

PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (this "**Agreement**") is by and between Owner (as defined below) and Emerson Property Management, Inc. a Texas corporation ("**Emerson**"), and dated as of later of the dates below each Owner's and Emerson's signature on the last page hereof.

RECITALS

WHEREAS, Owner owns the Property (as defined below) and wishes to engage Emerson to provide, and Emerson wishes to provide, Property management services with respect to the Property as more particularly described and in accordance with the terms and conditions set forth;

AGREEMENTS

NOW, THEREFOR, IN CONSIDERATION of the foregoing premises and mutual promises, covenants and conditions contained herein, the receipt and sufficiency of which are hereby acknowledged, Owner and Emerson hereby agree as follows:

1. OWNER

Owner/Entity Name ("Owner"):	
If Entity: Name / Percent of Ownership:	
Mailing Address: City, State, Zip (Not the rental Property address)	
Contact name:	
Best Phone:	
Alt Phone:	
Email:	
Date of Birth:	
Emergency Contact Name:	
Phone:	
Alt Phone:	
Email:	

2. PROPERTY TO BE MANAGED.

Address: _____ (the "**Property**")

City, State, Zip: _____

Property is currently: _____

Details: _____

***Emerson does not manage properties that are contracted with home warranty companies. If your Property is currently in agreement with a home warranty company and you would like Emerson to manage your Property, please cancel your home warranty agreement.**

3. TERM.

Proposed Start Date: _____ and shall automatically renew on a monthly basis until either party terminates by providing at least 30 days written notice to the other party **without any proration of the monthly fees during the month of termination.**

Owner may request a termination upon less than 30 days prior notice, subject to (a) prior approval by Emerson, which Emerson may withhold at its sole discretion, and (b) payment by Owner of a \$500 expedited offboarding fee to cover the increased administrative and operational workload required by such timeline (the "**Expedited Fee**").

All guarantees offered by Emerson immediately terminate and become void upon the effective date of termination of this Agreement.

4. AUTHORITY OF EMERSON.

Leasing and Management Authority: Owner grants to Emerson the following authority to perform the following services, which Emerson may, but shall not be obligated to, exercise when Emerson determines to be in Owner's best interest:

- Place a combo lockbox on the home and allow licensed contractors and realtors access.
- Authorize Emerson, their associates, inspectors, appraisers, and contractors to access the Property at reasonable times and to disclose security and lock box codes as required or needed to facilitate access to the Property under Emerson's discretion.
- Duplicate keys and security devices as needed, at Owner's expense, to access the Property for showings and repairs in a timely manner.
- Install an above-ground, accessible water shut off valve, at Owner's expense.
- Negotiate and execute leases on the Owner's behalf, including Emerson's form of lease, a copy of which Owner has previously provided to Owner, which form Owner hereby approves in its entirety for use by Emerson for leasing the Property, with such changes and modifications that Emerson may make from time to time.
- Negotiate and execute any amendments, extensions, or renewals to any lease for the Property on the Owner's behalf.

- Terminate leases for the Property, negotiate lease terminations, and serve notices of termination.
- Collect and deposit 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 to Emerson under this Agreement; and (b) any other persons this Agreement may authorize to compensate.
- Accept a fee in lieu of security deposit in accordance with Section 92.111 of the Texas Property Code.
- Collect administrative charges including but not limited to, application fees, returned check fees (NSF), pet administration or other fees, filing fees, postage, compensation for time in court, and any late charges from tenants in the Property or from prospective tenants – these fees will be for the account of and retained by Emerson.
- At Owner's expense, enforce (and settle) actions to: (a) evict tenants in the Property; (b) recover possession of the Property; (c) recover lost rent and damages; or (d) defend against legal action, including any attorney's fees
- Negotiate and make reasonable concessions to tenants on a case by case basis.
- 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.
- This Agreement is subject to policy changes updated annually and distributed, in writing, to the Owners.
- Contract, at Owner's expense, in either Emerson'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 Emerson determines are reasonable to maintain and care for the Property.
- Hire contractors to repair, maintain, improve, or alter the Property provided the cost thereof is no greater the amount of funds in the Reserve (as defined below), for any single repair, maintenance item, or alteration without Owner's consent, unless the repair is deemed necessary or desirable by Emerson, and/or during a property make-ready.
- Hire contractors to make emergency repairs to the Property without regard to the expense limitations to the extent that Emerson determines are necessary or desirable to protect the Property or the health or safety of tenant or other invitees on the Property without any further notice to or consent by Owner.
- Contract for annual preventative maintenance at the expense of the Owner.
- Prior to a property turnover, hold tenants' last monthly rent payment to quickly complete the property make-ready.
- Hire or contract with any person or entity that is controlled by, controlling, under common control with Emerson or otherwise affiliated with Emerson ("Affiliates"), including any

preferred vendors of Emerson that may provide rebates, commission and/or discounts to Emerson, to perform any of the required work; provided, that such parties will be contracted on such terms and at such rates that would be no more favorable than what is available in an arms-length transaction.

Record Keeping: Emerson will:

- File reports with the Department of Treasury, Internal Revenue Service or other governmental agency related to funds received on behalf of the Owner under this Agreement. Owner hereby authorizes the delivery of any 1099's or other relevant filings via electronic methods.
- **On the second Friday of the month, initiate** to the Owner the electronic transfer of funds collected by Emerson for the Owner under this Agreement, less authorized deductions.
- Send, **on or about the 15th of the month**, to the Owner a statement (Rental Owner Statement) of receipts, disbursements, and charges from the **prior** month. It is the Owner's responsibility to review the Owner statement monthly. Emerson will review Owner statements with Owner if Owner requests so in writing.
- **If Emerson advances funds to the Owner, then any funds not repaid to Emerson within 15 days of Emerson's request for reimbursement shall immediately bear a 15% late charge, and shall continue to incur a late charge of 15% each month thereafter until fully paid.** Owner acknowledges and agrees that the late charge does not constitute interest on the unpaid funds but is intended to compensate and reimburse Emerson for the additional costs and administrative burdens incurred by Emerson. The full amount of such costs and burdens are unknown at this time, and the late charge shall constitute an agreed upon amount between the parties as liquidated damages for the cost of such delays in repayment by Owner.

Security Deposits:

- During the term of this Agreement, Emerson will maintain security deposits from all tenant(s) in a trust account, regardless who placed the tenant, and will account to tenants for the security deposits in accordance with the relevant lease agreement and the Texas Property Code.
- The disposition of the security deposits of all tenant(s), shall be the sole discretion of Emerson unless Emerson delivers the balance of the security deposit to Owner.
- If this Agreement terminates before, concurrently with, or within 60 days after an expiring tenant lease agreement, or if Owner performs an Owner-Directed Turnover (as defined below), (a) the Owner shall be responsible for completing the security deposit disposition to the tenant or ex-tenant, (b) Emerson will deliver to Owner the balance of the security deposit, less any deductions owed to Emerson within 60 days of the termination date, and (c) Emerson will send written notice to the tenant stating: (i) that this Agreement has ended; (ii) the exact dollar amount of the remaining balance of the security deposit; (iii) the contact information for the Owner; (iv) foreclosure information, if applicable; and (v) that Owner is responsible for accounting, and returning the tenant(s)' security deposit.
- Upon Emerson's delivery of the balance of the security deposit to Owner in accordance with the foregoing, Emerson shall have no further liability with respect to the security deposit and Owner will indemnify, defend and hold harmless Emerson for, from and against any liability

arising from or relating to any claim or loss from a tenant for the return of a security deposit. Without limiting the foregoing, Owner will be responsible for and promptly reimburse Emerson for any and all legal fees incurred by Emerson in lawsuits or other disputes over a security deposit return. This paragraph survives termination of this Agreement.

- Owner acknowledges and agrees that Emerson may contract with a third party or Affiliate to insure against or self-insure for damages, costs and expenses that is normally offset by a security deposit from a tenant in accordance with Section 92.111 of the Texas Property Code. In such event, no security deposit shall be delivered to Owner. Any rights to make claims under such insurance shall expire immediately as of the effective date of the termination of this Agreement.

Assignments:

- Emerson may assign its rights and delegate its duties under this Agreement without Owner's consent, provided that the assignee agrees to assume and perform each and every covenant and term of this Agreement applicable to Emerson.

Notices:

- Notices between the parties must be in writing and are effective when sent to the receiving party's address, or e-mail address set forth herein; provided, that either party may change its address and email, which change will be effective ten (10) days after notice of such change has been provided to the other party. All terms and conditions of this Agreement are subject to change by Emerson in Emerson's sole discretion upon 30-day prior notice to Owner. Any such change shall automatically take effect without any further acknowledgement or agreement by Owner upon the later of (a) the expiration of such 30-day notice period, and (b) the date Emerson may specify in the notice. If Owner disagrees or otherwise determines such changes are not acceptable, Owner may terminate this Agreement in accordance with Section 3 hereof.

5. RESERVES.

Upon execution of this Agreement, Owner will allow Emerson to hold in a trust account a reserve (the "**Reserve**"). These funds in the Reserve will be used to pay expenses related to the leasing and management of the Property. If the balance of the Reserve becomes less than the Required Reserve Amount (as defined below), Emerson may deduct the applicable amount from the monthly income to bring the balance to the amount requested.

The standard amount(s) required to be held in the Reserve during tenancy is \$400 per unit (the "**Required Reserve Amount**"); provided, that Emerson may increase the Required Reserve Amount at any time without notice to the Owner should Emerson determine it is necessary for anticipated expenses of the Property or other reasons determined by Emerson in its sole discretion. In addition, Emerson will also hold in the Reserve tenant's last monthly payment prior to a turnover and make-ready.

6. OWNER'S REPRESENTATIONS.

Owner represents and warrants that:

- 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.

- Owner is not bound by another agreement with another broker, for the leasing, management or sale of the Property that will affect the timing of this Agreement. Should Owner enter into an agreement with another broker, Emerson may, in its sole discretion, terminate this Agreement immediately without notice, subject to any and all cancellation fees, including, without limitation, the Expedited Fee.
- No person or entity has any current rights to purchase, lease, or acquire the Property by an option, right of first refusal, or any other agreement.
- Owner is not delinquent in the payment of any Property taxes, Owner's association fees, Property hazard insurance, or mortgage.
- The Property is not currently subject to any jurisdiction of any court and no proceedings of any type are currently pending against or related to the Property.
- The Property is intended to be used solely for leasing out to unrelated third parties and not for personal use by Owner or any Affiliates to reside or otherwise occupy.
- All information provided to Emerson is true and correct to the best of the Owner's knowledge.

Property Condition: Owner and Emerson 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 Texas Property Code to repair such conditions 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. (3) Owner is aware of the Texas Property Code Section 92 regarding the installation and update of Security Devices, Smoke Alarms, and Lock Re-Key between tenancies.

Utilities: At Owner's expense, Emerson shall use commercially reasonable efforts to keep utilities on for the Property at all times during any vacancies; provided, that Emerson shall not be liable for any damages (1) occasioned by failure in any utility system or by the bursting or leaking of any vessel or pipe in or about the Premises, (2) occasioned by water coming into the Premises or (3) arising from the acts or negligence of other occupants of the Building or the public. Owner shall look solely to its insurance to compensate Owner for any such damages

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.

Normal Wear and Tear: The Owner acknowledges and agrees that (a) some "wear and tear" on the Property will occur, (b) the costs to repair such "wear and tear" damages cannot be charged to a tenant and will be incurred by Owner, and (c) the law recognizes the Property as a business and requires Owner to expect some expenses for cleaning and maintenance as "normal wear and tear" while operating a rental property. Emerson has sole authority to determine in its reasonable opinion as to what damages constitute normal "wear and tear" that are not chargeable to a tenant, which opinion shall be conclusive even if Owner disagrees with Emerson's determination.

Service Animals: Owner understands that state and federal law govern "service animals" and "emotional support animals", and those animals are NOT legally considered pets, and therefore pet policies do not apply.

7. OWNER'S COVENANTS.

Owner Agrees To:

- Remove all personal/non-real Property from the Property prior to the start of this Agreement - save for personal/non-real Property noted on the Property Onboard Form.
- Remove all electronic or smart-locks from all doors.
- Either (a) remove all cameras from the Property, OR (b) not monitor the cameras *and* release, indemnify and hold harmless Emerson for, from and against any liability regarding the monitoring of said cameras.
- Cooperate with Emerson to facilitate showing, marketing, and leasing of the Property.
- Not rent or lease the Property to anyone without Emerson's written approval.
- Not negotiate with any prospective tenant who might contact Owner directly, but refer all prospective tenants to Emerson.
- Not deal with, contact or negotiate with any tenant in the Property concerning any matter related to the management or leasing of the Property except through Emerson.
- Not disturb the tenant at the Property or enter the Property without written approval from Emerson.
- Contact Emerson to discuss repairs or maintenance, not the maintenance personnel or contractor(s) completing the work.
- Not enter into a Property management agreement for the rental, sale, leasing, or management of the Property to become effective during this Agreement.
- Provide Emerson with any existing copies of lease agreements related to the Property.
- Provide Emerson with garage and gate remotes.
- Provide Emerson with copies of all warranties.
- Tender to Emerson any security deposits paid by existing tenants.
- Complete any disclosures or notices required by law and this Agreement.
- Notify Emerson if Owner becomes delinquent in the payment of any mortgage secured by the Property, Property taxes, Property insurance, or homeOwner's association fees.
- Agree and cooperate with upholding the Emerson Landlords Rules & Regulations.
- Respond to maintenance or repair requests within 24 hours, inclusive of holidays and weekends, or authorize Emerson to proceed as noted in Section 19.
- Comply with Emerson's property standards for (1) maintaining the safety of the Property and residents, (2) handling repairs efficiently and effectively to prevent future, more expensive issues, and (3) making necessary upgrades or repairs to protect the reputation of the Owner and Emerson.
- Not personally use or occupy the Property.

8. COMMUNICATION.

Emerson will communicate with Owner when the following occurs;

- Any maintenance incident including emergencies that cost more than the amount of funds in the Reserve.
- Tenant Move-Out Notices and Renewals
- Tenant Eviction

9. OWNER’S INSURANCE AND SURCHARGE.

At all times during this Agreement while the Property is managed by Emerson, Owner shall maintain in full force and effect a landlord’s insurance policy (homeowner’s insurance) that covers losses to the Property and landlord liability **and names Emerson Property Management, Inc. as additionally insured.** Such insurance shall be primary and non-contributory.

If the Owner does not provide proof of insurance, showing Emerson as additionally insured, then the Owner will pay Emerson a \$9 per month admin fee.

This Agreement will also serve as Owner’s authorization for Emerson to obtain and discuss any claim regarding this home with the Owner’s insurance company.

10. MANAGEMENT FEES.

Management Fees: Emerson Property Management will charge a Flat Monthly Management Fee per unit based on three different services: (Please select only one):

A vacancy in the Property or failure by a tenant to pay rent does not excuse payment of the management fee.

Owner may change their selected management service package **no more than once per calendar year.** Any change in package level will take effect on the first day of the following month. Mid-month proration or partial service adjustments are not permitted.

Monthly Management Service Packages			
	Basic	Standard	Premium
One (1) Property	\$125	\$175	\$325
Two (2) Properties - Per Unit	\$115	\$165	\$299
Three+ (+3) Properties - Per Unit	\$99	\$149	\$275
Core Services			
Leasing Service	100%	75%	50%
Lease Renewal Service	\$399	\$299	included
Annual Inspection	\$149	\$149	included
Vendor Coordination Service	15%	10%	included
Turnover Management	included	included	included

Utility Connect/Disconnect	included	included	included
Annual Executive Strategy Review	included	included	included
Guarantees & Protections			
90 Day Risk-Free	included	included	included
30-Day Lease	included	included	included
Tenant Placement	included	included	included
Monthly Agreement	included	included	included
Eviction Protection	included	included	included
\$2,500 Tenant Damage (optional)	\$29	\$29	\$29
Property Management Transfer	included	included	included
Pet Damage	included	included	included
Vendor Labor	included	included	included

- **Leasing Fees:** Owner is responsible for the full lease fee if the Property is leased on the MLS or off-market, and irrespective of the tenant being represented by an agent. The lease fee does not include other expenses in preparing the Property for lease (cleanings, landscaping, etc.).

For the Basic service, Owner will pay 50% the first month the tenant occupies the Property and the remaining 50% the following month.

For the Standard service, Owner will pay 50% the first month the tenant occupies the Property and the remaining 25% the following month.

Owner understands that Emerson sets the leasing price, price drops and renewal rates.

If Owner does their own make-ready, Owner agrees to comply with [Emerson’s Rent Ready Requirements](https://emersonpropertymanagement.com/rent-ready-requirements) (the “Requirements”). Emerson shall have no obligation to list the Property until all such requirements are completed to Emerson’s satisfaction. Please see [Paragraph 20](#) of this Agreement for oversight and limitations of non-Emerson approved vendors.

- **Renewals or Extensions:** Each time a tenant renews or extends their lease agreement, Emerson Management will charge the fee outline for the renewal service.

If Owner does NOT want Emerson to perform a lease renewal, Owner must notify Emerson in writing at least 120 days prior to the lease expiration date.

- **Vendor Coordination Service:** Emerson charges for this service to oversee Emerson-approved vendors, gather bids, itemize receipts and invoices, and other matters related to maintenance and repairs. Note: the max the percentage is calculated from, for any single repair, is \$2,000.

- Interest on Trust Accounts: Emerson retains any and all income resulting from an interest-bearing trust account.
- Administrative Fees: Emerson will retain any and all administrative fees for its own account, which includes late fees, insufficient fund fees, returned checks, pet administration fees, and any other assessed tenant fees.
- Fees Related to Legal Matters: If Owner instructs Emerson to coordinate or communicate with any attorney or insurance carrier regarding any casualty to or on the Property (including, but not limited to, evictions, tenant disputes, security deposit disputes, and suits for damages), Owner will pay Emerson \$149 per event for Emerson's time expended in such matters and in preparation of such matters upon the Owner's receipt of Emerson's invoice. Fees are fully earned upon the earlier of Emerson's (a) written agreement to perform such request or (b) initial contact with such attorney or insurance carrier, regardless of the result therefrom.
- Fees in the Event of a Sale:

Sale to Tenant: If at any time during this Agreement or within 90 days after it ends, Owner sells the Property to a tenant who occupied the Property during the term of this Agreement, Owner will pay Emerson as preferred licensed real estate broker a fee equal to 2.5% of the total sales price of the home.

Sale to Anyone Else: If Owner decides to sell the Property during the term of this Agreement to any other person except the tenant(s), Owner will pay Emerson preferred licensed real estate broker a total fee equal to 5.5% of the sales price of the Property. Emerson's preferred licensed real estate broker will offer a 3% commission to any licensed real estate broker in advertising this home for sale. This commission is payable at close of escrow. Emerson's preferred licensed real estate broker can sell your home for 5.5%.

NAR Notice: In compliance with current industry standards and recent regulatory requirements, including those arising from the National Association of Realtors (NAR) settlement, the parties acknowledge and agree to the following:

- (a) The amount or rate of compensation paid to the broker is not fixed by law and is fully negotiable between the broker and Owner.
- (b) Owner is not obligated to offer compensation to a buyer's broker. Any offer of compensation, if made, is voluntary and subject to negotiation.
- (c) If Owner elects to offer compensation to a buyer's broker, such offer will be disclosed in writing and may be communicated through the Multiple Listing Service ("MLS") or other agreed-upon methods.
- (d) By signing this Agreement, Owner acknowledges that it has been informed of its right to negotiate broker compensation and that no representation has been made that compensation is set or mandated by any association, MLS, or other governing body.

Referring Agent: If Owner decides to sell the Property with an agent who referred the Owner to Emerson, please enter their contact information below so Emerson can provide the agent with first right of refusal in the event of a sale of the Property. Emerson will not be involved in the sales process nor collect any commission.

Name: _____

Phone Number: _____

Email: _____

License Number: _____

Other Agent: If the Owner would like to sell the home using another broker, Emerson may, in its sole discretion, terminate this Agreement immediately. Accounting and itemization and refund of the security deposit shall fall upon the burden of the Owner in accordance with the terms set forth in this Agreement. Emerson will not be involved in the sales process nor collect any commission.

Owner's obligation to pay the Management Fees, Leasing Fees, and all other costs and fees accrued prior to or in connection with the termination of this Agreement shall survive such termination

11. EVICTION GUARANTEE.

Emerson has such a robust screening process for filtering out unqualified tenants that Emerson will reimburse Owner up to \$1,000 of legal fees resulting from an eviction that are not covered by the tenant's security deposit per lease agreement. Any collection efforts under this provision shall be undertaken solely by Emerson in accordance with Paragraph 27 hereof, and Owner shall not attempt to collect upon any such accounts

This guarantee is ONLY provided if Emerson has sole discretion in tenant selection AND the tenant is not on any government subsidized program including Section 8.

12. MONTHLY AGREEMENT GUARANTEE.

Emerson stands behind our services with a 100% satisfaction guarantee and month-to-month Agreements - never locking you into any long term contracts. If for any reason you are not completely satisfied with our services, you can cancel your Agreement at any time - without penalty.

If Emerson receives any funds on behalf of the Owner after this Agreement ends (for example, rent, damages, past due amounts, and others), Emerson will deposit those funds in Emerson's trust account and will pay 15% of the funds received to Emerson as compensation for services (for example, research, accounting, communicating and processing) rendered at that time; and pay the balance of the funds to the Owner. This provision survives termination of this Agreement.

13. PET DAMAGE GUARANTEE.

Emerson charges a per month pet administrative fee to the tenant(s) per each approved pet. We offer a guarantee that any damages caused to the Property, above and beyond normal wear and tear, resulting from the approved pet(s) that is not covered by the security deposit will be reimbursed by Emerson to the Owner. This excludes any Service Animals per the Fair Housing Guidelines. This pet fee guarantee is limited to an amount of \$2,000 per incident. Any collection efforts under this provision become the sole responsibility of Emerson.

This guarantee is only valid when Emerson has sole discretion in tenant selection, pet screening, all pet-related approval decisions, and when all repair work related to pet damage is completed by Emerson-approved vendors.

14. TENANT DAMAGE PROTECTION.

For any tenant screened and approved solely by Emerson, Emerson will reimburse the Owner for tenant-caused damage to the Property, up to a maximum of \$2,500 per lease term, after the tenant moves out,

after the Security Deposit has been applied, and provided all eligibility requirements below have been satisfied.

This is not insurance, nor a replacement for the Security Deposit. It is a voluntary protection benefit offered by Emerson.

This protection applies only to damage beyond normal wear and tear, and only after the tenant's security deposit has been fully applied to the cost of repairs.

This protection does not cover:

- Normal wear and tear as defined by the Texas Property Code
- Upgrades or improvements
- Cleaning costs
- Odors, smudges, or other non-physical cosmetic issues
- Loss of rent or vacancy
- Damage resulting from Owner-provided vendors, Owner interference, or deferred maintenance
- Damage caused by emergencies, catastrophes, water intrusion, or environmental conditions
- Damage caused by pets (covered separately under the Pet Damage Guarantee)
- Damage not documented via Emerson's Move-In/Move-Out Assessment

To receive this protection, all of the following must be satisfied in full:

- Owner must be enrolled in and paying for this service no later than the date the Property is listed for lease. Coverage cannot be activated retroactively and enrollment must remain continuous throughout the entire tenancy and sixty (60) days thereafter.
- All repairs must be completed by Emerson-approved vendors, and Owner must not interfere with the make-ready or repair scope.
- Emerson must have full authority over the security deposit disposition process.
- Emerson has sole discretion tenant screening, tenant selection, and when all turnover and damage-related repairs are completed by Emerson-approved vendors.
- This Agreement has not been terminated (and no notice of termination has been sent) and remains in full force and effect until sixty (60) days after the expiration of the tenancy.

Owner may opt into (or out of) this protection option by checking the appropriate box below. If neither box is checked, Owner is deemed to have elected to opt out of this protection – declining participation:

Yes, I want to participate in the Tenant Damage Protection (\$29/mo).

No, I decline participation.

15. TENANT PLACEMENT GUARANTEE.

Should your Property become vacant prior to the lease expiration date, Emerson will re-lease your Property at our expense. You will not be charged the standard "Leasing Fee" if a tenant terminates the lease early. This includes having to evict a resident. Any resident that Emerson screens and approves is covered under this tenant placement guarantee.

This guarantee is ONLY for new tenants. The guarantee does not include lease renewals or tenants that Emerson inherits. This guarantee is only valid when Emerson has sole discretion in tenant screening and tenant selection.

The guarantee does not cover early terminations for any of the special rights in the lease agreement.

- Military Deployment
- Family Violence
- Sex Offense or Stalking

16. LEGAL COMPLIANCE GUARANTEE.

Our lease agreement is reviewed and approved by a Texas law firm. To ensure utmost Owner protection, Emerson operates in compliance with fair housing, Texas Property Code, and application screening.

This guarantee is ONLY provided for tenants on Emerson leases.

17. 30-DAY LEASE GUARANTEE.

Should your Property be marketed for more than 30 days, without a signed lease and security deposit, Emerson will waive the next two months of management fees.

The 30-day guarantee is calculated from the listing date until Emerson has received a signed lease and security deposit.

This guarantee is only valid when Emerson has sole discretion in the rent price and tenant selection.

18. 90-DAY RISK-FREE GUARANTEE.

Emerson is confident in the value our services bring, which is why we offer a 90-Day Risk-Free Guarantee. If, for any reason, you are not fully satisfied with our services, you may cancel this Agreement within 90 days of the onboarding call, or management start date - whichever is earlier. Emerson will refund all Emerson charges, including management fees, Emerson leasing fees, and any other Emerson service fees.

The 90-day guarantee is calculated from the earlier of the onboarding call, or management start date, until the day Emerson receives written termination notice from the Owner.

19. VENDOR LABOR GUARANTEE.

Emerson will warranty all vendor labor for maintenance and repair work orders for up to one-year (365 days) from the date of service.

This guarantee is only valid for Emerson-approved vendors while this Agreement is active.

20. REPAIRS.

The regular monthly management fee by Emerson covers the following:

- Vendor screening
- Vendor oversight
- Volume discounts with approved vendors
- Invoice handling
- Record keeping
- Invoice payment
- Diligent invoice review
- Reconciling the payment
- Adding this information into the Owner's files

Emerson will not manage properties that are contracted with a home warranty company. If your Property is currently in agreement with a home warranty company, you must cancel the agreement before we can begin management.

Emerson will only oversee Emerson-approved vendors. If the Owner decides to use another contractor or vendor to complete a task or repair, then that vendor must first be onboarded through Emerson's vendor onboarding process. If the Owner decides to use a contractor or vendor not in Emerson's system, and that vendor doesn't complete the Emerson onboarding process (or is not approved by Emerson), Emerson is hereby released from any liability arising from the use of such vendor, including, without limitation, any defects in workmanship and other damages arising therefrom. Additionally, Owner agrees, if requested by Emerson, to sign an indemnity and hold harmless agreement and pay a \$149 Non-Standard Vendor Coordination Fee. This fee covers the additional administrative time, communication, scheduling, oversight, documentation, and workflow disruption associated with vendors outside of Emerson's standard operating procedures.

Owner agrees to respond to all maintenance and repair approval requests from Emerson within 24 hours of delivery, including weekends and holidays. If no response is received within this timeframe, Owner grants Emerson full authority to proceed using reasonable discretion to protect the Property, comply with the Texas Property Code, prevent further damage, or maintain tenant habitability.

Owner further agrees to accept all charges associated with such repairs or maintenance.

If the Owner elects to complete a turnover with a contractor or vendor not in Emerson's system (an "**Owner-Directed Turnover**"), Owner must complete all the work for the turnover in accordance with the Requirements AND the disposition of the previous tenant's security deposit in accordance with the provisions of the Section 4 hereof relating to security deposits. Emerson will review the Property for marketing acceptance from the Owner's vendor at no charge for the first visit and \$149 per subsequent visit.

Emerson will complete any turnover and make-ready without any further notice to or approval from required Owner should the cost to the Owner be less than the amount of funds in the Reserve (which should include tenant's last monthly payment plus the standard amount). If the cost to the Owner exceeds the amount of funds in the Reserve, Emerson may elect, in its sole discretion, either to abstain from performing (or if such performance is already commenced, to stop) work until the required funds are received in full, or to perform such work and invoice Owner for such costs incurred by Emerson (which costs deducted from future rents or other rents obtained from the Property or other properties owned by Owner or any of its Affiliates. As used herein, "**Cost to the Owner**" means the out-of-pocket cost to Owner, excluding any charges taken out of the tenant's security deposit

21. LIABILITY AND INDEMNIFICATION.

Emerson 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, including the Property, resulting from any act or omission not caused by Emerson's gross negligence, including but not limited to injuries or damages caused by:

- Any Emerson employees that are acting outside the scope of their employment or any associates, inspectors, appraisers, and contractors who are authorized to access the Property on behalf of the Owner;
- Acts of third parties (vandalism, theft, or other criminal acts)
- Freezing or leaking water pipes;
- Failure to properly water the foundation;
- A dangerous condition or environmental condition of the Property;
- The Property's non-compliance with any law or ordinance.

Mold and Moisture: Emerson is not responsible or liable for the presence, growth, prevention, or remediation of mold or moisture-related conditions unless such condition results directly from Emerson's gross negligence. Owner acknowledges that mold can develop from environmental factors, construction characteristics, weather, or tenant behavior, all of which are outside Emerson's control.

Emerson is not responsible or liable in any manner for any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant caused by a tenant's breach of lease.

Owner agrees to protect, defend, indemnify, and hold Emerson harmless for any damage, costs, attorney's fees, and other charges and expenses that:

- Are caused by the acts or omissions of Owner, or Owner's agents, associates and those acting under Owner's authority.
- Arise from Owner's failure to disclose material or relevant information about the Property;
- Are caused by Owner giving incorrect or misleading information to any person; or
- Are related to the Property, including the management of the Property to the extend not solely, actually and proximately caused by Emerson.

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 Emerson under Emerson's authority under this Agreement. Owner agrees to indemnify, defend, and hold Emerson harmless for, from and against all claims related to any such contracts.

Property Code: The Texas Property Code requires, among other things, that (a) certain types of locks or security devices on all exterior doors of residential rental properties, (b) smoke detectors be installed in certain locations including all bedrooms, and (c) the security devices to be rekeyed and the smoke detectors to be tested each time a new tenant occupies the Property.

INDEMNITY PROVISION: IF ANY TENANT OR THIRD PARTY ASSERTS ANY CLAIM AGAINST EMERSON, ITS AFFILIATES, OR ANY OF THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, AGENTS OR REPRESENTATIVES (COLLECTIVELY, "**INDEMNITEE**") FOR ANY CAUSE OF ACTION RELATED TO THE LEASE AGREEMENT, THIS AGREEMENT, OR ARISES OUT OF LEASING THE PROPERTY, JOINTLY WITH THE OWNER OR AGAINST EMERSON SEPARATELY, OWNER WILL INDEMNIFY INDEMNITEE FROM ANY AND ALL COSTS, LIABILITIES, DAMAGES, INCLUDING ANY CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES, AND/OR CLAIMS, INCLUDING ATTORNEY FEES INCURRED IN DEFENSE OF ANY CLAIM SUBJECT TO INDEMNITY THAT ARE OR MAY BE ASSERTED AGAINST INDEMNITEE AND THAT (A) RELATE TO LEASING THE PROPERTY, (B) RELATE TO OWNER'S OBLIGATIONS UNDER: (1) THE LEASE AND/OR (2) THIS AGREEMENT; OR (C) ARISE FROM OWNER'S OR EMERSON'S NEGLIGENCE; OWNER'S FAILURE TO DISCLOSE MATERIAL OR RELEVANT INFORMATION REGARDING THE PROPERTY; ACCOUNTING AND RETURN OF TENANT'S SECURITY DEPOSIT; OR ANY OTHER ACTIONS OF OWNER OR GOOD FAITH ACTIONS OF EMERSON. IF EMERSON IS SUED OR BROUGHT INTO A MEDIATION OR ARBITRATION OR OTHER PROCEEDING, OWNER WILL PAY EMERSON'S ATTORNEY'S FEES AND EXPENSES AS THEY BECOME DUE. OWNER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT CONTAINS INDEMNIFICATION PROVISIONS THAT, IN CERTAIN CIRCUMSTANCES, REQUIRE OWNER TO INDEMNIFY EMERSON AND CERTAIN OTHER INDEMNITEE FROM COSTS, EXPENSES, LIABILITIES, LOSS, DAMAGES AND OTHER OBLIGATIONS RESULTING FROM EMERSON AND CERTAIN OTHER INDEMNITEE'S OWN' SOLE, JOINT, CONCURRENT OR COMPARATIVE NEGLIGENCE.

22. MISCELLANEOUS.

23. FORECLOSURE NOTICES

If Emerson receives notice of the Owner's delinquency in the payment of any mortgage or encumbrance secured by the Property, Property taxes, Property insurance or HomeOwner's Association fees, Emerson may give Owner 15 days to cure the delinquency during which period Owner authorizes Emerson to freeze any funds held by Emerson and no disbursements will be made to Owner related to this Agreement or the Property. If after such 15-day period, the delinquency is not cured and a foreclosure process is initiated against the Property, Owner authorizes Emerson to deduct from any other funds being held by Emerson for Owner any remaining Emerson fees or funds due to Emerson related to services performed under this Agreement. Additionally, Owner authorizes Emerson to return any security deposit being held by Emerson to a tenant of the Property that Emerson in Emerson's sole discretion believes should be refunded, in addition to any prorated amount of rent being held by Emerson and Emerson may terminate this Agreement immediately without any further notice. This paragraph does not preclude Emerson from seeking any other remedies under this Agreement or at law that may be available to Emerson.

24. ANNUAL EXECUTIVE STRATEGY REVIEW.

Emerson offers an exclusive, complimentary Annual Executive Strategy Review each calendar year with a senior member of the Emerson Property Management team. Our team brings extensive experience in Property management, real estate investment, and portfolio optimization - providing you with tailored insights to help maximize returns, reduce risk, and plan for long-term growth.

Normally valued at \$495, this review is provided FREE of charge to Emerson clients.

The Annual Executive Strategy Review is available once per calendar year for active Owner Agreements. Please note that only one review is provided per ownership group (which includes Owner and any other person or entity controlled by, controlling or under common control with Owner) even if such entities are parties to multiple property management agreements with Emerson.

25. ADDITIONAL SERVICES.

Normal Property management does not include monthly inspections, representation at court hearings, depositions, homeOwner meetings, providing on-site management, Property sales, preparing Property for sale, supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects; obtaining income tax, accounting or legal advice; advising on proposed new construction, supervising construction beyond normal make-ready and repairs, debt collection, counseling, legal proceedings, or insurance and appraisal related inspections, paperwork and estimates.

If Emerson performs services not included in normal Property management or as specified above, Owner shall pay Emerson a fee of \$75 per hour.

26. PERIODIC PROPERTY ASSESSMENTS.

It is the policy of Emerson to conduct Property assessments annually prior to a lease renewal being fully executed.

Owners may elect to have additional Property Inspections completed at the cost of \$149 per scheduled assessment.

27. DEBT COLLECTIONS.

Owner appoints Emerson to pursue the collection of outstanding tenant debts on behalf of the Owner. Emerson will attempt to recover the owed amounts, while adhering to relevant laws and regulations governing debt collection practices. Emerson will retain 50% of any payments made towards such accounts as compensation for the debt collection efforts.

Owner agrees that (a) Emerson is not responsible for the collection of delinquent accounts, (b) Emerson assumes no liability for monies that are uncollectable or for any damages or costs related to the tenancy of the Property, and (c) Emerson may subcontract out for third parties to undertake such collection efforts.

28. SPECIAL PROVISIONS.

29. LEASING AND MANAGING AUTHORITY.

Owner hereby appoints Emerson as the licensed real estate broker as Owner's sole and exclusive leasing and managing agent of the Property described in Paragraph 2, and any addendum to this Agreement.

Owner understands that Emerson, or an agent approved by Emerson in writing, will be leasing the Property between tenants - not a referring agent nor the Owner's agent.

If a real estate agent is referring the Owner to Emerson, and Owner is currently leasing the Property directly, the Owner understands this Agreement will start on the first day of the lease, or once Emerson has been provided all requested documentation about the lease and the tenant(s) - whichever is later (the "**Start Date**"). Emerson is not responsible for tending to the Property during the leasing process of a referring agent or at any other time prior to the Start Date.

30. FEDERAL FAIR HOUSING NOTICE.

In accordance with the Federal Fair Housing laws, the National Association of Residential Property Managers (NARPM), and the National Association of Realtors Code of Ethics, Emerson'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.

31. DRAFTING OF AGREEMENT.

This Agreement has been negotiated and drafted jointly by the parties. Each party acknowledges that it has had the opportunity to review this Agreement thoroughly, consult with independent legal counsel of its choice, and negotiate its terms. Accordingly, no presumption or rule of interpretation shall arise against either party based on authorship or drafting of this Agreement

32. COUNTERPARTS.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

This Agreement may be executed and delivered by electronic means, facsimile, portable document format (.pdf), or other electronic transmission (e.g., DocuSign, Adobe Sign). Any electronically signed copy of this

Agreement shall be deemed to have the same legal effect as an original ink-signed document. Receipt of an executed signature page to this Agreement by facsimile, portable document format (.pdf), or other electronic transmission shall constitute effective delivery thereof and no party shall contest the validity or enforceability of this Agreement solely because it was executed and/or delivered electronically.

Without any further notice to or consent of Owner, Emerson may create electronic images of this Agreement and destroy paper originals of the same. Owner agrees that such image has the same legal force and effect as the paper original and is enforceable against them; provided, that such image is maintained by or on behalf of Emerson as part of Emerson's normal business processes. Furthermore, Owner agrees that Emerson may convert this Agreement into a "transferrable record" as such term is defined under and to the extent permitted by Texas's Uniform Electronic Transactions Act, Texas Business and Commerce Code §§ 322.001 et seq., ("UETA") with the image of such instrument in possession of Emerson constituting an "authoritative copy" under the UETA.

[signature page to follow]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by Owner and Emerson, each intending to be legally bound hereby, on the date of acknowledgment below, but effective as of later of the dates below the parties' signature.

_____ (Owner Name)

By: _____ (Signature)

Name: _____ (Signatory name)

Date Signed: _____

**Emerson Property Management, Inc.,
a Texas corporation**

By: _____ (Signature)

Name: _____

Title: _____

Date Signed: _____

CONFIDENTIAL