

PROPERTY MANAGEMENT AGREEMENT
FOR
ALPHA DIMENSION PROPERTIES INC.

This Property Management Agreement (“Agreement”) is made effective as of _____, 2018 (“Effective Date”), by _____ (“Owner”) and Alpha Dimension Properties Inc. of P.O. Box 33482, Northglenn, Colorado 80233 (“Company”) and a physical address of 10321 Washington St., Suite 104, Thornton, CO 80229. Company and Owner are sometimes referred to below individually as a “Party” or collectively as “the Parties.”

Owner employs Company exclusively to lease, operate, and manage the property located at: _____, _____, CO 80____ (“Property”), upon the terms set forth below.

1. DESCRIPTION OF SERVICES. Beginning on the Effective Date, Company will provide the following services (collectively, the “Services”):

- A. Leasing the Property. To prepare and negotiate new leases and renewals of existing leases; to screen prospective tenants, including requiring potential tenants to fill out a tenant application form, conduct a background check, and check a potential tenant’s credit score (“Prospective Tenant Costs”). All Prospective Tenant Costs will be incurred by the potential tenant, and the potential tenant will pay Company the full amount of any expenses incurred in screening potential tenant.

Company agrees to take move-in and move-out videos and/or photos of the Property. Company will send a notice to Owner within 48 hours of receipt of a tenant’s notice to vacate or other similar document.

All leases and other Agreements entered into with tenants are signed by the Company on behalf of the Owner as an Agreement between the Company and the tenant, and not as an Agreement between Owner and the tenant.

- B. Tenant Selection Criteria. Company, in its sole and subjective discretion, may create and use tenant selection criteria (“Tenant Selection Criteria”). To the extent that the Tenant Selection Criteria are based on criminal history or financial worthiness, Company is responsible for collecting this data, and the source that will be used to collect this data will be www.zipreports.com. All applications received to lease the Property, and all information obtained regarding a potential tenant, will be reviewed with Owner prior to any decision being made regarding renting the Property to a prospective tenant. The final decision as to renting the Property to a particular individual, as well as the terms of any lease, shall be made by Owner.

- C. Rent. To collect all rent and other monies from tenants in the Property, to issue receipts for all rent and monies collected, and to deposit money collected in a trust account as set forth in this Agreement. It is within Company’s sole discretion, after Company has conducted a move-out walk-through, to determine the amount of prepaid rent, if any, that is returned to the tenant. The Parties agree that monthly rent for the Property will be \$_____.00. Upon agreement by both Parties, the Parties may modify the amount of the monthly rent.

- D. Utilities and HOA Payments. Other than services that are required by the lease to be arranged for by the tenant, to arrange for utilities and other services at the Property, including but not limited to electricity, water, gas, cable television, Internet services, trash removal, lawn care (including but not limited to fertilization, weed control, mowing, and

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snow removal), and other services that Company determines are necessary or appropriate for the leasing, maintenance, or upkeep of the Property (collectively, "Utilities"). In the event that Tenant does not timely place all applicable Utilities in Tenant's name, per the terms of the lease, Tenant will be charged a fee as determined by Company, in its discretion. While the Property is under lease, the Utilities will be billed to the tenant. Owner will also arrange for any HOA payments to be timely paid.

- E. Locks and Rekeying. To change and/or rekey the locks on the Property between tenancies, or at any other time, and for any safety or security reasons, as determined by Company, in its sole discretion.
- F. Advertising. Company performs the following standard advertising services at no cost to Owner: (1) listing the Property as for rent on www.freerentalsite.com which will disperse to major rental web search sites; and (2) posting an advertisement on Craig's List ("Company Advertising"). Any other advertising which Owner requests be done must be agreed upon by the Parties in writing, and will be paid for in full by Owner.
- G. Repairs, Maintenance and/or Alterations. To schedule, supervise and/or conduct repairs, maintenance, and/or alterations or to cause repairs, maintenance, or alterations to be made, and/or to purchase supplies, tools, or other instrumentalities necessary for repair, maintenance, or alterations to be completed.

Company will attempt to contact Owner at least once prior to initiating any repair, maintenance, or alteration to the Property. Company has a fully insured in-house maintenance team, which charges \$35.00 per hour for labor, with a straight pass through of all parts purchased. Unless otherwise specifically indicated by Owner in writing, Company will use its in-house maintenance team for all repairs, maintenance, and/or alterations to the Property. There are certain maintenance jobs in which the worker must be licensed/certified (e.g., HVAC, electrical, or plumbing). These workers have an additional fee associated with their work, which amount will be quoted whenever possible to the Owner for approval prior to performing work.

Company is authorized to arrange for and/or perform maintenance, repairs and replacements for any item that costs \$500.00 or less without prior notification to or approval of Owner.

For repairs, maintenance, and/or alterations over the amount of \$500.00, Company will attempt to collect three repair bids (two outside bids plus a bid from the in-house maintenance team). Once the bids are provided to the Owner, the Owner will have 72 hours to approve one of the bids and to provide payment to Company to pay for the work if the work is non-emergency. If a bid is not selected by Owner within 72 hours, Company has the authorization to choose which bid to accept to have the repairs, maintenance, and/or alterations completed.

Company is not obligated to notify Owner and obtain prior approval for all repairs, maintenance, and/or alterations if such repairs, maintenance, and/or alterations are for: (1) monthly or recurring operating charges; (2) performance of services for tenant(s) as provided for in tenant(s)' lease; or (3) emergency repairs. Emergency repairs are defined as repairs that Company deems must immediately be made to protect the tenants or the Property from imminent harm, loss, damage, or injury.

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When reasonable, Company will arrange to have appliances and similar items which Owner provides written information to Company that the item is “under warranty” to be repaired by the warranty service provider.

- H. Insurance Claims. To handle insurance claims related to Property damage to the Property, if needed, including but not limited to meeting with insurance adjusters, soliciting bids for work at the Property, paying vendors who provide that work, and related services. These services are beyond normal management services and will be charged at the hourly rate of \$35.00 per hour. If such service is requested by Owner, Owner agrees to promptly sign and deliver any documents needed by Company or any insurance company authorized to act on behalf of Owner.
- I. Foreclosure. In the event the Property is the subject of a foreclosure proceeding, Company may be required to perform certain acts/services arising from or related to that foreclosure proceeding. These actions/services are beyond normal management services and will be charged at the hourly rate of \$35.00 per hour. Company shall have the right to request prepayment for such actions/services.
- J. Agreements with Third Parties. To enter into written Agreements and/or leases with third parties, for the operation, repair, maintenance, alteration, safety, or for any other purpose reasonably related to the care or upkeep of the Property. All Service Agreements entered into with third parties are signed by Company on behalf of the Owner as an agreement between the Owner and the third party vendor or other service provider, and not as an agreement between Company and third party vendor or service provider. Company is not liable for any act or omission performed or caused by a third party while on or about the Property, or in regards to the Property, that causes harm or injury to the Property or to any tenant or other person, including invitees, licensees, and trespassers, either known or unknown.
- K. Mortgage Payments. Unless agreed to in writing by Owner and Company, Company has no obligation to make any mortgage payments on behalf of the Owner or in regards to the Property.
- L. Property Tax and Property Insurance. Unless agreed to in writing by Owner and Company, Company has no obligation to make any property tax or insurance payments on behalf of Owner or in regards to the Property.

2. PAYMENT FOR SERVICES. Owner agrees to pay Company for its services, as outlined below:

- A. Start-Up Fee. Owner agrees to pay Company a non-refundable start-up fee of \$150.00. This amount shall be paid contemporaneously with the execution of this Agreement.
- B. Monthly Management Fee. Owner agrees to pay Company a monthly management fee (“Monthly Management Fee”) of \$175.00. The first Monthly Management Fee shall be paid contemporaneously with the execution of this Agreement. The Monthly Management Fee is owed regardless of whether or not the Property is occupied and regardless of whether or not the tenant pays the rent and other charges owed pursuant to the lease.

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- C. **Banking Service Fee.** Owner agrees to pay a yearly bank service fee of \$50.00, which will be deducted from the Escrow Deposit. This amount for the initial year of this Agreement shall be paid contemporaneously with the execution of this Agreement. Subsequent amounts owed can be deducted from rent that Company receives from any tenant at the Property.
- D. **Proration.** In the event that termination occurs on a date other than the last date of the month, the monthly management fee shall be prorated.
- E. All funds must be paid in US dollars. Contemporaneously with the execution of this Agreement, Owner shall pay Company \$375.00, as set forth above.

3. BANK ACCOUNT.

A. **Trust Account.** Company will set up a Trust Account at Wells Fargo or any other bank or other financial institution selected by Company in its discretion that is insured by the FDIC. Company will deposit all receipts, expenses, and charges incurred and collected on behalf of Owner into the Trust Account. Company is not liable in the event that the bank or other financial institution fails or goes bankrupt. Any interest that accrues on money in any management trust accounts is solely owned by Company.

B. **Minor Repair Deposit.** Contemporaneously with the execution of this Agreement, Owner shall provide Company with a payment of \$500.00 ("Minor Repair Deposit"). These funds may be used during the term of a lease for minor repairs to and maintenance of the Property. If some or all of these funds are used, the use of the funds will be itemized on a Monthly Report. In the event that some or all of the funds are used during the term of the lease, the amount that was spent will promptly be replenished by Owner, which amount will be deducted from the monthly disbursement paid to Owner, so that at no time, the Minor Repair Deposit will be below \$500.00.

4. MONTHLY STATEMENTS. Company agrees to provide a Monthly Statement to Owner, which will itemize and detail the receipts, expenses, and charges incurred in the prior month, and which contains the Owner Overage Amount. The Monthly Statement will be provided from Company to Owner on or about the 15th day of each month. The Monthly Statement may also contain recommendations on repairs or maintenance that Company recommends be made to the Property. The Monthly Statement will be delivered via secured website, e-mail, facsimile, or first class mail to the Owner at the Owner's contact information, as listed at the end of this Agreement.

5. MONTHLY DISBURSEMENTS. Company shall make disbursements, once a month, in the following order: First, to Company's compensation, as set forth in this Agreement; Second, to expenses to repair, maintain, update, alter, or replace components of the Property or to replenish the Minor Repair Deposit; Third, to pay any other amounts that Company is obligated to pay as set forth in this Agreement; and Fourth, to Owner, any balance by the 15th of each month.

6. VISITS TO THE PROPERTY. Company agrees to perform a monthly drive-by inspection of the Property to determine the status of the condition of the Property. Company agrees to inspect the interior of the Property once every six months; such inspections shall be arranged by Company ("6-Month Inspection"). Owner shall be charged an inspection fee of \$75.00 per 6-Month Inspection, which shall be delineated on the Monthly Report in the month in which the inspection takes place. Company agrees to report to Owner any problems with the Property or with the tenants of which it becomes aware that materially and negatively impact the use or value of the Property.

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7. CONTACT WITH TENANTS. Owner shall not contact a tenant who is currently leasing the Property for any reason, without the prior written consent of the Company. In the event Company learns that Owner has contacted a tenant who is currently leasing the Property, Owner shall be charged a fee of \$200.00 per contact. The Parties agree that this fee is reasonable, as Owner contacting the tenant may undermine Company's ability to perform its responsibilities pursuant to this Agreement, may create inconsistent or contradictory expectations in the mind of the tenant, or may create other unforeseen issues or circumstances, all of which Company will be required to resolve with Owner and with the tenant. If the tenant contacts Owner, Owner must tell tenant that Owner cannot speak with tenant, and that tenant must contact Company to discuss any issues relating to the lease. Further, if the tenant contacts Owner, Owner shall immediately contact Company to inform Company that tenant has contacted Owner.

7. COMPANY WEBSITE. Upon written request to Company, Company will maintain a secure website by which Owner can access information about the Property, including but not limited to a copy of current lease, a copy of this Agreement, copies of Monthly Statements, and other information or links, as may exist from time to time. The URL for that website will be provided from Company to Owner and remain active for no longer than 60 days.

8. NOTICE TO TENANT REGARDING NON-RENEWAL OF LEASE. In the event Company and Owner agree that Company will not renew a current tenant's lease, Company will provide the tenant with no less than a 90 day notice which states that Company will not be renewing tenant's lease.

9. EVICTION PROCEEDINGS. In the event of an eviction of the tenant for any breach of the Lease, including non-payment of rent or any other obligation under the Lease, Company may initiate the eviction proceeding by delivering and posting a "Demand for Payment or Possession" notice. Within a reasonable amount of time after Company delivers and posts the "Demand for Payment or Possession," Company will inform Owner of the initiation of the eviction proceedings. Owner authorizes Company to expend a sum up to \$500.00 for the purpose of collecting unpaid rent and/or pursuing remedies for any other violation of the Lease without prior permission from the Owner. The remedies and relief sought in any lawsuit will be determined by Company, in its discretion. Owner is solely responsible for all legal fees, costs, and expenses incurred to the Property during and after the eviction proceeding, regardless of whether these sums can be collected from the tenant. Owner agrees to cooperate with Company in all steps that Company takes to enforce the lease.

10. COLLECTIONS. Company may use any such means that it deems necessary to attempt to collect any rent from any tenant. Company may, at any time, and in its own discretion, turn overdue rent payments to a collection agency. Company shall not be liable for its inability to collect rents. Company shall not be liable for any costs or expenses incurred in attempting to collect unpaid or overdue rent, including costs paid to, or incurred by, a collection agency. Nothing in this section should create or impose on Company the obligation to attempt to collect rent from any tenant who no longer resides in the Property.

11. NO ADVANCEMENT OF FUNDS. Owner shall pay for all expenses incurred on the Property, including, but not limited to repair, maintenance, alterations, replacements, rekeying and locks, and other items as set forth in this Agreement. All costs and expenses incurred in the management of the Property are the responsibility of the Owner.

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NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, **IT IS EXPRESSLY AGREED THAT COMPANY IS NOT REQUIRED UNDER ANY CIRCUMSTANCES TO ADVANCE ANY OF ITS OWN MONIES FOR ANY PURPOSE WHATSOEVER.** Company has no liability to Owner for any loss or damage as the result of any amount that is not paid if Owner has not provided such funds to Company, or such funds are not available to Company through rent received from the tenant.

12. ADDITIONAL FEES. Company shall have the right to charge and receive additional fees for the management of the Property. These fees include, but are not limited to, NSF check fees, serving fees, late fees, collection fees, setup fees, legal fees, advertising fees, maintenance fees, repair fees, materials fees, and/or banking fees. Fees incurred based on these or any other additional fees will be kept by Company under all circumstances. Any interest earned on any tenant's security deposit shall be retained by Company as an additional fee. Any late charge, judicial fine, penalty, or interest collected from any tenant shall be retained by Company as an additional fee.

13. OWNER SALE OF THE PROPERTY. If the Owner elects to sell the Property to a tenant procured by Company and the tenant purchases the Property from the Owner during the term of this Agreement, or within twelve (12) months after this Agreement is terminated, Company, acting as the transaction broker, shall be paid a sales commission equal to two percent (2%) of the sales price at the time of closing. The terms of this paragraph survive the termination of this Agreement.

14. INSURANCE. At Owner's sole expense, Owner agrees to maintain general liability insurance in an amount not less than three hundred thousand (\$300,000.00) per person and five hundred thousand dollars (\$500,000.00) per occurrence, and one hundred thousand dollars (\$100,000.00) for property damage, for all losses which may be suffered in association with the Property. The amount of insurance coverage is not any limitation on any financial obligation that Owner has to Company as set forth in this Agreement. Owner agrees that Company and Company's managers, employees, agents, and representatives shall be named as an additional insured on Owner's general liability insurance policy. Such policy shall provide that the coverage cannot be changed or the policy cancelled without thirty days advance written notice to Company. A copy of Owner's general liability insurance policy is required to be delivered from Owner to Company at the time this Agreement is signed, and on each occasion when that policy is renewed. Owner is required to keep the general liability insurance policy on the Property in effect for the term of this Agreement and any renewals. In the event that Owner ceases to maintain general liability insurance on the Property, Company shall have the right to terminate this Agreement immediately.

15. TERM. This Agreement will commence on the Effective Date, and will continue for a period of one year from the Effective Date. This Agreement will automatically renew each year on the Effective Date unless earlier terminated as provided in the Agreement. At any time during this Agreement, either Party shall have the right to terminate this Agreement by providing a 30 day written notice of that termination to the non-terminating Party. Termination can be for any reason or no reason. In the event Owner terminates this Agreement within the first year of the Agreement, Owner shall pay Company an early termination fee equal to one (1) year of management fees, which Owner shall pay within seven days of the date the notice of termination is provided to Company.

16. RELATIONSHIP OF PARTIES. It is understood by the Parties that Company, its employees, agents, representatives, are independent contractors, and nothing herein creates or is intended to create an employer/employee relationship.

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17. AUTHORITY TO ENTER INTO AGREEMENT. Owner expressly represents that it has the right, title and authority to enter into this Agreement with Company.

18. DISCLOSURE OF COMPANY'S OWNERSHIP INTEREST IN ANY COMPANY WHICH WILL BE PROVIDING MAINTENANCE RELATED SERVICES. As of the date of this Agreement, Company maintains an ownership interest in the following companies, which will be providing maintenance related services on the Property:

N/A

19. SECURITY DEPOSIT. Owner agrees that the tenant will pay a security deposit, pursuant to tenant's lease, into Company's trust account, as noted in tenant's lease. Company shall hold the tenant's security deposit in trust in Company's trust account. Upon the termination of the tenant's lease, Company will conduct a walk-through of the Property and will make deductions from the security deposit to repair damage, conduct clean-up, and/or pay final bills. Any remaining balance of the security deposit will be accounted for and will be returned to the tenant as required by Colorado law. It is within Company's sole discretion, after Company has conducted the walk-through, to determine the amount of the security deposit that is returned to the tenant.

20. TRANSFER OF SERVICES. In the event that this Agreement is terminated, Company agrees to transfer a copy of the entire file it has maintained on the Property to Owner, or, upon written authorization from Owner, to the new property management company engaged to perform the property management. At a minimum this will include (1) copy of existing lease; (2) copy of check-in condition report; (3) keys; (4) outstanding tenant balances; (5) tenant security deposit; and (6) owner's funds (subject to outstanding obligations).

21. INDEMNIFICATION. Owner agrees to indemnify, defend and hold harmless Company, as well as Company's brokers, managers, officers, directors, shareholders, employees, agents, insurers, and representatives from all claims, demands, lawsuits, liabilities, losses, damages, costs, or charges including reasonable attorney fees and court costs that relate to or arise from: (1) Company's management of the Property; (2) any breach of this Agreement by Owner; (3) any injury, damage and/or loss suffered on or about the Property by any tenant, licensee of the tenant, invitee of the tenant, contractor, contractor's employee, licensee of any contractor, invitee of any contractor, trespasser, whether known or unknown, or any other person whatsoever who is at or about the Property for any reason. This indemnification obligation shall be interpreted in as broad a manner as possible to provide Company the maximum amount of protection. This indemnification obligation shall not apply to any willful and wanton acts of Company. This indemnification obligation shall survive the termination of this Agreement.

22. COMPLIANCE WITH APPLICABLE LAWS. Owner acknowledges and agrees that Company is required to comply with all local, state, and federal laws and ordinances now in existence or hereinafter enacted (collectively referred to as the "Laws"). Owner expressly understands and agrees that, in compliance with the Fair Housing and Fair Credit Acts, Company will not discriminate against prospective tenant(s) based on a prospective tenant(s) race, religion, sex, national origin, handicap, or familial status. Additionally, in all decisions that Owner makes regarding the Property and any tenant or prospective tenant at the Property, Owner expressly agrees that, in compliance with the Fair Housing and Fair Credit Acts, Owner will not discriminate against prospective tenant(s) based on a prospective tenant(s) race, religion, sex, national origin, handicap, or familial status. The cost any Property to be in compliance with any of the Laws shall be paid for by Owner.

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23. DUTIES UNDER THE COLORADO REAL ESTATE COMMISSION RULES AND REGULATIONS. Owner acknowledges that Kathy Worley of Company is a licensed real estate broker with the Colorado Real Estate Commission. Pursuant to the Colorado Real Estate Commission Rules and Regulations, Company may have certain legal obligations towards prospective tenants. Company will at all times perform all of its obligations pursuant to the Colorado Real Estate Commission's rules and regulations. All fiduciary and/or other obligations that Company has as a result of its licensure with the Colorado Real Estate Commission supersede this Agreement. If at any time, any term or clause of this Agreement contravenes or contradicts a duty or obligation set forth by the Colorado Real Estate Commission, the rest of the Agreement will remain valid except that term or clause will be declared null and void. Owner acknowledges that the rules and regulations promulgated by the Colorado Real Estate Commission can change be changed at any time, without notice to either Party, and that all rules and regulations promulgated by the Colorado Real Estate Commission supersede the terms of this Agreement.

24. ATTORNEY FEES AND COSTS. If Company prevails in any lawsuit that relates to or arises from this Agreement, Company shall be awarded its reasonable attorney fees and costs.

25. ASSIGNMENT. This Agreement may be assigned by Company to any party, in Company's sole discretion, at any time, without Owner's consent. Owner does not have the right to assign this Agreement, unless Company consents, which consent shall be provided in Company's sole discretion.

26. WAIVER. The failure of Company to enforce any term of this Agreement shall not be deemed a waiver of the right of Owner to insist on strict performance of that or any other term of the Agreement at any other time.

27. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties, and there are no other promises, representations, or conditions in any other agreement between Company and Owner, whether oral or written.

28. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

29. APPLICABLE LAW. This Agreement shall be construed, governed, and enforced pursuant to the substantive and procedural laws of the State of Colorado. Venue for any lawsuit shall be brought in a court of competent jurisdiction in [REDACTED] County, Colorado. **Company and Owner waive their right to a jury trial in any lawsuit that relates to or arises from this Agreement.**

30. MODIFICATION. This Agreement may not be modified or altered except in writing and agreed to by both Parties.

31. COUNTERPARTS. This Agreement may be executed in counterparts, in which case all such counterparts shall constitute one and the same Agreement. Furthermore, the executed signature pages may be transmitted electronically, or by facsimile.

32. SUCCESSORS IN INTEREST. This Agreement is and shall be binding and inure to the benefit of the heirs and successors of each Party.

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33. BROKERAGE DUTIES ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT. Company is providing property management services in addition to leasing services to Owner. Accordingly, contemporaneously with the execution of this Agreement, the Parties have executed the Colorado Real Estate Commission form “Brokerage Duties Addendum to Property Management” (“Addendum”). A copy of this Addendum is attached to this Agreement, and is hereby incorporated into this Agreement. Owner agrees to promptly sign and deliver to Company any other documents that are required by the Colorado Real Estate Commission.

34. GUARANTY. If Owner is an entity, all obligations of Owner as set forth in this Agreement are personally guaranteed by a principal of Owner, as set forth below.

OWNER:

Name: _____

Signature: _____

Address: _____

Telephone Number: _____

Email Address: _____

Name: _____

Signature: _____

Address: _____

Telephone Number: _____

Email Address: _____

ALPHA DIMENSION PROPERTIES INC.

Name: Kathleen Worley

Signature: _____

Position: Broker/Owner, Alpha Dimension Properties Inc.