergency repairs as may be required because of danger to life or the safety of the tenants and occupants, or preservation and protection of the PREMISES, or may be required to avoid the suspension of any necessary services to the PREMISES, or local, state or federal regulatory inspections or permits that may be required from time to time. Exception may be made in an emergency where damage to the PREMISES or danger to physical safety is in question. Maintenance, inspection or capital improvement projects for which BROKER agrees to be responsible for managing, facilitating and administering with an overall project cost exceeding **\$1,500.00** shall bear an administrative fee in the amount of **10%** of total project cost.
 - f. To negotiate on behalf of the LANDLORD contracts for recurring items as necessitated by the PREMISES including but not limited to such items as: cleaning, utilities, snow removal,

trash removal, recycling, lawn and landscape maintenance and to enter into agreements for all necessary repairs and services on behalf of the LANDLORD. LANDLORD agrees to assume all expenses and liabilities in connection with such services. BROKER shall notify LANDLORD of such contract agreements in writing no less than five (5) business days prior to execution of contract(s). While every reasonable effort will be made to contact LANDLORD prior to engagement for services, exception may be made when danger to property or personal safety necessitates expedient action.

- g. BROKER shall periodically inspect the PREMISES annually, from time to time or as BROKER deems necessary. Any deficiencies noted will either be addressed subject to the terms of this agreement or brought to the attention of the LANDLORD. Inspection scope shall be limited to items which are readily observable and within the BROKER'S expertise. Full property inspection services can be provided at the LANDLORD'S request and may bear additional expense based upon the nature and scope of inspection(s).
- h. BROKER shall on behalf of the LANDLORD collect rents, deposits, funds, fees and charges due or which may become due and to deposit collections as described below.
- i. BROKER may collect late rent fees, charges for non-negotiable checks, tenant service fees, or service fees for subleasing or re-leasing, without account to the LANDLORD. Such fees belong to the BROKER and may not be accounted for on the LANDLORD'S statement.
- j. BROKER shall not be liable for uncollected rents and does not guarantee rents.
- k. BROKER shall pay all outstanding invoices under vendor and utility contracts in a prompt manner and concordant with vendor contract terms and office policy. Unless altered in writing, BROKER pays invoices on a 30 day net. In the event present or future disbursements should exceed collections or operating funds held on behalf of the LANDLORD, BROKER shall notice LANDLORD of said deficiency and LANDLORD agrees to pay such deficiency within 48 hours of notice.
- l. BROKER abides by all national and local laws concerning discrimination and negotiates leases without regard to race, creed, age, sex, national origin, sexual identification, physical disability or religion.
- m. BROKER is not obliged to advance its funds on behalf of the LANDLORD.

6. INSURANCE REQUIREMENTS.

a. LANDLORD INSURANCE.

- i. The LANDLORD shall carry property insurance in sufficient amount to insure the physical improvements on the PREMISES.
- ii. The LANDLORD shall carry Broad Form Commercial General Liability insurance with minimum coverage of \$1,000,000 per occurrence and any other insurance necessary to protect the LANDLORD and BROKER.
- iii. BROKER shall be named as Co-Insured on the foregoing General Liability Insurance policy and LANDLORD shall furnish BROKER with such proof within 30 days of the execution of this agreement. Should LANDLORD make any change to insurance coverage connected to the PREMISES during the term of this AGREEMENT, LANDLORD shall furnish a copy of the new insurance policy within 30 days of the change to insurance.
- iv. All insurance shall be placed with companies/carriers licensed in the state of Colorado and maintaining an A.M. Best's Rating of A- or better.

7. APPLICABLE LAWS. This agreement is deemed executed and delivered in the State of Colorado. All questions relating to this Agreement shall be governed by the laws of the State of Colorado.
8. BROKER ASSUMES NO LIABILITY. BROKER assumes no liability whatsoever for any acts or omissions of LANDLORD, or any previous management or BROKER of either. Nor does BROKER assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by BROKER shall be brought to the attention of LANDLORD in writing, and LANDLORD shall promptly cure them.
9. ADDITIONAL OBLIGATIONS.
- a. OPERATING FUNDS. BROKER shall maintain in an Operating Account established by BROKER in trust for LANDLORD in accordance with Colorado laws and regulations funds adequate for the BROKER to carry out the duties and responsibilities described in this Agreement and for the safe and professional operation of the property and to pay vendors and sub-contractors in a timely manner. The minimum amount to be held by BROKER on behalf of the LANDLORD shall be \$300.00 to be held on account as a permanent operating reserve. Operating funds accrue no interest for LANDLORD or BROKER.
 - b. SECURITY DEPOSITS. BROKER shall establish and maintain in trust for LANDLORD a Security Deposit Account in accordance with Colorado laws and regulations. BROKER shall deposit all tenant security deposit funds into such account and shall account for and properly refund any tenant deposits at the expiration of the lease in accordance with lease terms. If required to do so by law, BROKER shall account for and LANDLORD agrees to pay interest upon Security Deposit funds. Security Deposits accrue no interest for LANDLORD or BROKER and are not accounted for in LANDLORD'S monthly statement.
 - c. SECURITY DEPOSIT DISPOSITION DISPUTE CLAIMS. LANDLORD shall indemnify, defend and hold harmless BROKER, its agents, employees and officers, from any and all damages, claims, demands, suits, losses, fines, judgments, penalties, and/or expenses, including reasonable fees of counsel, costs of litigation, or BROKER'S expenses arising as a result of Security Deposit Disposition Dispute Claims. In the event of any suit resulting from a Security Deposit Disposition, LANDLORD shall reimburse BROKER for any expense incurred by BROKER upon BROKER'S itemized presentation of expenses. BROKER shall notify LANDLORD of BROKER'S estimated expenses prior to defending suit resulting from Security Deposit Disposition Dispute Claims. LANDLORD expressly authorizes BROKER to settle Security Deposit Disposition Dispute Claims when expedient.
 - d. INDEMNIFICATION.
 - i. LANDLORD shall indemnify, defend and hold harmless BROKER, its agents, employees and officers, from any and all damages, claims, demands, suits, losses, fines, judgments, penalties, and/or expenses, including reasonable fees of counsel, costs of litigation, BROKER'S expenses arising in any manner out of the gross negligence or willful misconduct of LANDLORD including, but not limited to, claims involving damage to the PREMISES by any property or person due to any cause on or about the PREMISES and/or personal injury or death of any person(s) related to the PREMISES. BROKER will immediately notify LANDLORD regarding any threatened or pending litigation in connection with the PREMISES.
 - ii. BROKER shall indemnify, defend and hold harmless LANDLORD, its agents, employees and officers, from any and all damages, claims, demands, suits, losses, fines, judgments, penalties, and/or expenses, including reasonable fees of counsel,

costs of litigation, LANDLORD's expenses arising in any manner out of the gross negligence or willful misconduct of BROKER, its agents, employees and officers.

10. NORMAL WORK HOURS. Normal work hours are defined as 9:00 a.m. to 5:00 p.m. Mountain Time, Monday through Friday with exception of holidays. BROKER may, with or without notice, alter work hours at BROKER'S sole discretion. BROKER shall make itself available 24 hours a day, 365 days a year in the event of an emergency related to the safety of tenants or preservation of the PREMISES.
11. CONTRACTORS. LANDLORD acknowledges and affirms that the BROKER may employ contractors and sub-contractors. BROKER, its agents and employees shall assign work only to those contractors and sub-contractors who have provided proof of general liability, worker's comp (when applicable) and other insurance as necessitated by work to be performed to the BROKER. BROKER shall maintain insurance records on file.
12. RELATIONSHIP OF THE PARTIES. Nothing in this Agreement shall be construed as creating a partnership agency, joint venture or any other relationship between parties. Nothing in this Agreement shall be construed as creating an employer employee relationship. LANDLORD acknowledges that BROKER may have agreements with other owners to market, manage, and lease their properties. BROKER shall disclose to LANDLORD any affiliated business arrangements of BROKER which may occur in the course of conducting the services outlined in this Agreement.
13. INDEMNIFICATION SURVIVES TERMINATION. All representations and warranties, written or implied, of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require the LANDLORD to have insured or to defend, reimburse, or indemnify BROKER shall survive any termination; and if BROKER is or becomes involved in any proceedings or litigation by reason of having been the LANDLORD'S agent, such provisions shall apply as if this Agreement were still in effect.
14. PARTIAL INVALIDITY. If any part of this Agreement shall be declared invalid or unenforceable, such invalidity shall not effect or impair the remainder of this Agreement which shall be enforced.
15. BINDING OBLIGATION. This Agreement is for the benefit of the parties and constitutes a binding obligation upon the respective parties named hereunder, and their respective administrators, successors, and assigns.
16. ADDITIONAL PROVISIONS.
 - a. Any notice required to be given pursuant to this Agreement shall be given in writing and delivered in person, by overnight mail, by electronic mail, facsimile or by certified mail, return receipt requested, postage prepaid, to the party entitled to receive notice at the address given above. Notices so mailed shall be deemed given as of the time of deposit with the U.S. Mail. Changes of address may be given in the same manner as other notices.
 - b. No waiver of any breach of any condition herein shall constitute a waive of any subsequent breach.
 - c. The validity or unenforceability of any particular word, sentence, paragraph, subparagraph, or provision of the Agreement shall not affect the validity or enforceability of the other words, sentences, paragraphs, subparagraphs, or provisions of this Agreement, and this

Agreement shall be interpreted in all respects as if such invalid or unenforceable parts were omitted.

- d. In any litigation involving this Agreement, the parties agree to submit to jurisdiction in the District Court of Boulder County, Colorado and the prevailing party in such litigation shall be entitled to recover attorney fees and court costs.
- e. This Agreement may be executed in counterparts, and each such counterpart shall constitute a binding and enforceable original Agreement provided each party has executed at least one counterpart. Signatures transmitted by facsimile, email or electronically shall be binding as original signatures.

17. ENTIRE AGREEMENT. This Agreement shall constitute the entire agreement between the parties and no variance or modification thereof shall be valid and enforceable except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

18. ASSIGNABILITY. This Agreement is assignable and is binding on the successors and assigns of the BROKER as well as the LANDLORD'S heirs, administrators, executors, successors and assigns.

19. OTHER MUTUAL AGREEMENTS.

- a. LANDLORD draws to be received via electronic transmittal AGREED.
- b. When beginning the management of a new property, BROKER assumes that the property is in rent ready condition. As part of its management services, the BROKER will assist in minor preparations. Major maintenance repairs, construction, or reconstruction are beyond our normal services. If BROKER is required to initiate and oversee major work in order to bring the property to rent ready condition there is a monthly charge equal to 75% of the management fee that would occur if the property were rented. This charge will continue until the work is completed and the property is rent ready.
The PREMISES IS rent ready.
- c. LANDLORD agrees to allow BROKER to install at LANDLORDS expense a CO detector where the danger of CO may exist.
- d. LANDLORD agrees to allow BROKER to conduct an annual fire safety inspection of all rental units as deemed necessary by BROKER, and to assume all expenses connected with said inspection.
- e. Pets are allowed - YES However, LANDLORD acknowledges that exceptions may have to be made for either service animals or companion animals.
- f. EVICTION ASSURANCE. LANDLORD DOES wish to receive Eviction Assurance coverage of \$500.00 for a monthly charge of \$5.00/unit. Assurance begins immediately and can be cancelled by LANDLORD at any time. BROKER can cancel Assurance with sixty (60) days written notice only after providing LANDLORD with an affidavit of no pending or imminent evictions.

THIS SPACE INTENTIONALLY LEFT BLANK



This agreement contains all the terms and conditions of the business relationship between parties.

LANDLORD

BROKER

Signature

Colorado Real Estate Management LLC D/B/A
Aspen Management
PO Box 270254
Louisville, CO 80027
720-473-6440

Signature Multiple Owners

Mailing Address

Home Phone

Cell Phone

Work Phone

Email

Local Contact for Out-of-Town Owner

Name

Relationship

Address

Cell Phone

Email

THIS SPACE INTENTIONALLY LEFT BLANK