



**KELLER WILLIAMS**®

R E A L T Y

Keller Williams Preferred Realty, LLC

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**PROPERTY MANAGEMENT AGREEMENT  
(Single-Unit)**

**Date:** \_\_\_\_\_

**Brokerage Firm:** Keller Williams Preferred Realty, LLC

**Broker:** Kevin and Kerri Massey

**Landlord:** \_\_\_\_\_

**Property:** \_\_\_\_\_

**Reporting Date:** No later than the 1<sup>st</sup> day of the following month

THIS AGREEMENT is made between Brokerage Firm, Broker and Landlord as of the Date.

- 1) **Exclusive Agency.** Landlord hereby appoints Brokerage Firm, acting through Broker, and Brokerage Firm hereby accepts the appointment, as exclusive manager of the Property upon the following terms and conditions.
- 2) **Broker Duties.** The duties and responsibilities of the Brokerage Firm acting through Broker in connection with the management of the Property are as follows:
  - a) **Marketing.** Broker shall use reasonable efforts to market the available space of the Property for lease.
  - b) **Negotiations.** Broker shall facilitate all negotiations between Landlord, prospective tenants and tenants.
  - c) **Inspection Report.** Broker shall assist tenant in preparing Inspection Report both prior to tenant occupying the Property and upon tenant vacating the Property.
  - d) **Rent Collection.** Broker shall facilitate the collection of all rentals and other charges due Landlord from the tenants as directed, in writing, by Landlord, in accordance with the terms of the rental agreements. If legal action is needed, Broker will facilitate, but Landlord must retain and pay for a lawyer per paragraph #3.1. below.

e) **Bank Account.** Brokerage Firm currently has a trust bank account into which Broker shall deposit all revenues from the Property. No interest is earned on the Brokerage Firm's trust bank accounts. Said trust account may contain not only Landlord's funds, but may also contain funds for other landlords for which Brokerage Firm conducts property management services. To the extent funds are available, Broker shall pay from the Landlord's proceeds in the trust account all supplies, maintenance, repairs, utilities and other expenses for the Property authorized by Landlord as well as Broker's compensation. After such payments, Broker shall remit any balance of the monthly revenues to Landlord (less Landlord Reserve as defined in paragraph #3.e. below), concurrently with the delivery of the monthly report hereinafter provided, sent on or before the Reporting Date.

f) **Holding Security Deposits.** Security deposits shall be held by Brokerage Firm in a trust account established specifically for security deposits with no interest earned on the account.  If this box is checked, the Landlord currently holds some of the security deposits for the following units: N/A.  If this box is checked, all security deposits are paid to and held by the Landlord. Landlord authorizes Broker to disclose to tenants Landlord's true name and current mailing address.

g) **Distributing Security Deposit.** Upon termination of any lease on the Property, Broker shall prepare a final itemized accounting stating how much of the tenant's security deposit Broker will return to tenant and how much of the security deposit will be withheld for amounts owed under the lease ("Deposit Final Accounting"). Broker shall then send a copy of the Deposit Final Accounting to tenant and Landlord along with disbursing the tenant's security deposit in accordance with the Deposit Final Accounting. Landlord authorizes Broker to notify tenants of any transfer of security deposits to the Landlord, if applicable, and disclosure to tenants of Landlord's true name and current mailing address. If a local ordinance (ie: Boulder) provides for interest earned on the security deposit to accrue to the tenant, then Landlord authorizes Brokerage Firm to also return any applicable interest to tenant from Landlord's Reserve Account (as defined in paragraph #3.d. below).

h) **Reporting.** Broker shall furnish to Landlord monthly itemized reports reflecting all revenues and expenditures together with the 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 sent to Landlord on or before the Reporting Date.

i) **FCRA Compliance.** When appropriate, Broker will send an adverse action notification to all potential tenants which rental applications were denied by Broker.

3) **Landlord Agreements.** The Landlord agrees:

a) **Ownership and Loan Status.** Landlord represents and warrants that Landlord is the true, correct and only owner of the Property. Landlord further represents and warrants that the Property is not in foreclosure nor is any loan against the Property in default. In the event any loan against the Property does go into default or the Property is sold, the Landlord shall immediately notify the Broker, in writing.

b) **Forms.** Landlord has reviewed and approves the attached Rental Application and Inspection Report to be used by Broker. Prior to the signing of a lease with a tenant, Landlord shall obtain, review and/or approve an acceptable lease form to be used by Broker. Landlord is strongly encouraged to have these forms reviewed by Landlord's attorney.

c) **License.** Landlord shall obtain all local rental licenses (ie: Boulder) necessary for Broker to rent the Property. Landlord should consult with Broker and local government to find out if a license is necessary.

d) **Landlord Reserve.** Landlord authorizes Brokerage Firm to hold \$300.00 (“Landlord Reserve”) of Landlord’s proceeds in Brokerage Firm’s operating trust account. The Landlord Reserve shall be maintained until the sooner of (a) such time as this Agreement is terminated or (b) in the sole discretion of Broker, if Landlord fails to cure a default pursuant to paragraph #12 below. Broker is authorized to disburse the Landlord Reserve to pay any financial obligations of Landlord under this Agreement. If for any reason such funds are disbursed, the Landlord shall replenish the Landlord Reserve within ten (10) days written notice by Broker or Broker may replenish the account from collected rent.

e) **Insurance.** Landlord shall carry, at Landlord’s expense, bodily injury, property damage, and public liability insurance with customary limits for like property. The Brokerage Firm and the Broker will be named as additional insureds. A certificate of insurance will be furnished to Brokerage Firm or Broker upon demand.

f) **Indemnity.** Landlord agrees to indemnify and hold Brokerage Firm and Broker harmless from any and all costs, expenses, attorney fees, and damages from, or arising out of, the management of the Property, including attorney fees and costs for defense, or the performance or exercise of any of the duties, obligations, powers, or authorities granted in this Agreement, except where the underlying claim is due to gross negligence or intentional misconduct of the Brokerage Firm or Broker.

g) **Payments.** Landlord agrees that Landlord is ultimately responsible for paying all mortgage indebtedness, special assessments, insurance premiums, homeowner’s association dues/assessments and annual property and other taxes levied against the Property when due.

h) **Eviction and/or Litigation.** In the event legal proceedings are necessary to enforce the collection of rent or to obtain possession of the Property against a delinquent tenant, Landlord, at Landlord’s sole expense, authorizes Broker to contact Landlord’s attorney to institute such proceedings. Landlord’s attorney is fully authorized to release all information to Broker as needed. Broker agrees to reasonably cooperate with Landlord or Landlord’s attorney upon commencement of such proceedings. Landlord’s attorney is: \_\_\_\_\_

4) **Term of Agreement.** This Agreement shall commence on \_\_\_\_\_, and end on \_\_\_\_\_ (“Term”). However, if neither party receives written notice 30-days prior to the expiration of the Term, the term shall automatically extend on a month-to-month basis until such 30-day written notice is received.

5) **Lease Terms.** The Broker shall offer the Property for lease on the following terms:

a) **Rent.** The initial (asking) rental amount will be \$\_\_\_\_\_ per month

b) **Term.** The minimum rental term will be 12 months.

c) **Security Deposit.** The minimum security deposit will be \$\_\_\_\_\_.

d)  **Pets.** If the box is checked, the Landlord will allow pets on the Property. Pets are limited to \_\_\_\_\_ (describe). If a tenant has pets, Broker will advise tenants that an additional security deposit will be required from the tenant of \$\_\_\_\_\_.

e) **Utilities.** The following utilities will be paid as follows:

Gas	<input checked="" type="checkbox"/> Tenant	<input type="checkbox"/> Landlord
Electric	<input checked="" type="checkbox"/> Tenant	<input type="checkbox"/> Landlord
Water and Sewer	<input checked="" type="checkbox"/> Tenant	<input type="checkbox"/> Landlord
Telephone	<input checked="" type="checkbox"/> Tenant	<input type="checkbox"/> Landlord
Cable/Satellite	<input checked="" type="checkbox"/> Tenant	<input type="checkbox"/> Landlord
Trash Removal	<input checked="" type="checkbox"/> Tenant	<input type="checkbox"/> Landlord

f) **Appliances.** The following appliances will be provided by Landlord:

- Stove
- Oven(s)
- Dishwasher
- Microwave
- Refrigerator
- Washer
- Dryer
- Trash Compactor
- Freezer

6) **New Tenant Procedure.** Broker and Landlord agree to the following procedures for selecting a new tenant for the Property:

a) **Tenant Application.** If the box is checked, the Broker shall request the following information from the tenant:

- i)  Tenant Rental Application completed and signed by tenant.
- ii)  Verification of employment
- iii)  Copies of the past two months of tenant's pay stubs.
- iv)  Verification of tenant's current and past residences (up to three years).
- v)  Credit check on tenant
- vi)  Background check on tenant
- vii)  Other: \_\_\_\_\_

b) **Application Fee.** The Broker  shall  shall not charge the tenant an application fee of \$30.00. If the Broker is to charge an application fee the fee shall be disbursed to Cornerstone Group.

c) **Tenant Selection.** (Check One)

- i)  **Landlord.** The Broker shall provide the Tenant Application to the Landlord for review and consideration of the tenant applicants. Landlord shall review the Tenant Application for each applying tenant and promptly advise Broker, in writing, as to approval or disapproval of tenants by Landlord.
- ii)  **Broker.** The Broker shall review the Tenant Application for each applying tenant and shall approve or disapprove of such tenants. The standard for approval shall be either Landlord approval or:
  - Tenant has verbally agreed to the terms set forth in paragraph #5 above, and;
  - The Tenant Application does not show the tenant has prior evictions, and;
  - The Tenant Application does not show the tenant has convictions for violent felonies or arson.

d) **Lease Preparation.** Once Landlord has chosen an acceptable tenant, Broker will complete the lease pursuant to paragraph #5 above and obtain tenant's signature.

e) **Lease Execution.** (Check One)

- i)  **Landlord.** Landlord shall approve all leases either by signing the leases or confirming, in writing, that the Broker has Landlord's authority to sign the leases on behalf of Landlord. If Landlord is signing the leases, the Landlord shall provide a copy of the executed lease to Broker within three (3) days of receipt of the tenant signed lease from the Broker.

- ii)  **Broker.** The Landlord authorizes Broker to execute all leases on behalf of Landlord so long as the tenant meets the criteria set forth in paragraph #6.b.ii above. Broker shall provide a copy of the executed lease to Landlord within three (3) days of full execution of the lease.

7) Maintenance, Repairs and Utilities.

a) **Maintenance and Repair.** Broker shall use reasonable efforts to keep the Property maintained in an attractive condition and in a good state of repair to the extent that funds of the Landlord are available to do so. Expenditures for repairs, supplies, maintenance and/or alterations in excess of \$300.00 per month shall not be made without the prior written consent of Landlord. Repair and maintenance services may be provided by personnel employed by Broker which services will be charged to Landlord at market rates. Neither Brokerage Firm nor Broker has any obligation to advance funds for repair or maintenance of the Property.

b) **Emergency Repairs.** Emergency repairs (as determined in the judgment of Broker) will be undertaken as required at the expense of the Landlord. Landlord will be notified as soon as reasonably possible. Examples of emergency repairs include, but are not limited to, burst water pipes, inoperable heating and cooling systems.

c) **Utilities.** On behalf of Landlord, Broker may execute contracts for electricity, gas, fuel, water, sewer and any other utilities or services required for the operation of the Property as authorized agent in the name of the Landlord provided there is no tenant paying the utilities. Landlord shall pay for all utility expenses, however, if utilities are expected to be in excess of \$N/A per month, Broker shall first obtain Landlord's written permission.

d) **Contracts and Payment.** Contracts for maintenance, repairs and utilities shall be in the name of the Landlord and signed by the Broker as authorized agent of the Landlord. Landlord authorizes Broker to pay for all maintenance, repairs and utilities out of Landlord's proceeds to the extent Landlord proceeds are available. If the Landlord's proceeds are insufficient to pay the expenses, the Landlord shall provide additional funds to Broker for the trust account within ten (10) days of written request.

8) **Compensation of Brokerage Firm.** As compensation for property management services, Brokerage Firm shall receive (check the appropriate boxes):

a)  **Property Management Fee.** A monthly fee equal to 10% of all rents collected, or \$N/A whichever is greater, from the tenant of the Property for such month during the term of this Agreement.

b)  **Late Fees.** 100% of any late fees paid by a tenant for failing to pay rent when due under the lease.

c)  **Flat Fee.** A flat fee equal to \$N/A per month regardless of whether the Property is rented or vacant.

d)  **Lease Commission.** A lease commission of N/A, or \$N/A whichever is greater. The lease commission shall be due and payable within thirty (30) days of Landlord and tenant executing the lease. If the lease contains an option to extend or renew, Broker  **Shall**  **Shall Not** be paid a fee for such extension or renewal. If Brokerage Firm is to be paid a fee for such extension or renewal, such fee shall be paid as follows: N/A. Such fee shall be due and payable upon  **the Exercise** by tenant of such right to extend or renew the lease  **Upon the Commencement** of any such extended or renewed term of the lease. No additional Lease Commission shall be paid if an existing tenant remains as a month-to-month tenant.

- e)  **Start-up Fee.** Upon signing this Agreement, Landlord shall pay Brokerage Firm \$300.00 as a start-up fee to offset Broker's initial administrative, advertising and file set-up costs. The parties agree that the start-up fee is fully earned upon payment.
- f)  **Early Termination Fee.** In the event this Agreement is terminated, for any reason, before the end of the Term by Landlord, Landlord agrees to pay \$equal to 6 months management fee as an early termination fee.
- g) **Testimony.** In the event Landlord's attorney or Landlord requests Broker appear in Court or give testimony in any eviction matter, Brokerage Firm shall be paid a fee of \$55.00 per hour.
- h) **Other.** \_\_\_\_\_

9) **Other Broker's Assistance.** Brokerage Firm will offer compensation to, the following brokers:

- Tenant Agents:** N/A% of the Lease Commission or \$N/A.
- Transaction-Brokers:** N/A% of the Lease Commission or \$N/A.

10) **Multiple Properties.** In the event Brokerage Firm is managing multiple properties for Landlord, Landlord authorizes Brokerage Firm to utilize proceeds from one property to pay contracts, expenses and obligations of another property. Additionally, a default by Landlord under another agreement with Brokerage Firm shall constitute a default under this Agreement.

11) **Sale of Property.** Should the Property be sold to any tenant procured by Broker, then Brokerage Firm shall be paid a commission of To Be Determined% of the sale price upon successful closing. If Brokerage Firm is paid a commission on the sale of the Property, the Early Termination Fee is waived.

12) **Default.** If either party believes the other party is in default under this agreement, the non-defaulting party shall give the other party written notice of such default. If said default is not cured within ten (10) days after sending said notice, the non-defaulting party may terminate this agreement and pursue the defaulting party for damages pursuant to paragraph #17.

13) **Termination.** This Agreement shall terminate: upon expiration of the Term; condemnation of the Property; sale of the Property; foreclosure proceedings filed against the Property, or upon election by either party in the event the other party is in default and does not cure under paragraph #12 above.

14) **Wind-Down.** Upon termination of this Agreement: 1) all monies held by Brokerage Firm on behalf of Landlord, except the Landlord Reserve, shall be sent to Landlord within thirty (30) days of such termination; 2) Also within ten (10) days of said termination, all security deposits shall be sent to Landlord or the buyer of the Property and a written notice shall be sent to the tenant with Landlord's or the buyer's true name and mailing address; 3) the Landlord Reserve shall be sent to Landlord thirty (30) days after termination less any expenses or obligations incurred for the Property; 4) Broker shall provide Landlord a final accounting of for the Property.

15) **Nondiscrimination.** The parties agree not to discriminate unlawfully against any prospective tenant or tenant because of the race, creed, color, sex, marital status, national origin, sexual orientation, familial status, physical or mental handicap, religion or ancestry of such person.

16) **Recommendation of Legal and Tax Counsel.** By signing this Agreement, Landlord acknowledges that Broker has advised Landlord that this Agreement has important legal consequences and has recommended consultation by Landlord with legal and tax or other counsel before signing this Agreement.

17) **Mediation and Arbitration.** If a dispute arises relating to this Agreement, the parties shall submit the matter to mediation. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty (30) calendar days of the date written notice requesting mediation is delivered by one party to the other. In the event mediation is unsuccessful, the dispute shall be submitted to binding arbitration, unless otherwise agreed between the parties, in writing. The party desiring such arbitration shall serve upon the other party a notice in writing demanding arbitration and naming a proposed arbitrator. The parties shall then reasonably negotiate in good faith as to selection of the arbitrator. If the parties do not agree upon an arbitrator within fifteen (15) days of the service of the notice for arbitration, then either Resident may request the appointment of an arbitrator by a judge in the Adams County District Court, State of Colorado.

18) **Attorney Fees.** In the event of any arbitration or litigation relating to this Agreement, the arbitrator or court shall award to the prevailing party all reasonable costs and expenses, including attorney and legal fees.

19) **Attachments.** The following exhibits, attachments and addenda are a part of this agreement:

- Brokerage Duties Addendum to Property Management Agreement
- Using Consumer Reports: What Landlords Need to Know
- Summary of Consumer Rights issued by the Federal Trade Commission
- Rental Application
- Inspection Report

20) **Additional Provisions:**

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21) **Notice.** Any notices hereunder shall be sent by overnight delivery service, by facsimile or certified U.S. first-class mail, postage prepaid, return receipt requested, to the addresses below. Either party may designate a different address or addresses for itself by notice similarly given. Any notice given by mail shall be deemed to have been given on the third day after the same is deposited in the mail, and any notice not so given shall be deemed to have been given upon receipt of the same by the party to whom the same is to be given. Any notice given by facsimile shall be deemed to have been given on the day of transmission when sent.

22) **Choice of Law and Jurisdiction.** This Agreement and all disputes arising hereunder shall be governed by and construed in accordance with the laws of the State of Colorado. Also, Colorado shall be the jurisdiction for any dispute arising out of this Agreement.

23) **Modification.** This Agreement may only be changed in a writing signed by the parties.

24) **Counterparts.** If more than one person is named as a Landlord herein, this Agreement may be executed by each Landlord separately and when so executed, such copies taken together with one executed by Broker on behalf of Brokerage Firm shall be deemed to be a full and complete contract between the parties.

Brokerage Firm has authorized Broker to execute this contract on behalf of Brokerage Firm

**LANDLORD:**

\_\_\_\_\_  
Landlord

\_\_\_\_\_  
Landlord

\_\_\_\_\_  
Landlord

\_\_\_\_\_  
Landlord

\_\_\_\_\_  
Address, phone number, fax number, email

**BROKER:**

\_\_\_\_\_  
Broker

Keller Williams Realty Success, LLC  
11859 Pecos St., #200  
Westminster, CO 80234  
w) (303) 452-3300