



1. Property Management Agreement

1.1 INTRODUCTION

This "Agreement", made this Day of Month day of Month and Year, between TJC Real Estate & Management Services Inc., a Colorado Corporation, hereinafter called the "Manager" and <<Owner Name(s)>> hereinafter called the "Owner".

1.2 PROPERTY TERMS

Owner is employing Manager to manage, operate, control, collect rents, arrange for maintenance and pay for same from Owner's funds, locate and service tenants for the property known as <<Property Address>>. Property includes stove, dishwasher, refrigerator, microwave, washer and dryer, and window coverings (blinds). Utilities are paid by Owner while vacant and paid by Manager and/or tenant when occupied. The annual wastewater bill is always the Owner's responsibility and at Manager's discretion may be paid out of owner funds. Minimum acceptable rent for this property is \$1500 (Actual rental rate will be determined based on current market conditions at time of listing property on the rental market); minimum acceptable security deposit is equal to one month's rent. Rents below this amount cannot be accepted without Owner approval. Eleven month leases are preferred for new leases, but, with Owner approval, leases as short as 6 months can be allowed.

1.3 MANAGEMENT AGREEMENT TERMS

This Agreement shall begin on <<Management Start Date>> and shall be in effect for a period of just over 2 years, and shall expire at midnight on <<Agreement Termination Date>>. Owner may terminate this Agreement at any time upon giving thirty (30) days advance written notice to Manager. Manager may terminate this Agreement at any time by giving 48 hour written notice to the Owner. Should Owner terminate the Agreement, Owner agrees all Management and other fees owed to Manager shall be paid in full within 30 days of termination date. In addition, should the Owner cancel this Agreement during the initial lease term signed by a tenant, then the Owner agrees to pay Manager the sum of one-half of one month's rent per unit as a cancellation fee within 30 days of termination date. Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a like period of time unless terminated in writing by either party 30 days prior to the date for such renewal. In addition, all terms and conditions of this Agreement are subject to change by Manager, with a 30 day written notice (email is acceptable) issued by Manager. Should Manager be legally obligated to post the tenant with a legal notice because of an Owner request (example: selling during, or after, a lease) the Owner will be charged in accordance with section 1.45

This Management Agreement can be assigned to another licensed Colorado Property Management company with a 30 day notice to the Owner.

1.4 PROPERTY MANAGER AS LAWFUL AGENT

The Owner hereby appoints Manager as his/her lawful agent and attorney-in-fact with full authority to do any and all lawful things necessary for the fulfillment of this Agreement (and any tenancies that resulted from this agreement), including but not limited to the following:

1. To advertise the property and display signs thereon. Any owner approved costs incurred for additional marketing and advertising sources that are over and above the typical methods utilized by the Manager will be paid for by the owner. When marketing the property, the Manager reserves the right to include information about other properties that the Manager has available in all marketing materials and advertisements.
2. To show the property to potential tenants (both in person and virtually). Please note that the manager uses both licensed showing agents and non-licensed showing agents to show properties to potential tenants. Manager allows self showings at vacant homes.
3. To have potential tenants fill out a rental application form and to acquire credit reports from potential renters.
4. To collect an application fee for each rental application form from the prospective tenant.
5. To conduct due diligence in reviewing credible tenants against the terms agreed upon within this agreement.
6. To have a potential tenant sign a lease.
7. To collect and return (at Manager's sole discretion) security deposits.

8. To collect all rents due and as they become due.
9. To render to the Owner a monthly accounting of rents received and expenses paid out; and to remit to the Owner all income, less any sums paid out.
10. To sign, renew and cancel rental agreements and leases for the property or any part thereof.
11. To sue and recover for rent and for loss of or damage to any part of the property and/or furnishings thereof; and, when expedient, to compromise, settle and release any such legal proceedings or lawsuits.
12. Manager to terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate as prescribed by Colorado Law, and prosecute action, to evict tenants to recover possession of said premises and recover rents or release such actions or suits or reinstate such tenancies. Manager agrees to follow all procedures possible to secure responsible tenants. If said tenants fail to live up to the terms of the lease, Owner shall not hold Manager responsible.
13. Manager to oversee municipality rental permits/inspections.

1.5 MAINTENANCE OBLIGATIONS

Manager to make or cause to be made and supervise repairs and maintenance (including landscaping) and to do routine work necessary to properly maintain the property. Manager will repair and maintain components of the premises to the condition as they were designed. The Manager shall obtain prior approval from the Owner for expenditures exceeding \$750.00 for any one item, excluding monthly or recurring operating charges and emergency repairs. Emergency repairs exceeding this amount may be carried out without prior approval if deemed necessary by the Manager to protect the property, prevent damage to persons or other property, to avoid suspension of necessary services, avoid penalties, comply with local, state, or federal laws, or maintain services as stipulated in tenants lease. HVAC system repairs and radon mitigation repair/installation shall be performed as needed regardless of cost. Should Owner not respond within 48 hours of Manager notifying them of repair request, Manager will proceed with repair at its best discretion. If required by law, Manager will arrange for hotel accommodations for the tenant, at Owner's expense.

Manager may use Manager's credit card for handling repair costs. Any benefits received by Manager from vendors, credit card payments, or banks will be retained by the Manager.

Manager vets and hires contractors at its sole discretion. The vetting process includes price, professionalism, reliability, responsiveness, timeliness, and call back frequency. This vetting process is ongoing. Manager requires contractors to be properly insured and bonded. Manager does not allow Owner to choose contractors, however Manager welcomes Owner to submit contractor recommendations. This process can be timely, and Manager does not guarantee the use of this contractor. Manager will charge for this service in accordance with section 1.45. Because of our extensive vetting process, it is not necessary to procure multiple bids but If Manager agrees and procures multiple bids for any repair Manager will charge for time in accordance with section 1.45.

The manager has extensive experience in dealing with appliance/equipment repairs and replacements, and the most cost-effective way to handle appliance/equipment repairs/replacements is as follows:

We will not send a technician out to repair these items after their useful life has expired. We will simply replace, with new, like kind, upon receiving the first service request after the time frame listed.

Refrigerator/Microwave/Dishwasher/Washer/Dryer/Hot Water Heater- 10 years

Stove/HVAC - 15 years

Furnace - 17 years

Carpet -5 years

Paint - 4 years

1.6 IN-HOUSE CONTRACTOR

Manager reserves the right to use an in-house employee or in-house contractor for any and all maintenance issues not limited to utility/tenant/municipality coordination items such as landscaping, snow removal, trash services, ongoing preventative maintenance coordination, HOA issues (including pool access) and rental permits. Manager will charge for this service in accordance with section 45. When appropriate, our maintenance team will conduct virtual (Zoom, Facetime, telephone, text, email, etc.) troubleshooting at a reduced rate. Manager will charge for this service in accordance with section 45.

When required, Manager will coordinate municipality rental permits. Manager, at sole discretion, will hire the required inspector, coordinate entry with the tenant and inspector, oversee and correct discrepancies, and complete the application process (when possible). Minor compliance corrections including but not limited to, fire safety related to smoke and CO detectors and fire extinguishers, etc are included. Owner will be responsible for major corrections and all parts. Costs of major supplies are not included. Manager will charge for these services in accordance with section 1.45.

1.7 HOME WARRANTY

Manager does not recommend a home warranty. If Owner maintains a home warranty Owner understands that delays in repairs may result in paying rent concessions to tenants.

1.8 OWNER EXPENSE OBLIGATIONS

All reasonable expenses incurred by the Manager in the operation of the property, including but not limited to those expenses in sections 1.45, shall be paid for by the Owner. Such expenses shall be deducted from rents paid on the property, or as otherwise agreed upon by Owner and Manager in advance of expenditure. A monthly statement shall be available to the Owner no later than the 15th of the month. Please note that because the Manager does not keep a reserve line until the end of the management agreement, an owner's operating account could become negative. Should the Manager request that the Owner provide funds, the Owner must do so, electronically thru their portal, within 48 hours of being requested. The Manager also reserves the right to provide a loan, from its operating funds, to an owners account, as well as use other non-related owner's reserve funds to provide this loan.

1.9 MANAGEMENT FEES

Manager's fee for the above services shall be Management Fee Percent% of the monthly rents or \$100 per month. Additionally, each time a new lease is signed by a tenant on said property, a leasing fee in the amount of one-half of a full month's rent is paid by Owner. This fee shall be collected from the first month's payment on said lease, in addition to the monthly management fee.

The Manager is hereby authorized to deduct fees and other applicable expenses from said rents each month for the term of this agreement.

Should the Manager take over management of the said property in the middle of the lease the leasing fee shall be waived and Manager will charge for this service in accordance with section 1.45.

1.10 LEASE RENEWALS

Owner must notify Manager at least 110 days prior to the lease end date of their intention to sell, occupy, or renovate. Without this notification, Manager will automatically negotiate a lease extension, at Manager's discretion. Manager will charge a renewal fee in accordance with section 1.45.

1.11 TENANT CONCESSIONS

From time to time (most often with maintenance) the Manager at its sole discretion may offer a tenant a rent concession. Rent concession will be at Owner's expense, however, in some cases, Manager may choose to participate in the rent concession.

1.12 PREPARING FOR TENANTS

Manager will, at the Owner's expense, bring the premises up to the Managers 'move in ready' standards. This includes, but is not limited to, removing all non-permanent/non-attached items deemed by Manager, arranging to have the property professionally cleaned including carpets, complete a move-in/move-out turn, and any other maintenance required after current occupants (including the Owner) vacate the property, and pay for service out of first month's rent proceeds due to the Owner. Any additional work not included above will be charged the hourly rate as defined in paragraph 1.45 When on-boarding, Owner agrees the property will not be listed for rent until all requested documents and keys are received. This includes completing the Property Information form and any tenant documents, when occupied.

1.13 TENANT MOVE-IN/MOVE-OUT

During each move-in/move-out of the property, including when owner re-takes possession, Manager will perform a move-in/move-out turn and basic maintenance. Manager will charge in accordance with section 1.45.

1.14 PETS

Manager will assume pets are permitted unless otherwise noted by the Owner at the execution of this agreement or at lease renewal. Tenants with pets will be charged a \$300 refundable pet deposit. Manager reserves the right to use a third party service to screen pets. The pet rent paid by the tenant will be kept by the Manager to offset expenses for the Pet Protection Plan, which is paid for by the Manager. The Pet Protection Plan details are provided in a separate document.

1.15 SERVICE AND EMOTIONAL SUPPORT (ESA) ANIMALS

Service animals and qualifying emotional support animals (ESA) are not deemed to be pets for leasing purposes and Manager may not charge pet fees or additional deposits for such service or ESA animals. In addition, if a prospective tenant has a service animal or ESA it may not be used as a disqualifying factor in leasing the Property to such tenant (even if Owner has requested that no pets are to be allowed on

the Property). Pet Protection in section 14 above does not apply to service or ESA animals.

1.16 HOA AMENITIES

If the premises is in an HOA community, Owner will provide the HOA with Manager's contact information.

In the event Owner's HOA provides amenity access (including pools) and access is limited in any way, the Owner must transfer rights to the tenants.

HOA fees are owner responsibility and, at manager's discretion, may be paid out of owner funds. In some instances, the Manager will collect some portion of the HOA fees from the tenant, and in these instances, these fees will be passed on to the Owner.

1.17 TENANT FEES

The Manager reserves the right to charge tenant fees. Currently, such fees include, but are not limited to, the following, and are subject to change. These fees are collected and retained by and for the Manager and not disbursed to the Owner.

Pet administrative fee (if applicable) - \$125

Roommate change fee - \$195

Application fee - \$55

Trash/Pet waste removal fee - \$125

Cleaning coordination fee - \$125

Various fees for replacement of keys/garage remotes/CO detectors/Fire extinguishers

Not paying rent or any other expenses online - \$50

Tenant benefit/utility fee - \$10/item

Expedited security deposit return fee - up to \$200

Tenant caused maintenance - TJC hourly rate \$85

No show/reschedule fee - \$85/hr (TJC) or actual cost

Home inspection fee - up to \$130

Posting Fee - actual cost

1.18 CARBON MONOXIDE DETECTORS, SMOKE DETECTORS AND FIRE EXTINGUISHERS

Carbon Monoxide (CO) detectors are required by State of Colorado to be installed within 15 feet of each bedroom (or other room lawfully used for sleeping purposes), with at least one CO detector per floor, or in any location otherwise specified by a state or local building code. Fire extinguishers are required by the City of Denver to be located on the premises. Manager purchases these in bulk and will install the necessary units throughout the premises. Manager will charge in accordance with section 1.45.

1.19 MAINTENANCE SUPPLIES

In order to save labor costs and time in purchasing supplies, the Manager may purchase items (toilet flappers, garbage disposals, etc.) in bulk quantities. The Manager will bill each individual property accordingly, at a flat rate determined by the Manager. This flat rate may include an administrative markup not to exceed 10%.

1.20 TENANT LEASE BREAK

From time to time, tenants request to break their lease, for various reasons. The Lease Break policy between the Manager and the tenant is as follows:

A. Tenant provides a 60 day notice. Manager will begin re-marketing the home soon thereafter. Their lease will end 60 days from the date of this notice, or, the day before a new, replacement tenant moves into the home, whichever comes first. Outgoing tenant is also responsible for utilities, landscaping, and maintaining the home until their new lease end date.

B. Tenant will be charged a Lease Break fee of 1 month's rent if their lease has more than 60 days remaining. If tenant's lease has less than 60 days remaining, then this fee, at the Manager's sole discretion, may be reduced down to as little as \$125.

C. In instances where the Tenant provides a lease break notice to the Manager between September 15 and December 31, the tenant will be

responsible for rent thru February 28 or until a replacement tenant moves into the home, whichever comes first.

1.21 MAJOR REPAIRS AND PROJECTS

Should it become necessary to oversee major repairs and/or projects (including roof repair/replacement) to the property, especially those involving the management of insurance claims, during the duration of this Agreement, the Manager will charge a fee in accordance with section 1.45 to the Owner to cover administrative costs.

1.22 NEW BUILD ONBOARDING

Newly constructed homes typically require the Manager to coordinate the installation of appliances, blinds, fencing, landscaping, window well covers, builder warranty coordination etc.. Owner must notify builder that the Manager is managing the premises and provide Manager whatever is necessary (to include but not limited to owner/builder login information for warranty issues) to properly coordinate all items with the builder. Manager will charge for this service in accordance with section 1.45.

1.23 ANNUAL COORDINATION FEE

To cover the cost of general supplies, provided to the property (keys, batteries, printing flyers, etc.), re-keying, tenant screening costs, the time involved of marketing the property to non-TJC Real Estate websites (such as Zillow) bank and ACH fees, education and implementation of legal changes and the cost of providing to and coordinating with the Owner the IRS mandated 1099 form, the Manager charges an annual coordination fee in accordance with section 1.45, on July 1 of each year.

1.24 FORMS

Owner agrees to receive 1099 forms each year electronically as posted to their Owner's Portal, and waives the need to receive a paper copy.

1.25 INJURY LIABILITY

Owner agrees to indemnify and hold harmless the Manager from any and all claims, demands, charges, debts, or lawsuits, including but not limited to necessary attorney's fees, from any liability for injury (to person or property) suffered on or about the premises by any person, and in connection to management unless they arise from the intentional misconduct of Manager.

1.26 LEGAL DISPUTES

All expenses related to any settlements or legal disputes that are brought upon the Manager by any party (including but not limited to tenants past or present) related to the property will be paid for by the Owner. These expenses include but are not limited to settlements, mediation, court ordered payments, attorney fees, and costs for expert witnesses. This applies to both active and terminated Management Agreements. Should an attorney be hired, the Manager reserves the right to require the attorney to jointly represent both the Owner and Manager. Both Owner and Manager hereby agree that should litigation occur between the parties, that any attorney fees requested by, or awarded to, either party shall be capped at \$600 total. Both Owner and Manager agree that neither will participate in class action lawsuits.

1.27 FRAUDULENT ACTIVITY

Should there be fraudulent activity by a tenant, Owner agrees to hold the Manager harmless. This includes but is not limited to credit application and rent payments. Should this happen after the termination of this agreement, the Owner will reimburse the Manager for any negative balances caused by the Tenant paying by fraudulent credit card payments.

1.28 SECURITY DEPOSIT

Manager will retain all security deposits received from the tenants, per the terms of the lease, or until such time as a tenant defaults on the lease and the deposit is forfeited for the benefit of the Owner. Manager reserves the right to allow the tenant to break up security deposit into two payments, payable no later than the 2nd month of the lease term. The Owner understands and agrees that funds will be deposited in an interest bearing account (which may be a timed deposit with penalty account, commonly referred to as a "CD") that the Manager reserves distinctly for security deposits and will not be commingled with any of the Manager's personal funds. Owner further understands that interest from security deposits will be used to offset banking fees and accounting costs. The interest will not be credited to Owner. Owner also understands that the Owner will not participate in the tenant security deposit return process and that the Manager's decision on what to withhold and not withhold from the deposit are at the sole discretion of the Manager and are final. Should this Agreement terminate before the expiration of a tenant lease agreement, the Owner shall have full legal obligation and responsibility over the tenant's security deposit, including but not limited to the proper accounting and disposition process to the tenant, and any resulting legal actions.

1.29 HOME OWNER'S INSURANCE

Owner will maintain homeowner's insurance on the property at all times. The policy must include liability coverage and the Manager must be listed as additional insured. Should the Owner not comply, the Owner runs the risk of being personally liable for any claims resulting from the operation and management of the premises. Upon Managers request, the Owner must provide proof of insurance. It is recommended, for townhomes and condominiums, that the policy include HOA gap coverage.

Manager requires tenants, as part of the Lease Agreement, to acquire Renters Insurance. This insurance includes the Manager as additional insured. Please note that tenants routinely change and cancel their insurance policies, and because of this the Manager does not track or keep a log of these insurance policies. However, the Lease Agreement does enable the Manager to request a copy of the tenant's Renters Insurance policy at any time.

1.30 PROTECTION PLANS

Manager offer damage & eviction protection plans which can be entered into via a separate agreement between the Manager and Owner. Pet protection is included with this agreement. See section 1.14 for details.

1.31 FAIR HOUSING

Owner must comply with all local, State, and Federal laws, including but not limited to Fair Housing requirements. To comply with Fair Housing laws, the Manager will not share any applicants information with the Owner, until after the lease is signed.

1.32 FORECLOSURE

Owner hereby certifies that any mortgages and/or debts on the property are current and that the property is not in any stage of foreclosure. Manager reserves right to terminate this Agreement immediately and without any notice should all debts on the property not be current and/or the Owner begins bankruptcy proceedings.

1.33 TENANT CONTACT

Owner agrees to have no contact with the tenant(s). Furthermore, Owner agrees and understands that if Owner has any contact with the tenant(s) in person, via mail, phone, email or otherwise, should a legal dispute result in litigation, the Owner may have to testify in person at any legal proceeding.

1.34 LOCK CHANGE

Manager requires electronic/smartkey/touch pad locks on all homes. Manager will install this lock at a time determined by the Manager and will charge in accordance with section 1.45. During the move-in/move-out process, the Manager will re-key all locks at the property. The re-keying process is included in the Coordination Fee set forth in section 1.23. In the event the premises cannot have an electronic lock the owner may be charged for re-keying between each tenant.

1.35 WINDOW WELLS

If applicable, window well covers must be provided by the Owner, at the Owner's expense, prior to any tenant moving in. If necessary, Manager will coordinate the purchase and installation.

1.36 WOOD BURNING FIREPLACE

If applicable, the Manager does not allow tenants to use wood burning fireplaces. Manager will ensure that any wood burning fireplaces are unusable to the tenant at the Owners expense.

1.37 DRYER VENT CLEANING

At Manager's discretion, Manager will perform dryer vent cleaning at owner's expense no more than one time per year.

1.38 PREVENTATIVE MAINTENANCE

Manager offers, most often at a discount, preventative maintenance services. These include, but is not limited to; HVAC system tune-ups, tankless water heater services, gutter cleaning, sewer line maintenance, and yard clean up. These programs are opt-in programs by Owner.

Manager will bill the Owner for its time to coordinate these services in accordance with section 1.45.

1.39 NON-PERMANENT OWNER ITEMS

The Manager will not be responsible for any non-permanent attached Owner items (such as grills, furniture, lawn equipment, etc.) that the Owner leaves on the premises. At Manager's discretion, these items may be disposed of, at Owner's expense.

1.40 REAL ESTATE AGENTS

Manager is a full services real estate brokerage with active real estate agents. They provide various real estate services, including but not limited to purchase and sale of residential properties, as well as the purchase, sale and leasing of commercial properties. Manager's agents may actively market and represent buyers, sellers, landlords and tenants in all the markets they serve. As a result, Manager's agents may on occasion work with and represent a tenant in the purchase of a home.

Should an Owner sell their home to a Tenant acquired by TJC, but not use a TJC Realtor, Owner agrees to pay TJC a referral fee of 1.4% sales price. Should an Owner decide to use another Realtor (including selling thru the Zillow process), the Manager has the right to immediately terminate this Agreement.

1.41 SELLING RENTAL HOME WITH TJC REAL ESTATE

If Owner elects to use one of the Manager's agents as their listing agent, Manager will agree to list the Owners home for sale at a discounted commission rate.

1.42 SELLING RENTAL - TIMING PARAMETER

Should Owner decide to sell the Property during a tenant's lease term, any showings, open houses, inspections, walk-through's, photography sessions, etc. cannot occur without Manager approval, and not until the final 60 days of the lease term.

1.43 PROPERTY MANAGEMENT AGREEMENT TERMINATION

Upon notification of the termination of this Agreement in order to process any outstanding invoices and expenses, as well as to properly process the security deposit return to the tenant, the Manager will withhold, as a reserve line, the last month's rent proceeds (up to a maximum of 90 days after the end of the tenant's lease). Owner shall assume the obligations of all contracts and outstanding expenses executed by the Manager under this agreement for and on behalf of the Owner as well as assume the responsibility of all unpaid expenses. Owner shall reimburse Manager for any over payments made by Manager to Owner within 15 days of Manager providing Owner their final Owner statement.

Owner will not be able to take possession and receive keys until up to 3 business days after tenant move out. Management fees will continue to be assessed until last day of Manager/Owner coordination.

In the event Owner assumes the lease from Manager, the Manager will provide to the tenant, Owner's contact information.

1.44 FINAL STATEMENT

This writing contains the entire Agreement of the parties. No representations were made or relied upon by either party, other than those that are expressly set forth. Extensions and modifications of this original agreement are addressed in section 2 above.

1.45 OWNER FEES

Currently, such fees include, but are not limited to, the following, and are subject to change.

Management Fees \$100 per month (when vacant)

Vetting Contractor \$200

TJC hourly rate \$85/hr (min.1 hour then 15 minute increments)

Coordinate home warranty, routine handyman, office staff, maintenance zoom troubleshooting, additional turn time, additional items not typically covered by PM

Appliance Repair \$150/hr

HVAC \$150/hr

Advanced plumbing \$150/hr
Municipality rental permits \$339
Onboarding existing tenant \$250
Lease extension 1 yr or less \$250
Lease extension more than 1 year \$300
Move in/Move out turn \$150
Replace CO \$85
Replace Fire Extinguisher \$85
Major repair or projects \$300
New Build Onboarding \$375
Annual Coordination Fee \$159
Keypad install \$155
Posting Fee \$100

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

X _____
Initial Here

2. Sign and Accept

2.1 ACCEPTANCE OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates above and below:

<<Owner Name(s)>>

<<Owner Address(es)>>

Owners Phone

TJC Real Estate & Management

Thomas Cummings, President

8686 E 25th Place

Denver, CO 80238

303-324-8785

This document was prepared by Stapleton Law Services.

X

Owner

Date Signed

X

Agent/Broker

Date Signed

TJC REAL ESTATE AND MANAGEMENT