

The Springs Team Real Estate Co.



6789 Bismark Road, Suite 210 • Colorado Springs, CO 80922
(719) 481-1000

1. PROPERTY MANAGEMENT AGREEMENT

1.1 EXCLUSIVE RIGHT TO RENT, LEASE AND MANAGE

This Agreement between <<Owner Name(s)>>, hereinafter referred to as "Owner," and The Springs Team Real Estate Company and its agents hereinafter referred to as "Agent," agree as follows:

The Owner hereby engages and employs Agent exclusively to act as Property Manager to advertise, rent, lease, operate, repair and manage the Property (hereinafter called "Property") commonly known as:

Address: <<Property Address>>

County: EL PASO

Agent hereby accepts employment to direct, supervise and control the renting, leasing, operating, maintenance, and managing of the Property upon the terms set forth below. It is also understood that the Agent is acting as Property Manager, in good faith, for other property Owners.

1.2 TERM

This Agreement shall commence on <<Management Start Date>> and will automatically renew every twelve (12) months, or until any current leases expire, whichever is later. Either Owner or Agent may terminate this Agreement according to terms stipulated in Section 8 of this Agreement.

1.3 RELATIONSHIP OF PARTIES

Agent is acting as an independent contractor with the authority provided expressly herein. Agent and Owner have not entered into a partnership or joint venture.

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

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2. MANAGEMENT AUTHORITY

2.1 MANAGEMENT AUTHORITY

Agent agrees to provide such services and duties as required by the preceding Colorado Real Estate Commission form titled "Brokerage Duties Addendum to Property Management Agreement", which is hereby incorporated into and made a part of this contract.

Owner grants to Agent the following authority, powers and rights, any or all of which may be exercised in the name of Owner, in Agent's name alone, or in the names of both, and Owner shall assume all responsibilities for expenses in connection herewith, and shall reimburse or pay in advance all expenses incurred or to be incurred by Agent pursuant to this Agreement.

2.2 CONTROL

Owner grants to Agent full management of the Premises with authority to collect all rent and other monies and securities from Tenant in the Premises, and issue receipts for the same.

2.3 RENT

Agent will provide feedback and guidance based on current market rents and conditions.

2.4 SIGNAGE

Agent shall have the right to place "For Rent" signs on the Premises, unless prohibited by applicable bylaws or local ordinances, with the intent to secure a Tenant.

2.5 ADVERTISING

Agent shall have the right to advertise the Property when vacant or in anticipation of vacancy as Agent deems appropriate.

2.6 APPLICATIONS

Agent is given the sole and exclusive right to accept and qualify applications for rental and to perform credit checks and other screening services on applicants, and the exclusive right to approve or decline such applicants according to Agent's policies combined with Fair Housing Guidelines. Owner shall not be provided with the Tenant's credit report and/or Application.

2.7 LEASING

Agent shall prepare and negotiate new leases, renewals and terminations of existing leases as deemed appropriate. Agent is authorized, for and on behalf of Owner, to execute leases and lease renewals, not to exceed 24 months unless approved by Owner. Agent is given the authority to sign all leases.

2.8 MONEY ACCEPTANCE

Agent shall accept or decline monies for rental and other payments due from Tenants according to Agent's policies. Agent shall not be held liable for bad checks or money not collected. Owner shall reimburse Agent for any sums disbursed on the faith of such receipts should they be uncollectible for any reason. Owner agrees to hold Agent harmless for any failure to secure Tenants, any cancellation by the Tenants and/or failure to collect any rents or monies due from the Tenants, or for any damages done by Tenants.

2.9 AGENT CHARGES PAID BY TENANT

Agent may collect fees from Applicants or Tenants including any or all of the following: *administrative fees, application fees, lease break and/or modification fees, legal notice service fees, late fees, non-negotiable check fees, pet fees, and/or any other fees that may now or in the future become a Tenant obligation.* All such fees shall belong to Agent to offset Agent's extra time and expense for handling additional work and responsibilities related to such fees, and Agent need not account for such fees to Owner.

Funds collected from Tenant each month shall be applied to Tenant obligations chronologically beginning with the earliest obligation incurred. Any outstanding Tenant obligations at end of tenancy may be deducted from Tenant's security deposit and/or last month's rent. Remaining charges will be paid first to Agent, then to vendors, then to Owner.

Agent may employ collection agencies, attorneys, or any other reasonable and lawful means to assist in the collection of any outstanding Tenant obligation.

2.10 LEGAL MATTERS

With express permission from the owner, Agent shall have the authority, in the name of the Owner, to execute and serve such notices and to institute such legal proceedings against Tenants (including, but not necessarily limited to the initiation of eviction proceedings) as are reasonably necessary to enforce the collection of rents or other sums due from Tenants leasing the Property or any portion thereof, to enforce other covenants or obligations of such Tenants, and to obtain possession of the Property from such Tenants.

If circumstances require legal notices upon Tenants, to prosecute legal actions to terminate tenancies, evict Tenants, recover rents and any other sums due, and, thus, employing for these purposes a reputable attorney. Owner shall bear all necessary costs. Such costs may include evictions and collections including attorney fees, court costs and service fees.

In the event of the default or breach of any of the terms contained in this Agreement, for Attorney Fees incurred by Agent to protect the Property, enforce leases, or collect or preserve rights under leases, Owner shall be responsible for all of Agent's reasonable attorney fees and costs, including fees to enforce, interpret and/or defend any dispute or controversy concerning Agent's management of the Property.

2.11 SECURITY DEPOSIT DISPUTES

Agent may use any lawful means to resolve disputes over security deposits and any other sums due. With express permission from the owner, Agent is authorized to negotiate and settle claims on Owner's behalf as may be necessary or prudent in Agent's judgment. Any legal or attorney fees and/or court fees are the responsibility of the Owner.

2.12 INTEREST CHARGED

Agent has sole discretion about enforcement of Interest on Past-Due Balances owed by Tenant. Should Interest be collected from Tenants, Agent will retain the funds.

2.13 GENERAL

Agent is clothed with such other general authority and power as may be necessary or expedient to carry out the spirit and intent of this Agreement. No clause or provision of this agreement shall be construed against either party as the drafter of the same. In the event any clause or portion of this agreement is found to be invalid or not enforceable, the remainder of the agreement shall remain fully valid and enforceable

2.14 LEASING AND RENEWALS

Agent has the authority to enter into leases with tenants and to extend or renew leases as Agent deems appropriate. In the event Owner does not want Agent to lease, extend or renew leases, Owner must give written notice to Agent a minimum of 100 days before the lease is to expire or renew.

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

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3. MANAGEMENT RESPONSIBILITIES

3.1 RESPONSIBILITY OVERVIEW

Agent shall use diligence in the management of the premises for the period and upon the terms herein provided, and agrees to furnish the services of Agent, for the renting, leasing, operating, and managing of the herein described property.

Agent shall have the right to inspect Properties periodically at reasonable times in Agent's reasonable discretion subject to the terms of any leases then in effect with respect to the Property and subject to the limitations and requirements of applicable laws and provide photos and inspection results through the Owner portal. Owners are not allowed to schedule/conduct/participate during inspections at the property while tenant occupied.

3.2 RENT COLLECTION

Agent shall make every reasonable effort to collect rents and other monies from Tenant when and as they become due. However, Agent does not guarantee the payment of Tenant obligations.

3.3 FINANCIAL REPORTING

Agent shall render monthly statements to Owner of income and expenses and to disburse to Owner the net proceeds of such accounting. Financial disbursements will be made via electronic direct deposit no later than the fifteenth (15th) day of each month, but in no case will disbursements be made until Tenant funds have deposited to Agent's bank. In the event disbursements should be in excess of income collected, Owner shall pay such excess promptly to Agent. Agent may reserve Owner's funds to meet obligations that are or may become due thereafter and for which current income may not be adequate. Statements will be available electronically each month via the Owner Portal. If paper statements are requested, delivery will be after month-end at a cost of \$5/month, per unit, to cover the cost of materials and postage.

3.4 RECORD KEEPING

Agent shall maintain and keep accurate records as Agent's policies and procedures require, or as otherwise may be required under applicable law which reflect all revenues Agent collected from and expenditures Agent incurred with respect to the Property. In addition, Agent shall maintain a file of all correspondence, receipts, bills, and other written information and documents relating to the operation of the Property. All documents will be recorded, stored, retrieved, and distributed to Owner in electronic format. Agent shall maintain these records in Agent's office, and they shall be available for inspection, examination, and audit during normal business hours by the Owner and by the Colorado Real Estate Commission and any other persons and agencies having legal access under applicable law.

3.5 ESCROW ACCOUNTS

Agent will deposit all receipts collected for Owner or held on behalf of Tenant in escrow accounts at an FDIC insured banking institution separate from Agent's personal funds. The Company and its Agent shall not be held liable in the event of bankruptcy or failure of said depository. Agent may require releases from all parties in the event of a controversy before disbursing escrow funds. The Security Deposit monies shall not be paid to the Owner until after the Tenant vacates, and the Owner shall legally be entitled to retain said monies, based upon the Security Deposit Final Accounting to the Tenant. Agent shall retain any interest drawn on these accounts.

3.6 TENANT SECURITY DEPOSITS

Agent shall make a survey of the condition of any demised premises prior to and subsequent to a Tenant's possession. Any deposit paid by Tenant will be applied to any damages to the demised premises during Tenant's possession except damages due to normal wear and tear. Owner agrees to be bound by Agent's determination of normal wear and tear damages.

Agent in its sole discretion will determine, consistent with Colorado law, whether the Tenant has damaged the property in excess of ordinary wear and tear. Agent shall also properly account for sums to be retained for the purpose of off-setting Owner's expenses for unpaid rent, utilities, cleaning charges, repairs, damages, or other charges. Should Agent and Owner disagree on the amount of deposit to be refunded to the tenant, Agent may, at its option, forward the amount of the deposit held to the Owner, provide Owner's contact information to tenant, and shall have no further obligation or liability whatsoever concerning the security deposit to any person or entity, and Owner shall hold Agent harmless therefrom.

3.7 PETS

Pets will be allowed at Premises in accordance with local laws. Animals identified as service animals or emotional support animals are excluded from this election.

Agent charges an additional \$300 refundable deposit per pet at time of move in, as allowed by Colorado Statute. Agent also charges a monthly pet fee that is paid to Agent to offset increasing operating and legal costs.

3.8 FINANCIAL CONSENT FOR DAMAGES

Damages or Missing Items: Agent is given the exclusive authority to determine in its professional judgment the amount due, charge the Tenants accordingly and/or settle with the Tenants upon advice of Agent's legal counsel.

Agent is given the power to make claims upon the security deposit on behalf of Owner and Agent and shall not be held liable for any failure to make claims on any damages which were not readily apparent to Agent. Agent shall not be responsible or liable for costs or damage, in excess of the Security Deposit. Agent shall not be responsible for vacancy, Tenant neglect, or items of personal property or fixtures which are taken from the premises or damaged or destroyed by Tenant.

3.9 OWNER TAKE BACK

Agent cannot guarantee that Tenant will vacate the property as agreed or at lease termination. In the event Owner intends to move into the property, upon termination of management, Owner is advised that should the Tenant default and not move out as agreed, that Agent shall not be liable for Owner's moving, living, storage or other expenses.

Agent assumes no responsibility for other services than agreed to unless specified in the terms of this Agreement or in writing at a later date.

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

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4. OWNER KNOWLEDGE

4.1 ACCOUNTS CURRENT

Owner represents that all mortgages, and taxes, insurances and association dues are currently paid and are not in default. Owner agrees to immediately notify Agent if the property is going into or has gone into foreclosure.

Owner agrees that they shall be responsible for and shall indemnify Agent for all costs, damages, claims, and or expenses which Tenant may make or incur in moving from the property due to a foreclosure and that Agent shall have blanket authority to terminate leases, relocate Tenants, and to take all steps Agent deems appropriate to work with Tenants who may be adversely affected by a foreclosure, and that Owner

agrees that they will not make any claim against Agent for any actions taken by Agent to assist or work with Tenants due to a foreclosure. Agent shall have the right to withhold all further disbursements to Owner until the foreclosure is completed.

4.2 PROPERTY DESCRIPTION

Owner has reviewed the information contained in the Property Description form and acknowledges the information to be true and correct. The Owner does hereby affirm and acknowledge that neither party is aware of any environmental hazard existing on or in the Property. This would include, but not be limited to: radon gas, hazardous materials, asbestos, lead based paint or any other environmental hazard of any kind. In the event that such a hazard becomes present, the Owner will immediately notify the Agent and the Agent will, with the Owner acknowledgement, as previously granted herein, notify the Tenant in the property and will take such corrective action(s); which may include immediate termination of the lease in an effort to prevent/protect the Tenant from exposure to hazard(s) and assist in the prevention of liability of the Owner.

4.3 ACCESS

Owner agrees to allow Agent to place a lock box on the property to facilitate showings and access to the property. Owner acknowledges that a lock box does not ensure the Property's security.

4.4 CARBON MONOXIDE AND SMOKE DETECTORS

Owner will equip the property with the appropriate number of Carbon Monoxide Detectors and Smoke Detectors in good working order and will install with the correct placement to maintain compliance with current Habitability Laws and Ordinances. Owner understands that these devices must be replaced periodically and this will be done at Owner's expense.

4.5 ZONING

Owner represents that the Property is zoned as a residential property for **Units** dwelling(s).

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

X _____
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5. OWNER RESPONSIBILITIES

5.1 OWNERSHIP OF PROPERTY

Owner hereby warrants that it holds fee simple title to the Property free and clear of all liens and encumbrances except those easements, mortgages, and other encumbrances which do not and will not adversely affect the renting, leasing or operation of the Property. Owner covenants and agrees that it will pay and discharge, prior to the creation of a default, all installments of principal and interest due and payable upon any mortgage, deed of trust, ground lease, lien or like instrument.

Owner agrees to keep Agent informed in writing of any changes of ownership interest in the Premises or changes of Owner's mailing address, phone numbers, or email address. Owner shall notify Agent of any change within 5 days of same.

5.2 STAY CURRENT

Owner shall be responsible for payment of the following recurring expenses: mortgage payments, taxes, fire or other insurance premiums, Homeowner/Condominium Association obligations, and any other recurring expenses unless that responsibility has been accepted by Agent in writing. Agent shall not be required to advance his or her own money to pay any Owner obligations, including recurring expenses.

Monthly income collected, if any, shall be applied chronologically beginning with the earliest obligation, including Agent's compensation, and the remaining balance, if any, shall be available for remaining obligations and recurring expenses. Emailing of previous month's statement to Owner shall be sufficient notice to Owner of balance on hand and the need for additional funds. Owner assumes full responsibility for any consequences resulting from late payment or non-payment of any obligation or recurring expenses should Agent be unable to make said payments due to insufficient funds on hand, lack of income from the Premises, non-delivery or delay of mail, or for any other reason beyond Agent's control.

If a balance is owed at time of posting statements, Owner is required to submit a payment to Agent within 48 hours. If payment is not received, Agent may offer a short-term loan. This "broker loan" has a fee of 10% of the funds needed and must be repaid within 90 days. Any balance not repaid within 90 days is subject to an additional 10% of balance owed.

5.3 INSURANCE

Owner shall convert the current Homeowner's Insurance policy to a Landlord Insurance Policy and IS REQUIRED to list The Springs Team Real Estate Company as additional insured.

Owner shall have liability insurance of not less than \$100,000/\$300,000 per occurrence and Agent shall be designated on said policy as an additional insured. Owner agrees to indemnify Agent for any damages suffered as a result of any lapse in or failure by Owner to maintain insurance coverage.

5.4 RESERVE FUNDS

Owner shall place in reserve with Agent five hundred dollars (\$500.00) per property/unit, or such other amount as may be jointly agreed to by Owner and Agent, for the purpose of maintenance repairs, or other expenses that may arise, and authorize Agent to replenish this reserve from rents collected. In the event the property is vacant and monies are due to pay expenses against the property, the Owner shall remit said shortfall along with funds for the Property Maintenance Reserve within 48 hours of notification by Agent. At no time shall the Owner maintain a negative balance.

If Agent has agreed to submit any routine financial obligations (such as HOA assessments), The Reserve Funds will be increased by the same amount.

5.5 FAIR HOUSING

Owner shall cooperate with Agent in complying with all applicable building, housing, and health codes, as well as applicable Fair Housing regulations. The Premises shall be rented without regard to race, creed, color, religion, sex, national origin, age, disability, marital status, familial status, source of income, or sexual preference.

Agent shall not be responsible and or liable for costs of damage, in excess of Security Deposit. Agent shall not be responsible for trees, shrubs and lawns lost through "winter kill", fungi, drought, vacancy periods or Tenant neglect. At no time shall Agent be considered a guarantor of any lease. Agent cannot guarantee that Tenant will not do damage to the property nor that Tenant will pay rent and other monies due as is required by leases. Agent shall not be responsible for nor be required to replace or pay for items of personal property or fixtures which are taken from the premises or damaged or destroyed by Tenant. Owner is advised NOT to leave personal property (except appliances) at the property.

5.6 HOLD HARMLESS

Owner shall indemnify, defend, and save Agent harmless to all cost, expenses, suits, claims, liabilities, damages, proceedings, or attorney's fees. Also included, but not limited to, are those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever. Owner agrees to and does hereby indemnify and hold harmless the Agent, its employees, Agents and assigns, from any and all claims, suits, damages cost, losses and expenses arising from the management of the property and from any injury to persons and/or property occurring on or about the Premises, except in the case of gross negligence or illegal act by the Agent.

That Agent shall not be liable for any willful neglect, abuse or damage to Premises by Tenants or others nor for loss of or damage to any personal property of Owner by Tenant including loss due to exchange or theft by Tenants or others. Agent shall not be responsible for nonpayment of or theft of any utility service by Tenant. Agent shall not be held liable for any error of judgment or mistake of law except in cases of willful misconduct or gross negligence.

Agent is hereby expressly authorized to comply with and obey any and all process, orders, judgment or decree, or decrees of any court; where Agent obeys, or complies with any such process, order, judgment or decree, it shall not be liable to Owner or any person, firm, or corporation by reason of such compliance, notwithstanding subsequent reversal or modification. Agent is hereby expressly authorized to comply with any laws, whether now in existence or hereinafter enacted, whether federal, state, or local, relating to fair housing, rent control, discrimination, and health and welfare. Agent is expressly authorized to comply with the rule or order of any governmental agency, insofar as such order in any manner affects the management of the premises or any duties of the Agent hereunder.

5.7 UTILITIES

Owner shall not cancel utility service at any time, regardless of occupancy of the Property.

Owner must contact all common utilities providers and set up OWNER REVERTS and THIRD PARTY NOTIFICATION PERMISSIONS identifying The Springs Team Real Estate Company as the Property Manager and request that a copy of all bills be sent to the office when applicable.

Owner authorizes agent to contract with common utilities providers on their behalf when necessary and coordinate utility transfers from Tenant to Tenant for all utilities to be paid by Tenant per the Lease Agreement, or from Tenant to Owner in the event there is a period of vacancy between lease terms. If allowed by law and unless otherwise agreed to by the parties, Tenants are required to have phone service, cable, electric service, water service and all other utilities in their own name. In any lease where the Tenants shall have use of the Owner's utilities and be responsible for all or part of the bills, Owner will forward entire bill in a timely manner to Agent or will authorize utility company to send bills directly to Agent. Agent will pay utility companies directly from Owner funds for usage charges and deposits, if

required. The utility usage charges will be allocated and billed to the Tenant. Once funds are collected, they will be included with Owner distributions.

Owner shall be responsible for all utility charges not collected from Tenant. This includes during vacancies.

Under no circumstances shall Owner cause the termination of these services and Owner agrees to indemnify Agent for any damages or litigation fees/cost incurred by Agent if Owner improperly terminates a utility service. Agent will deduct bills to the extent of funds available.

Owner acknowledges that some utility companies require periodic identification authorization by Property Owner and Owner will contact specific utility companies, if requested.

5.8 CONTACT INFORMATION

Owner shall provide Agent with current physical and mailing addresses, email, telephone number or other contact information in a timely manner so Agent may contact Owner.

5.9 TENANT CONTACT

Owner agrees to not initiate or accept any communications directly from Tenant for matters relating to property management activities. Owner shall not inspect or attempt to inspect the property during tenancy. Agent shall have the authority to act as necessary to implement the intent and terms of this agreement, without interference, interruption, or disturbance in all matters relating to Agent's performance of its services.

5.10 TAX REPORTING

Owner acknowledges that all monies received by Tenant are considered income and will be reported annually on a Form 1099-MISC in Box 1 as Rents (regardless of the specific charge) as required by the Internal Revenue Service. This document will be delivered by January 31 of the year following the reporting year. The IRS has approved the use of electronic 1099 forms for delivery, but only with written consent. Owner consents to receive Form 1099-MISC by electronic means only; a paper copy will not be mailed. This consent remains in effect indefinitely or until Agent is informed, in writing or via the Owner Portal, to revoke consent.

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

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6. MAINTENANCE

6.1 MAINTENANCE

Owner is responsible for the maintenance and upkeep on all appliances, water heater, furnace, water systems, sprinkler systems and other systems of that nature. Owner further understands that if a call for maintenance of a system or appliance after regular business hours, weekends or holidays, the Agent will send out the appropriate service company and the Owner shall be liable for any potential overtime service costs.

The Owner shall furnish information of any and all such appliance contracts, lawn contracts, Homeowner Warranty contracts or other applicable warranty information to the Agent. It is recommended Owner leave instructions and diagrams for the correct use of appliances, water systems, sprinkler systems, etc. for use at the Property. Owner understands that the Agent will not be held responsible for water systems, solar systems, sprinkler systems, etc. in regards to the malfunctioning, freezing or breakage of these types of units. It is not feasible to operate these systems at particular times of the year, or some systems may not be accessible.

6.2 PROPERTY CONDITION STANDARDS

The Springs Team Property Management advertises and manages well maintained, properly functioning homes to qualified tenants. Property will be maintained to comply with our minimum acceptable standards or better. Provided below is an outline of the minimum standards required prior to a new tenant moving into your property and throughout the tenancy.

- Property shall be professionally cleaned and free of all trash and debris inside and outside.
- Air condition, furnace, fireplace (if applicable) shall be serviced and cleaned annually and maintained in safe operating condition.
- Furnished/built in appliances operating as designed, or repaired/replaced immediately upon failure.
- All lightbulbs must be in place and working. Any mismatched lightbulbs in fixtures must be replaced.

- Water heater(s) functioning properly and free from leaks. Failed units are replaced as needed without delay.
- All smoke alarms and carbon monoxide detectors must not be expired and must be functioning properly. We require a carbon monoxide detector within 15 feet of every bedroom and at least one on each level. We require a smoke alarm in every bedroom and at least one on each level. Properties will be made compliant prior to moving in tenant(s) as needed.
- Caulking as necessary to prevent water damage. Discolored, worn, torn or missing caulking will be corrected at the discretion of the manager.
- Cabinet doors and drawers in good condition throughout.
- All locks on premises shall be re-keyed or changed prior to each new tenancy.
- Windows all have good screens, and open/close/lock properly, no cracked window panes, tracks are clean including sliding glass doors.
- Window coverings functioning properly, no broken or missing blinds. Old or worn drapes removed/replaced. All bedroom and/or bathroom windows and patio doors must have window coverings.
- Paint and sheetrock in good condition with no holes and clean appearance. Touch up paint and or repainting will be done where needed.
- Ceilings free of water stains, cracks or other problems, repaired and touch up painted as needed.
- Carpet professionally steam cleaned using a truck mounted unit, replaced if badly worn or stained, stretched if needed, black light tested for pet urine and treated as deemed necessary by manager if detected.
- Sheet vinyl clean with no tears or holes, curling on edges or extreme wear.
- Electrical outlets, switches breakers, light fixtures and ceiling fans all working properly and safely.
- All towel bars and rings, paper holders and other attachments in place and properly secured.
- Exterior siding in good conditions, all gaps sealed, and rotted wood replaced as necessary.
- Exterior paint not cracking or peeling, touched up as needed. Front door is attractive and clean, not faded.
- Shrubs and trees trimmed back and not touching the property or roof, dead limbs and/or trees removed.
- Exterior gutters will be cleaned and clear of debris as necessary.
- Yards in maintainable condition. Dead or bare areas landscaped as necessary.
- Sprinkler system repairs are pre-authorized to include timer repair/replacement if necessary. Sprinklers will be Winterized in the Fall and Activated in the Spring by our authorized vendors.
- Fence repairs are considered a condition of the lease/obligation of the owner. If the repairs are subject to cost sharing with the neighboring properties the OWNER is responsible for arranging reimbursement for repair costs. If the home is leased with a fence in place, the fence must be maintained and repaired as needed without delay.

6.3 REPAIRS & MAINTENANCE

Agent shall have repairs made, make arrangements to purchase necessary supplies, and provide for all negotiation and contractual arrangements by suppliers, or independent contractors for all maintenance or repair services deemed necessary by the Owner and/or the Agent, and to pay the suppliers, or independent contractors for these services, repairs and improvement from the Owner's funds.

Agent shall have the right to employ, discharge, and supervise all its employees and engage or terminate the services of all contractors in connection with the services provided to the Owner by the Agent under the terms of this Agreement. A fidelity bond issuer reasonably acceptable to Agent and the Owner at the expense of the Agent shall bond any of Agent's employees who handle, or are responsible for handling funds on behalf of Owner pursuant to the terms of this Agreement. Agent shall purchase as reasonable required under applicable law a policy or policies of Worker's Compensation Insurance in connection with all of Agent's employees.

The Agent agrees to make reasonable efforts to secure prior approval from the Owner for expenditures in excess of five hundred dollars (\$500) for repairs. This does not include Emergency repairs in excess of the maximum, if, in the professional opinion of the Agent, such repairs are necessary to protect the property from damage or to maintain habitability and obligations to the Tenant as provided in their lease and by law.

The Owner agrees to the expense of a furnace and air conditioning servicing annually, if applicable. The Agent will have this preemptive maintenance performed in an effort to insure the functionality of the furnace, troubleshoot potential heating issues, and minimize possible expense and liability to the Owner. It is recommended that a few extra filters be left upon the property for the Tenant's use and continued encouragement to properly assist in the upkeep and general maintenance of the property.

The Owner acknowledges the Agent has the right and discretion to decline or refuse to undertake supervision of major repairs, rehabilitation, remodeling projects or fire and/or flood restoration should the Agent feel the scope of the work is beyond Agent's knowledge and the Owner would be better served and facilitated by Agent's recommendation to seek other professional services.

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 and pets, or their guests. For the purposes of this agreement, Agent and Owner will consider the following items as a partial list of normal wear and tear: minor spot painting between tenants and re-painting every three to five years; traffic wear in carpet and carpet replacement after five to seven years; scuffed hardwood floors; minor cleaning between tenants; worn toilet seats; re-keying or replacement of worn locks; blind and screen replacement not due to tenant damage; re-caulking; tightening of towel racks, toilet paper holders or other hardware; and other general preventative maintenance. Consumable items such as light bulbs and filters are generally the responsibility of the tenant; however, certain specialty bulbs or those located in high ceilings or crawlspaces where access is difficult and could create a hazard to the tenant will be contracted at the Owner's expense. Likewise, maintenance for difficult access items such as gutters may be charged to the Owner at Agent's discretion.

6.4 MAINTENANCE RESPONSIBILITY

Owner is advised that Agent routinely requires that Tenant's be responsible for some minor maintenance and that this is a requirement that is made to provide Agent leverage with Tenants. In the event that Agent determines that it is not appropriate to charge Tenants for repairs, Owner acknowledges that Owner will be responsible for these repairs and that the Agent's judgment in not assessing these repairs against the Tenant shall be final and binding.

Agent shall use its reasonable efforts to maintain the Property in a reasonably good and attractive condition and in a reasonable good state of repair. Agent shall have the authority to enter into contracts for services with respect to the maintenance and repair of the Property including but not necessarily limited to the provision of electricity, gas, fuel, water, trash and refuse disposal, minor painting and cleaning services, and minor carpentry, electrical, and plumbing work. **Owner hereby authorizes Agent to undertake such repairs that in Agent's estimation will cost less than \$500 without contacting Owner prior to undertaking such.**

6.5 LOCKS

ALL locks on Premises shall be re-keyed or changed prior to each new tenancy. Owner shall bear the cost of creating new locks and keys to the entire property. Owner shall not be entitled to maintain access to the property, to include keys, remotes, and security codes and/or security systems.

6.6 MAINTENANCE MANAGEMENT

The management of normal repairs and maintenance is included in the Agent's services. The oversight and/or management of major construction work is not included and Agent will charge for these services. Examples of this type of work includes, but is not limited to: major renovations, insurance claims, fire or flood damage, major utility service, concrete work, new siding and/or windows, new roof, etc. The cost is 10% of the project.

6.7 HOME WARRANTIES

If the property is covered by the Builder Warranty for a newer home, or another type of Home Warranty purchased by Owner, Company, Policy and Contact Information must be included in the Property Description form. Owner understands that due to Agent policies and procedures or tenancy laws in the State of Colorado, some repairs will need to be completed sooner than the Warranty provides. If Agent deems the Warranty is inadequate, Owner will be responsible for the expense of any repairs provided outside of the Warranty coverage. Owner will be responsible for any renewal or extension of any warranty.

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

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7. COMPENSATION

7.1 MANAGEMENT COMPENSATION

In consideration of the services to be rendered by Agent, Owner shall pay Agent each month any and all of the following forms of compensation as may be applicable as they become due.

7.2 LEASING

Owner agrees to a Leasing Fee in the amount of **Leasing Fee \$** due at the beginning of a new tenancy.

7.3 LEASING GUARANTEE

If Tenant who has been provided by the Agent defaults on the lease within the first twelve (12) months, Agent will re-lease the Premises and waive the leasing fee (as long as default was without Owner approval or military exemption).

7.4 MONTHLY MANAGEMENT

A Management Fee of **Management Fee Percentage** of the gross monthly rents collected or \$100p/door, whichever is greater, shall be retained and paid to Agent. Should a Security Deposit claim be made to cover any unpaid rent, Management Fees will be applicable to such rent also.

7.5 ADDITIONAL ITEMS

Agent may receive credits or interest from banking institutions as a result of escrow funds held. Agent may also receive rewards from the use of credit cards for purchases related to the property. Owner agrees that the accounting for these items is not feasible and Agent is entitled to keep all benefits.

7.6 SALE TO TENANT

If the property is sold to an existing or former Tenant, Agent shall receive compensation as 3% of the purchase price whether or not Owner hires them as the listing Agent. If Agent represents both parties (Owner/Seller and Tenant/Buyer), Agent shall receive compensation as 5% of the purchase price, unless agreed to otherwise in an Exclusive Right to Sell Agreement.

This clause shall remain in effect during the management and for twenty-four (24) months following termination of management.

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

X _____
Initial Here

8. TERMINATION

8.1 NOTICE OF TERMINATION

Owner may terminate this Agreement by giving Agent thirty (30) days written notice of termination.

8.2 OWNER TERMINATION

In the event Owner terminates this agreement, takes the Property off the rental market or sells the Property prior to Agent procuring a Tenant, Owner shall pay Agent a fee of \$500 as compensation for time, effort and expenses incurred in listing, preparing, advertising and attempting to lease the Property.

8.3 HB24-1098

In the event Owner decides to remove the Property from the rental market and a tenant is in place, a Notice to Terminate Tenancy must be served. Owner agrees to pay to Agent the following costs:

- \$50 to prepare the Notice (required)
- \$50 for the first attempt to deliver the Notice (required)
- \$50 for the second attempt to deliver the Notice (Required if first attempt is unsuccessful)

8.4 MANAGEMENT FEE

In the event Owner terminates this agreement for any cause with a written lease in place, the Agent shall be entitled to compensation at the rate of ten percent (10%) of the remaining lease put into effect during the term of this agreement. Said fee shall be paid to Agent before termination becomes effective. In the event this Agreement is terminated by either Owner or Agent, regardless of cause, the parties agree that Agent shall have no further obligation to rent, lease, or manage the Premises.

8.5 AGENT TERMINATION

Agent may terminate this Agreement immediately with written or verbal notice to Owner.

8.6 SECURITY DEPOSIT DISPOSITION

Should the termination coincide with the move-out of a Tenant, the Owner may be responsible for the final inspection and return of Security Deposit Funds to the Tenant. Agent may transfer Deposit being held to Owner and will notify Tenant of the transfer. Owner should do final accounting as required by law. If Owner prefers that Agent facilitate the Security Deposit Disposition process, a fee of \$500 will be charged to Owner.

8.7 OWNER FUNDS

Agent may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated to pay any obligations; Owner shall pay Agent the deficit within ten (10) days of termination date.

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

X _____
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9. CHANGES TO THIS AGREEMENT

9.1 MANAGEMENT MODIFICATIONS

Agent may change the terms of this Agreement, except for compensation terms in Section 7, by giving sixty (60) days written notice to Owner. The sixty (60) days shall be counted from the date notice was mailed, physically or electronically. Should no written objection be forthcoming from Owner within the sixty (60) days period, Owner's acceptance of said changes shall be considered given. Any exception would be a change required by applicable statute or regulation in which case the change would become effective according to the time period required by such statute or regulation.

9.2 GOVERNING AGENCY

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Should one or more of the provisions contained in this Agreement be held to be invalid, illegal, or unenforceable, that disability shall not affect any other provision of this Agreement. That in the event legal procedures are necessary to enforce any provision of this Agreement the venue will be considered El Paso County, Colorado. Agent shall be entitled to recover its reasonable attorney fees and costs to enforce, interpret or defend any dispute concerning this agreement.

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

X _____
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10. METHODS OF NOTIFICATIONS

10.1 NOTICES

For purposes of this Agreement, all notices required herein shall be deemed to have been served upon the other party when mailed to the following addresses or to such other address as shall be changed in writing, properly notifying the other party:

AGENT

AGENT Name: Brett Weldon

Company: **The Springs Team Real Estate Company**

Mailing Address: 6789 Bismark Rd #210, Colorado Springs, CO 80922

Office phone: 719-481-1000

Email: brett@thespringsteam.com

OWNER

OWNER Name: <<Owner Name(s)>>

Mailing Address: <<Owner Address(es)>>

Phone/Email: <<Owner Contact Information>>

10.2 ELECTRONIC AND FACSIMILE SIGNATURES

The parties agree that this Agreement may be executed by Electronic Signatures and/or Facsimile and such signatures shall be binding as if originals.

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

X _____
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11. UNDERSTANDING

11.1 SINGULAR AND PLURAL/GENDER IDENTIFICATION

Wherever appropriate in this Agreement, a singular term shall be construed to mean the plural where necessary, and a plural term the singular. For example, if at any time two parties shall constitute Landlord or Tenant, then the relevant term shall refer to both parties together.

Unless the contexts otherwise demands, words importing any gender shall be interpreted to mean any or all genders.

11.2 ENTIRE AGREEMENT, SUCCESSORS AND ASSIGNS

This Agreement embodies the entire understanding of the parties. All prior or contemporaneous agreements, understandings, representations, warranties, or statements, oral or written, are merged into this Agreement. This Agreement shall become binding upon the successors and assigns of Agent, and the heirs, administrators, executors, successors, and assigns of Owner, and may be sold or assigned by Agent to any person or entity legally qualified to fulfill its terms.

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

X _____
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12. COMPLIANCE WITH COLORADO STATUTES

12.1 WARRANTY OF HABITABILITY ACT

Owner acknowledges a landlord's duty under C.R.S. § 38-12-501 et seq., Warranty of Habitability Act, to maintain the premises in a condition "fit for human Habitation." Under C.R.S. § 38-12-501 et seq., an owner must remedy a condition of uninhabitability or materially dangerous condition which may threaten the life, health, or safety if a tenant gives written notice of the condition to Owner or his Agent. Owner acknowledges that radon mitigation may be required under this statute. Owner hereby ratifies Agent's actions to maintain the Premises in a condition "fit for human Habitation" in compliance with C.R.S. § 38-12-501 et seq.

12.2 SAFETY OF REAL PROPERTY - CARBON MONOXIDE ALARMS

Owner acknowledges a landlord's duty under C.R.S. §38-45-101 et seq., Safety of Real Property - Carbon Monoxide Alarms, to install and maintain operating carbon monoxide and smoke alarms in the Premises. Owner hereby ratifies Agent's actions to install and maintain carbon monoxide and smoke alarms in the Premises in compliance with C.R.S. §38-45-101 et seq.

12.3 ILLEGAL DRUG LABORATORIES

Owner acknowledges a landlord's duty under C.R.S. § 25-18.5-101 et seq. Illegal Drug Laboratories, and related regulations establish standards for the cleanup and restoration of illegal drug laboratories and the properties contaminated thereby. In the event the premises become contaminated by an illegal drug laboratory, Owner shall consult with agent concerning the cleanup and mitigation of the illegal drug laboratory and Agent shall have no obligation to commence such cleanup without express written instructions to do so.

12.4 BED BUGS IN RESIDENTIAL PREMISES ACT

Owner acknowledges a landlord's duty under C.R.S. § 38-12-1001 et seq., Bed Bugs in Residential Premises Act, to inspect, and treat the Premises for bed bugs. Under C.R.S. § 38-12-1001 et seq., an owner must inspect and treat the Premises for bed bugs if a Tenant gives notice that the Tenant reasonably suspects the Premises has the condition the presence of bed bugs to Owner or his Agent. Owner hereby ratifies Agent's actions to inspect and treat the Premises for bed bugs under C.R.S. § 38-12-1001 et seq, and for any other pests or vermin.

12.5 RENTAL APPLICATION FAIRNESS ACT

Owner acknowledges a landlord's duty under C.R.S. § 38-12-901 et seq., Rental Application Fairness Act, to properly account for rental application fees and to make leasing decisions on permitted grounds. Under C.R.S. § 38-12-901 et seq., a landlord may not make decisions on renting residential property on the basis of certain criminal violations older than five years or on the basis of arrest records. Owner further acknowledges that under C.R.S. § 38-12-901 et seq., when screening applicants, a landlord may only consider the amount of an applicant's income for the for the purpose of determining that the prospective tenant's annual amount of income equals or exceeds two hundred percent of the portion of the annual cost of rent that is to be paid by the prospective tenant. Additionally, a landlord may only consider the applicant's credit score under certain circumstances. Owner hereby ratifies Agent's actions to comply with C.R.S. § 38-12-901 et seq.

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

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13. MISCELLANEOUS

13.1 NO TRIAL BY JURY

In the event of any dispute or proceeding concerning this agreement, all parties agree to waive the right to a trial by jury.

13.2 LEASE REVISIONS

Agent shall use its lease, addenda and any other contractual forms necessary for the management of the property. These forms will be updated periodically, and changes will be effective upon lease renewal or procurement of new tenant.

13.3 NO SMOKING POLICY

Agent prohibits smoking of any kind, including vaping and e-cigarettes, in the interior of ALL homes, including garages, and marijuana is prohibited in all circumstance and all forms by any home managed by Agent.

By initialing below, you acknowledge and agree to the terms in Section 13.

X _____
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14. HOA DUES & RESPONSIBILITIES

14.1 OWNER'S RESPONSIBILITY FOR HOA DUES INFORMATION

In instances where the Owner requests that the Property Manager pay HOA dues out of rent proceeds, the Owner is responsible for notifying the Property Manager of the **current HOA dues**, any **increases**, and any **special assessments**. The Owner must ensure the Property Manager is kept informed about any changes to the HOA fees in a timely manner.

14.2 NOTIFICATION TO HOA

The Owner must notify the Homeowners Association (HOA) that The Springs Team Real Estate Company is acting as the Property Manager.

The Owner must also request that all future notifications, including but not limited to, HOA dues updates, increases, assessments, fines, and any other relevant correspondence, be sent directly to the Property Manager's office.

14.3 PROVISION OF ASSOCIATION RULES & REGULATIONS

The Owner is required to provide the Property Manager with current, up-to-date copies of any applicable Condominium or Homeowners Association rules, regulations, and governing documents. This ensures the Property Manager is aware of all conditions and expectations that may affect the property or tenants.

14.4 LIABILITY FOR FEES, FINES, OR ASSESSMENTS

In the event that tenants fail to comply with the HOA rules and regulations and as a result, the HOA or Board imposes fees, fines, or assessments against the Owner, **The Springs Team Real Estate Company shall not be liable for the payment of such obligations.** The Owner remains solely responsible for settling any charges or obligations incurred as a result of tenant non-compliance.

14.5 COMPLIANCE

The Owner acknowledges and agrees to these responsibilities and understands that failure to provide the Property Manager with accurate or updated information regarding the HOA dues, fees, or rules may result in non-compliance, delayed payments, or other issues impacting property management services.

14.6 RESERVE FUNDS

If Agent has agreed to submit any routine financial obligations (such as HOA assessments), The Reserve Funds will be increased by the same amount.

By initialing below, you acknowledge and agree to the terms in Section 14.

X _____
Initial Here

15. Sign and Accept

15.1 CONSENT

By signing this electronic form, Owner acknowledges and agrees to this entire Agreement. This Agreement and any Addendums specifically described in this Agreement shall constitute the entire agreement of the parties. This Agreement may be amended only in writing executed by the parties.

15.2 ATTORNEY FOR AGREEMENT

****This Property Management Agreement has not been approved by the Colorado Real Estate Commission. The same was drafted by KENNETH E. DAVIDSON, attorney for The Springs Team Real Estate Co.****