



**Real Estate Solutions of Texas**  
Acquisitions, Sales and Management



PROPERTY ADDRESS:

OWNER:

ADDRESS:

CITY:

STATE:

ZIP:

PHONE:

PHONE2:

EMAIL:

State of Texas

COUNTY OF Montgomery

AVAILABILITY DATE:

#### MANAGEMENT AGREEMENT

This is an agreement by and between Real Estate Solutions of Texas, LLC, hereinafter referred to as "Agent" and \_\_\_\_\_; hereinafter referred to as "Owner", for the management of the following described real property, hereinafter referred to as "Property".

For and in consideration of the mutual covenants herein, the parties hereto agree as follows:

1.

- a. **Terms of Contract:** Effective upon the execution hereof, Owner hereby grants Agent the exclusive authority to rent and manage Property for a minimum period of 12 months from the date hereof; however, this agreement shall remain in full force and effect after the initial period of this agreement until expressly terminated by either party hereto by giving the other party thirty (30) days written notice thereof, unless agent has not fulfilled its duties in accordance with this contract. In such an event, "Owner" may terminate said contract after notifying Agent in writing of such default and Agent has not corrected same to the reasonable satisfaction of Owner within ten (10) days, then this contract shall be null and void and of no further force or effect.
- b. **Termination of Contract:** If the property is occupied by a Tenant, placed in the property by the Agent, at the time that Owner terminates this lease agreement, Owner agrees to pay all debts incurred by Agent that are attributable to Owner in accordance with the provisions hereof and the full amount of all commissions which would have been earned if the management agreement had continued in full force and effect until the expiration of any lease then in effect unless contract is terminated for reasons described herein above. Such debt and commission or commissions shall be payable to Agent in one lump sum at the time of termination of this agreement; however, in the event that such other rental agreement provides for a month-to-month tenancy, such payments shall be due from the Owner to Agent at the beginning of each monthly rental period. Owner agrees that Agent may withhold a maximum of \$500.00 due Owner for a period of 30 days after the end of the month in which this agreement is terminated in order to pay bills previously incurred but not yet invoiced and to close accounts. Owner agrees to reimburse agent for any and all bills that may exceed the \$500.00 maximum hold back monies.



- 2. Authority of Agent:** The authority to rent and manage Property given in the preceding paragraph shall include the following:
- a. To manage and control Property; and
  - b. To negotiate leases for periods of up to 12 months (unless expressly prohibited herein by Owner) at a monthly rental rate at or above \_\_\_\_\_, unless Owner agrees to a different rental rate. Said leases and renewals thereof shall be executed by Agent on Owner's behalf. Agent shall also have the right to collect all rentals and other sums due from any tenants of Property and to issue receipts therefore; and
  - c. negotiate and execute any amendments, extensions, or renewals to any leases for the Property on Owner's behalf;
  - d. To terminate any leases that are in default and to serve quit notices of any defaulting tenants and to initiate and prosecute any legal action deemed appropriate by Agent, in the name of Owner at Owner's expense, with approval by Owner to evict tenants and recover rents and other sums due under said leases, to compromise or settle any dispute with any tenant by reducing the term of any lease or any sums due under any lease and to employ, for those purposes, a reputable attorney of Agent's choice; and
  - e. To refund, in its absolute discretion, any security deposit on any lease that the agent holds in escrow; and
  - f. To contract for emergency repairs to Property without Owner's prior approval. Emergency repairs shall be deemed any broken or stopped up plumbing, non-operating water heater, air conditioning system, heating system or water system, freeze damage, leaking roof, or any other repairs required in order to comply with local, State or Federal ordinances, statutes or regulations regarding Property; and
  - g. Hire contractors to repair, maintain, redecorate, or alter the Property provided that Agent does not exceed \$300.00 for any single repair, maintenance items, or alteration without the Owner's consent; and
  - h. Contract, at Owner's expense, 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 Agent determines are reasonable to maintain and care for the Property; and
  - i. If Owner is a non-resident, Agent may call Owner at Owner's expense for authorization for any repairs which require Owner's consent if time does not prevent the handling of the same by mail. If time permits and Agent, in its sole discretion, feels that it is not appropriate to proceed with authorized repairs without Owner's permission, Agent may seek the prior approval of Owner for such repairs by mail, email or by telephone at Owner's expense; and
  - j. Agent is hereby authorized to perform any act that may be necessary or expedient to carry out the intent of this agreement with respect to the rental, management and operation of Property.
  - k. Agent shall not have any liability to Owner for any default of any tenant.
- 3. Security Deposits:**
- a. During this agreement, Agent 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.
  - b. After this agreement ends, Agent will deliver to Owner or Owner's designee the security deposit held by Agent under and effective lease of the Property, less deductions authorized by this agreement, and will send written notice to the tenant that states:
    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



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4. That Owner is responsible for accounting for and returning the tenant's security deposit.
  - c. If Agent complies with this Paragraph 3, Owner will indemnify Agent from any claim or loss from a tenant for the return of a security deposit. This Paragraph 3 survives termination of this agreement.
4. **Deductions and Offset:** Agent may disburse from any funds Agent holds in trust account for Owner;
  - a. Any compensation due Agent under this agreement;
  - b. Any funds Agent is authorized to expend under this agreement; and
  - c. Any reimbursement Agent is entitled to receive under this agreement.
5. **Owner's Choice of Vendors:** The following named contractors or vendors, if any are listed, shall constitute notice to Agent of Owner's preference that such parties shall be contacted first by Agent to perform any needed services for Property; however, if such contractors or vendors are unavailable to Agent for the prompt performance of any needed services, Agent shall have the right to select such other contractors or vendors as Agent, in its sole discretion, deems appropriate:

Plumber:

Electrician:

Painter:

A.C./Heat:

Appliances:

Yardman;

Exterminator:

Other:

6. **Accounting to Owner:** Agent agrees to faithfully and diligently perform the duties of a real estate managing agent and
  - a. will make every reasonable effort to collect rentals as they become due and to remit the same to Owner together with a statement of receipts and expenditures by the 15th day of each month.
  - b. \$300.00 of Owner's first month's share of the rental income shall be held in an operating reserve account. All statements shall be accompanied by invoices evidencing any disbursements and the same shall be deemed to have been approved by Owner unless objections thereto are made prior to the rendering of the next succeeding month's statement. In the event that the amount previously Owner approved expenditures incurred by Agent exceed the receipts received by Agent for Owner, Owner shall promptly reimburse Agent upon receipt of demand from Agent.
7. **Advances by Agent:** Agent shall not be required to advance any monies for the care of management of said property. If Agent elects to advance any money in connection with the property, Owner agrees to promptly reimburse Agent thereof and hereby authorizes Agent to deduct such advances from any sums due Owner. Agent shall, upon instruction from Owner, retain reserves each month for the payment of ad valorem taxes, insurance or other special expenditures.
8. **Agent's Commission:** Agent's fees for its management service shall be as follows:
  - a. **Management Fees:** Each month Owner will pay Agent the greater of \$55.00 (minimum Management fee) or:



1. 6 % of the gross monthly rents collected that month.  
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 8A are earned daily and are payable not later than the last day of each month.
  - b. **Leasing Fees for New Tenancies:** Each time the Property is leased to a new tenant, Owner will pay Agent a leasing fee equal to:
    1. 8.333 % of the gross rents to be paid under the lease up to 12 months.  
The leasing fees under this Paragraph 8B are earned and payable at the time the lease is executed.
  - c. **Renewal or Extension Fees:** Each time a tenant in the Property renews or extends a lease, Owner will pay Agent a renewal or extension fee equal to:
    1. \$150 for preparation of the documents for a renewal or extension.
    2. \$300 incentive to tenants for maintenance and/or upgrades to the property. Tenants that qualify for the incentive must not have had late payments or other negative items in the last 12 months of tenancy.  
  
The renewal or extension fees under this Paragraph 8C 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 8C does not apply to month-to-month renewals or month-to-month extensions.
  - d. **Service Fees:** Each time Agent arranges for the Property to be repaired, maintained, redecorated, or altered as permitted by this agreement, Owner will pay Agent a service fee equal to:
    1. 15 % of the total cost of each repair, maintenance, alteration, or redecoration.  
  
The service fees under this Paragraph 8D are earned at the time the repair, maintenance, redecoration, or alteration is made and are payable upon Owner's receipt of Agent's invoice.
  - e. **Interest on Trust Accounts:** Any trust account Agent maintains under this agreement may be an interest-bearing or income producing account. Agent may retain any interest or income from such account as compensation under this agreement.
  - f. **Administrative Fees:** If Agent collects administrative charges from tenants or prospective tenants, including but not limited to, application fees, returned check fees, late fees, Agent will retain such fees as compensation under this agreement. The administrative fees under this Paragraph 8F are earned and payable at the time Agent collects such fees.
  - g. **Fees Related to Insurance and Legal Matters:** If Owner requests or instructs Agent to coordinate or communicate with any insurance carrier regarding any casualty to or on the Property or if Owner requests or instructs Agent 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 Agent \$110.00 per hour for Agent's time expended in such matters and in preparation of such matters. Fees under this Paragraph 8G are earned at the time the services are rendered and payable upon Owner's receipt of Agent's invoice.
9. **Sale to Tenant:** In the event that Property is sold to a Tenant that has leased Property through Agent's office, Owner agrees to pay Agent a sales commission equal to **6%** of the gross sales price, with the following provisions:
- a. Tenant must be residing in Property at time of sale.



- b. This agreement must be in effect at time of sale or within 6 months of cancellation of this agreement.

Sale to Non-Tenant: If property is sold by Owner while it is subject to a lease made while this agreement is in full force and effect, Owner agrees that such sale will be made only subject to such purchaser's assumption of the provisions of this management agreement and that any such sale of property shall be made subject to any lease in effect at the time of such sale.

THE PROVISIONS OF THIS PARAGRAPH SHALL NOT BE CONSTRUED AS A LISTING AGREEMENT CREATING ANY OBLIGATION OF AGENT TO SELL PROPERTY FOR OWNER.

**10. Indemnity of Agent:**

- a. Owner agrees to indemnify and hold Agent harmless from any and all claims, demands, actions, causes of actions, suits costs damages, expenses and liabilities of every kind and nature, including a reasonable attorney's fee, which may arise in any manner whatsoever in connection with Property or the rental thereof unless such claim of action is a result of agent's negligence. Owner hereby agrees to maintain, at Owner's expense, public liability insurance coverage on Property in an amount not less than \$300,000.00 while this contract is in effect. Owner agrees to furnish evidence of such coverage to Agent within thirty (30) days after the execution of this agreement.
- b. **Effect of Indemnity After Termination:** All provisions of this agreement that require Owner to have insured or to defend, reimburse or indemnify Agent shall survive any termination hereof. If Agent is or becomes involved in any proceeding or litigation by reason of having been Owner's agent, such provisions shall apply as if this agreement were still in effect, unless such litigation is a result of Agent's negligence.
- c. **Condition of Property:** Agent does not assume any responsibility for the compliance by any building or any equipment, or structures located on the Property with the requirements of any statute, ordinance or regulation of any governmental body, except to notify the Owner promptly and to forward to Owner promptly any complaints, warnings, notices or summons received by Agent relating to such matters. Owner represents that, to the best of his knowledge, the building and such equipment of structures located on Property comply with all such requirements (specifically including smoke detectors) and authorizes Agent to disclose the ownership of the premises to any officials and agrees to indemnify and hold harmless Agent from any and all loss, costs, expense and other liability whatsoever, including a reasonable attorney's fee, which may result from any present or future violation of such statutes, ordinances or regulations.
- 11. Insurance Claims:** In the event of any casualty damage to Property that is made known to Agent, Agent will immediately notify Owner. Owner may authorize Agent to negotiate with Owner's insurance company for the settlement of such loss; however, no settlement with the insuring company shall be made by Agent without the prior approval of the Owner.
- 12. Casualty Liability of Agent:** It is expressly understood and agreed that Agent shall not be responsible for or liable to Owner because of any damages sustained by Property due to the freezing of water pipes, vandalism or any other damages sustained by Property during the pendency of this contract, whether Property is vacant or occupied, if agent has taken action to avoid such happening.
- 13. Advertising:** The advertising of the Property by Agent shall be carried out with prior written approval of the owner. Agent offers several Marketing packages the owner can choose from. Owner reserves the right to provide such supplemental advertising as Owner deems appropriate. Advertising is at the expense of the Owner.
- 14. Right to Lease:** Owner hereby warrants and covenants with Agent that Owner has the right to lease Property and to enter into this Management Agreement.
- 15. Alteration of Property:** It is expressly understood that Agent does not have the power or authority to make any structural changes to, any major alterations of or any additions to Property or the equipment or



structures located on Property or to incur any expense that shall be chargeable to Owner, unless expressly authorized herein.

- 16. Breach by the Parties:** In the event of the breach hereof by Owner or Agents, which result in litigation the prevailing party shall be reimbursed all damages, costs and expenses, incurred or suffered including a reasonable attorney's fee, in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof.
- 17. Binding Agreement:** This agreement shall be binding upon all parties hereto and shall insure to the benefit of their respective heirs, personal representatives, successors and assigns.
- 18. Captions:** The captions utilized in this document are for convenience only and are not to be construed as limiting or amplifying in any manner whatsoever the terms and provisions of this document.
- 19. Lease Term Information:** Any leases negotiated by Agent of Property shall comply with or contain the following provisions:
- a. Preferred length of lease term:
  - b. Month to month tenancy after initial lease term:
  - c. Pets to be allowed:  Yes  Case by Case Basis
  - d. Pet Fee-amount or terms:
  - e. Yard Sign:
  - f. Special lease clause:
- 20. Miscellaneous Information:** The following information is provided by Owner to assist Agent in the management of Property and shall not be construed to constitute contractual provisions of this Management Agreement which shall bind either party hereto:
- a. Method of Fund Disbursement to Owner:  
 ACH  Mail Check  Wire Transfer<sup>†</sup>
  - b. Address of bank and account number for Wire or ACH Transfers:  
Bank Name:  
Account #:  
Routing #:
  - c. Insurance Company:
  - d. Insurance Agent:  
Address:  
City/State/Zip  
Phone  
Policy Number:  
Amount of liability coverage: \$
  - e. Person to contact in lieu of Owner:  
Phone Number:  
Does this person have the authority to authorize repairs?  Yes  No

**21. Special Provisions:**

The parties hereto have caused these presents to be executed on this      day of      , 200      .

<sup>†</sup> Additional Fees will apply



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\_\_\_\_\_  
Agent

\_\_\_\_\_  
Owner

\_\_\_\_\_

Owner