RESIDENTIAL LEASING AND PROPERTY MANAGEMENT AGREEMENT

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1. PARTIES:

A. The parties to this agreement are:

Owner: _____

_____

If Owner is not an individual, Owner is a: ☐ estate ☐ corporation ☐ limited liability company (LLC) ☐ trust ☐ partnership ☐ limited liability partnership (LLP) ☐ other _____, which was chartered or created in _____ (State).

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 their capacity as _____ (title) for Owner.

Address: _____
Mobile Ph: _____ Consent to receive texts? ☑ Y ☐ N
E-mail: _____
Additional Phones or Contact Information: _____

_____

_____

Broker: Keller Williams Heritage / Heritage Property Management
Address: 1717 North Loop 1604 East, San Antonio, TX 78232
Phone(s): 210-477-4862
E-mail: Manager@Heritagepmsa.com

B. 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 *(include unit nos.)* _____

_____

legally described as: _____

_____

in _____ County, Texas, together with the following non-real-property items: _____

_____

_____

"Property" also includes any other Property described in any attached Multiple Property Addendum.

3. TERM:

A. Primary Term: The Primary Term of this agreement begins and ends as follows:

Commencement Date: _____ Expiration Date: _____

B. Automatic Extension: Unless either party provides written notice of termination to the other party at least 30 days before the Expiration Date, this agreement will automatically extend on a monthly basis until either party terminates by providing the other party at least 30 days written notice.

C. 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 _____ days or the new terms will be deemed accepted and become binding upon the Parties for the subsequent term.

D. Effective Services: 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 by providing at least 30 days written notice to Owner.

E. Fees Upon Termination: At the time this agreement ends, Owner must pay Broker amounts specified in Paragraph 13.

4. SUMMARY OF FEES:

I. Pertaining to Paragraph 5. RESERVES:
Reserve for Owner: $ 350.00 per unit within the Property or Properties managed by Broker under this agreement.

II. Pertaining to Paragraph 6. BROKER'S FEES:

☑ A. Management Fees: Each month Owner will pay Broker the greater of $ _____ (minimum management fee) or: *(check one box only.)*
- ☑ (1) 10.00 % of the gross monthly rents ☐ **charged** or ☑ **collected** that month.
- ☑ (2) We collect 50% of Late Fees. Management Fee is Not Applicable when property is vacant.

☑ B. Leasing Fees for New Tenancies: Each time the Property is leased to a new tenant, Owner will pay Broker a leasing fee equal to: *(Check one box only.)*
- ☐ (1) _____ % of one full month's rent to be paid under the lease.
- ☐ (2) _____ % of the gross rents to be paid under the lease.
- ☐ (3) $ _____ as a flat fee.
- ☑ (4) 50% of one full months rent to be paid under the lease, no more than 2X per year

☑ C. Renewal or Extension Fees: Each time a tenant in the Property renews or extends a lease, Owner will pay Broker a renewal or extension fee equal to: *(Check one box only.)*
- ☐ (1) _____ % of one full month's rent to be paid under the renewal or extension.
- ☐ (2) _____ % of the gross rents to be paid under the renewal or extension.
- ☑ (3) $ 100.00 as a flat fee.
- ☐ (4) _____

☑ D. Maintenance Coordination Fees: Each time Broker arranges for the Property to be repaired, maintained, redecorated, or altered as permitted by this agreement, Owner will pay Broker a service fee equal to:
- ☐ (1) _____ % of the total cost of each repair, maintenance, alteration, or redecoration.
- ☑ (2) 10% on repairs over $500

E. Interest on Trust Accounts: *intentionally left blank*

F. Administrative Fees: *intentionally left blank*

☑ G. Fees Related to Insurance and Legal Matters:
(1) Owner's failure to obtain insurance. An additional ☐ **monthly** or ☐ **yearly** fee of $_____ *plus* the reimbursement amount required under Paragraph 12C(1).
(2) Coordination/communication for casualty on Property. For Broker's time expended in such matters and in preparation of such matters:
a. $ 150.00 per Hour ; or
b. _____ % of claim amount.
(3) Cooperation in legal proceedings. $ 150.00 per Hour for Broker's time expended in such matters and in preparation of such matters.

☑ H. Fees in the Event of a Sale:
(1) Sale Coordination Fees: If at any time during this agreement Owner agrees to sell the Property, Owner will pay Broker $125.00/occurance/showing for Broker's time and services to coordinate showings, inspections, appraisals, repairs, and other related matters.

III. Pertaining to Paragraph 13. TERMINATION:

A. Fees Upon Termination: At the time this agreement ends, Owner must pay Broker:
   a. all amounts due Broker under this agreement; and
   b. if the Property is leased to a tenant on the date this agreement ends and Owner terminates this agreement, an amount equal to the greater of:
      i. the management fees that would accrue over the remainder of the term of the lease; or
      ii. $ 100% of one full months rent ; or
   c. if the Property is not leased on the date this agreement ends and Owner terminates this agreement, $ 250.00 plus all marketing costs.
   d. If more than one property or unit is made part of and subject to this agreement, Paragraph 4(III)(A) applies only to those properties or units then leased and applies to each property or unit separately.

B. Broker Obligations: *intentionally left blank*

C. Off-Boarding Services:
(1) Off Boarding Service fee: Owner will pay Broker the following fees for performing off-boarding services:
- ☐ A one-time fee of $_____
- ☐ An hourly rate of $_____
- ☐ _____

5. RESERVES: Upon execution of this agreement, Owner will deposit the amount described in Paragraph 4(I) with Broker to be held in a trust account as a reserve for Owner. 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. Upon any vacancy/notice of termination by any tenant, Broker may, at Broker's discretion, temporarily increase reserves in a reasonable amount to ensure make-ready costs are covered.

6. BROKER'S FEES: All fees to Broker under this agreement are payable in Bexar County, Texas. This Paragraph 6 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 6 from any funds Broker holds in trust for Owner, except for the fees specified under Paragraph 6(I). 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 Fees: A vacancy in the Property or failure by a tenant to pay rent does not excuse payment of the minimum management fee. Management fees under this Paragraph 6(A) are earned daily and are payable not later than the last day of each month.

B. Leasing Fees for New Tenancies: The leasing fees under this Paragraph 6(B) are earned and payable at the time the lease is executed.

C. Renewal or Extension Fees: The renewal or extension fees under this Paragraph 6(C) are earned and payable at the time the renewal or extension is effective. For the purposes of this paragraph, a new lease for the same Property with the same tenant then occupying the Property is an extension or renewal. This Paragraph 6(C) does not apply to month-to-month renewals or month-to-month extensions.

D. Maintenance Coordination Fees: The fees under this Paragraph 6(D) are earned at the time the repair, maintenance, redecoration, or alteration is made and are payable when services are rendered.

E. Interest On Trust Accounts: Any trust account Broker maintains under this agreement may be an interest-bearing or income producing account. Broker may retain any interest or income from such account as

compensation under this agreement. Broker will remove any interest or income payable under this Paragraph 6(E) from the trust account not later than the 30th day after the interest or income is paid.

F. Administrative Fees: If Broker collects administrative fees from tenants or prospective tenants, including but not limited to, application fees, returned check fees, or late fees (as authorized under Paragraph 7(A)), Broker will retain such fees as compensation under this agreement. The administrative fees under this Paragraph 6(F) are earned and payable at the time Broker collects such fees.

G. Fees Related to Insurance and Legal Matters:
(1) If Owner fails to obtain the appropriate insurance on the Property, as listed in Paragraph 12, and Broker chooses to remedy using Paragraph 12(C)(1), Owner will pay Broker an additional fee as noted in Paragraph 4(II) plus the reimbursement required under Paragraph 12(C)(1).
(2) If Owner requests or instructs Broker to coordinate or communicate with any insurance carrier regarding any casualty to or on the Property, Owner will pay Broker the amount noted in Paragraph 4(II) for Broker's time expended in such matters and in preparation of such matters.
(3) If Owner requests or instructs Broker to appear in any legal proceeding or deposition related to the Property (including, but not limited to, evictions, tenant disputes, security deposit disputes, and suits for damages), Owner will pay Broker amount noted in paragraph 4(II) for Broker's time expended in such matters and in preparation of such matters.
(4) Fees under this Paragraph 6(G) are earned and payable at the time the services are rendered.

H. Fees in the Event of a Sale:
(1) Sale Coordination Fees: If at any time during this agreement Owner agrees to sell the Property, Owner will pay Broker the amount listed in Paragraph 4(II) for Broker's time and services to coordinate showings, inspections, appraisals, repairs, and other related matters. Fees under this Paragraph 6(H)(1) are earned at the time such services are rendered and payable upon Owner's receipt of Broker's invoice.

(2) Definition: “Sell” means to agree to sell, convey, transfer or exchange any interest in the Property whether by oral or written agreement or option.

(3) Separate Listing Agreement Controls: If Owner sells the Property and pays Broker a fee under a separate written listing agreement between Owner and Broker: (a) this Paragraph 6(H) will not apply; and (b) Broker will waive any fees due under Paragraph 13 at the time the sale closes.

I. Compensation from Benefit Programs or Packages: Broker may receive referral fees, periodic subscription fees, interest on outstanding debt, and other possible income by utilizing certain services involved with the management and/or leasing of the property. This may include but is not limited to administrative fees, HVAC filter subscription service, periodic property reviews, animal fees, concierge utility services, cable/internet/phone services, or Benefit Program that may be offered, and other products or services provided. Any referral fee Broker receives under this Paragraph 6(I) is in addition to any other compensation Broker may receive under Paragraph 13.

J. Other: _____
_____
_____
_____
_____.

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7. AUTHORITY OF BROKER:

A. Leasing and Management Authority: Owner grants to Broker the following authority which Broker may exercise when and to the extent Broker determines to be in Owner's interest:

(1) advertise the Property for lease at Owner's expense by means and methods that Broker determines are reasonably competitive, 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 any media and the Internet;

(2) place "For Lease" signs or other signs on the Property in accordance with applicable laws, regulations, ordinances, restrictions, and owners' association rules;

(3) remove all other signs offering the Property for sale or lease;

(4) submit the Property as a listing with one or more Multiple Listing Services (MLS) at any time the Property is marketed for lease and to change or terminate such listings;

(5) 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;

(6) duplicate keys and access devices, at Owner's expense, to facilitate convenient and efficient showings of the Property and to lease the Property;

(7) place a keybox on the Property;

(8) employ scheduling companies to schedule showings by other brokers at any time the Property is marketed for lease;

(9) verify information and references in rental applications from prospective tenants;

(10) negotiate and execute leases on Owner's behalf for the Property at market rates and on competitively reasonable terms for initial terms of not less than 12 months and not more than 24 months and in accordance with any instructions in Paragraph 20;

(11) negotiate and execute any amendments, extensions, or renewals to any leases for the Property on Owner's behalf;

(12) terminate leases for the Property, negotiate lease terminations, and serve notices of termination;

(13) collect and deposit for Owner rents, security deposits, and other funds related to the Property in a trust account and pay from that account: (a) any compensation and reimbursements due Broker under this agreement; and (b) other persons as this agreement may authorize.

(14) account for security deposits that Broker holds in trust to any tenants in the Property in accordance with applicable law, this agreement, and any lease of the Property and make deductions from the deposits in accordance with the lease and applicable law;

(15) collect administrative charges including but not limited to, application fees, returned check fees, and late charges from tenants in the Property or from prospective tenants;

(16) institute and prosecute, at Owner's expense, actions to: (a) evict tenants in the Property; (b) recover possession of the Property; or (c) recover lost rent and other damages;

(17) settle, compromise, or withdraw any action described in Paragraph 7(A)(16);

(18) negotiate and make reasonable concessions to tenants or former tenants in the Property;

(19) report payment histories of tenants in the Property to consumer reporting agencies;

(20) obtain information from any holder of a note secured by a lien on the Property and any insurance company insuring all or part of the Property;

(21) obtain access to home warranty on Property;

(22) obtain access to Owner's Association information, if applicable;

(23) hire contractors to repair, maintain, redecorate, or alter the Property provided that Broker does not expend more than $ 350.00 for any single repair, maintenance item, redecoration, or alteration without Owner's consent;

(24) hire contractors to make emergency repairs to the Property without regard to the expense limitation in Paragraph 7(A)(23) that Broker determines are necessary to protect the Property or the health or safety of an ordinary tenant;

(25) contract, at Owner's expense, in either Broker's or Owner's name, for utilities and maintenance to the Property during times that the Property is vacant, 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; and

(26) perform other necessary services related to the leasing and management of the Property.

B. 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 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.

C. Security Deposits:
(1) During this agreement, Broker will maintain security deposits received from tenants in a trust account, as defined in Paragraph 7(F), and will account to the tenants for the security deposits in accordance with the lease(s) for the Property.
(2) Except as stated in Paragraph 7(I), 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:
(a) that this agreement has ended;
(b) the exact dollar amount of the security deposit;
(c) the contact information for the Owner or the Owner's designee; and
(d) that Owner is responsible for accounting for and returning the tenant's security deposit.
(3) If Broker complies with this Paragraph 7(C), Owner will indemnify Broker from any claim or loss from a tenant for the return of a security deposit. This Paragraph 7(C) survives termination of this agreement.

D. 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.

E. Insurance and Attorneys:
(1) Broker may not file a claim for a casualty loss with the carrier insuring the Property. Broker may communicate with the carrier to facilitate the processing of any claim Owner may file or other matters that Owner instructs Broker to communicate to the carrier.
(2) Broker may not directly or indirectly employ or pay a lawyer to represent Owner. Broker may communicate with Owner's attorney in accordance with Owner's instructions.

F. Trust Accounts, MLS, Keybox, and Listing Content:
(1) Trust Accounts: A trust account must be separate from Broker's operating account and must be designated as a trust, property management or escrow account, or other similar name. Broker may maintain one trust account for all properties Broker leases and manages for others.

(2) MLS:
(a) MLS rules require Broker to accurately and timely submit all information the MLS requires for participation including leased data. Subscribers to the MLS and appraisal districts may use the information for market evaluation or appraisal purposes. Subscribers are other brokers and other real estate professionals such as appraisers. Any information filed with the MLS becomes the

property of the MLS for all purposes. *Submission of information to MLS ensures that persons who use and benefit from the MLS also contribute information.*

(b) Compensation paid to brokers or the sharing of compensation between brokers is not set by law nor fixed, controlled, recommended, or suggested by the Association of REALTORS®, MLS, or any listing service. Compensation paid to brokers is fully negotiable. Each broker independently determines their fees.

(3) Keybox: A keybox is a locked container placed on the Property that holds a key to the Property. A keybox makes it more convenient for brokers, their associates, inspectors, appraisers, and contractors to show, inspect, or repair the Property. The keybox is opened by a special combination, key, or programmed device, so that authorized persons may enter the Property. Using a keybox will probably increase the number of showings, but involves risks (for example, unauthorized entry, theft, property damage, or personal injury). *Neither the Association of REALTORS® nor MLS requires the use of a keybox.*

(4) Listing Content:

(a) "Listing Content" means all photographs, images, graphics, video recordings, virtual tours, drawings, written descriptions, remarks, narratives, pricing information, and other copyrightable elements relating to the Property. "Owner Listing Content" means Listing Content provided by Owner to Broker or Broker's associates. "Broker Listing Content" means Listing Content that is otherwise obtained or produced by Broker or Broker's associates in connection with this agreement.

(b) Owner grants Broker a non-exclusive, irrevocable, worldwide, royalty-free license to use, sublicense through multiple tiers, publish, display, and reproduce the Owner Listing Content, to prepare derivative works of the Owner Listing Content, and to distribute the Owner Listing Content, including any derivative works of the Owner Listing Content. This Paragraph 6(F)(4)(b) survives termination of this agreement.

(c) All Broker Listing Content is owned exclusively by Broker, and Owner has no right, title, or interest in or to any Broker Listing Content.

(d) Owner understands and agrees that both the Owner Listing Content and Broker Listing Content, including any changes to such content, may be filed with the MLS, included in compilations of listings, and otherwise distributed, publicly displayed, and reproduced.

G. Performance Standard: Broker will:
(1) use reasonable care when exercising Broker's authority and performing under this agreement; and
(2) exercise discretion when performing under this agreement in a manner that Broker believes to be in Owner's interest, provided that Broker will treat any tenant honestly and fairly.

H. Inability to Contact Owner: If Broker is unable to contact Owner for 3 days, Broker is authorized to contact the person below for the sole purpose of attempting to reestablish contact with Owner.
(Do NOT insert Owner's name)
Name: _____ Phone: _____
Address: _____ E-mail: _____

I. 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 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.

J. Fund-Sharing within Portfolio of Properties: If more than one property or unit is made part of and subject to this agreement, Owner ☑ does or ☐ does not grant Broker the authority to share funds from one property to another within the portfolio as Broker deems reasonably necessary to maintain all of Owner's properties.

8. 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.

9. ADVANCES: Owner will, in advance, provide Broker all funds necessary for the leasing and management of the Property. Broker is not obligated to advance any money to Owner or to any other person. Broker is not obligated to perform repairs unless related to the health and safety of a tenant and/or the securing of the Property.

10. OWNER'S REPRESENTATIONS:

A. General:

(1) Except as disclosed in Paragraph 20, Owner represents that:

(a) Owner has fee simple title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the Property;

(b) Owner is not bound by: (i) another agreement with another broker for the sale, exchange, lease, or management of the Property that is or will be in effect during this agreement; or (ii) an agreement or covenant that prohibits owner from leasing the property;

(c) no person or entity has any right to purchase, lease, or acquire the Property by an option, right of refusal, or other agreement;

(d) Owner is not delinquent in the payment of any property taxes, owners' association fees, property insurance, mortgage, or any encumbrance on or affecting the Property;

(e) the Property is not subject to the jurisdiction of any court;

(f) the optional user fees for the use of common areas (for example, pool or tennis courts) in the Property's subdivision are: _____ ;

(g) all information related to the Property that Owner provides to Broker is true and correct to the best of Owner's knowledge; and

(h) the Owner Listing Content, and the license granted to Broker for the Owner Listing Content, do not violate or infringe upon the rights, including any copyright rights, of any person or entity.

(2) Broker may disclose to a tenant or to a prospective tenant any information related to the representations made in this Paragraph 10.

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:

(1) any pool or spa and any required enclosures, fences, gates, and latches comply with all applicable laws and ordinances; and

(2) 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: _____

_____

_____

_____

C. Lead-Based Paint: If the Property was built before 1978, Owner will complete and attach to this agreement an addendum regarding lead-based paint and lead-based paint hazards that will be made part of any lease of the Property. If the Property was built before 1978, federal law requires the Owner (before a tenant is obligated under a lease) to: (1) provide the tenant with the federally approved pamphlet

on lead poisoning prevention; (2) disclose the presence of any known lead-based paint or hazards in the Property; and (3) deliver all records and reports to the tenant related to such paint or hazards.

11. OWNER'S COOPERATION: Owner agrees to:

A. cooperate with Broker to facilitate the showing, marketing, and lease of the Property;
B. not rent or lease the Property to anyone without Broker's prior written approval;
C. not negotiate with any prospective tenant who might contact Owner directly, but refer all prospective tenants to Broker;
D. not deal with or negotiate with any tenant in the Property concerning any matter related to the management or leasing of the Property but refer all such dealings to Broker;
E. not enter into a lease listing agreement or property management agreement with another broker for the rental, leasing, or management of the Property to become effective during this agreement;
F. provide Broker with copies of any existing leases or rental agreements related to the Property;
G. provide Broker with keys and access devices to the Property;
H. provide Broker with necessary passwords and controls for electronic devices on the Property;
I. provide Broker with copies of all warranties related to the Property or any item in the Property;
J. provide Broker with Owners' Association documentation and contact information;
K. tender to Broker any security deposits paid by any existing tenants in the Property;
L. complete any disclosures or notices required by law or a lease of the Property;
M. amend applicable notices and disclosures if any material change occurs during this agreement;
N. notify Broker if Owner becomes delinquent 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; and
O. give Broker reasonable notice before listing the Property for sale.

12. INSURANCE:

A. At all times during this agreement, Owner must maintain in effect:
   (1) a public liability insurance policy that names Broker as a co-insured or additional insured and covers losses related to the Property in an amount of not less than $ Replacement Value on an occurrence basis; and
   (2) an insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.

B. Not later than the 15th day after the Commencement Date, Owner must deliver to Broker copies of certificates of insurance evidencing the coverage required under Paragraph 12(A). If the coverage changes at any time during this agreement, Owner must deliver to Broker a copy of the insurance certificate evidencing the change not later than 10 days after the change.

C. If Owner fails to comply with Paragraphs 12(A)(1) or 12(B), Broker may:
   (1) purchase insurance that will provide Broker the same or greater coverage as the required insurance under Paragraph 12(A)(1) and Owner must promptly reimburse Broker for such expense, plus any additional fee(s) listed in Paragraph 4(II)(G)(1); or
   (2) exercise Broker's remedies under Paragraph 17.

13. TERMINATION:

A. Fees Upon Termination: At the time this agreement ends, Owner must pay Broker those fees as listed in Paragraph 4(III).

B. Broker Obligations: Unless otherwise specified in this agreement, Broker is not required to perform any leasing or management services after this agreement is terminated.

C. Off-Boarding Services: The authority granted to Broker under Paragraph 7 is extended for _____ days after termination of this agreement to the extent necessary for Broker to complete off-boarding services. The performance of off-boarding services under this paragraph is at Broker's sole discretion. Off-boarding services may include but are not limited to the following: processing vendor invoices, utility bills, security deposits, _____.

Owner will cooperate with Broker to the extent reasonably necessary to assist Broker in performing off-boarding services.

a. Off Boarding Service fee: Owner will pay Broker fees as listed in Paragraph 4(III).

D. Funds Received After Termination: Except as provided in Paragraph 7(I), 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 10.00 % 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.

E. This Paragraph 13 survives termination of this agreement.

14. EXPENSE REIMBURSEMENT: Upon Owner's receipt of Broker's invoice, Owner will reimburse Broker the following expenses that are related to the leasing or management of the Property: (a) copy charges; (b) charges for long distance telephone calls or facsimile transmissions; (c) regular, express, or certified mail charges; (d) notary fees; (e) photos and videos; (f) reasonable travel expenses, including but not limited to mileage reimbursement (at the standard mileage rate published by the IRS), parking expenses, and tolls; and (g) any other expenditures Broker is authorized to make under this agreement for Owner or that Owner otherwise authorizes Broker to make for Owner.

15. COOPERATION WITH OTHER BROKERS: When the Property is marketed for lease, Broker will allow other brokers to show the Property to prospective tenants. If the other broker procures a tenant who leases the Property, Broker will offer to pay the other broker a fee out of the compensation Broker receives under Paragraph 6. Broker may change the below amounts without notice, provided that Broker will offer competitively reasonable amounts to other brokers. As of the date this agreement is signed, Broker's policy is to offer other brokers the following amounts:

(1) If the other broker represents the tenant *(complete one box only)*:

☐ _____ % of one month's rent to be paid under a lease;

☐ _____ % of all rents to be paid under a lease; or

☑ $ 350.00 .

16. LIABILITY AND INDEMNIFICATION:

A. Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's negligence, including but not limited to injuries or damages caused by:

(1) other brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;

(2) acts of third parties (for example, vandalism, theft, or other criminal acts);

(3) freezing or leaking water pipes;

(4) failure to properly water the foundation of the Property;

(5) a dangerous condition or environmental condition on the Property; or

(6) the Property's non-compliance with any law or ordinance.

B. Broker is not responsible or liable in any manner for:

(1) performing or certifying any inspections or surveys that may be required by local, state, or federal regulations;

(2) any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant in the Property; or

(3) damages to Owner caused by a tenant's breach of a lease.

C. Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that:

(1) are caused by Owner, negligently or otherwise;

(2) arise from Owner's failure to disclose any material or relevant information about the Property;

(3) are caused by Owner giving incorrect information to any person; or
(4) are related to the management of the Property and are not caused by Broker, negligently or otherwise.

D. 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.

17. DEFAULT: A party is in default if the party fails to cure a breach within 10 days after receipt of written demand from the other party. If either party is in default, the non-defaulting party may: (a) terminate this agreement by providing at least 10 days written notice; (b) recover all amounts due to the non-defaulting party under this agreement; (c) recover reasonable collection costs and attorney's fees; and (d) exercise any other remedy available at law. Broker is also entitled to recover any compensation Broker would have been entitled to receive if Owner did not breach this agreement.

18. MEDIATION: The parties agree to negotiate in good faith in an effort 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.

19. 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.

20. SPECIAL PROVISIONS:

The owner to provide an insurance certificate showing Heritage Property Management Company as an additional informed party

Late Fees: 50% goes to the owner, and 50% goes to HPM.

21. ADDENDA: Incorporated into this agreement are the following addenda, exhibits, and other information:

- [x] A. Information About Brokerage Services
- [x] B. Addendum Regarding Rental Flood Disclosure *(mandatory)*
- [ ] C. Addendum Regarding Lead-Based Paint *(mandatory for homes built pre-1978)*
- [ ] D. Multiple Property Addendum
- [x] E. Owner's Notice Concerning Condition of Property under Property Management Agreement
- [ ] F. Property Manager's Inventory and Condition Report
- [ ] G. Addendum for Authorization to Act for Owner before Owners' Association
- [ ] H. Copy of Rules and Regulations of an Owners' Association
- [ ] I. Copy of the Owners' Association Bylaws and Deed Restrictions affecting the Property
- [ ] J. IRS Forms (W-9 or W-8)
- [ ] K. Owner's Authorization Concerning Unescorted Access to Property
- [ ] L. General Information for Landlord Regarding Assistance Animals
- [x] M. Additional Information Sheet and EFT Form for Owner Draws
- [ ] N. _____
- [ ] O. _____
- [ ] P. _____

Note: Complete and deliver to Broker IRS W-9 Form or similar form. Broker maintains a privacy policy that is available upon request.

22. AGREEMENT OF PARTIES:

A. Entire Agreement: This document contains the entire agreement of the parties and may not be changed except by written agreement.

B. Assignments: Neither party may assign this agreement without the written consent of the other party.

C. Binding Effect: This agreement, and Owner's obligation to pay Broker an earned fee, is binding upon the parties, their heirs, administrators, executors, representatives, successors, and permitted assignees. This agreement is to be construed in accordance with the laws of the State of Texas. All individuals signing represent that they have the authority to sign on behalf of and bind the party for whom they are signing.

D. Joint and Several: All Owners executing this agreement are jointly and severally liable for the performance of all its terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extension, its renewal, or its termination is binding on all Owners executing this agreement.

E. Governing Law: Texas law governs the interpretation, validity, performance, and enforcement of this agreement.

F. Severability: If a court finds any clause in this agreement invalid or unenforceable, the remainder of this agreement will not be affected and all other provisions of this agreement will remain valid and enforceable.

G. Context: When the context requires, singular nouns and pronouns include the plural.

H. Notices: Notices between the parties must be in writing and are effective when sent to the receiving party's address, or e-mail address specified in Paragraph 1.

I. Copyright: If an active REALTOR® member of Texas REALTORS® does not negotiate this agreement as a party or for one of the parties, with or without the assistance of an active member of the State Bar of Texas, this agreement is voidable at will by Owner.

23. INFORMATION:

A. Broker's fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested, or maintained by the Association of REALTORS®, MLS, or any listing service.

B. In accordance with fair housing laws and the National Association of REALTORS® Code of Ethics, Broker's services must be provided and the Property must be shown and made available to all persons without regard to race, color, religion, national origin, sex, disability, familial status, sexual orientation, or gender identity. Local ordinances may provide for additional protected classes (for example, creed, status as a student, marital status, or age).

C. Owner may review the information Broker submits to an MLS or other listing service.

D. Broker advises Owner to remove or secure jewelry, prescription drugs, and other valuables.

E. The Property Code requires the Property to be equipped with certain types of locks and security devices, including (with some exceptions): (1) window latches on each window; (2) a keyed doorknob lock or keyed deadbolt lock on each exterior door; (3) a sliding door pin lock on each exterior sliding glass door of the dwelling; (4) a sliding door handle latch or a sliding door security bar on each exterior sliding glass door of the dwelling; and (5) a keyless bolting device and a door viewer on each exterior door of the dwelling. The Property Code also requires smoke alarms in certain locations. The Property Code requires the security devices to be rekeyed and the smoke alarms to be tested each time a new tenant occupies the Property.

F. Broker advises Owner to refrain from transmitting personal information, such as bank account numbers or other financial information, via unsecured email or other electronic communication to reduce risk of wire fraud.

G. If Owner is a "foreign person" as defined by federal law, a Broker may be required to withhold certain amounts from the lease or rental proceeds and deliver the same to the Internal Revenue Service to comply with applicable tax law. A "foreign person" is a: (1) nonresident alien individual; (2) foreign corporation that has not made an election under section 897(i) of the Internal Revenue Code to be treated as a domestic corporation; or (3) foreign partnership, trust, or estate. The definition does not include a resident alien individual. If Owner is unsure whether Owner qualifies as a "foreign person" under federal law, Broker advises Owner to consult a tax professional or an attorney.

Owner notifies Broker that Owner ☐ is or ☐ is not a "foreign person" as defined by federal law.

H. Broker cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of this agreement, consult an attorney BEFORE signing.

Keller Williams Heritage 434367	
Broker's Printed Name License No.	Owner's Printed Name
☐ Broker's Signature Date	Owner's Signature Date
☑ Broker's Associate's Signature, as an authorized agent of Broker	
Tyler Johnston	
Broker's Associate's Printed Name, if applicable	Owner's Printed Name
	Owner's Signature Date

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