

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made between _____, the undersigned Owner and _____, the undersigned Agent on the _____ day of _____, 20_____.

1. Exclusive agency. Owner hereby appoints Agent, and Agent hereby accepts the appointment, as exclusive managing Agent of the real property known as _____ and situated at _____ on the terms and conditions herein.

2. Duties of Agent. The duties and responsibilities of the Agent in connection with the management of the above-described property are as follows:

(a) Agent shall use its best efforts to lease available space of the property, and shall be responsible for all negotiations with prospective tenants, and shall have the right to execute and enter into month-to-month tenancies, or tenancies of not longer than _____, on behalf of Owner.

(b) Agent shall advertise vacancies by all reasonable and proper means.

(c) Agent shall take all reasonable steps to collect and enforce the collection of all rentals and other charges due Owner from the tenants in accordance with the terms of the rental agreements. In this connection, Agent shall, in the name of Owner, execute and serve such notices and institute such legal proceedings against delinquent tenants as may be necessary to enforce the collection of rent or other sums due from the tenant, or to enforce any other covenants of a lease agreement. No other form of legal action will be instituted and no compromise of any such other action shall be made without the prior consent of Owner.

(d) Agent shall use its best efforts to ensure that the property is maintained in an attractive condition and in a good state of repair. Agent shall purchase necessary supplies, make contracts for, or otherwise furnish electricity, gas, fuel, water, telephone, refuse disposal, pest control, and any other utilities or services required for the operation of the property. Expenditures for repairs, or alterations in excess of \$ _____ shall not be made without the prior written consent of Owner.

(e) Agent shall employ, discharge, and supervise all employees or contractors necessary for the efficient operation and maintenance of the property. All employees shall be employees of Agent, who shall pay the salaries of such employees and pay all charges for services rendered by independent contractors. Those employees of Agent who handle, or are responsible for handling of, monies shall, without expense to Owner, be bonded by a fidelity bond acceptable to both Agent and Owner.

(f) Agent shall recommend the amount of insurance needed and the terms thereof. Owner shall procure and pay for all insurance.

Inasmuch as all employees are employed by Agent, Agent will purchase workers' compensation insurance and provide Owner with a certificate of insurance annually, naming Owner as an additional insured.

(g) Agent shall remit all rental proceeds to Owner establish a bank account into which Agent shall deposit all revenues from the property, at the election of Owner. If Owner elects to establish a bank account, Agent shall pay such trade accounts as directed by Owner including mortgage indebtedness, special assessments, insurance premiums due, Agents compensation and establish a reserve of 1/12th of the estimated annual property and other taxes levied against the property. After such payments, Agent shall remit any balance of the monthly revenues to Owner concurrently with the delivery of the monthly report hereinafter provided.

Security deposits shall be held by _____, with any interest earned on the security deposit escrow account to be _____.

(h) Agent will keep and maintain accurate books and records as Owner may reasonably request which reflect all revenues and expenditures incurred in connection with the management and operation of the property, and shall maintain all correspondence and other information relating in any way to the operation of the property. The books and records shall be kept at the property and shall be available to Owner for inspection, for examination and audit during regular business hours.

Agent shall furnish to Owner monthly itemized accounts reflecting all revenues and expenditures together with the original copies of all invoices, statements, purchase orders and billings received and paid during the

month as well as any other information relative to the property. Said report shall be furnished no later than thirty days after the end of any given month. Owner shall retain all original invoices and statements furnished.

3. Compensation of Agent. Agent shall receive a management fee equal to _____% of the gross receipts collected from the operation of the property of \$_____ per month plus a credit towards rent of \$_____ per month Other _____.
Gross receipts are defined as all revenues collected less any refundable deposits received.

4. Term of agreement. This agreement shall commence on _____, and end on _____. If the parties continue this agreement after the termination date, it shall be considered renewed on a month-to-month basis. If Agent breaches any of the terms of this agreement, Owner shall give Agent written notice of such breach. If said breach is not remedied within ten days after mailing of said notice, Owner may terminate this agreement.

This agreement shall terminate on the voluntary sale of the property by Owner, or in the event of a condemnation of the property, or in the event bankruptcy proceedings are commenced against either Agent or Owner.

5. Attorney's fees. Should either party bring suit to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover reasonable Court costs and attorney's fees.

6. Independent contractor. Agent is an independent contractor of Owner and not an employee thereof. This agreement shall not be construed as creating in Agent any property interest in and to the property.

7. Attachments. The following exhibits, attachments and addenda are a part of this agreement:
 Exclusive Right-to-Lease Listing Contract Agency Transaction-broker

8. Additional Provisions:

This agreement shall be binding on the heirs, executors and assigns of the parties hereto.

AGENT

ADDRESS

AGENT

OWNER

Note: If you are a Colorado Real Estate Broker, please see Commission's position on *The Performance of Residential Property Management Functions* in the Colorado Real Estate Manual.