

Short-term Rental Management Agreement

This exclusive Rental Management Agreement (hereinafter referred to as the "Agreement") is entered into on _____, 200__ between _____ (hereinafter referred to as the "Owner"), and Frias Properties of Aspen, LLC, (hereinafter referred to as the "Manager"). Owner and Manager agree as follows:

1. Employment of Manager: The Owner hereby employs the Manager as its exclusive managing rental agent to manage, pursuant to the terms hereinafter contained; the Owner's property located at _____ (hereinafter referred to as the "Property"). The Manager hereby accepts the employment on the following terms:

2. Term of the Agreement: This agreement shall become effective on _____, 200__ and shall extend for a period of one year. This Agreement shall automatically be renewed for successive one-year periods unless canceled in writing by either party at least 90 days prior to the anniversary date. If this Agreement is terminated for any reason during the term hereof, including foreclosure or sale of the Property, any advance reservation (s) for the Property shall belong to Manager to be placed in a similar and like kind property if available. Manager shall make every effort to move said reservation (s) to like accommodation (s). If, however, comparable accommodations (s) are not available, owner agrees to honor said reservation (s) or indemnify and hold Manager harmless from all expenses, costs and damages incurred by Manager or guests as a result of refusal to honor said reservation (s).

3. Obligations of Manager: During the term of this Agreement, the Manager shall provide the Owner with rental management services hereinafter described and shall offer the Property for rental as specified in section 3.1 In the performance of the management responsibilities hereby assumed, the Manager shall have the rights, duties and obligations specified in this Agreement.

3.1 Rent Schedule and Policies: The Manager shall charge a fair, reasonable and competitive rent for the Property to, in the Manager's business judgment, maximize the rental receipts for the Property. The Manager shall use diligence in obtaining occupants for the Property and in doing so shall be responsible for the collection of rent, applicable taxes and service fees. The Manager shall plan and operate a suitable rental program including marketing and promotional operations, which programs may be modified or expanded from time to time. The Manager shall use its best efforts to market the Property to generate the highest rental income market conditions will allow. Manager shall be responsible for all negotiations, rates, discounts and terms with prospective tenants, and shall have the right to execute and enter into rental agreements on behalf of Owner. The Manager reserves the right to establish rates, discount rates, or eliminate minimum lengths of stay, as it deems necessary to maximize property income.

The Manager will establish policies, which are intended to promote the good will of guests and prospective guests knowing how important it is to all Owners to receive good will and repeat customers. The Owner understands that their personal use will be denied if the Manager has already confirmed the unit to a paying guest subject to the terms of this Agreement.

The Manager will rent and promote other properties similar to that of the Owner's and will in all instances treat the Owners ethically and manage the unit impartially, given similar circumstances exist.

3.2 Maintenance and Housekeeping Services and Supplies: The Manager shall provide the Property with all necessary maintenance and housekeeping services including maids, cleaning equipment, transportation for workers when necessary, and shall make or supervise such repairs and maintenance services to the premises as may be advisable or necessary in order to maintain the Property, furniture, and furnishings in a safe and optimal condition. The Manager shall purchase all supplies necessary for the accomplishment of the above responsibilities and pay the expenses on behalf of and expensed to the Owner, provided that the Manager agrees to secure the prior approval of the Owner for all expenditures in excess of \$500.00 for any one item, except emergency repairs, if in the opinion of the Manager such repairs are necessary to protect the premises from damage or to maintain services to the tenants as called for in the rental agreement. The Manager shall charge for all services listed above as outlined in section 5.

3.3 Inspection: The Manager shall inspect the Property on a regular basis when unoccupied and make a diligent effort to protect the premises against damage by utility failure, the elements, vandalism, and possible irregularities, which might be detrimental to the Property and to monitor utilities to save on utilities expense. The Manager will inspect the Property after each rental guest for major appliances and will not inventory all accessory items or art. In the event of loss, replacement of these items is the responsibility of the property owner.

3.4 Manager's Insurance: Throughout the term of this Agreement, the Manager agrees to cover all the employees of the Manager with adequate Worker's Compensation Insurance, and to carry a comprehensive general liability insurance policy.

3.5 Record Keeping and Monthly Accounting: The Manager shall provide the Owner, on or about the 25th day after the end of each calendar month, a statement of income and expenses for the property for the preceding calendar month. Subject to the other provisions of this Agreement, any such statement indicating a net credit due to the Owner shall be accompanied by a check for the amount of such credit except the Manager may maintain a \$ _____ working capital balance in the Owner's account. The Manager may request of the Owner an increased working capital deposit if the Owner's average monthly expenses exceed this working capital amount and the Owner agrees to promptly pay the additional amount requested. In the event the expenses chargeable to the Owner exceed the income collected by the Manager, the Owner agrees to pay the Manager the excess amount within 30 days following receipt of the monthly statement. The Owner acknowledges that all interest on working capital deposits will go the Manager. In the event there is no continuing income due the Owner and the Owner's deficit remains unpaid after 30 days of receipt of this statement, there will be a 1-1/2% per month (18% per annum) interest charge added to the next statement.

Under no circumstances shall the Manager be liable to the Owner for any rent as long as the Manager has acted in good faith in the collection of all rents due the Owner.

3.6 Unpaid Fees, Expenses and Reimbursements: If fees, expenses, and/or reimbursements or other costs due to the Manager have been billed to the Owner but are unpaid, all such sums shall constitute a lien on the Owner's real property described in this Agreement and the personal property contained therein. Any such lien shall attach from the date of the failure of payment of the fee, expense, or reimbursement and may be enforced in like manner as mortgage or deed of trust on real property or a security interest in personal property, as appropriate, subsequent to the recording of a notice or claim thereof. In any foreclosure proceeding, the Owner shall be required to pay to the Manager all unpaid fees, expenses, or reimbursements during the period of foreclosure including but not limited to costs and reasonable attorney's fees, and the Owner and the 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 the Manager may have to a personal action against the Owner or to mechanic's liens, equitable liens, or other liens against the Owner's property.

Owner's bills for assessments and utilities with respect to the Property shall be paid by Manager from funds that may be held by Manager on behalf of Owner or from funds paid by Owner. Manager retains the right to discontinue paying said utilities should Owner maintain a delinquent account with Manager for more than sixty (60) days. If the owner maintains a delinquent account for more than sixty (60) days after the last statement date or is otherwise in breach of this agreement, the manager may terminate this agreement upon ten (10) days written notice to the owner. Manager shall not be responsible for the property if utilities are disconnected for non-payment by the owner.

3.7 Owner Referral: All full priced reservations procured by the Owner for his property, or any other property managed by the Manager, shall be commissionable. The Owner shall receive a 10% commission by having the renter contact the Manager, giving the Owner's name and account number when the reservation is made. All such commissions shall be credited to the Owner's monthly statement.

4. Obligations of Owner: During the term of this Agreement, the Owner shall have the rights, duties and obligations as follows:

4.1 Owner and Owner Guest Occupancies: Aspen area properties are usually reserved far in advance. Thus, to insure maximum occupancy of each property, the Owner is requested to notify Manager by returning the Owner's calendar of intended use of the Property by the following dates:

Notification Date Use Period

February 1	April 16-November 15 - summer season
July 1	November 16-April 15 - winter season

Upon prior approval or after these notification dates, the property will begin to be rented. Without regard to the above notification dates, the Owner may use the property at anytime it is not otherwise committed by notifying the Manager, but such usage is subject to prior rental commitments. The Owner agrees to inform the Manager of all Owner or Owner guest occupancies and Owner understands that all rentals must go through the Manager, for which the Manager will be paid the rental commission specified in this agreement. The Owner is obligated to pay the Manager the contractual rental commission if the Owner rents the property directly. Owner agrees to be responsible for all direct and consequential costs and or damages incurred as a result of having to move any rental guest to another

property, compensate said rental guest for displacement, loss of business or profit, or damage to the Manager's reputation as a result of Manager being unable to honor said reservation.

Owner acknowledges that the amount of use by Owner, Owner's family and or Owner's guests may adversely impact Manager's opportunity to rent the Property. Owner acknowledges that Manager makes no guarantee, warranties, or representations as to the number of rental nights or amount of rental income to be generated. Owner shall not permit any person or persons to enter the Property without prior coordination through the Manager. Manager shall not be required to rely on any verbal or telephone instructions with respect to any occupancy of the Property by Owner or Owners' guests.

The Owner and Owner guests will be subject to the same check-in and check-out times applicable to rental guests. Any deviation from these times must be approved by the Manager. The Owner will be responsible for any extra costs incurred by the Manager because of the Owners delayed departure.

4.2 Furnishings: The Owner agrees to provide and maintain the property as a top quality resort rental accommodation and the Manager is granted the right to make reasonable recommendations to the Owner concerning the condition of the property, including but not limited to furniture, fixtures, appliances, draperies, decor, wall and floor coverings, lighting, and related or like items. Owner understands that the Manager may elect not to rent the unit should the condition deteriorate below the Manager's standard for similar units and the Owner fails to take corrective action after written notification from the Manager.

Owner acknowledges that Manager has established a unit rating program to insure the quality of rental properties and that the Property is subject to inspection on a periodic basis at Owner's expense to insure compliance with rental standards. Upon reasonable notice Owner does agree to promptly take such steps as Manager deems necessary to bring the Property up to industry standards and Manager's guidelines as established in the rating system and Property inventory.

4.3 Owner's Insurance: Owner shall carry fire, casualty, and liability insurance on the Property in an adequate amount to cover any and all losses, casualties, and liabilities including, but not limited to, property damage, personal injury and/or death, and total destruction of the Property. Frias Properties of Aspen, LLC, shall be named as an additional insured. Proof of insurance shall be provided by Owner, to Manager; however, Owner's failure to provide such proof of insurance shall not be deemed a waiver of Owner's obligations to maintain such insurance. Owner agrees to include renters insurance and loss of rental income. The Owner shall advise the Owner's insurance carrier(s) that the Owner is renting the Premises. The Owner hereby acknowledges that not all insurance policies cover short-term or long-term renting of premises, and that the Manager has advised the Owner to discuss the appropriate insurance coverage with the Owner's insurance agent. The Owner further acknowledges that in the event that the Owner has not obtained appropriate insurance coverage for short- or long-term renting of the Property, the Owner may be personally liable for claims made against the Owner in the event of loss or damage. The Owner shall provide the Manager with a copy of the Owner's insurance policies.

The Owner shall be responsible for any and all damages to their Property or personal property contained within the Property from whatever cause. The Manager will assist the Owner in the pursuit of collection for the reimbursement for any damages, but the Manager will not be liable or responsible for and such damage or loss. Because Manager cannot be held responsible for lost or stolen items the Owner may wish to secure valuables in a locked owner's closet or cabinet.

4.4 Tax identification Number: Owner shall provide to Manager a valid tax identification number upon execution of this Agreement.

4.5 Utility Billing: Owner shall pay all utility bills pertaining to the Property when due. Manager will, upon receipt of Owners written request, pay utility bills for Owner. If the Owner elects to have Manager pay utility bills, the Owner must provide the Manager with sufficient operating funds to pay bills; such deposit shall be refunded to Owner upon termination of this Agreement. Owner is responsible for the transfer of billing for all utilities and vendor services upon the termination of this Agreement.

5. Management Compensation and Other Fees: As consideration for the Manager's services provided for in this Agreement, the Manager shall receive a percentage of net rental receipts and a monthly management fee.

5.1 Rental Commission and Fees: The Owner agrees to pay the Manager the commission designated in Section 18 on all net collected rental revenue and for use of the property, services as outlined in Paragraph 3.2 and as detailed in Section 18. Net rental revenue is defined as gross rental revenue less commission of travel agents, tour wholesalers, Realtors, credit card fees and other similar sales commissions. The Owner acknowledges that the Manager has Realtors working as independent contractors who may provide rental reservations and as such will be paid a commission.

The Owner acknowledges that the Manager will keep all advance deposit money in an interest bearing escrow deposit account and that all interest gained on that account will go to the Manager.

The Owner will pay the Manager the contract commission specified in this Agreement if a tenant procured by the Manager re-rents the Owners Property.

5.2 Hourly fees and supplies: The Owner agrees to pay the Manager for all hourly work at the rates outlined on attached Exhibit "A" which may be adjusted from year to year with prior notice. The Owner agrees to pay expenses incurred by the Manager, together with a ten percent (10%) fee, in providing and supervising contracted outside services, supplies, materials and the like. The Manager may hire subcontractors on an hourly basis and bill the Owner at Manager's applicable hourly billing rates.

5.3 Monthly Fee: In addition, the Owner agrees to pay a monthly fee of \$_____ to defray the costs to provide security checks, accounting and administrative personnel during periods of non-rental. The monthly management fee may be adjusted from year to year with prior notice.

6. Right of Access: The Manager shall have access to the property during reasonable hours as may be necessary for the inspection, maintenance or making of emergency repairs. It is the Manager's duty to represent the Owner in acquainting them with the rules and regulations applicable to the property.

7. 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, supplemental, verbal or written agreement for compensation for the Manager's performance of additional or supplemental services.

8. Successor 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.

9. Sale of Property: The Owner agrees to notify the Manager in writing before the unit is listed for sale. 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, payment of the balance due the manager and subject to all confirmed rentals. The Owner agrees that any sale contract or lease option shall be subject to all confirmed reservations and that the contract for sale shall bind purchaser to honor all confirmed reservations. In the event that the Owner does not bind the purchaser to such rentals, the Owner shall be liable for all expenses, damages, claims and losses incurred, including attorneys' fees, as a result of any failure to honor these rentals. The Manager shall use reasonable effort to move reservations whenever possible, but will not move a confirmed guest if the move will be detrimental to the guest or company. The Owner will notify the Manager in writing prior to closing of the intended closing date and will pay any balance due the Manager prior to closing including the contractual working capital deposit.

10. Promotional Use: The Manager shall have the use of the Owner's Property for promotional purposes at no charge for a maximum of seven days in any twelve-month period. In every case, paying reservations and the Owner's use shall take precedence over such promotional use. All expenses related to such promotional use shall be paid by the management company.

11. Governing Law: This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado. In the event of a dispute between the parties arising out of or related to this Agreement, the parties agree that Colorado shall have jurisdiction over said dispute and the venue shall be Pitkin County. Moreover, the prevailing party in such a dispute shall be entitled to its costs and reasonable attorney's fees.

12. Waiver: The failure of any party to enforce at any time any of the provisions hereof shall not be construed to be a waiver of any right of such party thereafter to enforce such provisions and each an every other provision hereof.

13. Nature of the Relationship: Nothing in this Agreement shall constitute the Owner and the Manger partners or in any manner render either liable for the obligations of the other unless expressly set forth herein. The parties acknowledge that the relationship established between them is one in which Frias Properties of Aspen, LLC, is acting as the Manager for the rental of the Owner's property and for the performance of certain functions ancillary to such rental.

14. Indemnity of Manager and Attorney's Fees: Owner agrees to indemnify, defend, protect and hold harmless Manager from any and all losses, claims, costs, damages, expenses, demands, judgments or the like, including attorney's fees and other expenses of litigation, reasonably incurred in connection with any claim, action, suit or proceeding to which Manager may become involved by reason of having been a Manager pursuant to this Agreement. This indemnity shall include any and all losses or liability incurred or claimed by any person or entity from any and all claims for damages, expenses, loss of property by theft or otherwise, injury or damages to

property, injury or death to any person, from any cause whatsoever except for the willful misconduct or gross negligence of Manager, its servants, representatives or employees. This indemnity shall survive the expiration or termination of this Agreement by any party thereto.

15. Gratuities: The Owner does hereby acknowledge that the Manager may request the guest to pay a 6.5% service fee to compensate the Manager's employees and to defray the Manager's cost to provide newspaper delivery, bathrobes, on demand transportation and other services not covered under the Manager's fee paid by the Owner. The gratuity is not considered part of the gross rental income as defined in Paragraph 5.1.

16. Guest Information: The 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. It is acknowledged that the Manager pays 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. Recommendation of Legal Counsel: An attorney for the Manager has prepared this Agreement. By signing the Agreement, the Owner acknowledges that it has been advised that this Agreement has important legal consequences and has had the opportunity to consult wit legal, tax or other counsel before signing this Agreement. Accordingly, in the event any claim is made by any party relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by an attorney for the Manager.

Personal Guarantee:

For good and valuable consideration, the undersigned jointly, severally, primarily, and unconditionally guarantee the full and timely performance of all Owner's covenants, terms and agreements under the Agreement and agree to pay all fees and costs and other amounts to be paid by Owner hereunder, and to pay all damages, costs or other liabilities incurred by Manager in connection with any Owner's default under the Agreement. This is a continuing Guarantee and the obligations of the undersigned shall not be affected by the renewal, modification or extension of the Agreement, or any of its terms, nor shall Manager be required to first proceed against Owner under the Agreement, before proceeding against the undersigned, under this Guarantee. The undersigned shall jointly and severally be liable for and pay the Manager for all costs and expenses in enforcing this Guarantee, including attorney's costs.

By:
Owner
Date: ____/____/____

IN WITNESS THEREOF, the parties hereto have executed this agreement on the date first set forth above.

MANAGER:
Frias Properties of Aspen, LLC.
730 East Durant Avenue
Aspen, Colorado 81611
970-920-2000
www.friasproperties.com

By:
Managing Partner:
Date: ____/____/____

18. Short Term Rental Agreement Summary

(Please initial your elected commission option)

a. Option 1 _____ (initial)

40% of the net rental revenue plus a monthly management fee. Manager will provide:

- ❖ Health club access.
- ❖ Airport transportation.
- ❖ Comprehensive international and national marketing and sales program.
- ❖ Rental related housekeeping labor, laundry and supplies.
- ❖ Rental related maintenance of ½ hour or less (includes key cutting, light bulb changing, toilet plunging, placing shower doors back on track, vacuum belt repair, guest instruction on appliance operation, tightening towel racks).
- ❖ Periodic security checks when Property is unoccupied.
- ❖ Professional front desk and concierge services.
- ❖ 24-hour staff, 7 days per week.
- ❖ Toll free reservations.
- ❖ Monthly accounting statements.

The Owner absorbs their net share of travel agent/wholesaler or realtor referral commissions, net share of credit card fees, major maintenance, firewood, snow removal, utilities, owner housekeeping, owner laundry and owner supplies, spring/fall deep cleans and maintenance inspection checks, carpet and window cleaning, appliance, electrical or plumbing repairs, Aspen Central Reservations' dues and Chamber fees.

b. Option 2 _____ (initial)

20% of the gross rental revenue plus a monthly management fee. Manager will provide:

- ❖ Health club access.
- ❖ Airport transportation.
- ❖ Comprehensive international and national marketing and sales program.
- ❖ Periodic security checks when Property is unoccupied.
- ❖ Professional front desk and concierge services.
- ❖ 24-hour staff, 7 days per week.
- ❖ Toll free reservations.
- ❖ Monthly accounting statements.

The Owner absorbs all travel agent/wholesaler or realtor referral commissions, all housekeeping service, laundry, supplies, security checks, maintenance, firewood, snow removal, spring & fall deep cleaning and maintenance inspection checks, utilities, carpet and window cleaning, appliance, electrical or plumbing repairs , Aspen Central

Reservations' dues and Chamber fees.

19. 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 print)

Name: _____ Spouse: _____

Mailing Address: _____ City: _____ State: _____ Zip _____

Home Telephone: _____ - _____ - _____ Work Telephone: _____ - _____ - _____ Cell: _____ - _____ - _____

Fax Number: _____ - _____ - _____ e-mail address: _____

FED ID: SS No.: _____ - _____ - _____ Bank Branch _____ Deposit Account No. _____

Co-Owner: _____ Telephone: _____ - _____ - _____

Property Information:

Property Address: _____ Property _____

Code: _____

Unit No.: _____ Telephone: _____ - _____ - _____

Alarm Co: _____ Telephone: _____ - _____ - _____ Code: _____

Insurance: _____ Telephone: _____ - _____ - _____ Policy _____

: _____

Vendor Information:

Caretaker: _____ Telephone: _____ - _____ - _____

Sprinkler : _____

Telephone: _____ - _____ - _____

Snowplow: _____

Telephone: _____ - _____ - _____

Housekeeper: _____

Telephone: _____ - _____ - _____

Spa/Pool : _____

Telephone: _____ - _____ - _____

Electrician: _____

Telephone: _____ - _____ - _____ Control Panel: _____

Plumber: _____

Telephone: _____ - _____ - _____ Heat

Type: _____

Landscape: _____

Telephone: _____ - _____ - _____

EXHIBIT "A"
MANAGEMENT FEES 2004

RENTAL UNITS

❖ 1 BEDROOM	\$60 PER MONTH
❖ 2 BEDROOM	\$75 PER MONTH
❖ 3 BEDROOM	\$85 PER MONTH
❖ 4 BEDROOM	\$95 PER MONTH
❖ 5 BEDROOM	\$110 PER MONTH

NON-RENTAL – ASPEN CORE

❖ 1 BEDROOM	\$85 PER MONTH
❖ 2 BEDROOM	\$110 PER MONTH
❖ 3 BEDROOM	\$135 PER MONTH
❖ 4 BEDROOM	\$165 PER MONTH
❖ 5 BEDROOM	\$185 PER MONTH

NON-RENTAL – NON-CORE

(RED MOUNTAIN, CEMETERY LANE, INDEPENDENCE, CASTLE CREEK, ASPEN HIGHLANDS)

❖ 1 BEDROOM	\$125 PER MONTH
❖ 2 BEDROOM	\$135 PER MONTH
❖ 3 BEDROOM	\$175 PER MONTH
❖ 4 BEDROOM	\$200 PER MONTH
❖ 5 BEDROOM	\$350 PER MONTH

HOURLY SERVICES:

❖ MAINTENANCE SERVICES	\$37.00 PER HOUR
❖ HOUSEKEEPING SERVICES	\$32.00 PER HOUR
❖ ADMINISTRATIVE ASSISTANTS	\$55.00 PER HOUR
❖ OWNER REPRESENTATIVE	\$65.00 PER HOUR
❖ STAFF ACCOUNTANTS	\$65.00 PER HOUR
❖ CONTROLLER	\$85.00 PER HOUR
❖ PROPERTY MANAGER	\$85.00 PER HOUR
❖ PROPERTY MANAGER	\$150.00 PER HOUR