



RESIDENTIAL LEASING AND PROPERTY MANAGEMENT AGREEMENT

1. OWNER:

Owner Name: _____

Address: _____

City, State, Zip: _____

Best Phone: _____

Alternate Phone: _____

Email: _____

2. PROPERTY:

Address: _____

City, State, Zip: _____

County: _____

Non-Real Property: _____

*Non-Real Property to include Refrigerators, Washers, Dryers, Etc...

3. TERM:

Commencement Date: _____

Expiration Date: _____

Automatic Extension: This agreement will automatically extend unless either party provides a 30 day written notice to terminate. If Broker determines that effective management services can no longer be provided, Broker may terminate this agreement by providing atleast 30 days written notice to owner.

4. AUTHORITY OF BROKER:

- A. Leasing and Management Authority: Owner grants to Broker the following authority which Broker may exercise when Broker determines to be in Owner's best interest:
1. Advertise the Property for lease using methods Broker determines to be most effective;
 2. Place a "For Rent" sign on property in accordance with local rules and regulations;
 3. Place a lockbox on the property;
 4. Submit property as listing with the San Antonio Board of Realtors;

5. Authorize other brokers, their associates, inspectors, appraisers, and contractors to access the property at reasonable times and to disclose security and lock box codes as required;
 6. Duplicate keys and security devices as needed, at Owner's expense, to access the property for showings and repairs in a timely manner;
 7. Employ Centralized Showing Service – 210.222.2227 – to assist in arranging all showings;
 8. Negotiate and execute leases on owner's behalf at market rates of not less than 6 months, and no more than 24 months. Owner may request minimum 12 month leases after consultation with Larsen Properties;
 9. Negotiate and execute any amendments, extensions, or renewals to any lease for the property on the owner's behalf;
 10. Terminate leases for the property, negotiate lease terminations, and serve notices of termination;
 11. 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 this agreement may authorized to compensate;
 12. Account for all security deposits;
 13. Collect administrative charges including but not limited to, application fees, returned check fees (NSF), and late charges from tenants in the property of from prospective tenants;
 14. Enforce actions to, at Owner's expense, (a) evict tenants in the property; (b) recover possession of the property; or (c) recover lost rent and damages;
 15. Negotiate and make reasonable concessions to tenants;
 16. 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;
 17. Hire contractors to repair, maintain, redecorate, or alter the property provided that Broker does not expend more than \$200 for any single repair, maintenance item, redecoration, or alteration without owners consent or knowledge;
 18. Hire contractors to make emergency repairs to the property without regard to the expense limitations that Broker determines are necessary to protect the property or the health or safety of an ordinary tenant;
 19. 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.
- B. Record Keeping: Broker will:
1. File reports with the Internal Revenue Service related to funds received on behalf of the owner under this agreement – Example – Provide the owner with a 1099 at year end;
 2. Remit each month to the owner (a) funds collected by Broker for owner under this agreement, less authorized deductions; and (b) a statement of receipts, disbursements, and charges. Owner may instruct Broker to remit the items to another person or address.
- C. Security Deposits
1. During this agreement, Broker is authorized to collect security deposits, and account for them being forwarded to the owner at owner's request. Larsen Properties can retain deposits in a trust account, or forward all security deposits to owner. All deposits will be accounted for, to include their location, by Broker.

2. After this agreement ends, Broker will deliver to owner or the owner's designee the status of the security deposit, less any deductions owed to Broker. In addition, Broker will send written notice to the tenant 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 and returning the tenant's security deposit.
3. If Broker complies with this paragraph, owner will waive any liability against Broker from any claim or loss from a tenant for the return of a security deposit. This paragraph survives termination of this agreement.

5. RESERVES: Upon execution of this agreement, or at time of execution of a new lease, owner will allow Broker to hold in a trust account a reserve. These reserve funds will be used to pay an expense related to the leasing and management of the property. If the balance of the reserve becomes less than the amount stated, Broker may deduct the applicable amount from the monthly income to bring the balance to the amount requested. The standard reserve is anywhere from \$200 to \$1000 per unit.

6. E-PAYMENT POLICIES:

- A. **Owner draws will be batched and sent on or about the 3rd to the 5th of each month.** Larsen Properties must first track and ensure the tenant payment has cleared the banks. If there is a bounced check, non-sufficient funds, or a mistake with the account numbers, we must first deal with that prior to forwarding any funds to the owners.
- B. **Owner draws should be received by owners between the 8th to the 11th of each month.** In order to ensure the funds are actually present in our property management account to send to owners – we must first wait for the tenant's payment to “settle” into our bank. Once this has happened, the owner draw can be sent via ACH – taking 3-5 business days to reach the owner.

7. OWNER'S REPRESENTATIONS:

A. General:

1. 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 another agreement with another broker, for the leasing or management of this property that will affect the timing of this agreement;
 - (c) No person or entity has any current rights to purchase, lease, or acquire the property by an option, right of first refusal, or other agreement;
 - (d) Owner is not delinquent in the payment of any property taxes, owner's association fees, property hazard insurance, or mortgage;
 - (e) The property is not subject to any jurisdiction of any court.
 - (f) All information provided to Broker is true and correct to the best of the owner's knowledge.

- 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 such condition for a tenant. Owner represents that (1) any pool or spa has the required enclosures, fences, gates and latches in place to comply with all laws and ordinances; and (2) owner is not aware of any condition existing on the property that would materially affect the health or safety of an ordinary tenant.

8. OWNER'S INSURANCE: At all times during this agreement, owner must maintain in effect a public liability insurance policy that covers losses to the property to include an amount equal to the reasonable replacement cost of the property's improvements and that contains endorsements showing the insuring party is aware that the home will be leased out to prospective tenants. This should also stipulate covering the property during vacancies. Owners are strongly encouraged to name Larsen Properties as additionally insured on to their existing home owner's insurance policies.

9. MANAGEMENT FEES:

- A. Management Fees: Larsen Properties charges the equivalent of ONE MONTH'S RENT for a 12 month lease agreement. This fee is set at a minimum of \$1,000 per 12 months, and is pro-rated for shorter term leases. Example: 9 month lease for \$1200 a month home = \$100 a month x 9 months = \$900 management fee.
Minimum Fee = \$1,000 (Example –an \$800 a month condo – management fee is \$1,000)
- B. Leasing Fees for New Tenants: Each time the property is listed to a new tenant, owner will pay the Broker the equivalent of ONE MONTH'S RENT for a 12 month lease agreement. This charge is identical to the charge in paragraph A.
- C. Renewal or Extension Fees: Larsen Properties discounts the annual management fees by 25% for a 12 month extension. Each time a tenant in the property renews or extends the lease agreement, Larsen Properties will charge 75% OF ONE MONTH'S RENT FOR 12 MONTH EXTENSIONS. This fee is set at a minimum of \$750 per 12 months, and is pro-rated for shorter term extensions.
Minimum Fee = \$750 (Example – an \$800 a month condo – extension fee is \$750)
- D. Interest on Trust Accounts: Larsen Properties retains any and all income resulting from an interest bearing account.
- E. Administrative Fees: Larsen Properties will retain any and all administrative fees to include late fees, non-sufficient fund fees, returned checks, or application fees.
- F. Fees Related to Legal Matters: If Broker is requested by owner to proceed forward in legal proceedings to include evictions, tenant disputes, security deposit disputes, and suit's for damages, owner will pay Broker \$35 per hour for Broker's time in the preparation and execution of such matters. Fees are earned at time of completion and payable upon invoice to owner.
- G. Fees in the Event of a Sale:
- (1) Fee if a Tenant Purchases Property: If at any time during this agreement or within 180 days after it ends, owner sells the property to a tenant who occupied the property during the term of this agreement, Owner will pay Broker a fee equal to 4% of the total sales price of the home.
 - (2) If owner decides to sell the home using the Broker as their listing agent – a separate listing agreement will be completed to better outline all duties and responsibilities for each party to include the agreed upon asking price for the home.

10. LEASING FEES AND COOPERATION WITH OTHER BROKERS: Larsen Properties offers all MLS and Non-MLS participating licensed Realtors a \$200 leasing fee to show and assist in bringing a qualified tenant to lease your home. This fee will come out of owner proceeds once a lease is executed, and the tenant moves into the property. Larsen Properties strives to offer a fair commission to attract the best tenants and their agents. Often times, these agents show the tenants numerous homes for a very small fee.

11. 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 (vandalism, theft, or other criminal acts)
 - (3) Freezing or leaking water pipes;
 - (4) A dangerous condition or environmental condition of the property;
 - (5) The property's non-compliance with any law or ordinance.
- B. Broker is not responsible or liable in any manner for:
 - (1) Any late fees or other charges owner incurs to any creditor caused by late or insufficient payments by any tenant in the property; or
 - (2) Damages to owner caused by a tenant's breach of lease.
- C. Owner agrees to protect, defend, indemnify, and hold Broker harmless for 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 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 for and liable for all contracts and obligations related to the property (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.
- E. 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.
- F. Property Code: The Texas Property Code requires certain types of locks or security devices on all exterior doors of residential rental properties and requires smoke detectors in certain locations including all bedrooms. The property code requires the security devices to be rekeyed and the smoke detectors to be tested each time a new tenant occupies the property.

12. SIGNATURES:

Brad Larsen, Broker – Property Manager
Larsen Properties – License #508737

Date

Owner Signature:

Date

Owner Printed Name:

20079 Stone Oak Pkwy Suite 1105 #141, San Antonio, TX 78258
Office: (210) 497-8686 Fax: (210) 247-9571

Owner Initials:_____
Broker Initials:_____