

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

BROKERAGE DISCLOSURE TO LANDLORD DEFINITIONS OF WORKING RELATIONSHIPS

For purposes of this document, “landlord” includes the owner of the Property or sub-landlord and “tenant” includes subtenant.

Landlord’s Agent: A landlord’s agent (or Landlord listing agent) works solely on behalf of the landlord to promote the interests of the landlord with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the landlord. The landlord’s agent must disclose to potential tenants all adverse material facts actually known by the landlord’s agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the landlord or owner.

Tenant’s Agent: A tenant’s agent works solely on behalf of the tenant to promote the interests of the tenant with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the tenant. The tenant’s agent must disclose to potential landlords all adverse material facts actually known by the tenant’s agent, including the tenant’s financial ability to perform the terms of the transaction and, if a residential property, whether the tenant intends to occupy the property. A separate written tenant agency agreement is required which sets forth the duties and obligations of the broker and the tenant.

Transaction-Broker: A transaction-broker assists the tenant or landlord or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a tenant’s financial ability to perform the terms of a transaction. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party’s agent or as the party’s transaction-broker.

RELATIONSHIP BETWEEN BROKER AND LANDLORD

Broker and Landlord referenced below have NOT entered into a Landlord agency (listing agency) agreement. The working relationship specified below is for a specific property or properties described as:

Landlord understands that Landlord is not liable for Broker’s acts or omissions that have not been approved, directed, or ratified by Landlord.

CHECK ONE BOX ONLY:

☐ **Multiple-Person Firm.** Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document 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.

☐ **One-Person Firm.** If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

☐ **Customer.** Broker is the ☐ tenant's agent ☐ tenant's transaction-broker and Landlord is a customer. Broker intends to perform the following list of tasks: ☐ Show a property ☐ Prepare and Convey written offers, counteroffers and agreements to amend or extend the lease. Broker is not the agent or transaction-broker of Landlord.

☐ **Transaction-Brokerage Only.** Broker is a transaction-broker assisting the Landlord in the transaction. Broker is not the agent of Landlord.

Landlord consents to Broker's disclosure of Landlord's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee shall not further disclose such information without consent of Landlord, or use such information to the detriment of Landlord.

THIS IS NOT A CONTRACT. IT IS BROKER'S DISCLOSURE OF BROKER'S WORKING RELATIONSHIP.

LANDLORD ACKNOWLEDGMENT:

Landlord acknowledges receipt of this document on _____.

Landlord

Landlord

BROKER ACKNOWLEDGMENT:

On _____, Broker provided _____ (Landlord)

with this document via _____ and retained a copy for Broker's records.

Brokerage Firm's Name: _____

Hester Baum

Broker

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 _____, 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, Broker (as defined below) is the individual designated by Brokerage Firm to perform leasing services for Landlord. 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 (as defined below) is a brokerage firm with only one licensed person. References to Broker or Brokerage Firm mean both the licensed person and brokerage firm who will 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 will represent Landlord as a limited agent (Landlord's Agent). If the Transaction-Brokerage box at the top of page 1 is checked, Broker will act as a Transaction-Broker.

3.2. In-Company Transaction – Different Brokers. When Landlord and tenant in a transaction are working with different brokers within the Brokerage Firm, those brokers continue to conduct themselves consistent with the brokerage relationships they have established. Landlord acknowledges that Brokerage Firm may 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 Unless Brokerage Relationship with Both. Broker represents Landlord as Landlord's Agent and must treat the tenant as a customer. A customer is a party to a transaction with whom Broker has no brokerage relationship. Broker must disclose to such customer the Broker's relationship with Landlord. However, if Broker delivers to Landlord a written Change of Status that Broker has a brokerage relationship with the tenant then Broker is working with both Landlord and tenant as a Transaction-Broker. If the box in § 3.3.1.2. (**Landlord Agency Only**) is checked, § 3.3.1.2. (**Landlord Agency Only**) applies instead.

☐ **3.3.1.2. Landlord Agency Only.** If this box is checked, Broker represents Landlord as Landlord's Agent and must treat the tenant as a customer.

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 will work with Landlord as a Transaction-Broker. A Transaction-Broker will 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 will continue to function as a Transaction-Broker.

4. BROKERAGE DUTIES. Broker, on behalf of Brokerage Firm as either a Transaction-Broker or a Landlord's Agent, will 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 matters about which Broker knows but the specifics of which are beyond the expertise of Broker;

4.1.5. Accounting in a timely manner for all money and property received; and

4.1.6. Keeping Landlord fully informed regarding the transaction.

4.2. Broker shall not disclose the following information without the informed consent of Landlord:

4.2.1. That Landlord is willing to accept less than the asking lease rate for the Property;

4.2.2. What Landlord's motivating factors are to lease the Property;

4.2.3. That Landlord will agree to lease terms other than those offered;

4.2.4. Any material information about Landlord unless disclosure is required by law or failure to disclose such information would constitute fraud or dishonest dealing; or

4.2.5. Any facts or suspicions regarding circumstances that could psychologically impact or stigmatize the Property.

4.3. Landlord consents to Broker's disclosure of Landlord's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee will not further disclose such information without consent of Landlord, or use such information to the detriment of Landlord.

4.4. Brokerage Firm may have agreements with other landlords to market and lease their property. Broker may show alternative properties not owned by Landlord to other prospective tenants and list competing properties for lease.

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 will not be obligated to seek additional offers to lease such portion of the Property.

4.6. Broker has no duty to conduct an independent inspection of the Property for the benefit of tenant and has no duty to independently verify the accuracy or completeness of statements made by Landlord or independent inspectors.

4.7. Landlord understands that Landlord is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Landlord.

5. ADDITIONAL DUTIES OF LANDLORD'S AGENT. If the Landlord Agency box is checked, Broker is Landlord's Agent, with the following additional duties:

5.1. Promoting the interests of Landlord with the utmost good faith, loyalty, and fidelity.

5.2. Seeking rental rates and terms that are acceptable to Landlord.

5.3. Counseling Landlord as to any material benefits or risks of a transaction that are actually known to Broker.

6. MATERIAL DEFECTS, DISCLOSURES AND INSPECTION.

6.1. Broker's Obligations. Colorado law requires a broker to disclose to any prospective tenant all adverse material facts actually known by such broker including but not limited to adverse material facts pertaining to the title to the Property, the physical condition of the Property, any material defects in the Property, and any environmental hazards affecting the Property required by law to be disclosed. These types of disclosures may include such matters as structural defects, soil conditions, violations of health, zoning or building laws, and nonconforming uses and zoning variances. Landlord agrees that any tenant may have the Property and Inclusions inspected and authorizes Broker to disclose any facts actually known by Broker about the Property. Broker is not obligated to conduct an independent investigation of the tenant's financial condition except as otherwise provided in the Agreement.

6.1.1. Required Information to County Assessor. Landlord consents that Broker may supply certain information to the county assessor if the Property is residential and is furnished.

6.2. Landlord's Obligations.

6.2.1. Landlord's Property Disclosure Form. A landlord is not required by law to provide any particular disclosure form. However, disclosure of known material latent (not obvious) defects is required by law. Landlord ☐ **Agrees** ☐ **Does Not Agree** to provide on or before tenant signs the lease, a written disclosure of adverse matters

regarding the Property completed to the best of Landlord's current, actual knowledge. Colorado law may require Landlord to disclose certain facts regardless of whether Landlord provides a written disclosure.

6.2.2. Lead-Based Paint. Unless exempt, if the improvements on the Property include one or more residential dwellings for which a building permit was issued prior to January 1, 1978, a completed Lead-Based Paint Disclosure (Rental) form must be signed by Landlord and the real estate licensees and given to any potential tenant in a timely manner.

6.2.3. Carbon Monoxide Alarms. Landlord acknowledges that, unless exempt, if the Property includes one or more rooms lawfully used for sleeping purposes (Bedroom), an operational carbon monoxide alarm must be installed within fifteen feet of the entrance to each Bedroom or in a location as required by the applicable building code, prior to offering the Property for sale or lease.

7. ADDITIONAL AMENDMENTS:

Date: _____

Date: _____

Landlord

Landlord

Date: _____

Weston Baur

Broker

Brokerage Firm's Name: _____



1. Property Management Agreement

1.1 RECITALS

1. **THIS AGREEMENT HAS NOT BEEN APPROVED BY THE COLORADO REAL ESTATE COMMISSION.**
2. <<Owner Name(s)>> ("OWNER", "LANDLORD") and Colorado Real Estate Management LLC D/B/A Aspen Management ("MANAGER") on this Date of Execution (MMMMDDYYYY) hereby enter into a Management Agreement ("AGREEMENT").
3. WHEREAS, OWNER owns the Number of Units unit multifamily residential property commonly known as Common Name located at <<Property Address>>, in the county of Property County ("PROPERTY").
4. WHEREAS, MANAGER manages multifamily residential properties.
5. WHEREAS, the OWNER desires to and hereby authorizes and appoints the MANAGER to manage the PROPERTY and MANAGER accepts the appointment to manage the PROPERTY for the period and upon the terms of this AGREEMENT as follows.

By initialing below, you acknowledge and agree to the terms in Section 1.

X _____
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2. ARTICLE 1

2.1 DEFINITIONS

The following terms shall have the following meanings when used in this AGREEMENT:

1. **Effective Date.** The Effective Date of this AGREEMENT shall be the date first written above.
2. **Manager.** The term 'MANAGER' shall mean and refer to Colorado Real Estate Management LLC D/B/A Aspen Management, its owners, its staff and employees charged with providing services per the terms and conditions of this AGREEMENT. The term 'MANAGER' shall not apply to sub-contractors, service personnel or others engaged to provide services to and on behalf of the PROPERTY not directly employed by MANAGER.
3. **Fee Schedule.** Schedule A, herein attached, details the services and requisite fees provided by MANAGER in connection with the terms of service of this AGREEMENT.
4. **Management Startup Cost.** Costs incurred by MANAGER on behalf of OWNER in the setup and initiation of operations as of the Effective Date of this AGREEMENT in connection with providing services to the PROPERTY.
5. **Property Employees.** Person(s) employed by MANAGER on-site at the PROPERTY on a full-time, part-time or temporary basis. OWNER shall have limited right of approval to Property Employees in cases where Property Employee screening may provide objective reason to disapprove Property Employee. MANAGER abides by all federal, state and local employment law and does not discriminate based upon protected class, and/or race, creed, age, sex, national origin, religion, sexual orientation or identity, pregnancy, parenthood, marital status, mental or physical disability, or skin color.
6. **Term.** The AGREEMENT shall begin the Listing Start Date (mmddyyyy) and end on the Listing End Date (mmddyyyy). The AGREEMENT shall automatically renew for successive one-year periods unless cancelled in writing on or before 60 days prior to the end of this AGREEMENT or its automatic renewal date.
7. **Fiscal Year.** The period commencing January 1st and ending December 31st.
8. **Gross Rental Receipts.** The entire amount of all receipts, determined on a cash basis, from (a) all tenant proceeds collected as rent including: rent, parking fees, garage income, storage income, pet rent, common area rental income and other similar amounts, (b) laundry income, (c) vending machine income, (d) proceeds from rental losses or business interruption insurance. Gross Rental Receipts do not include the proceeds of (i) sale of property, (ii) any financing of property including but not limited to: refinancing condemnation, exchange, OWNER loans, capital contributions, (iii) insurance claim payment (with the exception of Article 1. item 2.1 8. (d)), (iv) security deposits (unless applied to items included in Article 1. 2.1 8. (a), (b), (c)).

By initialing below, you acknowledge and agree to the terms in Section 2.

X _____
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3. ARTICLE 2

3.1 DISCLOSURES

Disclosure. MANAGER shall operate in the capacity of OWNER/LANDLORD agency. As part of this agreement, MANAGER is providing OWNER/LANDLORD with the Brokerage Duties Addendum to Property Management Agreement, (BDA55-5-09).

By initialing below, you acknowledge and agree to the terms in Section 3.

X _____
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4. ARTICLE 3

4.1 DUTIES, RESPONSIBILITIES AND RIGHTS OF MANAGER

1. **Rental Activity.** The MANAGER agrees to perform the following services in the name of and on behalf of the OWNER and the OWNER authorizes MANAGER to perform said services for the compensation described herein:
 1. To investigate backgrounds of prospective or actual tenants including credit, criminal, residency and employment at the tenant's expense. OWNER expressly authorizes MANAGER to execute leases, renewals, extensions and addendums pertaining to the PROPERTY on OWNER'S behalf. MANAGER utilizes a form lease that has been prepared for MANAGER'S use by an attorney.
 2. MANAGER shall on behalf of the OWNER collect rents, deposits, funds, fees and charges due or which may become due and to deposit collections in account designated by OWNER or as mutually agreed by MANAGER and OWNER.
 3. To recommend monthly rental rates for every unit contained within the PROPERTY.
 4. To allow MANAGER to terminate tenancies and sign and serve notices MANAGER deems necessary; to sue at OWNER'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. MANAGER shall provide reasonable prior notice to OWNER of such actions and shall not institute such actions without the written consent of OWNER. OWNER will pay expenses of litigation including MANAGER'S expenses, attorney's fees, and court costs which MANAGER does not recover from tenants. MANAGER may select the attorney to handle such litigation.
 5. To send in arrears, on or about the 15th of each month, a monthly statement of receipts, disbursements and charges, and to remit the net proceeds over and above a balance of \$Minimum Balance \$.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 MANAGER, OWNER hereby agrees to pay such excess within five (5) business days of notification by MANAGER.
 6. MANAGER may collect the following fees: late rent fees, tenant service fees, or service fees for subleasing or re-leasing, without account to the OWNER. Such fees belong to the MANAGER and may not be accounted for on the OWNER'S statement. MANAGER shall not be liable for uncollected rents and does not guarantee rents.
 7. Lease Termination fees collected in connection with early lease termination shall belong to the OWNER.
 8. MANAGER 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 and any other protected class not specifically referenced.
2. **Maintenance, Repairs and Alteration.**
 1. To allow MANAGER to make repairs, provide services, and purchase supplies for the PROPERTY as necessary to preserve the PROPERTY in its present condition and for the operating efficiency thereof. The expense of any one (1) item or repair is not to exceed \$Repair Minimum \$.00 without the OWNER'S authorization. OWNER hereby authorizes MANAGER to undertake and

effect repairs MANAGER deems necessary without prior notification of the OWNER in the amount of \$Repair Minimum \$,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 PROPERTY, or may be required to avoid the suspension of any necessary services to the PROPERTY, 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 PROPERTY or danger to physical safety is in question.

2. Maintenance, inspection or capital improvement projects for which OWNER hires MANAGER to manage, facilitating and administering with an overall project cost exceeding \$Proj Mgmt Cost \$,00 shall bear an administrative fee in the amount of 10% of total project cost.
3. To negotiate on behalf of the OWNER contracts for recurring items as necessitated by the PROPERTY 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 OWNER. OWNER agrees to assume all expenses and liabilities in connection with such services. MANAGER shall notify OWNER 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 OWNER prior to engagement for services, exception may be made when danger to property or personal safety necessitates expedient action.
4. MANAGER shall pay all outstanding invoices in connection with vendor and utility contracts in a prompt manner and concordant with vendor contract terms and office policy from OWNER'S operating account. Unless altered in writing, MANAGER 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 OWNER, MANAGER shall notice OWNER of said deficiency and OWNER agrees to pay such deficiency within Five (5) days of notice.
3. **Compliance with Laws.** MANAGER shall, at MANAGER'S expense comply with all applicable laws and licensure required for the performance of its duties and responsibilities as outlined in the AGREEMENT. MANAGER shall indemnify and hold harmless OWNER from all claims, charges, prosecutions, losses, judgments, settlements, costs (including reasonable attorney's fees and court costs) arising out of or in connection with MANAGER'S willful violation, non-compliance, or breach of applicable laws or rules. While MANAGER may from time to time advise OWNER of laws, rules and regulations relating to the condition of the PROPERTY including but not limited to: building, zoning, subdivision, fire, environmental or other codes or laws, hazardous materials or toxic substances; MANAGER shall not be responsible for compliance with such laws related to condition, use or operation of the PROPERTY. Such deficiencies, when noted by MANAGER, shall be brought to the attention of the OWNER and OWNER shall take all reasonable action to remedy such deficiencies in a reasonable time. MANAGER and OWNER shall promptly notify the other party upon receipt of notice of violations which may occur regarding the PROPERTY along with any corrective action received.
4. **Legal Proceedings.** OWNER shall allow MANAGER to terminate tenancies and sign and serve notices MANAGER deems necessary; to sue, at the OWNER'S expense, for the recovery of rent and other property monetary damages; to instigate eviction procedures; and when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies. MANAGER shall provide reasonable prior notice to OWNER of such actions and shall not institute such actions without the written consent of OWNER, exception may be made if OWNER does not respond in a timely fashion after reasonable efforts of communication have been made by MANAGER. OWNER shall pay expenses of litigation including MANAGER'S expenses, attorney's fees, and court costs which MANAGER does not recover from tenant(s). MANAGER shall select the attorney to handle such litigation.
5. **Property Security Services.** OWNER acknowledges that MANAGER is not in the business of, nor does it provide for property security services. OWNER, at its sole election, may choose to provide property security services to the PROPERTY. MANAGER'S sole and absolute responsibilities with regards to property security services shall be limited to cooperation between OWNER and security service firm(s), timely payment of invoices at OWNER'S expense, and reasonable efforts to enforce terms and conditions of contract. OWNER hereby agrees to indemnify, hold harmless and defend MANAGER from any charge, act, prosecution, or claim of loss connected to PROPERTY security, exception may be made in the event of MANAGER'S willful misconduct.
6. **Property Inspection.** MANAGER shall periodically inspect the PROPERTY as deemed necessary or appropriate by mutual consent between OWNER and MANAGER. Any deficiencies noted will either be addressed subject to the terms of this AGREEMENT or brought to the attention of the OWNER. Inspection scope shall be limited to items which are readily observable and within the MANAGER'S expertise. Full property inspection services can be provided at the OWNER'S request and may bear additional expense based upon the nature and scope of inspection(s).
7. **Debts, Obligations and Expenses.** MANAGER shall act on behalf of OWNER as OWNER'S agent in the administration, care and oversight of the PROPERTY. Any expense, liability, debt or obligation incurred by MANAGER in connection with this AGREEMENT in the course of operation and management of the PROPERTY shall be the expense, liability, debt or obligation of the OWNER. MANAGER is not obliged to advance its funds on behalf of the OWNER.
8. **Manager Assumes No Liability.** MANAGER assumes no liability whatsoever for any acts or omissions of OWNER, or any previous management or MANAGER of either. Nor does MANAGER 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 MANAGER shall be brought to the attention of OWNER in writing, and OWNER shall promptly cure them.

By initialing below, you acknowledge and agree to the terms in Section 4.

X _____
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5. ARTICLE 4

5.1 MANAGEMENT FEES AND CHARGES

1. **Management Fees and Charges.** OWNER shall pay the MANAGER the following fees, plus any tax, fee or charge arising from such fees if applicable:
 1. **Setup Charge.** OWNER shall pay MANAGER a one time setup charge of \$Setup Fee \$.00 in connection with the commencement of this AGREEMENT. Setup Charge shall be due and payable as of the Effective Date.
 2. **Management Fee.** A management fee of the greater of Mgmt Fee % of GROSS RENTAL RECEIPTS or \$Minimum Fee \$.00 per month during the AGREEMENT period as compensation for management services as outlined in this AGREEMENT. Management Fee is due and payable upon receipt of any GROSS RENTAL RECEIPT. Fees are to be distributed in arrears on or before the last day of the month in which fees were generated.
 3. **New Lease Fee.** A new lease fee of Lease Fee % of the first months rent for tenant placement and qualification during the initial lease period of each tenancy in addition to the management commission stated in Article 4 5.1 1. 2..
 4. **Lease Renewal Fee.** A lease renewal fee of Renewal Fee % of the first months rent for tenant retention on the renewal of any lease in addition to the management commission stated in Article 4 5.1 1. 2..
 5. **Listing Fee.** Should the PROPERTY be listed for sale during the term of this AGREEMENT or its automatic renewal, OWNER shall pay MANAGER a fee as outlined in Schedule A at the commencement of each listing AGREEMENT for sale entered into by the OWNER. Should the PROPERTY fail to sell or the listing AGREEMENT be cancelled by the OWNER or OWNER'S sales representative, the Listing Fee(s) shall not be refunded to OWNER, such fee(s) belong to MANAGER.
 6. **Schedule A.** OWNER shall be liable for any fees incurred by MANAGER on behalf the PROPERTY in connection with the attached Schedule A – Schedule of Fees.
 7. **Smartregs and City of Boulder Rental License.** OWNER shall pay a \$300.00 fee to the MANAGER for successfully obtaining or renewing a City of Boulder Rental License.
2. **Payment Obligations Survive Termination.** Upon any termination of this AGREEMENT, whether for cause, sale, demise or any other event, OWNER shall continue to be obligated to pay MANAGER any and all amounts due with regards to the period prior to such termination, and all reasonable cost or expense incurred by MANAGER in connection with its termination of involvement with the PROPERTY.

By initialing below, you acknowledge and agree to the terms in Section 5.

X _____
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6. ARTICLE 5

6.1 OPERATING FUNDS AND DEPOSIT RECEIPTS

1. **Operating Funds.** OWNER hereby expressly authorizes MANAGER to open and maintain a Operating Account established in accordance with Colorado laws and regulations with adequate funds placed by OWNER for the MANAGER 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 MANAGER on behalf of the OWNER shall be \$ Minimum Balance \$.00, to be held on account as a permanent operating reserve. Operating funds accrue no interest for OWNER or MANAGER. Operating funds shall be held by MANAGER in trust for the benefit of OWNER and shall be disbursed in accordance with the terms of this AGREEMENT. Funds shall not be commingled with funds of MANAGER, its employees or any other person.
2. **Security Deposits, Damage Deposits, Pet Deposits and Like Kind Funds.** OWNER hereby expressly authorizes MANAGER to open and maintain a Security Deposit Trust Account established in accordance with Colorado laws and regulations. MANAGER shall deposit all resident security deposit funds into such account and shall account for and properly refund any resident deposits at the expiration of the lease agreement in accordance with lease terms and conditions. If required to do so by law, MANAGER shall account for and OWNER agrees to pay interest upon Security Deposit funds. Security Deposits accrue no bank interest for OWNER

or MANAGER.

1. **Security Deposit Disposition.** OWNER shall indemnify, defend and hold harmless MANAGER, its agents, employees and officers, from any and all damages, claims, demands, suits, losses, fines, judgments, penalties, and/or expenses, including reasonable attorney's fees, costs of litigation, or MANAGER'S expenses arising as a result of Security Deposit Disposition Dispute Claims unless MANAGER is negligent. In the event of any suit resulting from a Security Deposit Disposition, OWNER shall reimburse MANAGER in accordance with the terms of this AGREEMENT and Schedule A. MANAGER shall disburse funds in deposit on behalf of OWNER and/or the PROPERTY, in accordance with the terms and conditions of the lease agreement and applicable law. Security Deposit Funds will first be disbursed in payment of fees outlined above in Article 4 5.1 1., 1. and 5.1 1., 6.. MANAGER hereby acknowledges that OWNER'S lender may require MANAGER to execute a subordination agreement and MANAGER hereby agrees to execute a reasonable subordination agreement if required. OWNER expressly authorizes MANAGER to settle Security Deposit Disposition Dispute Claims when expedient.

3. General Provisions.

1. MANAGER shall have persons designated as signatories on all bank accounts and OWNER hereby authorizes MANAGER to appoint such signatories. All persons designated by MANAGER as authorized signatories or authorized to handle funds shall be covered by MANAGER'S employee crime and dishonesty insurance. Expense of said insurance shall be paid solely by MANAGER.
2. MANAGER shall have no liability whatsoever to OWNER or any third party for loss of funds regardless of deposit amount even if said deposits exceed federal deposit insurance. OWNER assumes all risk of loss with respect to funds held on account for the benefit of the OWNER and/or the PROPERTY. MANAGER recommends and OWNER acknowledges such recommendation that OWNER secure and maintain at OWNER'S expense fraud detection and prevention as offered by the depository institution(s) where any and all OWNER, PROPERTY or other funds are held on deposit.

By initialing below, you acknowledge and agree to the terms in Section 6.

X _____
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7. ARTICLE 6

7.1 ACCOUNTING

1. **Annual Budget.** MANAGER shall prepare and present an annual operating budget to OWNER for review no later than November 15th of each year. OWNER shall review and approve presented budget by November 30th of each year. In the absence of an approved budget, MANAGER shall, to the best of its ability, operate within previous years budget numbers.
2. **Books and Records.** MANAGER shall, on behalf of the OWNER , pay all invoices, utility contracts, property taxes, insurance and other expenses incurred in the operation and oversight of the PROPERTY. MANAGER shall maintain a GAAP compliant set of records and accounting on a monthly and annual basis, maintain and reconcile expense and deposit reserve accounts, and provide OWNER with additional reporting as requested in support of MANAGER'S property accounting.
3. **Annual Reporting.**
 1. Within forty-five days of the PROPERTY close date of the Fiscal Year, MANAGER shall deliver to OWNER an income and expense statement for the preceding Fiscal Year.
 2. MANAGER shall not be responsible for preparing or filing tax returns related to the OWNER or the PROPERTY. MANAGER shall cooperate with OWNER or OWNER'S designated agent in the gathering of data and reports needed for such filings in accordance with the terms and conditions of this AGREEMENT and Schedule A.

By initialing below, you acknowledge and agree to the terms in Section 7.

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8. ARTICLE 7

8.1 GENERAL COVENANTS

1. **Normal Work Hours.** Normal work hours are defined as 8:00 a.m. to 5:00 p.m. Mountain Time, Monday through Friday with exception of holidays. MANAGER may, with or without notice, alter work hours at MANAGER'S sole discretion. MANAGER 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 PROPERTY.
2. **Contractors.** OWNER acknowledges and affirms that the MANAGER may employ contractors and sub-contractors in performing tasks for the PROPERTY as outlined in this AGREEMENT. MANAGER, 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 MANAGER. MANAGER shall maintain insurance records on file. OWNER shall be financially responsible within the terms and conditions of this AGREEMENT for charges and costs incurred on behalf of the PROPERTY.
3. **Owner's Right of Inspection.** OWNER, it's representatives, heirs, administrators, successors, assigns and agents shall have the right to enter any part of the PROPERTY at reasonable times and with reasonable notice for inspection of any nature. OWNER agrees that inspection(s) will be done in a manner which will not disrupt PROPERTY operation unduly.
4. **Indemnification.**
 1. **Owner Indemnification of Manager.** OWNER shall indemnify, defend and hold harmless MANAGER, 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 and costs of litigation, MANAGER'S expenses arising in any manner out of the gross negligence or willful misconduct of OWNER including, but not limited to, claims involving damage to the PROPERTY by any property or person due to any cause on or about the PROPERTY and/or personal injury or death of any person(s) related to the PROPERTY. MANAGER will immediately notify OWNER regarding any threatened or pending litigation in connection with the PROPERTY.
 2. **Manager Indemnification of Owner.** MANAGER shall indemnify, defend and hold harmless OWNER, 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 and costs of litigation, OWNER's expenses arising in any manner out of the gross negligence or willful misconduct of MANAGER, its agents, employees and officers.
 3. **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 OWNER to have insured or to defend, reimburse, or indemnify MANAGER shall survive any termination; and if MANAGER is or becomes involved in any proceedings or litigation by reason of having been the OWNER'S agent, such provisions shall apply as if this AGREEMENT were still in effect.
 4. **Relationship of 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. OWNER acknowledges that MANAGER may have agreements with other owners to market, manage, and lease their properties. MANAGER shall disclose to OWNER any affiliated business arrangements of MANAGER which may occur in the course of conducting the services outlined in this AGREEMENT.
5. **Owner Representative.** OWNER shall appoint one person to represent OWNER'S interests with respect to the PROPERTY. Said representative may change from time to time as necessitated by OWNER, MANAGER shall be notified in writing of said changes. MANAGER may rely upon directives by OWNER'S representative to have full authority to bind OWNER, and MANAGER may perform as directed by OWNER'S representative without further authorization or inquiry.

By initialing below, you acknowledge and agree to the terms in Section 8.

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9. ARTICLE 8

9.1 TERMINATION; END OF TERM

1. **Termination by Owner.** OWNER may cancel the AGREEMENT at any time upon no less than 60 days written notice of termination and specifying the date of termination (TERMINATION DATE) in said notice. OWNER shall pay MANAGER a cancellation fee equal to the lesser of:
 1. A cancellation fee equal to Management Fee(s) paid to MANAGER for the 3 months preceding the TERMINATION DATE.
 2. A cancellation fee equal to the fees due to MANAGER for the term of the contract remaining after TERMINATION DATE. Fees due to be determined by a monthly average of the preceding six (6) months of management. In the event that the preceding

months of management are less than six (6) months, fees due will be determined by a monthly average of fees paid to TERMINATION DATE.

3. Cancellation fee is due at TERMINATION DATE.
4. If OWNER serves notice of cancellation in writing no less than 60 days in advance of the latest date referenced in Article 1 section 2.1 6., with a TERMINATION DATE equal to the latest date referenced in Article 1 section 2.1 6., MANAGER shall not be owed a cancellation fee.
2. **Termination by Manager.** MANAGER may cancel the AGREEMENT at any time upon no less than 60 days written notice of termination and specifying the date of termination (TERMINATION DATE) in said notice.
3. **End of Term.** Within forty-five (45) days after the earliest of expiration or TERMINATION DATE of this AGREEMENT, MANAGER shall deliver to OWNER the following:
 1. A final accounting of all receipts, disbursements and funds less any fees owed to MANAGER including a Final Accounting Fee.
 2. All books, records, manuals, lease files and any other written material related to the PROPERTY in MANAGER'S possession whether in hard copy or digital media.
 3. All deposit funds held in trust related to the property with a current accounting. MANAGER shall serve written notice to any applicable tenant by first class mail, at OWNER'S expense, that the tenant's deposits and funds have been transferred to the OWNER. Such notice shall contain information, including OWNER'S true name and current mailing address, so the tenant will know the entity, location, and contact information of who is holding the funds and how the tenant may seek return of deposit funds by written request.

By initialing below, you acknowledge and agree to the terms in Section 9.

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10. ARTICLE 9

10.1 INSURANCE

1. **Owner Insurance.** During the term of this AGREEMENT, OWNER shall, at OWNER'S expense carry property insurance in sufficient amount to insure the physical improvements on the PROPERTY. The OWNER 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 OWNER and MANAGER. MANAGER shall be named as Co-Insured on the foregoing General Liability Insurance policy and OWNER shall furnish MANAGER with such proof within 30 days of the execution of this AGREEMENT. Should OWNER make any change to insurance coverage connected to the PROPERTY during the term of this AGREEMENT, OWNER shall furnish a copy of the new insurance policy within 30 days of the change to insurance. 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.
2. **Manager Insurance.** During the term of this AGREEMENT, MANAGER shall, at MANAGER'S expense carry and maintain the following insurance coverage to be placed with companies/carriers licensed in the state of Colorado and maintaining an A.M. Best's Rating of A- or better:
 1. General liability insurance with a minimum coverage of \$1,000,000 per occurrence,
 2. Employee dishonesty,
 3. Forgery and Alteration,
 4. Money and securities inside and outside of premises,
 5. Worker's compensation insurance in accordance with all federal, state and local laws and regulations covering all employees of MANAGER not engaged as on-site staff at the PROPERTY,
 6. Errors and Omissions insurance for MANAGER and its employees and staff in accordance with all federal, state and local laws and regulations.
 7. It is recognized by the OWNER that the MANAGER may employ sub-contractors. The MANAGER will assign work only to those contractors who have provided proof of General Liability insurance and Workers Compensation insurance unless exempt.

By initialing below, you acknowledge and agree to the terms in Section 10.

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11. ARTICLE 10

11.1 MICELLANEOUS PROVISIONS

1. **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.
2. **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.
3. **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.
4. **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.
5. **Assignability.** This AGREEMENT is assignable by either OWNER or MANAGER and is binding on the successors and assigns of the MANAGER as well as the OWNER'S heirs, administrators, executors, successors and assigns.
6. **Additional Provisions.**
 1. 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.
 2. No waiver of any breach of any condition herein shall constitute a waive of any subsequent breach.
 3. 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.
 4. Any claim arising out of or related to the Property Management AGREEMENT shall be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable or other binding dispute resolution proceedings by either party. Claims which have not been resolved by mediation shall be decided by binding arbitration which shall be in accordance with the Arbitration Rules of the American Arbitration Association currently in effect at the time of the arbitration. The demand for mediation or arbitration shall be filed in writing with the other party and with the American Arbitration Association.
 5. 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.

By initialing below, you acknowledge and agree to the terms in Section 11.

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12. ARTICLE 11

12.1 ACKNOWLEDGMENT

THIS AGREEMENT CONSTITUTES A LEGALLY BINDING CONTRACT ENFORCEABLE BY LAW. EXECUTION BY THE PARTIES ACKNOWLEDGES FULL ACCEPTANCE OF ALL THE TERMS AND CONDITIONS CONTAINED HEREIN.

THIS AGREEMENT HAS IMPORTANT LEGAL CONSEQUENCES. PARTIES TO THIS CONTRACT SHOULD CONSULT LEGAL COUNSEL BEFORE EXECUTION. EXECUTION BY THE PARTIES ACKNOWLEDGES FULL ACCEPTANCE OF ALL THE TERMS AND CONDITIONS CONTAINED HEREIN.

This is not a real estate commission approved form, it was prepared by Tschetter Sulzer, PC attorneys representing Aspen Management.

By initialing below, you acknowledge and agree to the terms in Section 12.

X _____
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13. Sign and Accept

13.1 ACCEPTANCE

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

X

Owner

Date Signed

X

Agent/Broker

Date Signed

SAMPLE

SCHEDULE A
COLORADO REAL ESTATE MANAGEMENT, LLC D/B/A ASPEN MANAGEMENT

SCHEDULE OF FEES

The following charges are reimbursable Administrative Operating Expenses that may be incurred on behalf of the Premises and are in addition to the basic monthly compensation agreed upon between the parties in the Management agreement. All fees subject to change upon reasonable notice.

MANAGEMENT STARTUP COST	
	Charge
Setup Fee of \$50.00/unit (\$500.00 minimum)	\$

LEASING FEES	
	Charge
New Lease Fee	% 50
Lease Renewal	% 50

SOFTWARE AND TECHNOLOGY	
	Charge
AppFolio price per unit per month (Technology Fee)	\$ 9.00

SUPPLIES AND INCIDENTAL COSTS			
	Charge		Charge
Miscellaneous Supplies (envelopes, Storage Boxes, etc.)	Actual Cost	Check Stock	Actual Cost
		Storage Retrieval (if applicable)	\$ 5.00/box
Certified Mailing and Courier Service	Cost + \$5.00	Postage	Actual Cost
Telephone (on-site if applicable)	Actual Cost	Document Storage	Actual Cost
Hanging Folders	Actual Cost	Travel – More than 20 miles from Premises	¢ .65/mile
File Folders	Actual Cost		

ADMINISTRATIVE SERVICES			
	Charge		Charge
Consulting for tasks not provided for in contract		Final Accounting Fee	\$2,500.00
Administrative Staff per hour	\$ 20.00	Listing Fee (does not include staff time)	\$1,500.00
Leasing Agent per hour	\$ 21.50	Small Claims Filing/Depositions/ Court Appearances per occurrence	\$75.00
Accounting Staff per hour	\$ 35.00		
Property Manager per hour	\$ 50.00		
Corporate Management per hour	\$ 75.00		