

PROPERTY MANAGEMENT AGREEMENT FOR MULTIPLE SHORT TERM RENTALS

Texan Resort Property Management, LLC
P.O. Box 156
Lake City, CO 81235
970-944-2246; info@texanresort.com

1. PARTIES/CONSIDERATION

This agreement is by and between Texan Resort Property Management, LLC, a Colorado corporation (the “Manager”) and _____ (the “Owner”) (collectively the “Parties”). Manager is acting as an agent of the property owner.

In consideration of the mutual covenants contained herein, the Parties agree as follows:

2. PROPERTY

This agreement concerns the Owners property located at: _____

More fully described as (legal description): _____

located in the County of Hinsdale, State of Colorado (the “Property”).

3. EMPLOYMENT OF MANAGER/CONSIDERATION

The owner hereby employs the Manager as its exclusive managing agent for the Property and the Manager hereby accepts this agency on the terms contained in this agreement.

4. TERM OF AGREEMENT

This agreement shall become effective on the date signed below. Each year the summer vacation rental period shall be from the day before Memorial Day to the end of September. This contract is for a period of three (3) years. At the end of the 3rd year Anniversary, this agreement shall be renewed automatically for successive one-year periods, unless canceled in writing by either party at least 90 days prior to the Anniversary Date.

5. OBLIGATION OF MANAGER

During the term of this agreement, the Manager shall provide Owner with management services as defined in Paragraph 10 and shall offer the Property for rental. Except as provided to the contrary by law, Manager assumes only those responsibilities expressly set forth in this Agreement.

A. Rent Schedule

The manager will establish and publish on-line at www.texanresort.com a rental rate schedule for the Property, annually. Rental rates are typically weekly. If Owner desires to allow smaller rental increments, initial here:

Manager shall charge a fair, reasonable and competitive rent for the property to, in Manager’s business judgment, maximize the rental receipts for the property, allowing for the property’s class and atmosphere, the size and quality of the Property and the Property’s proximity to recreational facilities and other amenities and general market conditions. Manager reserves the right to establish changes or eliminate minimum lengths of stay, as it deems necessary to maximize property income.

B. Advance Rental Deposits/Collections

Manager shall require such advance rental deposits of 25% minimum or as discretion may deem necessary and shall use good faith and best efforts to collect rentals due and unpaid; however, in no event shall Manager be required to make

unprofitable or fruitless collection efforts or file suit or institute proceedings of any kind for the collection of rents, or be liable to Owner for any rents that are not paid, upon demand, when due.

C. Accounting

All rental deposits shall be held in the Account of Texan Resort Property Management, LLC and all rental revenues shall be deposited in the said Account.

Revenues shall be applied in the following order of priority: (1) to the payment of the Management Fees provided for in this Agreement; (2) to the reimbursement of Manager for fees advanced pursuant to paragraphs 5.F. (Repairs and Maintenance), 5.G. (Housekeeping), 6.B. (Repairs/Improvements) and 6.E. (Owners Use of the Property); (3) to the reimbursement of Manager for any other fees advanced by Manager in carrying out the terms of this Agreement; and (4) to establish or restore the balance in the Owners Working Capital Account in the amount of \$200.00. The Manager will mail to Owner, by the end of October of the rental year, subject to the other terms of this Agreement, any statement indicating a net credit due to the Owner and will be accompanied by a check for the amount of such credit. In the event the expenses chargeable to the Owner exceed the income collected by the Manager, Owner agrees to pay Manager the excess amount, within 30 days following receipt of the monthly statement. Manager makes no representation, warranty or promise that revenues shall exceed costs.

D. Reservations

Manager shall maintain a reservation office seasonally (Memorial Day Weekend – end of September), through which occupations pursuant to reservations for the Property shall be processed. At various times during these hours, an answering machine may be used for taking reservation messages, so that Manager's agents can attend to additional business, including maintenance of the Property. During the off-season period, inquiries will be handled by e-mail or answering machine.

E. Front Desk/Check-In and check-out

Manager shall maintain a registration desk throughout the summer season (Memorial Day Weekend – end of September) where all guests using the Property shall check-in and checkout. The dates and hours for check-in and checkout and for use of the registration desk will be set by Manager and will be disclosed to prospective renters and Owner upon request.

Upon check-in, Manager shall deliver to renter all necessary keys at the front desk from Memorial Day Weekend – end of September, instructions and directions to the Property, together with a printed copy of the rules and regulations for the Property.

F. Inspections of Property/Repairs and Maintenance

- (1) **Inspections.** Owner shall inspect the Property prior to the signing of this agreement and prepare an inventory. (if this is the first time signing) They shall make a report that lists any additions required to complete the Manager's Needed Inventory for Rentals (Exhibit A) before the Property will be placed in the reservation system. (See paragraph 6.B. below).

In addition, Manager shall make inspections of the Property at the beginning of the season and at the end of each season at no additional cost. A report will be made; only if there are any material changes in the condition of the property, at that time the Owner will be notified. If the owner would like more inspections than listed, it may be requested at an additional charge to the owner.

- (2) **Repairs and Maintenance.** Owner authorizes and Manager agrees to perform maintenance and repairs on the Property and to replace defective, worn-out or dangerous components of the property when the same cannot be repaired, if, in the discretion of the Manager, the same are necessary to maintain the Property, its fixtures, furniture or furnishings in a condition safe and suitable for occupancy; provided, however, Manager shall obtain prior approval from the Owner for expenditures for any one month in excess of Three Hundred Seventy Five Dollars (\$375.00).
- (3) **Emergency Repairs.** If the Owner cannot be reached by telephone and if the repair is deemed by the Manager to require immediate attention to prevent damage to the premises or prevent personal injury or property damage to persons occupying or otherwise on the premises or to maintain service to the tenants as called for in their rental agreement, Manager may proceed, without Owner's consent, to make such expenditures as are necessary to eliminate the risk of damage to the premises or injury to property or person.

- (4) **Supervision/Financing of Repairs.** Manager shall make the repairs and maintain the Property or contract for and supervise the repairs and maintenance on the Property and shall purchase all materials and supplies necessary for the accomplishment of the above and pay for the same, subject to the limitations set forth above. The cost of these supplies, materials, and services will be deducted from Owner's rental revenues, if any, or in the absence of revenues, will be billed directly to Owner. Manager shall include with Owner's yearly statement (in October) a written summary of any repair or maintenance works performed and enclose the statement of any outside contractors hired by Manager to perform work on the Property.

G. Housekeeping

Owner will be responsible for cost and the manager shall provide the property with all necessary janitorial and housekeeping services and shall purchase all supplies and provide all equipment necessary for the accomplishment of the above and pay the bills for the same, provided that the Manager agrees to secure the prior approval of the Owner for all expenditures in excess of \$375.00 for any one item unless emergency repair. Specifically, Manager shall provide:

- (1) Cleaning after the departure of each rental party;
- (2) When deemed necessary by Manager, a cleaning before the arrival of a rental party;
- (3) Trash removal;
- (4) Stocking of the property with soap, dishwasher soap, detergent, paper towels, facial tissue, toilet tissue, scouring pad, light bulbs, trash liners and kitchen inventory;
- (5) De-winterizing the cabin in the Spring;
- (6) Spring-cleaning;
- (7) Winterizing the cabin in the Fall;
- (8) Fall prep and cleaning, if necessary;
- (9) Carpet and upholstery cleaning;
- (10) Linen, bedspread, blanket, and drapery cleaning and, when necessary, replacement.

The cost of these supplies and services will be deducted from Owner's rental revenues, if any, seasonally or, in the absence of revenues, billed directly to Owner.

6. OBLIGATIONS OF OWNER

All obligations and responsibilities not expressly delegated, herein or by law, to Manager shall be the responsibility of Owner, including but not limited to the following:

A. Inspection

Owner agrees to provide Manager with all keys and instruction manuals to the Property at the time of signing this Agreement. Owner agrees to inspect the Property on or before the time of signing this Agreement and complete an inventory, and at such time will make any necessary additions to meet the Manager's Inventory requirements list in Exhibit A. Owner represents, hereby, that he has personally inspected the premises and that the condition of the premises is as indicated on Exhibit A as of the date of this Agreement.

B. Repairs/Improvements to Property

Owner hereby recognizes that, in order to maintain the high standard of quality that Manager represents to renters, Manager will request that Owner make certain repairs or improvements prior to placing the property on the reservation system. Also the Manager will request periodic replacement of worn, damaged, or non-functioning furnishings and appliances and will request performance of major maintenance or housekeeping functions, such as carpet, upholstery or drapery cleaning and wall painting. Owner hereby agrees to promptly perform or have Manager perform the repairs recommended, at Owner's expense, and agrees that Manager has no obligation to rent the property unless and until these repairs are performed to Manager's satisfaction.

When Manager gives notice in writing to Owner of the need for periodic repairs or improvements, in excess of \$375.00, Owner may perform the recommended improvements or have Manager perform the improvements, both at owner's cost and within an agreeable time frame.

If Owner does not agree to make or pay for said repairs/ improvements, or agrees and does not make or pay for them, Manager shall remove Property from reservation availability until said repairs/ improvements are agreed to, made, and all expenses are paid.

C. Insurance

It is the responsibility of the Owner to carry fire, casualty and liability insurance on the property and provide Manager with proof of insurance on or before May 1 each rental year. Owner shall be fully responsible for all consequences of its failure to insure. A copy shall be mailed to Texan Resort Property Management, LLC.

D. Use of the Property

Owner acknowledges that the Property may be reserved far in advance. To insure maximum occupancy of each property, the Owner is requested to notify Manager of his own non-revenue intended use of this property by the following dates:

<u>Notification Date</u>	<u>Use Period</u>
May 15 current year	For Following Year

Owner reservations made by the applicable notification dates will be given priority. Without regard to the above notification dates, Owner may use the property at anytime it is otherwise committed by notifying the Manager, but such usage is subject to prior rental commitments. Owner shall not be required to check in or out at the registration desk, but is requested to observe the check-in and checkout times, whenever possible and to notify Manager by telephone or otherwise, upon check-in or checkout. Owner shall be responsible for housekeeping and any other fees related to Owner’s occupancy of the Property.

E. Sale of the Property

In the event the property is sold or leased with an option to purchase during the term of this agreement, this agreement shall terminate upon final closing. Owner agrees that any sale or lease option shall be subject to all confirmed reservations for guests and that the contract for sale shall bind purchaser to honor all confirmed reservations. In the event that Owner does not bind the purchaser to such rentals, Owner shall be liable for all expenses, damages, claims and losses incurred by Manager, including management fees, lost revenue, guest relocation costs and attorney’s fees, as a result of any failure to honor these rentals. Manager shall use reasonable effort to move reservations whenever possible. Owner agrees that any listing contract shall be subordinate to this agreement.

F. Property Taxes, Homeowner’s Association Dues, Etc.

It is the responsibility of the Owner to discharge their own responsibilities for Federal, State and County land and property taxes, homeowners association dues, mortgage payments, and any other related homeowner’s expenses.

7. TERMINATION

This contract shall terminate, as follows:

- (a) With or without cause, on the anniversary date following 90 days prior notice from Owner or Manager (see paragraph 4); or
- (b) Automatically upon default of either of the Parties, in any obligation provided for in this Agreement, if: (1) Written notice of default is sent, registered U.S. mail, return receipt requested, to the defaulting party by the non-defaulting party/ and (2) The defaulting party fails to cure the default or make arrangements agreeable to the non-defaulting party, within 10 days from the notice of default is received; or
- (c) Upon sale of the Property, as provided in paragraph 6.E.

Upon termination, Manager shall perform a final inspection of the Property, completing a new inventory in the form attached hereto as Exhibit A; forward the inventory, along with a final billing to Owner within 45 days of the termination date; remove the property from the reservation system and transfer existing rental reservations to other properties when possible or, in cases where existing guests or future reservations cannot reasonably be changed, notify the Owner of this fact, return all keys to Owner within 30 days of the date of the last reservation.

Upon termination, Owner agrees to pay the final billing, honor any reservations that cannot be moved, and pay the Manager the management fees due on prior booked reservations.

8. NOTICES

Unless provided to the contrary in this Agreement or changed by written notice, all notices required by this Agreement shall be given in writing, by registered U.S. mail, return receipt requested, to the following addresses:

Manager: **Texan Resort Property Management, LLC, PO Box 156 Lake City, CO 81235**

Owner: The address (Par. 17) shall be the notice to which statements and all other correspondence shall be mailed. In the event that more than one Owner owns the property, the statements will nonetheless be sent to the Owner at the address listed in that paragraph.

9. INDEMNIFICATION

The owner agrees to indemnify, defend and hold the Manager harmless from and against any liabilities or claims which may be made against Manager, its agents or employees, for injury or damage to person or property or for any other cause related to or arising out of this Agreement or the performance of this Agreement.

10. MANAGEMENT FEES

Manager, in return for its services, in addition to reimbursement for expenses previously identified, is entitled to a management fee of 30% of the gross rental revenues. This fee will cover the setting and adjusting of rental rates, maintaining web site, e-mail, phone, fax and reservations, marketing, front desk services, accounting services, deposits, collections and inspection services. All other expenses are to be paid or reimbursed by Owner separate from and in addition to the management fee.

The gross rental revenues shall be the sums actually received by either Owner or Manager from rental or occupancy of the property, less any tax incident to the occupancy or rental of the property, and less credit card charges, but not a tax upon the income of Owner or Manager, and any forfeited deposits.

11. REMEDIES

All parties shall be entitled, upon any breach, default or wrongful termination, to any remedies allowed by this Agreement or by law. In addition, the prevailing party in any mediation, arbitration or litigation hereunder shall be entitled to recover all costs and expenses, including costs of court, and attorney fees. In addition, Manager shall be entitled to the following:

If fees, expenses, and/or reimbursements or other costs due to Manager have been billed to the Owner but are unpaid, all such sums shall constitute a lien on Owner's real property described in the Agreement and the personal property contained herein. Any such lien shall attach from the date of the failure of payment of the fees, expenses, or reimbursement and may be enforced in like manner as a mortgage or deed of trust on real property or a security interest in personal property or fixtures, as appropriate, subsequent to the recording of a notice or claim thereof. In any foreclosure proceeding, the Owner shall be required to pay to Manager all unpaid fees, expenses, or reimbursements during the period of foreclosure, including but not limited to costs and reasonable attorneys' fees and Owner and Manager shall be entitled to a receiver to collect the same. The rights and remedies outlined herein shall be cumulative and nothing herein shall be construed to constitute a waiver to abrogation of any right Manager may have to a personal action against Owner or to mechanic's liens, equitable liens or other liens against Owner's property.

12. ENTIRE AGREEMENT

This agreement contains the entire agreement of the parties with respect to the transactions contemplated and shall not be modified or amended except by an instrument in writing signed by or on behalf of all parties hereto; provided, however, nothing contained herein shall prohibit an additional or supplemental or verbal or written agreement for compensation for the Manager's performance of additional or supplemental services.

13. SUCCESSORS OR ASSIGNS

This agreement shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns, but not upon a purchaser for value of the property from the Owner, except as provided in paragraph 6.E.

14. GOVERNING LAW

This agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado and any action under this contract shall be brought in the Courts of Hinsdale County, Colorado.

15. RELATIONSHIP

Nothing in this agreement shall constitute Owner and Manager partners or in any manner render either liable for the obligations of the other, unless expressly set forth herein.

16. GUEST INFORMATION

Owner acknowledges that all guest information, including guest addresses and phone numbers, will remain at all times the property of the Manager. Under no circumstances will the Manager be obligated to disclose this exact information to the Owner without the Manager’s consent. It is acknowledged that the Owner and Manager share the cost to acquire and maintain this information for the benefit of the Owner; however this information is used for the benefit of the Owner only at the Manager’s discretion.

17. OWNER INFORMATION

In order for our records to be complete and for us to be able to contact you at any time in case of emergency, please fill out the form below: Please be advised that the information you provide below will be the information used by Manager to complete Owner’s 1099 tax forms each year.

Name: _____		
Last	First	Middle
Spouse: _____		
Last	First	Middle
Please check the address at which you prefer to receive mail:		
Home address: _____		

Business address: _____		

Home Phone: _____	Business Phone: _____	
E-mail: _____	Cell Phone: _____	
Social Security No. or Federal I.D. No.: _____		

Insurance Company: (submit a copy of your binder) _____

Address: _____

Policy No.: _____

18. ADDITIONAL PROVISIONS

- Pets (dogs) are allowed. Pet charge is \$10.00 per night or \$45/week (initial box if accepted), or NO PETS _____.
- The maximum number of persons that may occupy this Property is defined on-line. If different, number here: _____.
- We rent all units NON-Smoking.
- If you will rent at a lower rate than stated in Sec. 5A. Please note and please initial box; Optional rate is _____.

19. **ACCEPTANCE DATE and AGREED PARTIES:** No reservations can be accepted until this contract is signed and returned.

Owner (printed name) _____

Texan Resort Property Management, LLC

Owner (signature): _____

Its Agent (sig): _____

Date: _____

Date: _____

Owner (printed name) _____

Owner (signature): _____

Date: _____

Notary Acknowledgements

STATE OF COLORADO)
COUNTY OF HINSDALE) S.S:

The foregoing Instrument was acknowledged before me, an officer duly authorized in the State of Colorado and County aforesaid, to take acknowledgments, this the ___ day of _____, 20___, by _____, who:

- is personally known to me; or
- who has produced _____ as identification; and who:
- did, or
- did not, take an oath

and who executed the within Instrument, and who acknowledged the within Instrument to be freely and voluntarily executed for the purposes therein recited.

Notary Public

Print Name: _____

(Stamp)

My Commission Expires: _____

STATE OF COLORADO)
COUNTY OF HINSDALE) S.S:

The foregoing Instrument was acknowledged before me, an officer duly authorized in the State of Colorado and County aforesaid, to take acknowledgments, this the ___ day of _____, 20__, by _____, who:

- is personally known to me; or
- who has produced _____ as identification;
and who:
- did, or
- did not, take an oath

and who executed the within Instrument, and who acknowledged the within Instrument to be freely and voluntarily executed for the purposes therein recited.

Notary Public

Print Name: _____

(Stamp)

My Commission Expires: _____

Exhibit A: Manager's Needed Inventory for Rentals and Condition of Premises

Condition of Premises:

Stocking of the property:

250 gal propane tank (as applicable)
baskets for toiletries
bath hand towels
bath mats
bath soap dish
bath full towels
beds, lamps, tables
bedspread, comforter or quilt (1 per bed)
benches
blanket (1 per bed plus 1 extra per bed)
broom
chairs
coffee maker/8 cup
commode brush/hldr
couch/loveseat
cups 8
cutting board
detergent (if wm)
dining table
dish rack/drainboard
dish sets - 8 place
dish/hand liquid soap
dishwasher soap
bench/chairs - porch
drapery or blinds (1 per window and glass door panel)
dresser/chest (1 per bedroom)
dryer (as applicable)
dust pan
entrance rug – 2 ea
facial tissue
headboards (1 per bed)
glasses - 8
kit sink rug – 2 ea
kitchen hand towels
kitchen utensil inventory _____
knife sets
lamps/bedside table
lamps/liv room/side table
light bulbs
luggage rack, folding – 1 per BR
mattress cover/queen – 1 per bed
mattress skirt/queen – 1 per bed
microwave/small
mirrors – 1 per BR & bath
mop, wet
occasional chairs – as rq'd
picnic table – 6'
pictures for wall décor – 2 per room
pillow cases – 2 per pillow
pillow covers, zip – 2 per pillow

pillows (2 per bed)
plunger w/ hanger
pots/pans set
queen beds – 1 per BR
range/oven – 1 per kit
recliner/rocker – as avail
refrig/lrg – 1 per kit 2.5 cu ft min
scouring pads – 1 box
shwr rubber mats – 1 per shwr
silverware - 8 pl
soap, hand - 1 box bars
sponges – 1 package
television - 1
throw rugs – as rq'd
toaster - 1
toilet tissue – 1 box
towels/bath – 4 per bed
towels/hand – 4 per bed
towels/kitchen - 4
trash liners – 1 box lg/1 box sm
utencil sets/misc
vac cleaner - 1
wash cloths 4 per bed
washer (as applicable)
waste basket/ - 1 per bath
waste basket/ 1 per kitchen