

**NESTER PROPERTY MANAGEMENT CORPORATION
MANAGEMENT AGREEMENT**

In consideration of the covenants contained herein _____ (herein after called Owner), and Nester Property Management Corporation, (herein called Agent), agree as follows:

1. The Owner hereby employs the Agent to exclusively rent, lease, and manage the property known as _____ on the terms herein after set forth for the period of _____ beginning on the ____ day of _____, _____ and thereafter for annual periods, unless on or before sixty (60) days prior to the last date above mentioned or on or before sixty (60) days prior to the expiration of any such renewal period. Owner shall notify the Agent in writing of an intention to terminate this agreement, in which case this Agreement may be terminated. If written notice is not received, the Agreement shall be automatically extended for another annual period. Agent shall have the right to terminate this Agreement at any time by giving Owner sixty (60) days prior written notice.

2. The Agent accepts the employment and agrees:

A. To use diligence in the management of the premises for the period and upon the terms herein and agrees to furnish the services of its organization for the renting, leasing and managing of the described premises.

B. To render monthly statements of receipts, expenses and charges and to remit to Owner receipts less disbursements, and maintenance reserves as set out herein below. Rent disbursements and monthly statements are disbursed on or about the tenth (10th) days of the month, provided rent has been received. Monthly statements are rendered monthly, regardless. In the event the property is not rented, the monthly statement provided to the Owner every month indicates a negative cash flow. Owner agrees to remit said amount due upon receipt. A \$100.00 maintenance reserve is desired on all properties. In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess within five (5) days after requested by the Agent.

C. Owner acknowledges that Agent will maintain a maintenance reserve on the property which amount will not be remitted to Owner until this Agreement is terminated. The amount of such reserve may be adjusted by Agent with owner approval as appropriate and shall be used to pay bills associated with the normal maintenance of the property.

D. To deposit all receipts collected for Owner (less any sums properly deducted or otherwise provided herein) in an account in a national or state institution qualified to engage in the banking business, separate from the Agent's personal account. Monies collected may be placed in an interest bearing account however, the Agent will not be held liable in the event of bankruptcy or failure of a depository.

E. The Agent will deposit in a separate account and become custodian of the deposit paid by the Tenant and will retain control of disbursement of such deposit. Monies collected may be placed in an interest bearing account. The Owner may be legally entitled to keep part or all of the Security Deposit, based on the property condition inspection and the Security Deposit accounting furnished to both Tenant and Owner after Tenant vacates. Owners who choose to hold Tenant Security Deposit will release the Agent from all accounting and disbursement functions and be solely and legally responsible for said deposit.

3. Owner hereby grants the Agent the following authority and powers and agrees to assume expenses in connection with:

A. To display "For Rent" sign, renew and/or cancel leases for the premises or any part thereof, to collect rents due or to become due and give receipt thereof to terminate tenancies, to sign and serve in the name of the Owner, notices are as appropriate to institute actions to evict

tenant and to recover rents and other sums due'; and when expedient, to settle, compromise, release such actions or suits, or reinstate such tenancies. Owner, with written consent, shall be responsible for all necessary costs of evictions and collections including attorney's fees, court costs, service fees and collection costs. Any lease executed for the Owner by the Agent shall be for a minimum of six months and a maximum of one year unless a longer term is approved by Owner.

B. Processing insurance claims on behalf of Owner and to deal with insurance companies, agents or adjusters on Owner's behalf.

C. Making or cause to be made, and supervise repairs and alterations and to do authorized decorating on said premises; to purchase supplies and pay all bills thereof. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$250.00 for any one item, except monthly or recurring 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 the Tenant's services as called for in their lease.

D. Hiring, discharging and supervising all labor and employees required for the operation and maintenance of the premises; that the Agent may perform any of its duties through Owner's attorneys, agents or employees and shall not be responsible for their acts, defaults or negligence if responsible care has been exercised in their appointment.

E. Making contracts for electricity, gas, fuel, water and other services, or such of them as the Agent shall deem advisable, and that the Owner will assume the obligation of any such contract so entered into at the termination of this Agreement.

4. The Owner further agrees:

A. To save the Agent harmless from all damage suits in connection with the management of the herein described property. The Agent also shall not be liable except in cases of willful misconduct or gross negligence.

B. During the time this agreement is in effect as set forth in Paragraph 3 hereof, Owner shall recognize Agent as Broker in any pending negotiations for the sale or transfer of part or all of the property. Owner shall pay Agent's company a commission thereof 7% of the selling price. This agreement shall not prevent Owner and Agent from entering into other mutually agreeable sales or commission agreement.

C. Fees:

1. For Management: 10% of the gross monthly rental rate, or \$50.00, whichever is greater, plus a 15% leasing fee each time a new tenant is placed in the property with the first month total of 25%. There shall be no management fee charged during any month within which the property is vacant the entire month. In the event the property has been pre-leased and the Tenant defaults prior to move in, the Agent shall receive the greater of 20% or \$30.00 of the Security Deposit.

2. For Repairs: All costs plus applicable taxes.

3. For Fire Restoration, Rehabilitation, Major Repairs, Remodeling, Insurance Claims or Additions: The full cost of such repairs or remodeling plus all applicable taxes and fees and a handling charge of 10% of such repairs or remodeling up to a maximum of \$250.00, unless otherwise agreed in writing. Agent has sole discretion to refuse to undertake supervision of major repairs, rehabilitation or remodeling as described herein.

4. Attorneys Fees and Costs: Attorney fees, legal fees and court costs incurred by Agent on behalf of the Owner to protect the property, enforce leases, or to collect or preserve rights under leases shall be the Owner's responsibility with prior written consent.

5. Advertising Fees and Costs: 50% of all costs incurred from print advertising.

6. Property Inspections: Nester Property Management does monthly drive by inspections to check lawns and exterior conditions during the summer months and annual interior inspections during lease renewals. In the event the owner wishes additional inspections, an inspection fee of \$35.00 will be charged per inspection.

7. Administrative Costs: Please initial ONE of the following selections:
_____ \$25.00 annually for all properties using electronic statements.
_____ \$50.00 annually for all properties using paper statements.

5. Further Understandings:

A. Owner understands and agrees he is responsible for the maintenance and upkeep on all required appliances, water heater, furnace, which will require cleaning on a yearly basis, water systems, sprinkler systems and garage door opener.

B. Owner understands that if a call comes in on a weekend or holiday for appliance repair, Agent will respond and Owner will pay charges assessed for such call if not the fault of the tenant, as determined by service person.

C. Owner would furnish evidence of all appliance contracts, lawn contracts, HOA contracts, or other applicable warranty information to Agent; to supply available instructions and diagrams for the correct use of appliances, water systems, sprinkler systems, etc. A copy pertaining to same is to be left at the property. Owner may furnish to Agent a copy of the current hazard insurance policy on the property with the name, address and phone number of the insurance agent servicing the policy. **OWNER IS ADVISED TO CONVERT THE CURRENT HOMEOWNERS POLICY TO THE LANDLORD FIRE INSURANCE POLICY.**

D. Owner understands that Agent will not be held responsible for water systems, sprinkler systems, etc. in regards to the malfunction, freezing or breakage of these units. We are in no position to operate these items through a complete cycle at the time a Tenant vacates.

E. Owner shall provide Agent with a current mailing address as well as a current work and home phone number.

F. Owner understands and agrees that all utility services are to remain on at all times.

6. Additional Agreements:

A. If the property is vacant ninety (90) days after the starting date of this Agreement, the Owner may notify the Agent in writing his intention to terminate this agreement thirty (30) days from the date of notice. Agent shall retain the right to obtain a tenant prior to the expiration date. In the event Agent does retain a Tenant, the original term of this Agreement shall continue and notice to terminate shall be void.

B. In the event the Owner terminates this agreement for whatever cause, the Agent shall be entitled to compensation at the rate of fifteen (15%) percent of the gross rentals or leases put into effect during the term of this Agreement, less any charges for such services or management fees theretofore collected by Agent applying to said Leases, said fees to be paid to Agent prior to termination becoming effective.

C. Agent is authorized to retain any credit check fees, 50% of late fees, and all check charges, interest earned on Security Deposits, application fees and penalties, lease breaking fees, and any other charges levied on Tenant which are collected from Tenant from time and effort in the rent collecting process.

D. Agent shall not be responsible for trees, shrubs, and lawn lost through winter kill, fungi, drought, vacant periods, or tenant neglect. Agent is obligated to deduct all cost related

to replacement of trees, shrubs and lawn that are due to tenant neglect from security deposit and replace same.

E. Agent shall not be responsible for, nor required to replace or pay for, items of personal property or fixtures which are taken from premises or damaged or destroyed by tenants. Agent is obligated to deduct all costs related to replacement or fixtures that are removed, damaged or destroyed by tenant from the security deposit to replace same.

7. This Agreement shall be binding on the heirs, personal representatives, successors, and assignees of the parties hereto.

8. Owner understands and agrees that Nester Property Management Corporation cannot provide management services until the following conditions have been met/provided:

- A. Proof of insurance and policy number.
- B. \$100.00 to be placed in the Owner's account for maintenance reserve.
- C. A set of keys for access.
- D. Smoke detectors are installed on each level of the property or Agent is authorized to have one installed at Owner's expense. CO detectors installed on each sleeping level.

9. Address where Owner shall receive notices, statements, and emergency calls:

Name: _____
Address: _____
Home Phone Number: _____
Cell Phone Number(s): _____
Work Phone Number: _____
Email address: _____

10. Insurance information:

Insurance Company: _____
Policy Number: _____
Phone No.: _____
Agent's Name: _____

11. Mortgage Company:

Name: _____
Phone No.: _____
Loan No.: _____
Payment is current: YES _____ NO _____

12. Emergency Contact:

Name: _____
Address: _____
Phone No.: _____ Relationship: _____

13. Addendum:

Please complete the attached page when turning in Management Agreement

Owner(s):

Agent:

_____ **Nester Property Management Corp.**

_____ By: _____
3715 Parkmoor Village Dr. #105
_____ Colorado Springs, CO. 80917

Social Security No.

Property Address: _____

Owner Name: _____

Desired Rent: **Minimum** \$ **Maximum** \$

Initials

I/We understand that the security deposit is reflective of the rental amount,
And the deposit amount will be rounded down to the nearest hundred dollar amount.

Initials

For purposes of advertising and renting the property I/We agree that we will turn
over possession of the property on or before _____.

Initials

I/We understand that we will need to provide contact information and covenants
for our home if governed by an HOA on or before _____.

Initials

I/We understand that all properties managed by Nester PM Corp. are rented
as non-smoking properties.

Initials

I/We would like to receive all rental proceeds in the form of:

ACH Deposits **Check**

Initials

I/We understand that utilities must remain on even during vacancies. I have contacted
the following utilities services to make arrangements for an "Owner Revert" and to
list Nester Property Management as a point of contact for all utilities services.

Initials

GAS _____ **WATER** _____ **ELECTRIC** _____

I/We understand that all payments from NPM Corp. are made as follows:

ACH – submitted 2pm on the 8th of each month, or first business day following.

CHECKS – mailed the 10th of each month, or the first business day following.

Initials

I/We will consider room mates for our rental property:

YES **NO**

Initials

I/We will allow pets to reside in our property for the terms of the tenants lease:

YES **NO**

Initials

If yes the following pet restrictions apply:

<u>TYPE</u>	<u>NUMBER</u>	<u>Weight limit (for dogs)</u>
DOGS	<input type="text"/>	<input type="text"/> lbs.
CATS	<input type="text"/>	

Initials

I/We understand that per paragraph 5A of the management agreement that the
owner is responsible for providing repair/replacement of the kitchen appliances,
furnace, water heater. These additional items will be handled as per these instructions:

Initials

	<u>REPAIR</u>	<u>REPLACE</u>	<u>REMOVE</u>	<u>SHUT OFF</u>
Washing Machine	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Clothes Dryer	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Over the range Microwave	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Sprinkler System	<input type="text"/>	<input type="text"/>	<input type="text"/>	