

Gunnison Real Estate & Rentals Long Term Rental Property Management Agreement

ARTICLE I - PARTIES, PURPOSE, and TERM

1.1 - PARTIES. The parties to this Long Term Management Agreement (the "Agreement") are GUNNISON REAL ESTATE & RENTALS ("GR&R") and _____ ("OWNER").

1.2 - PURPOSE. In exchange for the valuable consideration described in ARTICLE II and according to all the terms of this Agreement, OWNER hereby engages and grants GR&R, as the OWNER'S agent and attorney in fact, the exclusive right to lease and/or manage the following real property ("PROPERTY"):

Address:

Legal Description:

1.3 - TERM. This Agreement shall begin on _____, 2005 and run until terminated. This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. Termination of this Agreement shall not invalidate any existing lease or management agreement made by GR&R pursuant to this Agreement. Any financial liability of either party incurred as a result of this Agreement must be resolved to the satisfaction of the parties prior to giving effect to termination.

ARTICLE II - FEES, COSTS, and PAYMENTS

2.1 - MANAGEMENT FEES. For services rendered, OWNER shall pay a management fee to GR&R amounting to 11.0% of the gross periodic rent during the term of the lease or a minimum of \$75.00 per unit per month. Said fee is due to GR&R upon collection of gross rents from tenants. GR&R shall deduct said fee directly from the collected gross rent unless OWNER has paid management fee in advance.

2.2 - ADMINISTRATIVE REVENUE. GR&R shall charge tenants and retain \$25.00 for any returned checks and shall retain all late charges imposed by the lease or management agreement for the PROPERTY. Any interest earned from OWNER'S funds deposited in an account pursuant to this Agreement shall become the property of GR&R for compensation for administering such account. GR&R shall also retain payment for any service provided to a tenant that is not described in this Agreement or in the lease or management agreement for the PROPERTY.

2.3 - ADMINISTRATIVE AND MAINTENANCE COSTS. In no event will GR&R engage any service provider or purchase supplies or equipment for any single purpose in excess of \$150.00 without OWNER'S consent, unless it is of an emergency nature which interferes with the habitability of the PROPERTY.

2.4 PAYMENT TO OWNER. By the 25th of each month, GR&R shall disburse all monies due to OWNER from the previous month. OWNER shall be entitled to the periodic rental payment minus GR&R's fee and other expenses necessary to manage the PROPERTY in fulfillment of this Agreement.

ARTICLE III - ACCOUNTS, REPORTS, and RECORDS

3.1 - OWNER'S ACCOUNT. GR&R shall maintain an account in trust for the OWNER for GR&R's use in managing the PROPERTY. GR&R shall maintain OWNER'S account in accordance with Colorado Real Estate Commission rules and common practice. GR&R shall disburse funds from OWNER'S account to pay all bills incurred in the management of the Property, including GR&R'S fee. In the event there are insufficient funds in the OWNER'S account to pay these bills, GR&R shall notify OWNER of this insufficiency and OWNER shall deliver to GR&R an amount to cover the insufficiency and any additional penalties assessed as a result of the insufficiency within 10 business days of receiving the insufficiency notice from GR&R. Deficit balances in OWNER'S account shall bear 18% annual interest payable to GR&R.

3.2 - REPORTS. By the 25th of each month, GR&R shall deliver to OWNER a monthly itemized statement of receipts and disbursements related to the management of PROPERTY. Statements shall be deemed approved by OWNER unless OWNER notifies GR&R in writing within 30 days of the statement date.

3.3 - FORM 1099. GR&R shall file the Federal Internal Revenue Form 1099 stating the amount of net income collected from this Agreement. The Form 1099 shall be timely filed with the appropriate Colorado agency and with the United States Internal Revenue Service.

3.4 - RECORDS. GR&R shall keep suitable records and receipts pertaining to the management of the PROPERTY. During the term of this Agreement, GR&R shall allow OWNER to inspect such records and receipts during normal business hours.

ARTICLE IV - MANAGEMENT DUTIES

4.1 - LEASING. GR&R will use its best efforts to lease PROPERTY to qualified tenants, and to maintain the property on behalf of OWNER. OWNER understands that GR&R offers these services to other property owners in Gunnison County.

4.2 - ACT AS AGENT. GR&R shall execute the monthly or annual leases or rental agreements as described in ADDENDUM 1 (which is hereby referenced and incorporated into this Agreement) on behalf of OWNER, as well as extensions of said leases or rental agreements. GR&R shall collect rents and any other monies due OWNER, enforce the terms of the lease, consent to assignments or subleases of PROPERTY, and may assist OWNER in any eviction process.

4.3 - SERVICES. GR&R shall execute contracts for utilities and services, and shall purchase supplies and/or equipment on behalf of and at the expense of OWNER necessary for the operation and maintenance of the PROPERTY including, without limitation: cleaning services, snow removal, electrical or plumbing contractors and supplies, general construction contractors and building materials, painters and paint. All such costs shall be the responsibility of OWNER, will be billed to OWNER, and shall be paid out of OWNER'S account if funds are available. A list of service costs are attached as Addendum 2. Any additional services not listed herein which OWNER may request GR&R to perform shall be by mutual written agreement with appropriate additional compensation. GR&R may also provide services to renters for a fee charged to renters. Such services would include but not be limited to making arrangements for outdoor activities, cultural and entertainment events, transportation, and dining, snow removal, and house-keeping.

4.4 - SECURITY DEPOSIT. GR&R shall maintain and administer a security deposit for the Premises. In the event GR&R shall not maintain and administer the security deposit, and instead simply forwards such security deposit to OWNER, the OWNER hereby accepts full financial responsibility for the administration and return of such deposit. In the event of a dispute over the ownership and administration of a security deposit held by OWNER, OWNER authorizes GR&R to disclose the name and address of OWNER to a lessee of the Premises who brings such a dispute.

4.5 - EXCLUSIONS. GR&R shall not be responsible for monitoring, maintaining, or repairing gas lines, or water lines unless GR&R accepts responsibility in a separate written agreement with OWNER.

ARTICLE V - OWNER'S DUTIES

5.1 - INVENTORY. OWNER shall provide GR&R, and update as appropriate, a complete inventory of all furniture and fixtures on or in the PROPERTY.

5.2 - KEYS. OWNER shall provide GR&R with five (5) complete sets of keys to all locks on or in the PROPERTY.

5.3 - HOLD HARMLESS. All obligations or expenses incurred according to this Agreement will be on behalf of and at the expense of OWNER, who shall save and hold GR&R harmless from all claims of third parties in connection with GR&R'S management of the PROPERTY, including claims for personal injury or property damage from any cause whatsoever in or about the premises, including attorney's fees, paid or incurred by GR&R in connection with the defense of any such claim or demand. GR&R shall not be liable to OWNER for any error of judgement or for any mistake of law or fact, or for any act or omission, except in cases of willful misconduct or gross negligence.

5.4 - INSURANCE. OWNER shall purchase and maintain complete owner's, landlord's, and tenant's liability insurance for the PROPERTY, naming GR&R as an additional insured during the term of this Agreement and any extension thereof. OWNER shall provide GR&R with evidence of this insurance, or shall pay GR&R'S costs in obtaining such insurance.

5.5 - POWER OF ATTORNEY. OWNER hereby appoints GR&R the true and lawful attorney in fact, with full power of substitution, with authority to sign and acknowledge on OWNER'S behalf any lease of the PROPERTY and to take any action necessary to enforce compliance with such lease, including eviction of any tenant. This is a special power of attorney coupled with an interest, is irrevocable during the term of this Agreement, and shall survive the incapacity or death of OWNER.

ARTICLE VI - GENERAL PROVISIONS

6.1- ENTIRE AGREEMENT. This Agreement and any Addenda thereto represents the entire agreement between the parties, superseding all prior written and oral agreements. This Agreement may be amended only by written contract between the parties.

6.2 - ASSIGNMENT. This Agreement shall inure to the benefit of the parties and their executors, agents, heirs, successors, and permitted assignees. This Agreement may not be assigned without the written consent of the parties.

6.3 - APPLICABLE LAW. This Agreement and enforcement of any of its terms shall be governed by the laws of the State of Colorado. Any dispute regarding the terms of this Agreement shall be adjudicated in the appropriate court of Gunnison County or by binding arbitration.

6.4 - WAIVER. Forbearance or failure to pursue any legal remedy or right upon default or breach shall not constitute waiver of such remedy or right, nor shall any forbearance, failure, or actual waiver imply or constitute waiver of any subsequent default or breach.

6.5 - SEVERABILITY. In case any one or more provisions of this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any effect, all other provisions of this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement, or as such provision can be construed to give the best intended effect.

6.6 - NOTICE. All notices, requests, or other communications required or permitted to be delivered by this Agreement shall be in writing, delivered personally or by certified mail, return receipt requested, postage prepaid, as follows:

To GR&R: Gunnison Real Estate & Rentals
 300 West Tomichi Avenue
 Gunnison, CO 81230.
 (970)641-4880

To OWNER:

Either party may designate by notice as provided in this Section 6.6 any other address to which notices, requests, or other communications shall be sent.

6.7 - DISPUTE COSTS. In the event that legal fees and/or other costs are incurred by either party in enforcing any part of this Agreement against the other, the prevailing party shall be entitled to receive from the non-prevailing party such legal fees and/or other costs.

6.8 - FORCE MAJEURE. OWNER and GR&R shall be excused for the period of any delay in the performance of any obligation of this Agreement when caused by circumstances beyond their control including, without limitation; severe weather, all labor disputes, civil commotion, war, war-like operations, power sabotage, terrorism, governmental regulations or controls, fire or other casualty, inability to obtain any material, service or financing, or through acts of God.

Agreed and Accepted this _____ th day of _____, 2005,

GUNNISON REAL ESTATE & RENTALS
300 West Tomichi Avenue
Gunnison, CO 81230
mckinnis81230@yahoo.com
(970)641-4880 (970)209-1900

Federal Employer Identification Number, or
Social Security Number

This Agreement has not been approved by the Colorado Real Estate Commission. It was prepared by legal counsel.