

Residential Management Agreement

Date: _____

Parties to this agreement:

_____ Property Owner (Client)

_____ Property Owner (Client)

_____ Representing Dimensions Realty and Management, LLC, a Colorado limited liability company, doing business as **DIMENSIONS REALTY MANAGEMENT CORP** (“**Manager**”).

Regarding the management of the property identified as:

A: Term of this agreement: This agreement shall start on _____, 20__ and end on _____, 20__

This agreement shall automatically renew on the anniversary date. This agreement can be cancelled by either party with 60 days written notice. This agreement shall also end upon the closing date of the sale of the managed property, if sold.

B: Management Fee:

- 1: The management fee shall be ____% of rents collected. There is a monthly minimum of \$50 if the property is vacant.
- 2: Dimensions reserves the right to establish average monthly billing so that the tenants are billed a set amount for monthly for utilities. Dimensions shall also have the right to mark-up the utility billing to compensate for the additional management of utilities. This fee, if applied, shall be borne by the tenants.

C: Reporting Period: Financial reports and funds due to the Client shall be provided within the calendar month rents were received, i.e. rents received for October for instance, will be paid on or before October 31st. Funds and reports will be mailed to the client unless special arrangements are made.

D: Late fees: Late fees assessed the tenants shall be ½ the property of the Client, and ½ the property of Dimensions.

E: Routine Repairs and Maintenance: Manager shall maintain the Property in good repair and condition as per the clients wishes and demands and in conformity with applicable laws and regulations, and shall make or cause to be made such routine maintenance, repairs, minor alterations, and improvements as Manager and/or client, from time to time deems necessary for such purposes. If the client prefers prior written consent shall be required from client if any one item of repair or maintenance exceeds or is reasonably anticipated to exceed _____ Dollars (\$_____) or if the cost of such items exceeds, in the aggregate, in any calendar month, the sum of _____ Dollars (\$_____).

Maintenance fees shall be charged by the management company at \$50 per hour. If skilled trades are required (electricians and or plumbers or roofers for example) those bills shall be paid in full plus a 10% administrative fee to Dimensions. For repairs or maintenance caused by the tenants neglect and to items mentioned in the lease as being the tenant's responsibilities, then the tenant shall be billed. The client can elect to utilize their preferred service providers but if so, and they are organized/supervised by Dimensions then the 10% administrative fee shall also apply.

F: Reserve Balance: The client agrees to allow the manager to maintain a balance of \$____ in the account for the property for emergencies and or repairs and maintenance that may need done between rent cycles. These monies belong to the client and shall be given to the client upon the termination of this agreement.

G: Security Deposits: Any/all security deposits shall be held by the manager in a non-interest bearing savings account as per Colorado State Law.

H: Lease Fees: Each time a lease is prepared by the manager for the property; either a new lease or a lease renewal, there shall be a \$50 lease fee.

I: Insurance: The manager shall maintain adequate General Liability insurance and shall ascertain that any employees and or contractors completing work on the managed property also have sufficient General Liability and Workmen's Compensation Insurance.

J: Extraordinary Fees: For any extraordinary service, such as tax protest, or market studies, or any work outside the normal realm of property management, there shall be additional fees to be negotiated at the time.

K: Advertising: The manager shall primarily utilize free advertising (Craig's list, signs on the property etc.) in the effort to lease the property, but if paid advertising is used (www.NorthernColoradoRentals.com for example) then the manager shall be reimbursed the cost of the advertising.

L: Evictions: The manager shall make every effort to secure a qualified tenant for the property, but at times even qualified tenants become problematic. In the event an eviction is necessary, the manager shall complete the eviction. The cost of completing the eviction shall be reimbursed to the manager. This may include court costs, filing fees, process server fees, and property cleaning fees. These fees shall be itemized in a statement to the client. No additional fees for handling an eviction shall be due to Dimensions.

M: Management Duties: The normal duties of the manager shall include:

1: Leasing the property. This includes advertising, showing to prospective tenants, processing the application (includes a credit report and a criminal background check), preparing the lease, meeting the tenants to get the lease signed, originating a bank account to handle rents and payments, completing a walk-thru the property with the tenants, obtaining the check in form and setting up and organizing the internal files and documents.

2: Collecting rents. This includes collecting the rents from the tenants, pursuing late payments, bookkeeping and reporting to the client.

3: Property Inspections. Once a year, typically in the fall, the manager will inspect the property. Photographs will be taken and a short report regarding the condition of the property along with the photographs will be provided to the client. The smoke detectors and carbon monoxide detectors will be checked along with furnace filters. If the batteries are dead they will be replaced but the tenant will be billed for the cost of the batteries. The furnace filters will be replaced if needed and again, the tenant will be billed. There is an annual cost to the client owner of \$50 for this inspection and report.

4: Tenant move-out and re-leasing: The manager shall complete all duties involved with the existing tenant moving out and securing a new tenant to move in. In the move out process the property shall be inspected for any damage caused by the tenant that is outside the realm of normal wear and tear. Any damage will be repaired and the Security Deposit due to the tenant shall be used to complete the repairs and the balance (if any) shall be refunded to the tenant. The refund shall be solely at the manager's discretion.

5: Minimum Annual Service. The following items shall be completed annually:

Fall: The furnace shall be professionally inspected and/or serviced as needed. Rain gutters will be cleaned. Air conditioning units (if applicable) will be winterized/covered.

Spring: Air conditioning units (if applicable) shall be serviced. Gutters will be cleaned.

Unless damage was caused by the tenants these items shall be a client expense.

6: The manager shall not be responsible for paying the owners mortgage payment or HOA payments. The HOA payment shall be the responsibility of _____ Client _____ Tenant. The HOA includes:

7: It is understood that in the event there are minor repair issues with the property, the manager shall make a preliminary “trouble shooting” inspection of the problem as soon as possible, and if the repair is simple the repair will be made at that time with no cost to the owner other than materials. If the repair is beyond the scope of the manager’s expertise then either the handyman or appropriate professional shall be engaged. If the issue was caused by the tenants, then the tenants will be charged. If the issue in a non-tenant caused item, then the client will be charged.

8: Dimensions maintains a separate checking account for each managed property so that funds are not co-mingled with other properties. When originating a new management account there may be banking fees. If so, they shall be billed to the client but shall not exceed \$20.

9: Other non-normal duties required by the client shall be:

10: Rent Rates, Pets and Security Deposits: The asking rent for the Property shall be \$_____ per month. The tenant shall be responsible for all utilities (___) or partial utilities (___) as follows:_____.

Pets (Dogs Cats) are allowed are not allowed. If allowed If allowed, a non-refundable pet fee of \$_____ per pet is required. One Two Other _____ pet(s) shall be allowed. Additional pets will be subject to the specific approval of the Owner. Reptiles, rodents, insects, and or dog breeds known to be aggressive and or aggressive dogs of any breed shall not be allowed.

Smoking is only allowed outside.

The standard Security Deposit shall be equal to one month’s rent.

To be collected at the time the lease is signed:

_____ Sec Deposit _____ 1st Months Rent _____ Last month’s rent.

If the property is a single tenant building and the tenant pays several months in advance, Dimensions may hold the future month's rent and apply them month by month as they become due, in lieu of distributing all the funds when received (multiple months at one time). This prevents a situation where expenses occur in months for which the rent has already been disbursed to the owner, and subsequently there are no funds to pay expenses (assuming no reserves are held by Dimensions)

Misc: _____

N: Bank Accounts: Manager shall maintain an operating account on behalf of the owner for deposit of revenue derived from the property. All charges, debts, liabilities and expenses incurred for the operation of the property, as described in this document are the responsibility of the manager to pay, and shall be paid by the manager from that account. In the event the property is vacant and there is not rental income, but there are expenses, the client shall provide necessary funds to cover expenses.

It should be noted that from time to time tenants make out rent checks in a variety of ways, some months they make them out to Dimensions. Some months they make them out to the owner. Some tenants are very consistent and some are not. The owner hereby gives the bank permission to accept **rent checks** for the property managed, deposited into the account established for the property, no matter whom they are made out to.

O: Applicable Law: This Agreement shall be governed by laws of the State of Colorado.

P: Notices: All notices between the parties shall be in writing or by e-mail and acknowledgement or receipt in writing is required. Notices shall be sent:

To Client:

To Manager:

Dimensions Realty Management Corp
c/o Ross Milliken
mail to: 305 West Magnolia Street. PMB 118
Fort Collins, Colorado 80521
970.490.1220 Office; 970.691.1860 Cell
ross@rdime.com

R: DEFINITIONS OF WORKING RELATIONSHIPS

Different brokerage relationships are available which include Seller Agency, Buyer Agency, or Transaction-Brokerage.

For the purposes of this document, seller also means "landlord" (which includes sublandlord) and buyer also means "tenant" (which includes subtenant).

Seller's Agent: A seller's agent (or listing agent) works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent including the buyer's financial ability to perform the terms of the transaction and if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a part to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

In all relations and services for the property owner, Dimensions shall operate as a Seller's (Landlord) Agent

Upon acceptance by all parties below, this agreement shall supersede any previous agreements.

Agreement:

CLIENT:

Date

Date

MANAGER:

**DIMENSIONS REALTY AND MANAGEMENT, LLC, doing business as
DIMENSIONS REALTY MANAGEMENT CORP**

BY: _____

Ross B. Milliken, Owner

Date