

**PROPERTY MANAGEMENT AGREEMENT**

**1) PARTIES:**

This agreement (“Agreement”) is made and entered into by and between, \_\_\_\_\_,  
(Owner)

\_\_\_\_\_  
(Co-Owner)

with mailing address of \_\_\_\_\_,

and email address of \_\_\_\_\_ (hereinafter called "Owner")

and Keller Williams Preferred Realty assigned to Broker \_\_\_\_\_ of  
Team PMI Mile High @ Keller Williams Preferred Realty hereinafter called Broker ("Broker "). Owner and Broker are  
referred to herein collectively as the parties (“Parties”), and individually as Party.

- a) **Owner:** Warrants that OWNER is the sole OWNER of the Property, or has unconditional authority to execute this AGREEMENT on behalf of any CO-OWNER and that the Property is not subject to current legal action or foreclosure and OWNER has the legal right and authority to enter into this AGREEMENT and enter into a lease of the Property.
- b) **Employment of the Broker:** Owner hereby employs the Broker as Owner's sole and exclusive Broker to rent, manage, maintain and operate the realty described in Paragraph 2 and in any addendum to this agreement. Owner further grants to the Broker the right of possession in and to this Property for the purpose of this agreement.

**2) PROPERTY ADDRESS:** \_\_\_\_\_

**3) TERM:**

- a) **Term:** This Agreement shall be in effect during the term (“Term”) from \_\_\_\_\_ (“Effective Date”) until \_\_\_\_\_; and

- b) **Renewal Term:** At the end of the Term, this Agreement shall automatically renew for an additional twelve (12) month term, unless Owner notifies Broker of its intention not to renew the Agreement in writing at least thirty (30) days prior to the expiration of the Term. Term shall be referenced herein as “Renewal Term”.

4) **TERMINATION:**

- a) **Termination at end of Term or Renewal Term:** This Agreement may be terminated (“Terminate”) by Owner with at least thirty (30) days advance written notice. Notice must be made in writing and may be given at any time during a month, provided the cancellation shall be effective at the end of the full calendar month after which the thirty (30) day notice period ends. For example, if notice is given on November 15th of a calendar year, the cancellation will be effective as of the end of day on December 31st; and
- b) **Broker Termination:** Broker may terminate this Agreement with at least three (3) days advance written notice for any reason and return keys to Owner and cease managing the Property.
- c) **Termination Upon Default:** Either party to this Agreement may terminate this Agreement at any time if the other party is in default.

5) **EARLY TERMINATION:**

- a) **Prior to Lease Execution:** Owners may request an early termination to this agreement prior to a tenant renting their home, or while their home is being marketed. Owner will reimburse Broker for all services performed, refunded applications, and unpaid fees caused from this early termination not to exceed \$ \_\_\_\_\_; or
- b) **Within 90 days of an Executed Lease:** Owner may terminate management services during this agreement with a 30-day notice. If Owner chooses to terminate this agreement within 90 day of an executed lease agreement, there will be a \$ \_\_\_\_\_ termination charge: or
- c) **After 90 days of an Executed Lease:** After 90 days of an executed lease agreement, owner may terminate management services during this agreement with a 30-day notice. If Owner chooses to terminate this agreement after 90 days of an executed lease agreement, there will be a \$ \_\_\_\_\_ termination charge.

6) **OBLIGATIONS UPON TERMINATION:**

- a) Upon termination of or withdrawal from this Agreement, Owner shall assume the obligations of any contract, outstanding bill, or security deposit executed by Broker under this Agreement for and on behalf of Owner, and responsibility for payment of all unpaid bills and disposition of any security deposit in connection to the Property. Broker may withhold funds for up to sixty (60) days after the end of the month in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced, and to close accounts. Broker shall deliver to owner, within sixty (60) days after the end of the month in which this agreement is terminated, any balance of monies due Owner or of Tenant security deposits, or both, which were held by Broker with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal, and all records, contracts, leases, receipts for deposits and other papers or documents which pertain to the Property.
- b) All representations and warranties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Owner and/or Broker to have insured or to defend, reimburse, or indemnify Broker or Owner shall survive any termination; and if Broker or Owner becomes involved in any proceeding or litigation by prior business relationship, such provisions shall apply as if this Agreement were still in effect.

7) **AUTHORITY OF THE BROKER/LEASING AND MANAGEMENT:** Owner grants to Broker the following authority which Broker may exercise when and to the extent Broker determines to be in Owner's best interest:

- a) Advertise the Property for rent by means and methods that Broker determines are reasonably competitive. Advertising expenses may include direct costs for advertising the Property as well as general advertising by the Broker that is designed to collectively benefit the Owner and other owners of properties managed by Broker.
- b) Place "For Rent" or "For Lease" signs or other signs on the Property in accordance with applicable laws, regulation, ordinances, restrictions, and owner's association rules; remove all other signs offering the Property for sale or lease.
- c) Authorize other Brokers, their associates, inspectors, appraisers, and contractors to access the Property at reasonable times for purposes contemplated by this agreement and to lend keys and disclose security codes to such persons to enter the Property.
- d) Duplicate keys and access devices, at Owner's expense, to facilitate convenient and efficient showings of the Property to lease the Property.
- e) Place a lockbox on the Property: A lockbox is a locked container placed on the Property that holds a key to the Property. A lockbox makes it more convenient for Brokers, their associates, potential tenants, inspectors, appraisers, and contractors to show, inspect, or repair the Property. The lockbox is opened by a special combination, key, or programmed device, so that authorized/approved persons may enter the Property.
- f) Perform background checks including running credit, eviction, criminal activity reports and verify information and references in rental applications from prospective tenants.
- g) Negotiate and execute leases, using Broker's Lease Agreement and addendums, on Owner's behalf for the Property at market rates and on competitively reasonable terms and in accordance with any instructions in Special Provisions; Broker shall establish, maintain, and terminate tenancies with tenants of the Property. The Broker, along with owner's approval, shall establish the terms and conditions for tenancies of the Property, including but not limited to establishing rents, deposits, fees, and lease terms and conditions. Rental Rates: It is agreed that Broker may adjust rent rates according to market demand. Broker shall not be required to present any offer to lease or any letter of intent to lease if such offers to lease or letters of intent to lease are for any amount previously approved by Landlord.
- h) Terminate leases for the Property, negotiate lease terminations, and serve notices of termination.
- i) Account for security deposits that Broker holds in trust to any tenants in the Property in accordance with applicable law, this agreement, and any lease of the Property and make deductions from the deposits in accordance with the lease and applicable law; Security deposits shall be held by Broker in a trust account on behalf of Owner and financial responsibility of such security deposits is that of Broker. Broker shall establish another trust account for the deposit of tenant security deposits (the "Security Deposit Trust Account"). Owner acknowledges Broker's duties under Rule E-16 of the Colorado Real Estate Commission concerning notice to tenants of transfer of deposits to Owner, if applicable, and disclosures, of Owner's true name and current mailing address. Pursuant to Colorado Real Estate Regulations, Broker must advise Owner and Owner acknowledges that, all monies held by Broker in bank accounts not denominated a "trust" account may be subject to offset by creditors of Broker. Provided, however, Broker agrees that it shall deposit funds received from Property operations or from Owner in Broker's designated trust accounts.
- j) Institute and prosecute, at Owner's expense, actions to evict tenants in the Property, recover possession of the Property or hire collection agency to recover lost rent and other damages; BROKER shall have authority on behalf of the OWNER to terminate any lease or rental agreements covering the Property that are in default, to execute and serve such legal or other notices as BROKER deems appropriate, to institute legal actions for the benefit of, and the expense of, OWNER for the purpose of evicting tenants in default and to recover possession of the PREMISES, to recover unpaid rents and other sums due from any tenant to settle, compromise and release

claims by or against any tenant, and to employ attorneys for payment of rent more than five days in arrears. OWNER agrees that BROKER is not responsible for the collection of delinquent accounts. BROKER assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the Property.

- k) Settle, compromise, or withdraw any eviction or collection action.
  - l) Negotiate and make reasonable concessions to tenants or former tenants in the Property;
  - m) Report payment histories of tenants in the Property to collection agency and directly to credit bureaus;
  - n) Hire contractors to repair, maintain, redecorate, or alter the Property provided that Broker does not expend more than \$500 for any single repair, maintenance item, or alteration without Owner's consent, unless it is an emergency repair;
  - o) Hire contractors to make emergency repairs to the Property without regard to the expense limitation above that Broker determines are necessary to protect the Property or the health or safety of an ordinary tenant; Broker may contract for annual preventative maintenance at the expense of the Owner. Broker agrees to charge tenant for damage or repair caused by tenant neglect;
  - p) Contract, at Owner's expense, in either Broker's or Owner's name for utilities and maintenance to the Property during times that the Property is vacant, including but not limited to, electricity, gas, water, sewer, alarm monitoring, cleaning, irrigation, coin operated washers and dryers, preventative maintenance, yard maintenance, and other regularly recurring expenses that Broker determines are reasonable to maintain and care for the Property. Broker will set up utility Landlord Service Agreements in the Owner's name in care of Broker using Broker's mailing address;
  - q) Owner agrees to pay the cost of having the HVAC systems maintained, to include repairs, inspections, cleaning and servicing, winterization and summarization of the furnace and A/C system / Evaporative Cooler (if equipped) if Broker determines as necessary;
  - r) If equipped with a sprinkler system, owner agrees to pay the cost of having a professional residential irrigation specialist providing bi-annual sprinkler maintenance, to include winterizing and summarizing the system, as well as any necessary repairs;
  - s) Perform other necessary services related to the leasing and management of the Property.
- 8) **BROKER FIRM FEES:** This Paragraph survives termination or expiration of this agreement with regard to fees earned during this agreement which are not payable until after its termination. Broker may deduct any fees from any funds Broker holds in trust for Owner. If more than one property or unit is made part of and subject to this agreement, each of the provisions below will apply to each property or unit separately;
- a) **Setup Fee:** Owner shall pay a one-time setup fee of \$ \_\_\_\_\_ for initiation of Broker's services.
  - b) **Management Fees:** Each month Owner will pay Broker the greater of \$ \_\_\_\_\_ minimum management fee or \_\_\_\_\_ % of the gross monthly rents collected that month.
  - c) **Processing Fee:** Owner shall pay a monthly processing fee of \$ \_\_\_\_\_ per property.
  - d) **Leasing Fee:** Each time the Property is leased to a new tenant, Owner will pay Broker the greater of \$ \_\_\_\_\_ minimum leasing fee or \_\_\_\_\_ % of one full month's rent to be paid under the lease. Leasing fees under this Paragraph are earned and payable at the time the lease is executed.
  - i) **Re-Leasing fee:** Each time the Property is leased to a new tenant after the completion of the initial lease term initiated by Broker of 13-months or less (395 Days), Owner will pay Broker the greater of \$ \_\_\_\_\_ minimum leasing fee or \_\_\_\_\_ % of one full month's rent. If the property is being leased to a new tenant after

the completion of an initial lease term initiated by Broker of 13-months or longer (396 days), the leasing fee described in section 8(d) in this agreement will apply.

- ii) **Initial Leasing Guarantee:** Broker will guarantee the tenancy for the initial lease term (Military Clause Excluded). Should a tenant that Broker screened and placed under an executed lease agreement fail to complete an initial term of their lease, NO leasing fee will be charged to owner to replace a tenant.
- e) **Advertisement Fee:** Owner shall pay an additional annual fee of \$ \_\_\_\_\_ for advertisement cost that broker incurs.
- f) **Renewal or Extension Fees:** Each time a tenant in the Property renews or extends a lease, Owner will pay Broker a renewal or extension fee equal to \$ \_\_\_\_\_. The renewal or extension fees under this Paragraph are earned and payable at the time the renewal or extension is effective. For the purpose of this paragraph, a new lease for the same Property with the same tenant then occupying the Property is an extension or renewal. This Paragraph does not apply to month-to-month renewals or month-to-month extensions.
- g) **Service Fees:** Each time Broker arranges for the Property to be repaired, maintained, redecorated, or altered as permitted by this agreement, Broker may charge a service fee equal to 10% of the total cost of the repair/remodel project. The service fees under this Paragraph are earned at the time the repair, maintenance, redecoration, or alteration is made and are payable upon Owner's receipt of Broker's invoice.
- h) **Administrative Fees:** If Broker collects administrative charges from tenants or prospective tenants, including but not limited to posting fees, returned check fees, vendor coordination fees, lease break fees or late charges, Broker will retain such fees as compensation under this agreement. The administrative fees under this Paragraph are earned and payable at the time Broker collects such fees.
- i) **Interest on Trust Accounts:** Any trust account Broker maintains under this agreement may be an interest-bearing or income producing account. Broker may retain any interest or income from such account as compensation under this agreement.
- j) **Fees Related to Insurance and Legal Matters:** If Owner requests or instructs Broker to coordinate or communicate with any insurance carrier regarding any casualty to or on the Property or if Owner requests or instructs Broker to appear in any legal proceeding or deposition related to the Property (including but not limited to, tenant disputes, security deposit disputes, and suits for damages), Owner will pay Broker a \$350 fee, plus any court Costs Broker incurs. Broker may charge an additional \$75 per hour for Broker's time or Company employee's time in such matters and in preparation of such matters. Fees under this Paragraph are earned at the time the services are rendered and payable upon Owner's receipt of Broker's invoice.
- k) **Eviction Related Expenses:** Unless enrolled into the Tenant Eviction Protection Program, Owner shall be responsible for all attorney's fees, eviction fees and ancillary fees incurred as result of the eviction process. In the event that an occupant of the property is NOT Procured or Approved by Broker, owner will be charged a \$350 Eviction Coordination Fee to coordinate the eviction process plus any court Costs Broker incurs. Broker may charge an additional \$75 per hour for Broker's time or Company employee's time in such matters and in preparation of such matters. Fees under this Paragraph are earned at the time the services are rendered and payable upon Owner's receipt of Broker's invoice.
- l) **Brokerage Services:**
  - i) If Owner sells the Property to a resident who occupied the Property during the term of this agreement, or within 90 days of the tenant vacating the Property without hiring Broker to facilitate the transaction, Owner will pay Broker a fee equal to 1% of the sales price.



- ii) If at any time during this agreement Owner enters into an agreement with a Third-Party Broker/Agency to sell the property or list the property for sale without hiring broker to facilitate the listing, the broker may terminate the management contract immediately by providing written notice. The broker will return the security deposit to the owner and notify the tenant of the owner's contact information for future communication. This contract will be terminated immediately after the notice is delivered. "Sell" means to agree to sell, convey, transfer, or exchange any interest in the Property whether by oral or written agreement or option.

## 9) OPTIONAL PREMIUM MANAGEMENT SERVICES:

- a) **Animal Protection Guarantee:** Owner  agrees or  does not agree to the Animal Protection Guarantee ("APG") Program. If Owner subscribes to the APG, any damages caused to the home, above fair wear and tear, resulting from the Approved animal(s) that is not covered by the security deposit, will be reimbursed by Broker to make necessary repairs on behalf of the owner. This excludes any Service Animal, Emotional Support Animals (per Fair Housing Guidelines), unauthorized pets, or pets that were not procured by broker. This Animal Protection Guarantee is limited to a total amount of \$2,000.00. Broker will collect and retain all monthly pet fee(s) from the tenant per each approved animal as compensation under this agreement.
  - i) The Fair Housing Act (FHA) makes it unlawful for a housing provider to refuse to make a reasonable accommodation that a person with a disability may need in order to have equal opportunity to enjoy and use a dwelling. Assistance animals are not pets. They are animals that do work, perform tasks, assist, and/or provide therapeutic emotional support for individuals with disabilities. There are two types of assistance animals: (1) service animals, and (2) Support animals or ESA that do work, perform tasks, provide assistance, and/or provide therapeutic emotional support for individuals with disabilities.
- b) **Tenant Eviction Protection Program:** Owner  agrees or  does not agree to the Tenant Eviction Protection Program ("TEPP") at a cost of \$24.95 per month. If Owner subscribes to the TEPP, Broker shall be responsible for the eviction process and costs, or fees, associated with said eviction process for new Tenants ("New Tenants"), defined as Tenants signing leases after the execution of the Management Agreement between Owner and Broker. This Tenant Eviction Protection Program is limited to a total amount of \$2,000.00. The TEPP program does not cover existing tenants whom are not Procured or Approved by Broker. The TEPP Program does not cover lost rent, move-out costs, damage to property and does not cover the Owner for the Tenant's Attorney fees, or court ordered fines, damages, or penalties. By checking the appropriate box above, Owner subscribes to the TEPP and agrees to pay the applicable fee during the Term of this Agreement. Payment for said service shall be due monthly in addition to the Management Fee.

If owner agrees to enroll in the TEPP, owner agrees to the following terms and conditions:

  - i) **Broker will set the rental pricing without influence from the owner and will be based on current market conditions.**
  - ii) **There will be no pet restrictions other than those set by the Broker.**
- c) **Property (136-POINT) Review:** Owner  agrees or  does not agree to having an annual 136-point review of the Property undertaken upon Owner's request (generally completed at the midpoint of Lease Term) at the Owners expense of \$\_\_\_\_\_ per inspection and shall provide Owner a report which may include pictures, video and suggested recommendations for the preservation and improvement of the Property. This inspection is meant to identify potential issues or concerns at the property and does not include any testing by the agent or any third party.

## 10) MANAGEMENT SERVICES DO NOT INCLUDE:

- a) Normal property management does not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, refinancing, preparing Property for sale or refinancing; supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects; obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling, or insurance related paperwork and estimates. If Owner desires Broker to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services before work begins.

## 11) OBLIGATIONS OF OWNER:

- a) **Initial Deposit and Contingency Reserves:** After the execution of this contract and before the marketing of this property can begin, owner will deposit the following amount with Broker to be held in a trust account as a reserve for Owner: \$ \_\_\_\_\_ for each Property managed by Broker under this agreement. Broker may, at Broker's discretion, use the reserve to pay any expense related to the leasing and management of the Property (including Broker's fees). If the balance of the reserve becomes less than the amount stated, at any time, Broker may deduct an amount that will bring the balance to the amount stated from any subsequent rent received on behalf of Owner and deposit the amount into the reserve or notify Owner that Owner must promptly deposit additional funds with Broker to bring the balance to the amount stated. Broker is not obligated to advance any money to Owner or to any other person. **Broker will not begin ANY work on a property nor start marketing the property prior to the Reserve Fund being collected.**
- b) **Property Preparation and Minimum Standards:** Owner agrees to meet all PMI Mile High's Property Condition Expectations and Minimum Standard. Owner agrees to provide the Property in a clean and rentable condition as determine by Broker prior to the Property being advertised and prior to the tenants move-in date as follows:
- Property is Professionally cleaned including steam cleaning all carpets by professional carpet cleaning company.
  - All smoke detectors and CO2 detectors installed with new batteries. Replace any smoke detector and/or CO2 detectors that are more than 7 years old. (1 Smoke detector required on each floor and 1 Smoke detector required in each bedroom and a Co2 Detecotor is required within 15 feet of each bedroom)
  - HVAC system has new filter(s) installed.
  - All light bulbs match and are working.
  - All bedroom and bathroom windows must have functioning blinds.
  - Kitchen and Bathroom caulking must be fresh and free of any mildew and/or mold.
  - Doors open & close smoothly, locks function as intended and doorstops installed on all doors.
  - Windows must open, close, and lock properly with window screens in place and be in good condition.
  - Exterior window wells require covers.
  - All mechanical components within the property are functioning as designed. Includes HVAC, plumbing, electrical systems, kitchen appliances, laundry appliances, sump pumps, water softeners, sprinkler systems, swamp coolers, fireplaces, garbage disposals, water filtration systems, etc.
  - Landscaping: Lawn mowed/maintained during vacancy and immediately prior to lease starting, plants/shrubs/trees maintained and removed as needed, along with removal of any weeds in additional to

weed prevention treatment if needed and removal of any debris. Tree leaves removal is required in fall, as applicable.

- A minimum of 4 keys must be provided for front door entry. At minimum 1 mailbox key if applicable. Along with any HOA Amenity keys/fobs. Locks need rekeyed if prior occupants was not the owner.
  - Broker will charge for actual expense and Brokers time for any key that needs to be made to meet the minimum requirements or Broker will rekey property at owner's expense.
- At least one garage door remote must be provided per garage door opener. If remote(s) are not provided, remote(s) will be purchased and programmed at owner's expense.
- Removing all personal property unless stated otherwise in this agreement. This includes but not limited to lawn equipment, tools, gardening materials, furniture, curtains, toiletries, boxes, decorations, etc.
- Safety railings must be secure.

## 12) OWNER'S REPRESENTATIONS:

- a) Owner has title to the property and all Owners to the property are disclosed in this agreement.
- b) Owner is not bound by another agreement with anyone regarding this Property.
- c) Owner is not delinquent in the payment of any property taxes, Owner's association fees, property insurance, mortgage, or any encumbrance on or affecting the Property.
- d) The Property is not subject to a Lis Pendens or any legal action.
- e) HOA Fees and mortgage payments are the Owner's responsibility.
- f) Broker may disclose to a tenant or to a prospective tenant any information related to the representations made in this Paragraph 12.
- g) Owner agrees to furnish Broker with funds as needed to cover all authorized fees, repairs, and maintenance.

## 13) OWNER'S COOPERATION, OWNER AGREES TO:

- a) Cooperate with Broker to facilitate the showing, marketing, and leasing of the Property. When the Property is marketed for lease; Broker will allow other Brokers to show the Property to prospective tenants. If the other Broker procures a tenant who leases the Property, Broker will offer to pay the other Broker a fee out of the compensation Broker receives under Paragraph 8;
- b) Not hold Broker responsible for personal property left by the Owner in the Property;
- c) Not rent or lease the Property to anyone without Broker's prior written approval;
- d) Not negotiate with any prospective tenant who might contact Owner directly, but refer all prospective tenants to Broker;
- e) Not deal with or negotiate with any tenant in the Property concerning any matter related to the management, maintenance or leasing of the Property but refer all such dealing to Broker;
- f) Not enter into a listing agreement or property management agreement with another Broker for the rental, leasing, listing, or management of the Property to become effective during this agreement;
- g) Provide Broker with copies of any existing leases or rental agreements related to the Property;
- h) Provide Broker with keys and any remote door openers, and information for any security or alarm information to the Property;
- i) Provide Broker with copies of all warranties related to the Property or any item in the Property;



- j) To retain only insured and licensed contractors, sub-contractors and/or vendors to perform repair or maintenance services on the Property;
- k) Tender to Broker any security deposits paid by any existing tenants in the Property;
- l) Complete any disclosures or notices required by law or a lease of the Property;
- m) Abide by all Federal and Local Fair Housing Laws, should Owner, at any time, request Broker to disregard Fair Housing laws and/or Landlord/Tenant laws, that will be a breach of this agreement.
- n) Amend applicable notices and disclosures if any material change occurs during this agreement.
- o) Notify Broker if Owner becomes delinquent in the payment of: Any mortgage or other encumbrance secured by the Property, Property taxes, Property insurance or Owner's association fees.

#### 14) OWNER ACKNOWLEDGMENTS:

- a) Broker requires Owner to remove all personal property from the Property, do not leave behind anything.
- b) Colorado law requires smoke and CO2 monoxide detectors be installed in rental property. Additionally, some municipalities require fire extinguishers be installed. These devices will be checked and fresh batteries installed each time a new tenant occupies the Property at Owner's expense.
- c) Locks will be rekeyed each time a new tenant occupies the Property, at Owner's expense.
- d) Normal Wear and Tear Defined: Normal wear and tear means the deterioration that occurs based upon the use for which the rental unit is intended and without negligence, carelessness, accident, misuse, or abuse of the premises or contents by the tenants, their family, or their guests. Owner agrees that Broker will consider the following items normal wear and tear. Normal wear and tear includes but is not limited to: nail holes used to hang pictures, minor spot painting between tenants, traffic wear in carpet, carpet replacement after 5-7 years, scuffed hardwood floors, sometimes minor cleaning between tenants, worn toilet seats, re-keying or replacement of worn locks, blind replacement due to sun damage or paint flaking, caulking or any other preventative maintenance.
- e) Yard Care: Broker does not provide yard care services. Yard care is considered to include, but is not limited to, weeding of planters, trimming of grass, edging of grass and planters, pruning and trimming of all shrubs and trees, application of weed control and fertilizer on grass, setting of any automatic timers for irrigation/sprinkler system, or the removal of garbage, debris, and animal feces. Owner must include detailed instructions in the Owner Onboarding form as to who is to care for the yard, whether it is the Tenant, an independent contractor, or the Owner themselves. Broker agrees to notify either the tenant or the independent contractor of deficiencies; however, at no time is Broker responsible for the care of the yard for the Property. If Owner indicates that the yard care is to be performed by the Tenants, either the Owner or independent contractor assumes responsibility for yard care between tenancy. Broker may negotiate and secure a service agreement with a qualified service provider for landscape maintenance and shall supervise the contractor's performance of services during the Term of Agreement. Owner shall compensate Broker for said service in accordance with herein. Payment for said service shall be an addition to Management Fee.

**15) PROPERTY CONDITION:** Owner and Broker are obligated under law to disclose to a tenant or to a prospective tenant any known condition that materially and adversely affects the health or safety of an ordinary tenant. Owner is obligated under the Warranty of Habitability law to repair any such condition for a tenant. Owner represents that: Owner is not aware of a condition concerning the Property that materially affects the health or safety of an ordinary tenant, except as stated in the Owner Information and Disclosure and; Any pool, spa, and any required enclosures, fences, gates, and latches comply with all applicable laws and ordinances.

**16) HOME WARRANTIES, BUILDERS WARRANTIES, APPLIANCE WARRANTIES, OR HOA WARRANTIES:** Broker will arrange for repairs with any of Owner's warranties under the following terms:

- Owner must provide all warranty information to Broker prior to the property being leased including:
  - Warranty Name
  - A copy of the Warranty Agreement
  - Warranty Contact Info (phone/email/website)
  - If an online portal is available, Owner is to set up and provide the login name and password to Broker
  - Expiration Date
  - Items covered
  - Update Broker Anytime there is a change with warranty, or the warranty is extended
- For Home Warranties, PMI Mile High must be added as the authorized party and the billing address needs to be update to Broker's mailing address of 11859 N Pecos St Ste 200 Westminster, CO 80234. The email for billing is [admin@pmimilehigh.com](mailto:admin@pmimilehigh.com).
- Some Home Warranty Companies require credit card payment in advance.
  - There will be a \$25.00 processing fee for the billing processing and credit card fees if the Broker is required to process a payment on the owner's behalf.
  - OR owner must have a valid Credit Card on file with the warranty company and must share the last 4 digits of the card or any other form of payment in advance for our records so we can authorize transactions in a timely manner.
- Owner acknowledges that billing is generally completed over the phone and rarely is an invoice provided by the home warranty company.
- For Builders Warranties, the Owner must give the Builder Authorization to work with Broker.
- If making arrangement for repairs or when following-up on an open repair, request that exceeds 20 minutes on the phone (common with home and appliance warranties), the Owner will be billed at the Broker's hourly rate of \$75.00 per hour in 15 min increments.
- If at any time the Owner's Warranty Company is unable to perform maintenance in a timely manner or within the required state law timeframes, the Broker will seek other repair alternatives outside of the warranty company at the owner's expense.

**17) COMPLIANCE WITH THE LAW:** The parties will comply with all obligations, duties, and responsibilities under all Colorado and Federal laws, including fair housing laws, and any other statute, administrative rule, ordinance, or homeowner's association covenant applicable to the Property. Owner acknowledges that as a Colorado property management company, Broker is subject to regulation by the Colorado Real Estate Commission and must comply with Colorado Real Estate Commission rules and regulations in the formation of this contract, and the performance of its duties under this Agreement.

**18) FEDERAL FAIR HOUSING ACT:** Fair housing laws require the Property to be shown and made available to all persons without regard to race, color, religion, national origin, sex, disability, age, or familial status. Local ordinances may provide for additional protected classes (for example, creed, status as a student, marital status, sexual orientation, source of income, immigration status, or age). Owner agrees that Broker has to comply with all fair housing legal requirements at all times. Owner acknowledges that liability for failure to comply with fair housing legal requirements also extends to Owner. Owner agrees to comply with all fair housing legal requirements at all times. Owner shall not directly or indirectly cause Broker to violate any fair housing legal requirements. Owner shall not issue any directive

to Broker, take any action, or exercise any discretion if the result would cause Broker to be liable for violation of any fair housing legal requirement. Owner agrees to not limit Broker's ability to comply with all fair housing legal requirements.

**19) HABITABILITY:** Owner warrants that the Property is habitable and is in compliance with all local, state and federal habitability statutes, ordinances, laws or regulations.

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

**20) RECORD KEEPING:** Broker will:

- a) Maintain accurate records related to the Property and retain such records for no less than 7 years.
- b) File reports with the Internal Revenue Service related to funds received on behalf of Owner under this agreement (for example, Form 1099); and
- c) Remit, each month, on or about the 15<sup>th</sup> day of each month, the following items to Owner: funds collected by Broker for Owner under this agreement less authorized deductions will be electronically transferred directly to Owner's bank account; and a statement of receipts, disbursements, and charges will be available to view on-line via the Owner's Portal. Owner can set up and log in to view documents and statements. Owner may choose to have copies of their documents mailed to the address provided to Broker by Owner. Owner may instruct Broker in writing to remit the items to another person or address.

**21) PROPERTY MANAGEMENT ACCOUNT:** Broker has an account ("Account"), which is separate from Broker's corporate account, where Owner monies are held in trust; along with monies from other property owners that Broker manages properties for. All receipts and disbursements for the operation of the Property, and other residential properties managed by the Broker, shall be handled through this Account. Owner shall be responsible for providing funds for the Account, or causing funds to be provided to meet the expenses incurred by the Property, immediately upon request. Broker shall not make any disbursements on behalf of the Owner or the Property from the Account for draws, expenses and costs in excess of Owner's account balance. Any trust account Broker maintains under this agreement may be an interest-bearing or income producing account. Broker may retain any interest or income from such account as compensation under this agreement.

**22) DEDUCTIONS AND OFFSET:** Broker may disburse from any funds Broker holds in a trust account for Owner:

- a) Any compensation due to Broker under this agreement;
- b) Any funds Broker is authorized to expend under this agreement; and
- c) Any reimbursement Broker is entitled to receive under this agreement.
- d) Any credit card fees incurred based on acceptance of a credit card payment made on behalf of a Tenant.

23) **INSURANCE:** At all times during this agreement, Owner must maintain in effect:

- a) *A public liability insurance policy that names PMI Mile High as a co-insured or additional insured and covers losses related to the Property in an amount of not less than \$300,000 per occurrence or \$500,000 if the Property contains a pool, attractive nuisance or latent defects on an occurrence basis;*
- b) An insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.
- c) Not later than the 15<sup>th</sup> day after the commencement date, Owner must deliver to Broker copies of a certificate of insurance evidencing the coverage required under Paragraph 23(a). If the coverage changes at any time during this agreement, Owner must deliver to Broker a copy of the insurance certificate evidencing the change not later than 10 days after the change. Owner agrees to hold the Broker harmless for injury or other loss including acts of vandalism occasioned by the non-occupancy of the Property.
- d) If Owner fails to comply with this Insurance subsection, that is considered a breach of this agreement.

24) **INSURANCE AND ATTORNEYS:** Broker may not file a claim for a casualty loss with the carrier insuring the Property. Broker may communicate with the carrier to facilitate the processing of any claim Owner may file or other matters that Owner instructs Broker to communicate to the carrier.

- a) Broker may not directly or indirectly employ or pay a lawyer to represent Owner except to hire eviction processing attorneys at Owner's expense. Broker may communicate with Owner's attorney in accordance with Owner's instructions. Broker may also turn any delinquent Tenant's file over to a collection agency.

25) **MEDIATION:** The parties agree to negotiate in good faith in an effort to resolve any dispute related to this agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the dispute will be submitted to mediation. The parties to the dispute will choose a mutually acceptable mediator and will share the cost of mediation equally.

26) **ATTORNEY'S FEES; JURY WAIVER:** If Owner or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees. The parties agree that any action or proceeding arising out of or in any way connected with this Agreement, regardless of whether such claim is based on contract, tort, or other legal theory, shall be heard by a court sitting without a jury and thus the parties hereby waive all rights to a trial by jury.

27) **LIABILITY AND INDEMNIFICATION:** Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's gross negligence, including but not limited to injuries or damages caused by:

- a) Other Brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;
- b) Acts of third parties (for example, vandalism, theft, or other criminal acts);
- c) Freezing or leaking water pipes;
- d) A dangerous condition or environmental condition on the Property;
- e) The Property's non-compliance with any law or ordinance;

- f) Broker is not responsible or liable in any manner for:
- i) Any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant in the Property;
  - ii) Damages to Owner caused by a tenant's breach of a lease;
  - iii) Any liabilities for bankruptcy or failure of the bank where escrow funds are deposited.
- g) Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that:
- i) Are caused by Owner, negligently or otherwise;
  - ii) Arise from Owner's failure to disclose any material or relevant information about the Property;
  - iii) Are caused by Owner giving incorrect information to any person;
  - iv) Are related to the management of the Property and are not caused by Broker, negligently or otherwise;
  - v) Owner represents that the Property complies with the legal requirements acknowledged by Owner in Broker's Disclosure regarding carbon monoxide detectors. Landlord agrees to indemnify and hold Broker harmless if the Property does not comply with the legal requirements referenced.
- h) Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Broker under Broker's authority under this agreement. Owner agrees to hold Broker harmless from all claims related to any such contracts.
- 28) DEFAULT:** A party is in default if the party fails to cure a breach within 10 days after receipt of written demand from the other party. If either party is in default, the non-defaulting party may: (a) terminate this agreement by providing at least 10 days written notice; (b) recover all amounts due to the non-defaulting party under this agreement; (c) recover reasonable collection costs and attorney's fees; and (d) exercise any other remedy available at law. Broker is also entitled to recover any compensation Broker would have been entitled to receive if Owner did not breach this agreement.
- 29) FORECLOSURE:** **Owner is responsible for all mortgage, taxes, association fees, related to the property. If Broker is notified of any foreclosure action, Owner authorizes Broker to hold any funds due to Owner. IF ANY PARTY BEGINS THE FORECLOSURE PROCESS ON THE PROPERTY, THEN THE BROKER MAY TERMINATE THE MANAGEMENT CONTRACT IMMEDIATELY BY PROVIDING 3 DAYS WRITTEN NOTICE, AND BROKER MAY RETURN THE SECURITY DEPOSIT TO THE OWNER AND NOTIFY THE TENANT OF THE OWNER'S ADDRESS.** This contract will be terminated immediately after the notice and the management fees for the balance of this contract, will be due.
- 30) LEAD BASED PAINT:** If the Property was built before 1978, Owner will complete and attach to this agreement an addendum regarding lead-based paint and lead-based paint hazards that will be made part of any lease of the Property. If the Property was built before 1978, federal law requires the Owner (before a tenant is obligated under a lease) to:
- a) Provide the tenant with the federally approved pamphlet on lead poisoning prevention;
  - b) Disclose the presence of any known lead-based paint or hazards in the Property.
  - c) Deliver all records and reports to the tenant related to such paint or hazards.



**31) AGREEMENT OF PARITES, ENTIRE AGREEMENT:** This document contains the entire agreement of the parties and may not be changed except by written agreement.

- i) **Assignments:** Owner may not assign this agreement without the prior written consent of the Broker. Broker may assign its rights and delegate its duties under this agreement without Owner’s consent, provided that the assignee agrees to assume and perform each and every covenant and term of this agreement applicable to Broker.
- ii) **Binding Effect:** Owner’s obligation to pay Broker an earned fee is binding upon Owner and Owner’s heirs, administrators, executors, successors, and permitted assignees.
- iii) **Joint and Several:** All Owners executing this agreement are jointly and severally liable for the performance of all its terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extension, its renewal, or its termination is binding on all Owners executing this agreement.
- iv) **Governing Law:** Colorado law governs the interpretation, validity, performance, and enforcement of this agreement.
- v) **Severability:** If a court finds any clause in this agreement invalid or unenforceable, the remainder of this agreement will not be affected, and all other provisions of this agreement will remain valid and enforceable.
- vi) **Context:** When the context requires, singular nouns and pronouns include the plural.
- vii) **Notices:** Notices between the parties must be in writing and are effective when sent to the receiving party’s address, fax, or e-mail address specified in Owner Information and Disclosure form.

**BROKER CANNOT GIVE LEGAL ADVICE. THIS AGREEMENT CONSTITUTES A LEGALLY BINDING CONTRACT ENFORCEABLE BY LAW AND 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.**

**32) APPROXIMATE DATE VACANT PROPERTY WILL BE AVAILABLE TO START MARKETING OR FOR OCCUPIED HOMES WHEN WE WILL TAKE OVER MANAGEMENT \_\_\_\_\_**

**33) SPECIAL PROVISIONS:**

- a) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- b) All other terms remain the same.

**34) ADDENDA ATTACHED:** Incorporated into this Agreement are the following addenda, exhibits, and other information:

- d)  W-9 (Request for Taxpayer Identification Number and Certification)
- e)  BROKERAGE DUTIES ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT
- a)  Lead Based Paint Disclosure (if applicable)
- b)  Other \_\_\_\_\_

THIS FORM HAS NOT BEEN APPROVED BY THE COLORADO REAL ESTATE COMMISSION. IT WAS PREPARED BY TEAM PMI MILE HIGH'S LEGAL COUNSEL, TSCHETTER SULZER, PC.

*IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first set forth above.*

**BROKER/AUTHORIZED AGENT:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

**OWNER/TRUSTEE/MANAGER:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

**BROKER/AUTHORIZED AGENT:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

**CO-OWNER/TRUSTEE/MANAGER:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

**BROKER FIRM:**

Brokerage Firm authorizes Broker/Authorized Agent to execute this document on behalf of Brokerage Firm.

Keller William Preferred Realty, LLC  
11859 N. Pecos Suite 200  
Westminster, CO 80234