

TexasRenters.com Property Management Agreement

1. Parties:

A. The parties to this agreement are:

Owner: _____

Broker: TexasRenters.com, LLC

B. If Owner is not an individual, the individual signing this agreement for the owner represents to Broker that he or she has the authority to bind Owner to this agreement, to act for Owner, and is acting under his capacity as _____ for the Owner. The individual signing agrees to provide any necessary documents the Broker may reasonably request in relation to the Owner.

C. Owner appoints Broker as Owner's sole and exclusive leasing and managing agent of the real property described in Paragraph 2 and in any addendum to this agreement.

2. Property: "Property" Means:

| # | Address | Included Non-Real Property Items |
|---|---------|----------------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |

3. Term:

A. The Primary Term of this agreement begins on: _____ the commencement date and continues for thirteen months. The End of the thirteenth month shall be the expiration date of the Primary Term.

Owners' Initials _____, _____

Broker's Initials _____

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- B. Automatic Extension: This agreement shall automatically renew on a month-to-month basis, unless either party provides 60 days advance written notice of non-renewal. The date set forth in the 60-day advance notice shall be the Termination Date.
- C. Effective Services and Assignment: If Broker determines that Broker cannot continue to effectively provide leasing and management services to Owner for any reason at any time during this agreement Broker may terminate this agreement or assign this contract to another Broker that the Broker believes can effectively fulfill the terms of this agreement by providing at least 30 days written notice to Owner.
- D. Notice to Modify Terms and Conditions: Upon Expiration Date in Paragraph 3(A), Broker may reasonably modify the terms of this agreement. Upon 30 day written notice of these changes, Owner must terminate within 60 days or the new terms will be deemed accepted and become binding upon the Parties for the subsequent term.
- 4. Broker's Fees:** All fees to Broker under this agreement are payable in Harris County, Texas. This Paragraph 4 survives termination or expiration of this agreement with regard to fees earned during this agreement which are not payable until after its termination. Broker may deduct any fees under this Paragraph 4 from any funds Broker holds in trust for Owner. If more than one property or unit is made part of and subject to this agreement, each of the provisions below will apply to each property or unit separately.
- A. Management, Leasing and Renewal Fee: Is per the Property Management Pricing Addendum
- B. Fees in the Event of Sale: "Sell" means to agree to sell, convey, transfer, or exchange any interest in the Property whether by oral or written agreement or option. The owner has no obligation to agree to sell this property at any time during the Term of this agreement. The following fees are only due if the owner elects to sell the property. Fees under this Paragraph 4 are earned when the Owner agrees to sell the Property and due at the time the sale closes.
- i. If the Tenant Purchases the Property: The Owner will pay 4% of the sales price to the Broker if the Tenant agrees to purchase the Property within 360 days of the expiration of this agreement.
- ii. If Owner elects to have the Broker List the Property for Sale: The Broker will represent the Owner, and the Owner will pay the Broker 5% of the Total Sales Price. The Broker will pay up to 3% to the Broker representing the Buyer.
- iii. Sales Coordination Fee: If at any time during this agreement Owner agrees to sell the Property and Broker is not paid a fee under Paragraph 4B(i) or (ii), Owner will pay Broker 2% of the sales price for Broker's time and services to coordinate showings, inspections, appraisals, repairs, and other related matters. Fees under this Paragraph 4B(iii) are earned at the time such services are rendered and payable upon Owner's receipt of Broker's invoice.
- C. Separate Listing Agreement Controls: If Owner sells the Property and pays Broker the fee under a separate written listing agreement between Owner and Broker: (a) this Paragraph 4B will not apply; and (b) Broker will waive any fees due under Paragraph 12 at the time the sale closes.

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- D. FUNDS RECEIVED AFTER TERMINATION: Except in the event of foreclosure, if Broker receives any funds on behalf of Owner after this agreement ends (for example, rent, damages, past due amounts, and others), Broker will deposit those funds in Broker's trust account and will: (a) pay 10 % of the funds received to Broker as compensation for services (for example, research, accounting, communicating, and processing) rendered at that time; and (b) pay the balance of the funds to Owner. This provision survives termination of this agreement.
- E. Administrative Fees: If Broker collects administrative charges from tenants, prospective tenants, or vendors including but not limited to, application fees, returned check fees, advertising fees, leasing fees, renewal fees, or late charges Broker will retain such fees as compensation under this agreement. The administrative fees under this Paragraph 4 are earned and payable at the time Broker collects such fees. If fees result in no net income or expense to Owner, the fees may not show on the owner statement. Owner further agrees that the Broker may perform services contemplated under this agreement and or secure services through affiliated companies, which may have common ownership.
- F. Termination Fees: As outlined in Paragraph 11.
- G. CPI Adjustment: There shall be no price adjustments during the Primary Term of this Agreement. The Broker may increase all other fixed fees in this agreement no more than once per year following the Primary Term by a percentage equal to the percentage change in the Consumer Price Index statistics published by the United States Bureau of Labor. Comparisons shall be made using the index entitled, "U.S. City Average/All Items and Major Group Figures for all Urban Consumers Portland Area (1982-84 = 100)," or the nearest comparable data on changes in the cost of living, if such index is no longer published. The change shall be determined by comparison of the figure for the previous January 1, with that of January 1 of the current year. In no event shall the Broker increase fees to a rate higher than that the Broker advertises for new customers.

5. AUTHORITY OF BROKER:

- A. Leasing and Management Authority: Owner grants to Broker the full discretion and authority which Broker may exercise when and to the extent Broker believes it to be in Owner's interest. Broker will act under applicable law and will use reasonable care when exercising Broker's authority. The term "Applicable Law" shall mean all federal, state or local laws, ordinances, regulations and directives enacted by any governmental authority with jurisdiction over the Property. The Broker may engage in the following activities and perform other activities the Broker believes are necessary to effectively lease and management of the Property:
 - i. Advertising: Broker may advertise the Property for lease, including but not limited to creating and placing advertisements with interior and exterior photographic and audio-visual images of the Property and related information in the MLS, the internet, signs placed at the property, in printed media, and any other advertising the broker believes is competitive. All work produced or procured by the broker shall remain the sole property of the Broker.

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- ii. Cooperation with other agents: Broker may authorize other brokers, their associates, inspectors, appraisers, and contractors to access the Property at reasonable times for purposes contemplated by this agreement and to lend keys and disclose security codes to such persons to enter the Property. Broker May use third party scheduling services to facilitate Broker cooperation and scheduling.
- iii. Keysafe / Lockbox: Broker may use a keysafe, lockbox or smart lock to allow entry into the Property; Broker assumes no liability for any damages related to the use of any such devices. Broker may duplicate keys and access devices, at Owner's expense, to facilitate convenient and efficient showings of the Property and to lease the Property.
- iv. Rental / Leasing: Broker may initiate, negotiate, execute, renew, modify, or cancel lease agreements for the Property; collect and give receipts for rents, other fees, administrative charges and security deposits. Broker shall set the terms of rental, application, and screening standards, rent, and security deposit amounts in accordance with Broker's reasonable business judgement.
- v. Tenancy Termination: Broker may, at Owner's Expense, sign and serve, in Owner's name, notices that are required or appropriate; commence and prosecute actions to evict tenants; recover possession of the property; recover rents and other sums due; and settle, compromise and release claims, actions and suits and / or reinstate tenancies. The Broker may, at the Owner's expense, engage an attorney to represent the Owner in eviction proceeding when [Texas Civil Procedure does not permit the Broker to act on the Owner's behalf]
- vi. Property Inspections: The Broker is not a TREC licensed home inspector. All inspections conducted by the Broker are superficial and are primarily for the purposes of documenting the condition of the property for determining security deposit liability. The frequency of the property inspections is determined by the Property Management Pricing Addendum. All inspections are conducted during normal business hours. The parties understand that there are instances where inspections do not occur for various reasons, and that it would be impossible to determine the value of a missed inspection. The parties agree that the broker shall not be liable for more than the fee the Broker charges for additional inspections for any missed inspection or for any claims arising from a missed inspection.
- vii. Repairs and Maintenance: Broker may hire contractors to repair, maintain, redecorate, or alter the Property provided that Broker does not spend more than \$300.00 for any single item aforementioned without Owner's consent. Broker may hire contractors to make emergency repairs to the Property without regard to the expense limitation above if Broker determines repairs are necessary to protect the Property or the health or safety of an ordinary tenant. Further, Broker may contract, at Owner's expense, in either Broker's or Owner's name, for utilities and maintenance to the Property, including but not limited to, electricity, gas, water, alarm monitoring, cleaning, pool and spa maintenance, yard maintenance, and other regularly recurring expenses that Broker determines are reasonable to maintain and care for the Property. If a non-emergency repair or maintenance item exceeds \$300.00, the Broker shall submit a repair or maintenance estimate to the owner, and the owner shall approve or deny the repair estimate within 3 business days. If the owner fails to respond within 4 business days, the Broker may proceed with the repair, at the owner's expense, if the Broker reasonably believes that the repair is required by the lease agreement with the tenant or Applicable Law.

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Broker shall not be responsible for the acts, omissions, defaults, or negligence of any work performed.

- viii. Trust Accounts: Broker shall deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits or investments are insured directly or indirectly by an agency of the United States government. The funds shall be held in a trust account separate from Broker's personal accounts. Broker may maintain one or more trust accounts for all properties Broker leases and manages for others. Broker shall not be liable in event of bankruptcy or failure of any financial institution. Interest earned on trust account monies, if any, will be distributed to Broker.
- ix. Security Deposits: During this agreement, Broker will maintain security deposits received from tenants in a Trust account and will account to the tenants for the security deposits in accordance with the leases for the Property. Except in the event of Foreclosure, in which case the security deposit will be returned to the tenant, after this agreement ends, Broker will deliver to Owner or the Owner's designee the security deposit held by Broker under an effective lease of the Property, less deductions authorized by this agreement, and will send written notice to the tenant that states all of the following:
1. that this agreement has ended;
 2. the exact dollar amount of the security deposit;
 3. the contact information for the Owner or the Owner's designee; and
 4. that Owner is responsible for accounting for and returning the tenant's security deposit.
- x. Record Keeping: Broker will:
1. Maintain accurate records related to the Property and retain such records for not less than 4 years;
 2. file reports, and make deposit where required with the Internal Revenue Service related to funds received on behalf of Owner under this agreement (for example, Form 1099); and
 3. remit, each month, the following items to Owner: (a) funds collected by Broker for Owner under this agreement, less authorized deductions and rents not yet due according to the terms of the Owner's agreement with a tenant; and (b) a statement of receipts, disbursements, and charges. Owner may instruct Broker in writing to remit the items to another person or address.
- xi. Deductions and Offset: Broker may disburse from any funds Broker holds in a trust account for Owner:
1. any compensation due Broker under this agreement;
 2. any funds Broker is authorized to expend under this agreement; and
 3. any reimbursement Broker is entitled to receive under this agreement
- xii. Foreclosure: If Broker receives notice of the Owner's delinquency in the payment of: (1) any mortgage or other encumbrance secured by the Property; (2) property taxes; (3) property insurance; or (4) owners' association fees, Broker may give Owner 15 days to cure the delinquency during which period Owner authorizes Broker to freeze any funds held by Broker and no disbursements will be made to Owner related to this agreement or the Property. If after the 15 day period, the delinquency is not cured and the foreclosure process is initiated, Owner authorizes Broker to deduct from any other funds being held by Broker for Owner any

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remaining Broker Fees or funds due to Broker related to services performed under this agreement. Additionally, Owner authorizes Broker to return any security deposit being held by Broker to a tenant of the Property in addition to any prorated amount of rent being held by Broker and Broker may terminate this agreement. This paragraph does not preclude the Broker from seeking any other remedies under this agreement or at law that may be available to the Broker.

6. Owner Responsibilities: Owner Shall:

- A. Provide all records and disclosures required by Applicable Law or Broker to manage and operate the Property, and immediately notify Broker if Owner becomes aware of any change in such documentation or any matter affecting the habitability of the Property.
- B. Maintain the Property in accordance with the Lease and Applicable Law.
- C. Maintain any permits required by Applicable law.
- D. Maintain and pay for: (i) public liability insurance in an amount of no less than \$300,000, and (ii) property damage insurance adequate to protect the interests of Owner and Broker. Broker shall be named as an additional insured party on Owner's policies. If Owner fails to deliver to Broker copies of certificates of Insurance, Broker may provide the coverage and charge an administrative fee to the Owner of 20% of the Broker's cost, or Broker may increase the monthly management fee by \$50.00 per month.
- E. Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Broker under Broker's authority under this agreement. Owner agrees to hold Broker harmless from all claims related to any such contracts.
- F. Owner shall provide Broker copies of all HOA governing documents any rules and regulations that may apply to tenants. Owner shall assume all responsibility for non-compliance issues and fines in the event Broker is not provided with proper documentation and contact information for the proper authority of such rules, regulations and/or CC&R's
- G. Immediately deposit adequate funds if there are insufficient funds in Broker's trust account to cover Owner's obligations.
- H. If the Property has a swimming pool, the Owner shall maintain a pool service company to Maintain and Service the swimming Pool. The Broker shall not be responsible for ensuring proper care of the swimming pool.
- I. Owner will facilitate Broker's showing, marketing, lease and management of the Property, and will direct all inquiries from current or future Tenant's to the Broker.
- J. Owner will not negotiate directly with Tenant during the term of this agreement
- K. Owner will not enter into any agreements to market, lease or sell with anyone other than the Broker during the term of this agreement.
- L. Owner will Provide Broker electronic copies of any existing documents related the management and leasing of the Property including but not limited to leases, service agreements, and warranties.
- M. Owner will Provide Broker with access devices including but not limited to keys, access cards, garage remotes, and or permit the Broker to obtain, re-key, or re-program devices to gain access
- N. Owner will timely complete any notices or disclosures required by applicable law, and amend and notify the same if the Owner becomes aware of any material changes

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- O. Notify Broker if Owner becomes delinquent in any of the obligations of the owner relating to the Property.

7. Indemnification:

- A. **Owner shall indemnify, defend, and hold harmless Broker and its officers, employees, agents, representatives, and affiliates from and against all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to the performance of services under this Agreement, the Property, or Broker's engagement, including claims caused in whole or in part by the ordinary negligence of Broker, but excluding any claim to the extent finally determined by a court (or arbitrator, as applicable) to have resulted from Broker's gross negligence or willful misconduct; Owner's duty to defend is triggered upon Broker's written demand and applies to any third-party claim alleging facts that, if true, would fall within this paragraph, counsel shall be reasonably acceptable to Broker, Owner may not settle any claim imposing liability or obligations on Broker without Broker's prior written consent, and Broker may participate with counsel at Broker's own expense.**

- 8. **Limitation of Liability. To the maximum extent permitted by law, Broker's aggregate liability to Owner for any and all claims, losses, damages, or causes of action arising out of or relating to this Agreement (whether in contract, tort, or otherwise) shall not exceed an amount equal to the total property management fees actually paid to Broker under this Agreement during the twelve (12) months immediately preceding the act or omission giving rise to the claim. In no event shall Broker be liable to Owner for any consequential, special, exemplary, or punitive damages.**

9. Owner Representations:

- A. Except as disclosed in the Property Condition Addendum, Owner represents that:
 - i. That, unless otherwise specified in writing, Owner is unaware of: (i) any recorded notice of default affecting the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Property or Owners ability to transfer the Property; and (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify Manager in writing if Owner becomes aware of any of these items during the term of this Agreement.
 - ii. All residential rental unit(s) contain all permits and government approvals needed to lawfully lease any such unit as a dwelling, and that all locks, smoke alarms, burglar alarms, fencing, locking devices, and door viewers are properly permitted if required or otherwise comply with Applicable Law.
 - iii. Owner is duly organized, validly existing and in good standing under the laws of the state in which the Property is located. Owner has the power to enter into, execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Owner, and Owner has taken all other actions required by law and its governing documents in order to consummate the transactions contemplated by

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this Agreement. Upon request, Owner shall deliver to Manager evidence of authority to act which may include applicable trust documents, or portion thereof, letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity.

- iv. Broker may disclose to a tenant or to a prospective tenant any information related to the representations made in this Paragraph 7
- B. **Property Condition:** Owner and Broker are obligated under law to disclose to a tenant or to a prospective tenant any known condition that materially and adversely affects the health or safety of an ordinary tenant. Owner is obligated under the Property Code to repair any such condition for a tenant. Owner represents that:
 - i. any pool or spa and any required enclosures, fences, gates, and latches, door locks and smoke alarm placement comply with all applicable laws and ordinances; and
 - ii. Owner is not aware of a condition concerning the Property that materially affects the health or safety of an ordinary tenant, except as stated below, in this agreement, or in any addendum: _____

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- 10. Legal Compliance:** The parties will comply with all obligations, duties, and responsibilities under the Texas Property Code, fair housing laws, and any other statute, administrative rule, ordinance, or restrictive covenant applicable to the use, leasing, management, or care of the Property.
 - 11. Reserves:** Upon execution of this agreement, Owner will deposit the following amount with Broker to be held in a trust account as a reserve for Owner: \$300.00 for each unit within the Property or Properties managed by Broker under this agreement. Broker may, at Broker's discretion, use the reserve to pay any expense related to the leasing and management of the Property(ies) (including but not limited to Broker's fees). If the balance of the reserve becomes less than the amount stated, at any time, Broker may: (a) deduct an amount that will bring the balance to the amount stated from any subsequent rent received on behalf of Owner and deposit the amount into the reserve; or (b) notify Owner that Owner must promptly deposit additional funds with Broker to bring the balance to the amount stated.
 - 12. Advances:** Broker is not obligated to Advance any funds to the Owner or any other Person. However, If the Owner approves any expense, or Broker makes an authorized disbursement under this agreement, the Owner shall immediately make a deposit into the Reserve account to reimburse the Broker for any expense authorized under this agreement. If the owner does not make a deposit by the 1st of the month following the disbursement, the Owner shall pay the Broker an interest rate of 1.5% per month of the deficient amount.

13. Termination of Management Agreement:

- A. There shall be no Termination Fee if the Broker does not approve a Tenant within 60 days of the Listing Date during the Primary Term of this Agreement.
- B. On the Termination Date, the Owner shall pay to the Broker the following amounts due, if any:
 - i. amounts advanced, but not yet earned by the Broker under the Rental Cash Flow Protection Program, Eviction Protection Program, and if the property is leased to a tenant as of the Termination date, the management fees that would accrue over the remainder term of the lease.

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Broker's Initials _____

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- ii. If the Broker has placed the property on the market to find a new replacement tenant, a \$500.00 fee to cover the cost to market the property and all tenant application fees for the property, if any have been collected from potential tenants.
 - C. Manger will Make available to Owner all Leases and other records not protected by Applicable law to the Owner on the Owner Portal for downloading.
 - D. Owner may pick up, or request keys and or other access devices to be mailed to owner at owner's expense.
 - E. Any services requested of Broker after the termination date shall be additional services, which will be billed by Broker to Owner at the rate of \$100.00 per hour plus expenses. The Broker may request payment in advance of providing services.
 - F. The parties' representations and warranties, and all Agreement provisions requiring payment of attorney's fees, indemnification, defense, reimbursement, or pre-termination insurance, will survive termination of this agreement.
- 14. Mediation:** The parties agree to negotiate in good faith to resolve any dispute related to this agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the dispute will be submitted to mediation. The parties to the dispute will choose a mutually acceptable mediator and will share the cost of mediation equally.
- 15. Limit of Liability:** The Broker shall only be liable to the Owner in cases of Gross Negligence or Willful Misconduct. The Broker shall not be liable to the Owner for Ordinary Negligence.
- 16. Attorney's Fees:** If Owner or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees. The parties agree that reasonable attorney fees may not exceed actual damages.
- 17. Agency Relationships:** Owner acknowledges and permits the Broker to act as an intermediary or to appoint agents to represent the Tenant / Buyer and or the Owner as the Broker deems reasonable. Owner understands that Broker may have or obtain property management agreements on other property, and that potential tenants may consider, make offers on, or lease through Broker, property the same as or similar to Owner's Property. Owner consents to Broker's representation of other owners' properties before, during and after the expiration of this Agreement.
- 18. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.
- 19. Addendum:** Addendum attached to this document are included in Schedule 1.

Owners' Initials _____, _____

Broker's Initials _____

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Read, understood, and agreed:

Owner's Signature

Owner's Printed Name, Date

Owner's Signature

Owner's Printed Name, Date

TexasRenters.com, LLC 900694
Broker's Printed Name License No.

 Broker's Signature Date

Broker's Associate's Signature, as an authorized agent of the Broker

Broker's Associates's Printed Name, if applicable

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Broker's Initials _____