

**Mary Calvert Management
RE/MAX PROPERTIES, INC.
PROPERTY MANAGEMENT AGREEMENT**

In consideration of the covenants herein contained

Hereinafter called "OWNER",

and MARY CALVERT MANAGEMENT, herein after called "AGENT", agree as follows:

EXCLUSIVE AGENCY

The OWNER hereby employs the AGENT exclusively to rent, lease, operate and manage the property located at [REDACTED] in accordance with the terms hereinafter set forth. This contract will automatically extend to coincide with the end of any lease executed between AGENT and TENANT for the above named property during the course of this agreement.

OWNER or AGENT may notify the other party of their intention to terminate this agreement with a thirty (30) day notice, in writing.

AGENT shall manage the property in full compliance with the requirements of the Fair Housing Act.

AGENT OBLIGATIONS

The AGENT accepts the employment and agrees to the following:

- a. To use due diligence in the management of the premises for the period specified and under the terms herein provided;
- b. To furnish the services of Mary Calvert Management to rent, lease, operate and manage the premises;
- c. To render to the OWNER monthly statements of receipts, expenses, charges and disbursements associated with the management of the premises;
- d. To deposit all receipts collected for OWNER (less any sums properly deducted or otherwise provided herein), in a Trust account of a National or State institution qualified to engage in the banking or trust business which is FDIC insured, and separate from AGENT'S personal account. OWNER acknowledges that any security deposits received by AGENT are the funds of the Tenant and are to remain in a Trust account during the term of the tenancy. The AGENT shall not be held responsible for the loss of funds in case of bank failure or bank closing, or any other cause beyond the AGENT'S control. The AGENT may receive fees and charges from Tenants such as but not limited to credit application fees, returned check fees, or other services that are not in conflict with this agreement.
- e. To advertise the property for rent or lease as required;
- f. To make arrangements for the institutions and prosecution of any suit to recover rent or possession of the premises;
- g. To contract for all necessary repairs or maintenance. All such contractors should be deemed to be employed by the OWNER, and AGENT shall not be held responsible for contractor's acts of negligence that may cause harm or damage to premises;
- h. Conduct quarterly exterior inspections and annual interior inspections;
- i. Employ janitors and or other cleaning services;

- j. To make contracts for electricity, home heating fuel, water, telephone, and any other service that the AGENT feels necessary; OWNER to assume the obligation of any contract entered into at the termination of this agreement;
- k. Make mortgage and/or trust deed principal and interest payments, if any, as advised by OWNER, provided that such funds are available to AGENT for such payment;
- l. Provide OWNER with any appropriate 1099 forms at the end of the calendar year.

Actions not covered: Normal property management does not include providing on-site management services, property management sales, refinancing, preparing the property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, nor attending Owner's Association meetings. If OWNER requests AGENT to perform services not included in normal property management, or those specified above, a fee shall be agreed upon for these services prior to the commencement of such work.

OWNER OBLIGATIONS:

The OWNER gives the AGENT the following authority and powers and agrees to assume the expenses in connection herewith as follows:

1. AUTHORITY

Tenancy

The OWNER authorizes AGENT:

- a. To advertise the availability for rental of the herein described premises or any part thereof at OWNER'S expense, and to display "for rent" signs on the property;
- b. To sign, renew, and/or cancel leases for the premises or any part thereof;
- c. To collect rents due or to become due, and to give receipts therefore;
- d. To terminate tenancies and to sign and serve in the name of the OWNER such notices as are appropriate;
- e. To institute and prosecute actions;
- f. To evict Tenants and to recover possession of said premises;
- g. To sue for in the name of the OWNER and recover rents and other sums due;
- h. When expedient, to settle, compromise, and/or transfer past due accounts to a collection agency, release actions or suits, or reinstate such tenancies;
- i. To execute leases for \$ [redacted] per month;
- j. To execute leases not in excess of [redacted] years;
- k. To execute leases not less than [redacted] months;
- l. To execute leases at a monthly rate no less than \$ [redacted] ;
- m. To advertise property as available for lease starting [redacted] .

Repairs

The OWNER further authorizes AGENT:

To make or cause to be made and supervise repairs and alterations on said premises and to purchase supplies and pay all bills therefore. The AGENT agrees to secure the approval of the OWNER for all expenditures in excess of \$250 for any one item. This does not apply to monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of the AGENT such repairs are necessary to protect the property from damage or to maintain services to the Tenants as called for in their lease. Should Owner make provisions for

home warranty services, every effort will be made to use the provided home warranty service before engaging the services of other contractors.

Employees

The OWNER further authorizes AGENT:

To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises; it being agreed that all employees shall be deemed employees of the OWNER and not the AGENT, and that the AGENT may perform any of its duties through the OWNER'S attorneys, agents or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.

Service

The OWNER further authorizes AGENT:

- a. To make contracts for electricity, heating fuel, water, window cleaning, rubbish hauling, and other services or such of them that the AGENT shall deem appropriate at OWNER'S expense, including attorney's fees, changing of door locks after each move out, furnace service, winterization and start up of sprinkler system.. The Owner agrees to assume the obligation of any contract so entered into prior to the termination of this agreement.
- b. In regard to an insured loss to the property, the Owner does make, constitute and appoint Mary Calvert Management to do and perform specific acts of endorsing any insurance drafts payable to Owner and/or other interested parties, for the payment or repair of property of liability loss of and draft due to third party in regard to repair or liability.

2. HOLD HARMLESS

The OWNER agrees:

- a. To hold the AGENT harmless from all damage suits in connection with the management of herein described property and from liability from injury or death suffered by any employee or other persons whomever to include any tenant, invitee, contractor, subcontractor, employee of contractor or subcontractor, and to carry, at OWNER'S expense, necessary public liability insurance adequate to protect the interests of the parties hereto, which policies shall be so written as to protect the AGENT in the same manner and to the same extent they protect the OWNER and will name the AGENT as coinsured.
- b. To also indemnify and hold harmless AGENT and employees from all claims, debts, demands, suits, costs, and charges including attorney's fees, in connection with the management of the property or the lawful performance or exercise of any of the duties, obligations, powers or authorities granted to the AGENT;
- c. AGENT also shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.
- d. RE/MAX Properties, Inc. is not responsible for illegal acts of the tenants.

3. AGENT COMPENSATION and OPERATING FUNDS

- a. OWNER agrees to pay AGENT a one-time non-refundable set-up fee in the amount of \$500.
- b. OWNER agrees to maintain a \$250 OWNER escrow at the signing of this agreement for repairs, advertising, and property preparation.
- c. OWNER agrees to an AGENT management fee of ten per cent (10%) of gross monthly rent collected or \$85.00 per month rent is collected, whichever is greater.

- d. OWNER will be billed at the rate of \$25 per hour for AGENT coordination of cleaning, repairs, improvements, and inspections to prepare a vacant property for lease at the request of the OWNER. Services related to any insurance claim for coordination of contractors/insurance companies for damages to property are considered over and above normal management services and will be billed at \$50 per hour at the request of the OWNER. Additionally cosmetic upgrades such as painting and landscaping will also be billed as an additional request by the OWNER. OWNER is not obligated to engage AGENT for any of these services.
- e. In any case where disbursements shall be in excess of the rents collected by AGENT, OWNER agrees to pay the difference to AGENT immediately upon demand.
- f. Any service charges paid by the Tenant for returned checks and lease application fees will be retained by the AGENT.
- g. Late charges or lease breaking fees paid by Tenant will be split 50/50 between OWNER/AGENT.
- h. If AGENT is expected to be present for estimates, maintenance and repairs more than twice per month their will be a \$25 trip charge per additional trip.
- i. If OWNER terminates this agreement prior to AGENT finding a Tenant for said property, for any reason, OWNER agrees to pay AGENT a cancellation fee of twenty per cent (20%) of one month's advertised rent.
- j. ALL interest earned on the trust accounts will be donated to Colorado Association of Realtors Housing Opportunity Fund (CARHOF), a non-profit Colorado association.

Special requirements or comments:

- 1. OWNER will name Mary Calvert Management as an Additional Insured on the OWNER's homeowners insurance policy and provide a copy of said policy to AGENT.
- 2. OWNER will add Mary Calvert Management to utility company's account for said property so that AGENT has authority to ensure utilities have been placed in tenant's names, etc.

Owner Name(s): _____

Address: _____

Phone #: _____ Cell #: _____

FAX#: _____ Email: _____

Proceeds to (check one): Direct deposit to Bank _____ Check mailed directly to Owner _____

Insurance Co: _____

Address: _____

Phone#: _____ Fax# _____

Agent Name _____

Policy # _____ Deductible _____

Homeowners Association: _____

Point of Contact: _____

Address: _____

Phone # _____ Fax# _____

For Federal Tax reporting – Proceeds to be reported as follows:

_____ % to _____ SSN _____

_____ % to _____ SSN _____

Other items of mutual Agreement

Smoking allowed: Yes _____ No _____ Smoking Restrictions: _____

Pets allowed: Yes _____ No _____ Pet Restrictions: _____

Garage door openers: Yes # _____ No _____

OWNER'S personal property in or on premises: _____

The following funds from the OWNER are received and placed in an escrow account:

Operating funds \$250.00 Date Received: _____

The following funds from the OWNER are received to be retained by AGENT:

Lease set up Fee \$500.00 Date Received: _____

This agreement shall be binding upon the successors and assigns of the AGENT, and the heirs, administrators, executors, successors, and assigns of the OWNER.

IN WITNESS WHEREOF the parties hereto have affixed or caused to affixed their respective signatures this date: _____

OWNER

OWNER

Mary M. Calvert, Broker

Mary Calvert Management
RE/MAX Properties, Inc.
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Colorado Springs, CO 80906

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