



Type (s) \_\_\_\_\_  
Property (s) \_\_\_\_\_

## PROPERTY MANAGEMENT AND LEASING AGREEMENT

This AGREEMENT is made this    <sup>th</sup> day of \_\_\_\_\_ 2009, between \_\_\_\_\_ (hereinafter referred to as "Owner") and ELLIS Home Source, Inc. (hereinafter referred to as "ELLIS Home Source").

In consideration of the covenants hereinafter contained, the parties hereto agree as follows:

1. EXCLUSIVE AGENCY. Owner appoints ELLIS Home Source the exclusive right to rent, lease operate, control, and manage the properties described in *Exhibit A*, attached hereto (the "Properties").

2. TERM AND TERMINATION. *INITIAL TERM:* \_\_\_\_\_ to \_\_\_\_\_

2.1 ELLIS Home Source agrees to act as manager of the Properties, under and pursuant to the instruction of Owner, for a period of *one year* beginning on the <sup>th</sup> day of *January* '2009 (the "Initial Term") and thereafter, unless sooner terminated, this Agreement shall be faithfully renewed on an annual basis (the "Renewal Term"). Owner may terminate this Agreement without cause prior to the end of the Initial Term or any Renewal Term by giving 60 days notice of termination in writing and paying all sums due ELLIS Home Source under this Agreement through the termination date.

2.2 This Agreement may be terminated by owner for cause, including without limitation, ELLIS Home Source' negligence, breach of obligation hereunder, or voluntary or involuntary receivership, reorganization or bankruptcy upon thirty (30) days written notice of termination and the reason therefore to agent, provided, however, ELLIS Home Source shall be provided a right to cure such cause within the aforesaid thirty (30) day period.

2.3 In the event of termination of this Agreement for any reason whatever, ELLIS Home Source agrees on the termination date to remit Owner all amounts of money held for or received on behalf of Owner by ELLIS Home Source, together with an accounting of the application thereof. In the event ELLIS Home Source receives any amount of money due to Owner after this Agreement has been terminated, ELLIS Home Source shall promptly remit to Owner such money, together with an accounting of the application thereof.

3. MANAGEMENT FEES/LEASING COMMISSIONS/REALTY SERVICE FEES.

In consideration of the services rendered by ELLIS Home Source as required herein, Owner agrees to pay ELLIS Home Source for its services a monthly Property Management Fee equal to 10 % of the rent collected per month, *per house/unit* and an annual Realty Service Fee of \$ 0 *per house/unit*. The Realty Service Fee shall be paid simultaneously with the execution of this Agreement with Owner and on each renewal thereof. Owner hereby agrees that all amounts due ELLIS Home Source, including Management Fees, Leasing Commissions, Realty Service Fees, repair and make-ready expenses, redecoration expenses, legal fees, consulting fees, and any other legitimate expenses may be deducted from funds held by ELLIS Home Source for the benefit of the Owner.

4. LEASING AUTHORIZATION.

4.1 This Agreement embodies an exclusive Leasing Agreement between the Owner and ELLIS Home Source for a period coinciding with the Property Management Agreement, all herein contained. ELLIS Home Source agrees to use its best efforts to lease or rent the Properties at the corresponding monthly rental value set forth on *Exhibit A*, or in such other amounts as the market demands as determined by ELLIS Home Source. ELLIS Home Source agrees to continue to use its best efforts to procure suitable credit-worthy tenants for the Properties as vacancies occur.



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4.2 Owner agrees to pay ELLIS Home Source a leasing commission equal to 100 % ( 100% ) of the normal rent collected for a one (1) month period. Monthly rental is defined as the charge for a thirty (30) day period, and it is agreed that a "month's" rent includes amounts charged to resident for use of Owner's furniture and any other items Owner may provide for and charge in the monthly rental rate. It is further agreed that Owner agrees to pay ELLIS Home Source a leasing commission equal to \$25.00 for each Residential Lease Renewal obtained by ELLIS Home Source.

4.3 If the prospective resident is approved by ELLIS Home Source but fails to enter into the contemplated lease within three (3) days after verbal notice of such approval by ELLIS Home Source, the security deposit shall be forfeited to ELLIS Home Source, one-half of which shall be paid to the Owner as liquidated damages.

4.4 In the event there is less than ninety (90) days occupancy by resident, ELLIS Home Source agrees to make a pro rata refund of the commission to the Owner.

4.5 This leasing commission shall be separate and apart from the Property Management Fees and the Realty Service Fees payable to Owner hereunder.

#### 5. AGENT'S AUTHORITY

5.1 Owner hereby grants ELLIS Home Source the sole and exclusive right to inspect the Properties at such times as ELLIS Home Source deems necessary, to collect all rentals and other funds that may be due Owner; to issue receipts; to advertise the Properties for lease or rental, to place signs on Properties; to cooperate with other Brokers as ELLIS Home Source may in its sole discretion require; to compromise and settle claims with respect to the rental or repair of the Properties; to collect security, pet and other deposits and to deposit same in ELLIS Home Source's trust account, which account shall comply on Owner's behalf with applicable state laws concerning the ELLIS Home Source's responsibility for security deposits and interest therefore, if any; to require releases from all parties before disbursing trust funds in the event of any dispute; to do all those things ELLIS Home Source deems necessary and proper for the efficient management of the Properties.

5.2 ELLIS Home Source is hereby given the exclusive right: to execute leases and renewals on behalf of Owner for a total maximum period not to exceed twelve (12) months unless a longer term is agreed upon by Owner and ELLIS Home Source; to review the applications and credit histories of prospective tenants; to terminate tenancies and to serve such notices and to institute legal proceedings in the name of Owner as Owner may direct or as may be necessary (ELLIS Home Source, however, shall use its best efforts to collect rents as and when they become payable, and when expedient and in Owner's best interest, ELLIS Home Source shall settle, compromise and release such actions or suits as have been instituted and shall reinstate such tenancies); to employ local counsel in the name of and at the expense of Owner to prepare any legal documents or instruments necessary to institute and defend any legal actions arising from, or incidental to, the management of the Properties, or any of them.

5.3 Upon Owner's request, ELLIS Home Source shall make timely payments on any trust or mortgage secured by the Properties in accordance with a Schedule of Payments supplied by Owner to ELLIS Home Source, provided, however, that there are sufficient funds immediately available in Owner's account with ELLIS Home Source for that purpose. In no event shall ELLIS Home Source be obligated to advance or disburse for such purpose any of its funds, or any funds owed as compensation to ELLIS Source for its services rendered; nor shall ELLIS Home Source be liable or responsible for default under any such mortgage or trust as a consequence thereof and Owner hereby indemnifies and saves ELLIS Home Source harmless from and against such default.

5.4 Owner hereby authorizes ELLIS Home Source to charge and collect from any tenant, for its own account, charges for late payment of rent, bad checks, processing fees, credit reports, and such other matters as ELLIS Home Source may deem necessary.



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**6. REPORTS AND PAYMENTS.**

6.1 ELLIS Home Source shall maintain complete and accurate records of the receipts and expenditures for each of the Properties and shall furnish Owner with such records (or copies thereof) from time to time as Owner may require, but in no event more frequently than once a month.

6.2 ELLIS Home Source agrees to promptly remit to Owner or to deposit to the account of Owner, as directed by Owner, all sums due Owner under the terms of this agreement.

**7. REPAIRS AUTHORIZATION.**

7.1 Owner hereby grants ELLIS Home Source the right to institute repairs to any of the Properties, and to purchase materials therefore at the cost and expense of Owner either by advancement of such funds by Owner or by application by ELLIS Home Source on the behalf of Owner. Repairs, make-ready, and redecorating, except of an emergency nature, in excess of the sum of \$500 shall not be made or ordered without permission of Owner. It is agreed and understood that emergency repairs are those which in the sole and exclusive opinion of ELLIS Home Source are necessary to protect any of the Properties in accordance with their respective lease agreement.

7.2 In the name of Owner, ELLIS Home Source may engage, supervise and discharge independent contractors to maintain, redecorate, and repair any of the Properties.

7.3 ELLIS Home Source shall have the power and authority to enter into contracts in Owner's name and at the Owner's expense for service to each of the Properties for electricity, gas, fuel water, sewer, trash removal and other services.

**8. BOND.**

ELLIS Home Source agrees to cause all of its employees who handle or are responsible for the safekeeping of any monies of the Owner to be covered by a fidelity bond in an amount and with a company determined by ELLIS Home Source.

**9. INSURANCE.**

Owner agrees to indemnify and save ELLIS Home Source harmless from any and all liability, without limitation to costs including expenses and attorneys' fees incurred in connection with any claims, for injury or damage to persons or property caused by or arising out of any condition of, on or in the Properties or any used thereof, or both, that are beyond the control of ELLIS Home Source. Owner will provide ELLIS Home Source or otherwise authorize ELLIS Home Source to order, at Owner's expense, public liability insurance with minimum coverage to be \$300,000.00 combined single limit personal injury and/or property damage, to save the Owner and ELLIS Home Source harmless from any suit involving liability as aforesaid. Owner shall arrange either with ELLIS Home Source or with its insurance company to provide fire and extended coverage insurance (including vandalism coverage) in the event of vacancies in any of the Properties in excess of thirty (30) days.

**10. SALES COMMISSION.**

10.1 In the event any of the Properties are sold to a Tenant procured by ELLIS Home Source during the tenancy or within one-hundred eighty (180) days after the termination thereof, Owner agrees to pay ELLIS Home Source a sales commission equal to 3% of the sales price. This provision does not grant Tenant any right to purchase such property, nor does it authorize ELLIS Home Source to offer such property for sale, but is intended only to preserve for ELLIS Home Source such commission in the event such property is through any means sold to Tenant at any time during the period specified.

10.2 If the sale of the property occurs, or if the agreement is therefore entered into during the term hereof, ELLIS Home Source shall be paid a fee equal to one percent (1%) of the gross sale; provided, however, that such fee shall not be payable if ELLIS Source is the exclusive agent for sale.



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11. ADDITIONAL SERVICES.

- 11.1 In addition to the services provided by ELLIS Home Source as required herein, Owner shall purchase those additional services set forth in *Exhibit "E"* attached hereto and by this reference made a part thereof, at the costs specified therein for the Properties.
- 11.2 In the event ELLIS Home Source is requested by the owner to oversee, supervise or assist in the effectuation of any construction, remodeling, rehabilitation, landscaping, repair or the like with a cost in excess of \$10,000, ELLIS Home Source shall be paid an additional fee equal to ten percent (10%) of the aggregate cost of such work.

12. MISCELLANEOUS.

- 12.1 The covenants, terms, conditions, warranties, and undertakings contained in this Agreement shall extend and inure to the benefit of, and bind the parties hereto and their, and each of their, respective heirs, administrators, successors and assigns, as permitted.
- 12.2 Tills Agreement contains the entire agreement and understanding between the parties. There are no oral understandings, terms or conditions, and neither party has relied upon any representation, express or implied, not contained in this Agreement. Tills Agreement may not be changed or amended orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.
- 12.3 If any term, provision, covenant or warranty contained in this Agreement or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term of provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term provision, covenant and warranty shall be valid and be enforced to the fullest extent permitted by law.
- 12.4 The headings and captions contained in this Agreement are inserted by convenience of reference only and in no way define, limit or describe the scope, intent or extent of this Agreement or any provision hereof.
- 12.5 Any notice or demand, which under the terms of this Agreement or under any statute may be given or made by mailing the same by certified mail, return receipt requested, addressed to the other party at the address below. Either party may designate in writing such new and other address to which such notice or demand shall thereafter be so given, made or mailed. Any notice given hereunder by mail shall be deemed delivered when deposits in the United States mail, enclosed in a prepaid wrapper, addressed as hereinafter provided.

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TO ELLIS Home Source/AGENT:

ELLIS HOME SOURCE, INC.  
ATTN: Rick Ellis  
6230 N. Beltline Road, Suite 318  
Irving, TX 75063  
(972) 256-7500  
(972) 257-9663 Fax

TO OWNER OR OWNER'S REPRESENTATIVE:

Owner's Legal Name \_\_\_\_\_

Address \_\_\_\_\_

City, State and Zip Code \_\_\_\_\_

Home and work telephone numbers \_\_\_\_\_

Fax and pager telephone numbers \_\_\_\_\_

E-mail Address \_\_\_\_\_



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12.6 Owner acknowledges that ELLIS Home Source intends to fully comply with all Federal, State, and local laws, ordinances and regulations prohibiting discrimination due to race, color, religion, ancestry, national origin, marital status, sex, familial status, or age. By execution hereof, Owner hereby agrees to fully comply with such laws.

13. ADDITIONAL INFORMATION AND AGREEMENTS

13.1 Insurance. Owner is to provide ELLIS Home Source with a copy of the fire and extended coverage insurance policy as well as the liability policy on each property stated in this agreement. In addition, the owner's liability policy must list ELLIS Home Source as additionally insured or else, ELLIS Home Source will obtain a liability policy insuring ELLIS Home Source; this expense (approximately \$50 - \$75 per year) will be the responsibility of the owner.

13.2 Keyless Dead Bolts. Texas State Law requires all rental properties to have keyless dead bolts on all outside doors, including the door from the garage into the home. Pin locks are also required on sliding glass doors. If the owner's property does not have these required locks, these locks will be added by ELLIS HomeSource at the owner's expense.

13.3 Change of Locks Between Residents. For the safety of our Residents and to lower the owner's personal liability exposure, ELLIS Home Source requires that all locks be changed after each Resident moves out. This change of locks is made at the owner's expense.

13.4 ELLIS Home Source Is Not Responsible for Resident Damages Delinquent Rent. ELLIS Home Source will not be liable for any damages caused by the Resident and/or their occupants and guests. Furthermore, ELLIS Home Source is not responsible for paying a Resident's delinquent rent.

13.5 If Owner cancels management contract while property is vacant, Owner agrees to reimburse ELLIS Home Source for all advertising expenses incurred in attempting to lease the property.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

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Owner/Owner Agent

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Primary Owner

ELLIS HOME SOURCE, INC.

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Date Signed

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By

-----  
Primary Owner's Social Security Number

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Title

-----  
Secondary Owner

-----  
Signature

----- Signature

-----  
Date Signed

-----  
Date Signed

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Secondary Owner's Social Security Number



Type (s) \_\_\_\_\_  
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**EXHIBIT "A" THE PROPERTIES**

Type of Property: \_\_\_\_\_

Community: \_\_\_\_\_

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

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

Lease Term: \_\_\_\_\_

Monthly Rent: \_\_\_\_\_

Deposit: \_\_\_\_\_

Pet Deposit: \_\_\_\_\_

Restrictions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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**EXHIBIT "B" ADDITIONAL SERVICES**