

**MANAGEMENT AGREEMENT
FOR
PONDEROSA CONDOMINIUMS ASSOCIATION, INC.**

This Agreement, in duplicate, is executed as of the 1st day of November, 2021, by and between PONDEROSA CONDOMINIUMS ASSOCIATION, INC., a Colorado non-profit corporation, hereinafter referred to as "Association," and MOUNTAIN HOME MANAGEMENT, a Colorado corporation, hereinafter referred to as "Manager."

In consideration of the terms, conditions, covenants, and considerations herein set forth, the Association and Manager agree to the following:

Association hereby appoints Manager and Manager hereby accepts the appointment as Manager of the condominium development known as "Ponderosa Condominiums" (hereinafter referred to as "Ponderosa"), located in the Town of Mt. Crested Butte, County of Gunnison, State of Colorado. Association is a Colorado non-profit corporation comprising the owners of all condominium units at Ponderosa Condominiums.

The Manager, under the direction of the Board of Directors of the Association, shall have the responsibility for the operation and management of the general and common elements and business affairs of the Association in accordance with the terms and conditions of the Association Declarations, Association Map, Articles of Incorporation, and Bylaws ("Association Documents"). Manager agrees to exert its best efforts and skills to manage the Association.

In the performance of its duties, Manager shall confer with the President and other officers of the Association, as they shall designate. The Manager shall be under no obligation to follow the directions or to accommodate the wishes of any individual owner and shall only be obligated to follow the directions of the Association's Board of Directors or its designee. However, Manager shall maintain business-like relations with Owners whose requests related to common areas shall be received and considered. Requests or complaints of a serious nature shall, after thorough investigation, be reported to the Board of Directors with appropriate recommendations.

The Manager shall have the right to enter any of the units when necessary for the protection of the common areas and other units.

The Manager shall be furnished with a complete set of plans and specifications for all improvements located within Ponderosa to the extent that they are available. Copies of the guarantees and warranties pertinent to the construction of such improvements shall also be furnished to the Manager.

Everything done by the Manager under this Agreement shall be done as Manager of the Association. The Manager shall incur **NO UNBUDGETED EXPENSE WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD OF THE ASSOCIATION**, except in an emergency situation requiring emergency repairs or

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services involving damage to life or property, which may be immediately necessary for the preservation and safety of Ponderosa or persons. Manager will make a reasonable effort to minimize all such emergency costs and make an effort to consult with the Board of Directors as quickly as reasonably possible and, if possible, prior to incurring any unbudgeted emergency expenses.

Manager shall not be obligated to make any advance to or for the account of the Association or pay any sum, except out of funds held or provided as set forth herein, nor shall the Manager be obligated to incur any Association liability or obligation without indemnification from the Association.

Manager shall be solely and strictly liable to Association for all funds of Association received by it under this Agreement and shall be liable for and protect the Association from any defalcation or loss of the Association's funds, caused by any employee of Manager.

The Manager, at Manager's expense, shall obtain and keep in full force:

1. Workman's Compensation insurance in accordance with the laws of the State of Colorado
2. Comprehensive General Liability in an amount not less than \$1,000,000 per occurrence
3. Errors and Omissions Insurance in accordance with Colorado Division of Real Estate Regulations
4. Crime Fidelity Insurance in accordance with Colorado Division of Real Estate Regulations.

For the insurance described above as well as for all outside contractors engaged, the Manager shall deliver to the Association the Certificates of Insurance and insurance policies for general liability, and workmen's compensation, and such insurance policies shall name Association as additional insured, and provide by endorsement that any such policy of insurance may not be canceled or materially changed without 30 days prior written notice to the Association.

The services performed under this Agreement shall include, but not be limited to, the Duties and Responsibilities set forth in Exhibit A, attached hereto and made a part hereof.

The compensation, which the Manager shall receive for services performed under this Agreement, is shown in Exhibit B, attached hereto and made a part hereof.

Manager and Association recognize that certain major capital projects may require a project manager. Prior to initiation of a major capital project, Manager and Association shall discuss the need for a project manager. Should a project require a

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project manager, Association shall have the option of hiring an outside contractor or Manager as project manager. Should Manager be selected, Association shall pay Manager a mutually agreed upon fee for project management. Capital project/construction management services shall include, but not be limited to, preparing requests for proposals, soliciting bids, obtaining references and other information about bidders, assisting Board with selection of contractors, enforcing warranties and reporting to the Board of Directors the progress of projects.

This Agreement shall commence January 1, 2022, and shall continue in full force and effect through December 31, 2024.

Either party may terminate this Agreement upon not less than 90 days written notice.

Notwithstanding any other provisions to the contrary, it is expressly understood and agreed that the status of Manager is that of an independent contractor and that nothing herein contained shall be construed to make the Manager an employee of the Association.

Each party agrees to indemnify and hold the other harmless against and in respect to any loss, damage, deficiency, expense or claim resulting from their acts of conduct in the performance of their duties and obligations under this Agreement. It is specifically understood and agreed between the parties that if either becomes entitled to indemnification under this paragraph, any and all expenses, including reasonable attorney fees, and costs resulting from or attributable or incidental to any manner or thing mentioned or described in this paragraph shall be borne by the other party. Each party shall, to the extent reasonably possible, insure against losses incurred through the operation of this paragraph.

Notices between Association and Manager shall be in writing and shall be sent via US Mail or Federal Express to each other's address as follows:

Association: Ponderosa Condominiums Association, Inc.
c/o Beverly Ross, President
4303 W 78th Terrace
Prairie Village, KS 66208-4361

Manager: Mountain Home Management CB, LLC
PO Box 1012
Crested Butte, CO 81224-1012

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This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, oral and written, between the parties with respect to the subject matter hereof.

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, it shall not affect the enforceability of any other provision of this Agreement.

This Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, successors and assignees.

No amendment or modification of this Agreement shall be valid or enforceable, except in a writing executed by both parties.

Following the execution hereof, the parties will execute and deliver any and all further papers, instruments and documents, and will cause any other action to be taken and give such further assurances as may be necessary, proper or convenient to affect, evidence or carry out the provisions of this Agreement.

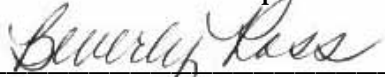
This Agreement shall be governed by and construed under and pursuant to the laws of the State of Colorado. The proper venue for any legal action brought to interpret or enforce the Agreement shall be in Gunnison County, Colorado.

This Agreement may not be assigned, in whole or in part, without first obtaining the written consent of the other party, which consent will not be unreasonably withheld.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate to be effective the day and year first set forth above.

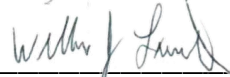
ASSOCIATION:

PONDEROSA CONDOMINIUMS
ASSOCIATION, INC.
A Colorado Non-Profit Corporation

By: 
Beverly Ross, President

MANAGER:

MOUNTAIN HOME MANAGEMENT
CB, LLC
A Colorado Limited Liability Company

By: 
William J. Laird, Owner

Date: November 1, 2021

Date: 11/18/21

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**Exhibit A
Duties and Responsibilities of Manager**

Manager shall operate and maintain the Association's affairs according to the highest standards available, consistent with customary practices, the dictates of the Association, and the budget available to the Manager for such purposes.

Financial and Banking

1. Maintain accurate, complete, and separate financial records for the Association in accordance with generally accepted accounting principles.
2. Establish and maintain an account or accounts in a bank approved by the Association. Manager will not commingle Manager and Association funds.
3. Collect all assessments and other charges due to the Association from the Owners. The Association hereby authorizes the Manager to request, demand, collect, receive and receipt for any and all charges which may at any time be or become due to the Association by way of legal process or otherwise, as may be required for the collection of delinquent accounts. The Manager shall file statements of lien and take such other actions as required by the Condominium Declarations and By-Laws, recorded in the records of Gunnison County, Colorado.
4. Utilizing the bank's online bill payment system, Manager shall disburse Association funds to discharge any liabilities or obligations incurred by Manager for the Association pursuant to this Agreement. Manager may not withdraw more than \$2,000 at a time without the prior written approval of the President or Secretary/Treasurer of the Association.
5. Prepare and furnish to the Association the following reports, prepared in accordance with generally accepted accounting principles:
 - a. Profit and Loss Statement and Balance Sheet within 15 days following the end of each month.
 - b. Accounts Receivable, Accounts Payable, Itemized Expenses, Budget Variance, and any other financial reports when requested;
 - c. Profit and Loss Statement and Balance Sheet within 30 days of the close of the fiscal year.
6. Work with a Certified Public Accountant approved, retained and paid for by the Association, to prepare, execute and timely file any and all Association-related forms, reports, and tax returns required by law.

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7. Prepare and submit to the Association, at least sixty days prior to the commencement of each Association fiscal year, an operating budget setting and itemizing the anticipated receipts and disbursements for the new fiscal year.
8. Prepare and maintain a Ten-Year Capital Expense Plan (Reserve Study).

Administrative Services

1. The Association's records shall be kept electronically, utilizing the Association's Dropbox account, and shall be the property of the Association. The President and Secretary/Treasurer of the Association shall have access to the Association's Dropbox account at all times to inspect the financial records and all other records kept and maintained electronically by the Manager for the Association. A backup copy of the Association's QuickBooks data shall be created at least weekly and uploaded to the Association's Dropbox account. The Board of Directors, or its authorized representative, may, during regular business hours and with 24 hours advance notice, inspect any other Association records not available electronically.
2. Make contracts for water, electricity, gas and other necessary services. All such contracts and orders shall be made in the name of the Association.
3. Maintain all licenses, permits, and registrations required of the Association and Manager.
4. Organize Annual Homeowners Meeting, Board of Directors Meetings, and any other official meetings of the Association (includes timely and appropriate notifications, proxies, recording and distribution of minutes within 10 business days after each meeting).
5. Maintain a list indicating the name, address, phone number, and email address of each unit owner, and mortgagee, if any.
6. The Association's email, **pca.mtcb.co@gmail.com**, is to be used for all email communications related to the Association. Emails received at the Manager's email address shall be forwarded to the Association's email and replies to such emails shall be from the Association's email address.
7. Communicate in a timely manner with owners to keep them informed of Association rules, regulations and notices, and to respond to owners' questions and concerns.
8. Maintain and archive official documents and records of the Association.
9. Issue official Ponderosa parking permits.

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10. Develop and implement parking lot controls to ensure available parking for owners, guests, and authorized tenants. Provide parking lot patrol, issue warnings and arrange for towing of unauthorized vehicles, consistent with Association parking policies.
11. Maintain Association's master key system, ensure all units are keyed under this system, distribute keys to rental managers and others as authorized by the Board, and maintain records of key holders.
12. Maintain an inventory of all personal property belonging to the Association. Inventory shall be reported annually to the Board of Directors at least thirty days prior to the commencement of each Association fiscal year.
13. Enforce Association Rules and Regulations and, if necessary, and in consultation with Board of Directors, obtain legal counsel at Association expense.
14. Develop and maintain records and maps of all utility locations, including water shut offs, electrical panels, telephone and cable locations, natural gas shut offs, etc. These records are the property of the Association and shall be kept in the office of Manager.
15. Record amendments to the Association By-Laws with Gunnison County Recorder.
16. Take such actions as may be necessary to comply promptly with any and all orders, notices or requirements affecting Ponderosa which are issued by the federal, state, county, or municipal authority having jurisdiction over Ponderosa. The Manager shall promptly, and in no event later than 72 hours from the time of their receipt, notify the Association in writing of all such orders, notices or requirements. The Manager, however, shall not take any action under this paragraph so long as the Association is contesting, or has affirmed its intention to contest any such order or requirement.
17. Review and approve or deny renovations proposed by owners within units. If the Manager has any concerns, project plans shall be submitted to the Board of Directors for further review. Owners are responsible for any improvements, repairs or maintenance that occurs inside their units, including any resulting damage or negligence.
18. Perform those duties for the Association's Board of Directors, which are set forth in the Condominium Declarations for Ponderosa Condominiums, Articles of Incorporation and By-Laws.

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19. Advise and make recommendations to the Board of Directors regarding needed or desirable capital projects, major maintenance, and any other matters to be considered or dealt with to facilitate *proactive* management of Ponderosa.
20. Other duties as mutually agreed upon.

Insurance and Liability

1. Subject to the approval of the Board of Directors, obtain for and at the expense of the Association, and under the best terms available, the following insurance and with the Manager named as an additional insured:
 - a. Comprehensive General Liability Insurance in an amount not less than \$1,000,000 per occurrence;
 - b. Directors and Officers Liability Insurance for the Board of Directors and Officers of the Association in the amount of \$1,000,000 subject to such coverage being available to the Association, and the premium for such insurance being in an amount acceptable to the Board of Directors;
 - c. Fire and Extended Coverage Insurance on the buildings, improvements, structures and property of the Association for the full replacement coverage thereof;
 - d. Such other additional insurance as the Association, in its sole discretion, shall require.
2. Promptly investigate and make a full written report to the Association on all accidents, claims, and known potential claims for damages or injury pertaining to Ponderosa and the estimated cost to repair any damage and shall, as the agent of the Association, submit and file all required reports, forms and proof of loss required under any policy of insurance.

Personnel

1. Hire, pay, supervise and discharge the personnel necessary to perform the duties of Manager of the Association. It is understood that all employees are employees of the Manager and not the Association.
2. File all of the appropriate forms, reports and returns required by law in connection with Manager's employees' unemployment insurance, workmen's compensation insurance, disability benefits, social security and other similar taxes now in effect or hereafter imposed. Manager shall also satisfy all requirements relating to the employment of personnel.

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3. Provide coverage for, and respond to, emergencies on a 24-hour per day, 7-day per week basis. Provide emergency contact information to all interested parties (owners, rental managers, tenants, law enforcement, fire department, etc.).

Contract Services

Manager shall make, as Association's representative, and at the expense of the Association, contracts for the furnishing of services for maintenance and operation of the Association. Manager shall utilize its best efforts to obtain all such contracts at a price and term beneficial to the Association.

1. Subject to Board approval, select contractors for snow plowing, chimney sweeping, roof inspection/repairs, and any other contractors required to maintain the general and common elements of the Association.
2. Coordinate, direct and supervise contractors performing work on the property (see Exhibit B for exceptions).

Common Area Maintenance

1. Maintain and keep clean all common areas to standards acceptable to the Board of Directors, within the limits of the Association budget.
 - a. Perform regular inspections of common areas, interior and exterior, and keep the property as clean and safe as is reasonably possible.
 - b. Perform janitorial and housekeeping services. Clean common areas, including stairways, landings, saunas, showers, closets, and garages. Remove trash, vacuum, sweep and/or mop floors, wash walls, trim, doors, light fixtures and windows. Keep storage closets and shed clean and neat. Remove and discard items that are not property of the Association.
 - c. Perform regular inspections of common plumbing, heating, mechanical and electrical systems.
 - d. Maintain lawn and landscaping. Pick up trash and debris and empty trash containers as needed. Mow grass and trim weekly during the growing season. Fertilize and apply weed control at recommended intervals. Water lawns and flowers in accordance with local restrictions. Arrange for care and maintenance of flowerbeds, shrubs, trees, and other plantings. Maintain lawn irrigation system.
 - e. Remove and keep free of snow all walks, stairs, landings, and hot tub deck on the property as quickly and thoroughly as reasonably possible. Schedule, coordinate and supervise snow removal by contractors to assure it is done in a timely and efficient manner.
 - f. Maintain and keep clean Association equipment and personal property. Clean and maintain hot tub according to state and/or local requirements.

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Service and maintain equipment owned by the Association (snow blower, lawn mower, etc.).

- g. Cover and lock hot tub each evening at 9 p.m., or as directed by the Board.
- h. Maintain common areas. Maintain locks, door closers, and all other common area hardware and equipment in good working order. Replace light bulbs in hallways and in porch lights as needed. Maintain night lighting. Maintain doors, windows and screens in good working order.
- i. Maintain life/safety equipment and services. Arrange for periodic inspection and servicing of fire alarm systems, fire extinguishers, and all other safety equipment.
- j. Provide necessary minor equipment used for maintenance, such as vacuum cleaners, hand tools, power tools, etc.