



# TEXAS ASSOCIATION OF REALTORS® RESIDENTIAL LEASING AND PROPERTY MANAGEMENT AGREEMENT

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.  
©Texas Association of REALTORS®, Inc. 2005

## 1. PARTIES:

### A. The parties to this agreement are:

Owner: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Hm. Phone: \_\_\_\_\_ Wk. Ph: \_\_\_\_\_ Mobile: \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Additional Phones or Contact Information: \_\_\_\_\_

Broker: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

B. If Owner is not an individual, Owner is a:  estate  corporation  limited liability company (LLC)  trust  partnership  limited liability partnership (LLP), which entity 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 his capacity as \_\_\_\_\_ (title) for 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 (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 at least 30 days written notice to the other party.

- C. 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.

#### 4. 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 \_\_\_\_\_ months and not more than \_\_\_\_\_ 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 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 4A(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) hire contractors to repair, maintain, redecorate, or alter the Property provided that Broker does not expend more than \$ \_\_\_\_\_ for any single repair, maintenance item, redecoration, or alteration without Owner's consent;
- (22) hire contractors to make emergency repairs to the Property without regard to the expense limita-

tion in Paragraph 4A(21) that Broker determines are necessary to protect the Property or the health or safety of an ordinary tenant;

- (23) 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 Broker determines are reasonable to maintain and care for the Property; and
- (24) 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 at the address specified in Paragraph 1: (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 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 and will account to the tenants for the security deposits in accordance with the leases for the Property.
- (2) 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:
  - (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 4C, Owner will indemnify Broker from any claim or loss from a tenant for the return of a security deposit. This Paragraph 4C survives termination of this agreement.

**D. 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.

**E. 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.

**F. 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.

**G. Information about Trust Accounts, MLS, and Keybox:**

- (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:** MLS rules require Broker to accurately and timely submit all information the MLS requires for participation including leased data. Subscribers to the MLS may use the information for market evaluation or appraisal purposes. Subscribers are other brokers and other real estate professionals such as appraisers and may include the appraisal district. 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.*

(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.*

**5. 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.

**6. 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: \$ \_\_\_\_\_ 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.

**7. 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.

**8. 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: \_\_\_\_\_; and
- (g) all information related to the Property that Owner provides to Broker is true and correct to the best of Owner's knowledge.

(2) Broker may disclose to a tenant or to a prospective tenant any information related to the representations made in this Paragraph 8.

- 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.

**9. 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 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 copies of all warranties related to the Property or any item in the Property;
- I.** tender to Broker any security deposits paid by any existing tenants in the Property;
- J.** complete any disclosures or notices required by law or a lease of the Property;
- K.** amend applicable notices and disclosures if any material change occurs during this agreement; and
- L.** 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.

**10. 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 \$ \_\_\_\_\_ 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 10A. 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 10A or 10B, Broker may:

- (1) purchase insurance that will provide Broker the same coverage as the required insurance under Paragraph 10A(1) and Owner must promptly reimburse Broker for such expense; or
- (2) exercise Broker's remedies under Paragraph 17.

**11. BROKER'S FEES:** All fees to Broker under this agreement are payable in \_\_\_\_\_ County, Texas. This Paragraph 11 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 11 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 Fees:** Each month Owner will pay Broker the greater of \$ \_\_\_\_\_ (minimum management fee) or: *(Check one box only.)*
  - (1) \_\_\_\_\_ % of the gross monthly rents collected that month.
  - (2) \_\_\_\_\_.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 11A 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 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) \_\_\_\_\_.The leasing fees under this Paragraph 11B 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 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) \_\_\_\_\_.The renewal or extension fees under this Paragraph 11C 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 11C does not apply to month-to-month renewals or month-to-month extensions.
- D. **Service 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: *(Check one box only.)*
  - (1) \_\_\_\_\_ % of the total cost of each repair, maintenance, alteration, or redecoration.
  - (2) \_\_\_\_\_.The service fees under this Paragraph 11D are earned at the time the repair, maintenance, redecoration, or alteration is made and are payable upon Owner's receipt of Broker's invoice.
- 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 11E from the trust account not later than the 30th day after the interest or income is paid.
- F. **Administrative Fees:** If Broker collects administrative charges from tenants or prospective tenants, including but not limited to, application fees, returned check fees, or late charges (as authorized under Paragraph 4A), Broker will retain such fees as compensation under this agreement. The administrative fees under this Paragraph 11F are earned and payable at the time Broker collects such fees.

G. Fees Related to Insurance and Legal Matters: If Owner requests or instructs Broker to coordinate or communicate with any insurance carrier regarding any casualty to or on the Property or 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 \$\_\_\_\_\_ per \_\_\_\_\_ for Broker's time expended in the such matters and in preparation of such matters. Fees under this Paragraph 11G are earned at the time the services are rendered and payable upon Owner's receipt of Broker's invoice.

H. Fees in the Event of a Sale:

(1) Fee if a Tenant Purchases Property: If at any time during this agreement or within \_\_\_\_\_ 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: *(Check one box only.)*

(a) \_\_\_\_\_ % of the sales price.

(b) \_\_\_\_\_.  
Fees under this Paragraph 11H(1) are earned at the time Owner agrees to sell the Property and are payable at the time the sale closes. Broker will waive any fees due under Paragraph 12 at the time the sale closes.

(2) Fee if Buyer is Procured through Broker: If during this agreement, Owner agrees to sell the Property to a person other than a tenant who occupied the Property and Broker procures the buyer, directly or through another broker, Owner will pay Broker a fee equal to: *(Check one box only.)*

(a) \_\_\_\_\_ % of the sales price.

(b) \_\_\_\_\_.  
Fees under this Paragraph 11H(2) are earned at the time Owner agrees to sell the Property and are payable at the time the sale closes. Broker will waive any fees due under Paragraph 12 at the time the sale closes.

(3) Sale Coordination Fees: If at any time during this agreement Owner agrees to sell the Property and Broker is not paid a fee under Paragraph 11H(1) or (2), Owner will pay Broker \_\_\_\_\_ for Broker's time and services to coordinate showings, inspections, appraisals, repairs, and other related matters. Fees under this Paragraph 11H(3) are earned at the time such services are rendered and payable upon Owner's receipt of Broker's invoice.

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

(5) 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 11H will not apply; and (b) Broker will waive any fees due under Paragraph 12 at the time the sale closes.

I. Other:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

\*\*\* Free PDF Preview End \*\*\*

Purchase Required To Gain Total Access

Visit [www.propmgmtforms.com](http://www.propmgmtforms.com) To Purchase *Property Management Forms Package*