



MANAGEMENT AGREEMENT (VER.11-09)

1. THIS AGREEMENT is made this day of, the _____ day of _____, 2010, by and between

_____ (hereinafter called "Owner"), and STAMAR MANAGEMENT CORP (hereinafter called "Agent").

2. APPOINTMENT OF AGENT

2.1 Owner hereby appoints Agent as sole and exclusive agent of Owner to manage the Premises described in paragraph 2.2. Upon the terms and conditions provided herein, Agent accepts the appointment and agrees to furnish the services necessary for the management of the Premises.

2.2 The property to be managed by Agent under this Agreement (the "Premises") is located at:

_____, in _____ County, Texas.

2.3 This Agreement is on an annual basis, commencing on _____, 2010 and ending on _____, 2011. Either party may terminate this Agreement upon thirty (30) days' written notice delivered to the other party, subject to the provisions of paragraph 17.1 herein.

2.4 Owner warrants that he/she/it is the owner of the Premises or has unconditional written authority to execute this Agreement on behalf of any co-owner and that the Premises are not subject to current legal action or foreclosure. Any individual Owner shall have authority to hereafter take action and enter into further agreements with Agent on behalf of all co-owners.

2.5 Owner authorizes Agent to contract for services to include, but not limited to, water, sewer, trash, gas, electric, irrigation, yard care, maintenance agreements, and washer and dryer rentals. Owner to assume the obligation of any contracts entered into, subject to the terms of paragraph 8 herein. At no time does Agent warrant or guarantee tenancy or required payments by any tenant.

3. BANKING. Agent shall utilize its Operating Account for the deposit of receipts and collections as described herein. Funds in the account shall remain the property of the Owner subject to disbursement of expenses by Agent as described in this Agreement.

3.1 Agent shall collect all rents, charges and other amounts receivable on Owner's account in connection with the management of the Premises. Such receipt shall be deposited in the account maintained by the Agent for the Premises. Owner authorizes Agent to endorse any and all checks drawn to the order of Owner for deposit to such operation account.

3.2 If Owner chooses, Agent can electronically transfer monthly proceeds directly to Owner's bank account. Otherwise, all cash distributions will be sent via check.

3.3 Owner acknowledges that all interest amounts received by Agent on any lease income, operating funds and other deposits, or any other amounts held in the Operating Account shall be retained by the Agent.

3.4 Agent shall comply with all applicable state or local laws concerning the responsibility for security deposits. Security deposits will be deposited in the escrow account maintained by the Agent for the Premises. Agent shall collect and maintain all Tenant deposits, such as security deposits, cleaning and damage deposits, pet deposits, cable/satellite deposits and any other deposits in which Agent deems necessary to collect from Tenant. Owners of new accounts agree to provide an accounting of all security deposits and to supply Agent with matching funds prior to the execution of this Agreement. Should the Premises sell or upon termination of this Agreement, Owner authorizes Agent to deduct any outstanding fees owed by Tenant to Agent from the security deposits prior to releasing these funds.

3.5 Owner shall be responsible for the payment of all mortgage/notes, property taxes, special assessments, Homeowner Association fees, all utilities as listed in paragraph 7.1 of this Agreement, and premiums for casualty and liability insurance relating to the Premises unless otherwise modified in writing with Agent.

3.6 Owner shall maintain a minimum balance of Two Hundred Dollars (\$200) per property at all times.

3.7 Upon acceptance of the request to make payments for those items listed in Section 3.5 of this Agreement, Agent will disburse funds accordingly, provided that Owner's account has sufficient funds. Owner agrees to provide all necessary information and funds to Agent to ensure proper and timely payments and hold Agent harmless for any costs or responsibilities due to late payments. If Agent is to make payments to any of the aforementioned entities, Owner agrees to notify each entity and to authorize Agent to call and access account information. Owner bears sole responsibility for payments, late fees, lost payments and or any damages.

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3.8 In accordance with paragraph 15 herein, Agent is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Premises, including Agent's compensation and expense reimbursements from the operating account.

3.9 At the discretion of Agent, any balance of the Owner's account due and owing Agent and not paid within thirty (30) days of the actual notice will accrue interest at Ten percent (10%) per annum; however, not less than Twenty-five Dollars (\$25.00) per month until paid in full. Mailing of monthly statement of income and expenses indicating a deficient Owner balance shall be sufficient notice to Owner of balance due.

3.10 Owner agrees to keep all mortgages, property taxes, association fees, or any other obligations which could lead to foreclosure action against the property current and paid in full. Should Agent be notified that a foreclosure action has been initiated against the Premises, Owner authorizes Agent to freeze all Owner-related funds to that property and Agent will not make any further disbursements to Owner. Owner will have thirty (30) days to correct and make all obligations current. Once a Complaint in foreclosure has been filed and served upon the Owner, then Owner authorizes Agent to release the Tenant from the rental agreement and all future rental payments, refund the security deposit to the Tenant, and deduct from Owner's funds on hand all amounts due to Agent or Tenant including, but not limited to, any refund to Tenant of prorated rents or expenses and all management fees and other fees as described within this Agreement.

4. **FINANCIAL AND OTHER REPORTS.** Agent shall issue Owner itemized statements by the 20th day of each month, which will include an accounting of all income and expenses to the Premises for the previous calendar month.

5. **LEASING AND RENTING**

5.1 Agent shall use all reasonable effort to keep the Premises rented by procuring tenants for the Premises. Agent is authorized to negotiate, prepare and execute all leases, including renewals and extensions of leases and to cancel and modify existing leases, utilizing Agent's forms and agreements exclusively after consultation with Owner.

5.2 During the term of this Agreement, Owner shall not authorize any other person to negotiate or act as rental agent with respect to any leases for the Premises.

5.3 Agent will make all decisions as to the rental amount. Owner understands that the Agent determines rental amounts in a competitive manner and consistent with other similar properties managed by Agent or in the vicinity of the Owner's property.

5.4 Owner and Agent agree to follow all Federal, state and local Fair Housing Laws. If Owner should at any time request Agent to disregard Fair Housing Laws and/or Landlord/Tenant Laws, this contract will be terminated immediately and the management fees for the balance of this Contract, or \$500.00, whichever is greater, will be due immediately.

5.5 Agent, upon consultation with Owner, shall have authority on behalf of the Owner to terminate any lease or rental agreements covering the Premises that are in default, to execute and serve such legal or other notices as Agent deems appropriate, to institute legal actions for the benefit of, and at the expense of, Owner for the purpose of evicting tenants in default and to recover possession of the Premises, to recover unpaid rents and other sums due from any tenant to settle, compromise and release claims by or against any tenant, and to employ attorneys for collection of rent more than (5) days in arrears. Owner agrees that Agent is not responsible for the collection of delinquent accounts. Agent assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the Property.

5.6 Agent assumes no responsibility for management of personal property left by Tenant after vacating the Premises.

6. **ADVERTISING.** Agent is authorized to advertise the Premises or portions thereof for rent, using print ads, periodicals, signs, brochures, internet/web sites, displays or such other means as Agent may deem proper and advisable. Agent is authorized to place signs on the Premises advertising the Premises for rent.

7. **UTILITIES**

7.1 Owner is responsible for the payment of all utilities.

7.2 Once property is rented and if tenant is responsible for utility payments, the Owner must contact each utility company within five (5) days after the lease signing and remove all utilities from his/her name.

7.3 If Agent is to pay utilities and/or collect utility payments on behalf of Owner, Owner will be charged a fee of seven percent (7%) of the total amount paid for the utility. Furthermore, Owner agrees to set up Account in the Owner's name but in care of Agent using Agent's mailing address. Owner is to set billing for the utility company as follows:

Owner Name
Stamar Management Corp
15851 Dallas Parkway, Suite 600
Addison, TX 75001

8. **MAINTENANCE AND REPAIRS**

8.1 Agent is authorized to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve and maintain the Premises in an attractive condition and in good state of repair for the operating efficiency of the Premises, and all alterations required to comply with lease requirements,

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governmental regulations or insurance requirements. Agent is also authorized to decorate the premises and to purchase or rent on Owner's behalf all equipment, tools, appliances, materials and supplies and other items necessary for the management, maintenance or operation of the Premises. Such maintenance and decorating expenses will be paid by the Owner and through the operating account. Agent shall not be liable to Owner for any act, omission or breach of duty of such independent contractors or suppliers.

8.2 Agent may charge a ten percent (10%) fee of gross invoice for all labor and material arranged for and contracted by Agent for remodeling, redecoration or repair of the Premises.

8.3 Agent shall secure the approval of the Owner prior to any expenditures in excess of Two Hundred Dollars (\$200.00) for any item of maintenance and repair except for monthly or recurring operation charges and emergency repairs, if, in the discretion of the Agent, such repairs are warranted and necessary to protect the property from damage or maintain services to the tenants as set forth in their respective leases. In the event of emergency repairs, the Agent will notify the Owner as soon as possible that such emergency repairs have been undertaken.

8.4 In the event that Owner makes all necessary repairs or causes said repairs to be made through contracted services, then Agent is hereby authorized to notify the following contractors/representatives of all repairs and/or maintenance work to be performed and all alterations required for the subject Premises:

9. **NORMAL WEAR AND TEAR DEFINED.** Normal wear and tear means the deterioration that occurs based upon the use for which the rental unit is intended and without negligence, carelessness, accident, misuse or abuse of the premises or contents by the tenants, their family or their guests. For the purpose of this Agreement, Stamar Management Corp will consider the following items as normal wear and tear: Nail holes used to hang pictures, minor spot painting between tenants, traffic wear in carpet, carpet replacement after 5-7 years, scuffed hardwood floors, sometimes minor cleaning between tenants, worn toilet seats, re-keying or replacement of worn locks, blind replacement due to sun damage or paint flaking, caulking or any other preventative maintenance.

10. YARD CARE

10.1 Yard care is considered to include but is not limited to weeding of planters, trimming of grass, edging of grass and planters, pruning and trimming of all shrubs and trees, application of weed control and fertilizer on grass, setting of any automatic timers for irrigation/sprinkler systems, or the removal of garbage, debris, and animal feces. Owner must indicate in writing who is to care for the yard, whether it is the Tenant, an independent contractor, or the Owner themselves. Agent agrees to inspect the exterior yard during its random property surveys and notify either the tenant or the independent contractor of deficiencies. If Owner indicates that the yard care is to be performed by the tenants, either the Owner or independent contractor assumes responsibility for yard care between tenancies.

10.2 Agent does provide yard care services. If Owner contracts with Agent to perform yard care, Owner shall pay Agent the appropriate charge as set forth in Exhibit "A" attached hereto.

11. **LEAD PAINT DISCLOSURE.** Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not remediated. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords and owners must disclose the presence of known lead-based paint.

- 11.1 Known lead-based paint/hazards are present _____
- 11.2 Has no knowledge of lead-based paint/hazards _____
- 11.3 Has provided lead-based paint/hazard records _____
- 11.4 Has no records pertaining to lead-based paint/hazards _____

12. **MANAGEMENT SERVICES DO NOT INCLUDE.** Normal property management does not include representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, refinancing, preparing Premises for sale or refinancing, supervising and coordinating modernization rehabilitation, fire or major damage restoration projects, obtaining income tax, accounting or legal advice, advising on proposed new construction, debt collection and counseling. If Owner desires Agent to perform any additional services that are not included in the basic management package, the Owner may request a supplementary fee schedule upon examination of the scope of work desired by Owner.

13. LEGAL FEES

13.1 Owner agrees to pay all expenses incurred by Agent directly attributable to this Agreement including, without limitation, attorney's fees for counsel employed to represent Agent or Owner in any proceeding or suit involving an alleged violation by the Agent or Owner, or any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to fair employment, Federal Fair Housing, including, without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion or national origin, marital status or mental or physical handicap in the sale, rental or other disposition or housing or any services rendered in connection therewith, but nothing herein contained shall require the Agent to employ counsel to represent the Owner or himself in any such proceeding or suit.

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13.2 Owner shall not hold Agent liable for any error of judgment or mistake of law except in cases of willful misconduct or gross negligence.

13.3 If any legal action or proceeding is brought by the Tenant, Agent or Owner to enforce any part of this Agreement, then the Agent and/or Owner may recover legal fees should the Court so permit.

14. **INSURANCE: HOLD HARMLESS AND LIABILITY.** Nothing contained in this Agreement shall be construed as rendering Agent liable for any act, omission or occurrence resulting from or in any manner arising out of the performance of Agent's duties and obligations hereunder or the exercise by Agent of any of the power or authority herein or hereafter granted to Agent by Owner or the use of any lease or rental agreement required by Owner. At all times this Agreement is in effect, Owner, at Owner's expense, must maintain in full force and effect:

14.1 Fire and extended coverage for all casualties and hazards customarily covered by casualty insurance in the State of Texas for the full insurable value of the Premises containing endorsements that contemplate the leasing of the Property by Owner and vacancies between lease terms;

14.2 Public liability insurance naming Agent, Stamar Management Corp, as additional insured.

14.3 Within fifteen (15) days from the effective date of this Agreement, Owner must provide to Agent a copy of a certificate of insurance evidencing the required coverage. If the insurance coverage changes in the manner or degree at any time this Agreement is in effect, Owner must provide Agent a copy of the insurance certificate evidencing any change within ten (10) days of the change. If insurance coverage is cancelled, then Agent will purchase applicable public liability insurance using rents and any other funds available on behalf of the Owner.

14.4 Owner agrees to indemnify, defend and hold Agent harmless from all claims, investigation and lawsuits by third parties related to the Premises, and the management and leasing, whether occurring during the term of this Agreement or after its termination, and from any claim or liability for damage to property or injuries or death of any person.

14.5 It is expressly agreed and understood that all persons employed in connection with the Premises are employees of the Owner and not the Agent. The Owner's obligation under this section shall include the payments of all costs, expenses, suits, claims, settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay, court costs, litigation expenses, worker's compensation claims and attorney's fees.

14.6 Agent shall not be liable for any willful neglect, abuse or damage to the Premises by tenants, vandals or other, nor loss or damage to any personal property of Owner or Tenant.

14.7 If at any time during or after the term of this Agreement, the Premises are found to be contaminated with hazardous waste, Owner agrees to indemnify and hold Agent harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of said hazardous waste. The foregoing indemnification shall survive the termination or expiration of this Agreement.

15. **AGENT'S COMPENSATION AND EXPENSES**

15.1 Property Management Fee Disclosures are attached and made a part of this Agreement as Exhibit "A".

15.2 Agent shall charge a new client set-up fee in accordance with the Property Management Fee Disclosure attached hereto as Exhibit "A". This set-up fee shall be for each property.

15.3 Agent will prepare 1099 Forms for each Premises managed for owner for a fee of \$12.00 per form.

15.4 Owner agrees to reimburse Agent each month during the term hereof for expenses directly attributable to Owner's property. These expenses include, but are not limited to, advertising and legal fees.

15.5 Any time of Agent or Agent's employee(s) expended in preparation for and attendance in court on Owner's behalf will be billed at the rate set forth in the Property Management Fee Disclosure attached as Exhibit "A" to this Agreement. Owner and Agent agree that such charges will be paid by the Owner but charged to the Tenant.

15.6 Normal property management services do not include showing Premises to real estate agents, inspectors, appraisers or prospective buyers while property is for sale. Should Owner request Agent to perform services not included in normal property management, a fee based at \$25.00 per hour may be assessed at Agent's discretion.

15.7 Agent shall receive and retain all Tenant application fees, non-sufficient fund bank fees, move-out inspection fees, non-payment delivery notice fees, and late fees.

15.8 Should any Tenant, during the term of this Agreement, enter into an agreement to purchase any property covered by this Agreement, then Stamar Management Corp shall receive a commission of three percent (3%) of the sale price.

16. **BINDING EFFECT**

16.1 This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns. Owner acknowledges receipt of a legible copy of this fully-executed Agreement. Effective date is the date of execution by Owner.

16.2 Should any section or any part of any section of this Agreement be rendered void, invalid, or unenforceable for any reason by any court of law exercising competent jurisdiction, such a determination shall not render void, invalid or unenforceable any other section or any part of any section in this Agreement.

16.3 Agent may change the terms under which Agent is willing to provide service in the future under this Agreement, but only by giving at least thirty (30) days advanced written notice to Owner.

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16.4 The drafting, execution and delivery of this Agreement by the parties have not been induced by representations, statements, warranties or agreements other than those expressed in this Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this Agreement.

17. TERMINATION OF AGREEMENT

17.1 The Owner shall be obligated hereunder for an initial term of one year from the commencement date and this Agreement shall continue year-to-year unless sooner terminated by the Owner giving notice to the Agent more than thirty (30) days from the ending date of this Agreement. In the event the Owner terminates this Agreement within the initial term, the Owner agrees to pay to the Agent an administrative fee equal to the percentage set forth in Exhibit "A" hereto, herein applied to the actual or projected rent for the Premises, or the monthly amount set forth in Exhibit "A" whichever is applicable, for the remainder of the initial term, whether or not the Premises is lease or rented.

17.2 All provisions of this Agreement that require the Owner to have insured or to defend, reimburse or indemnify the Agent shall survive any termination and, if Agent is or becomes involved in any proceeding or litigation by reason of having been the Owner's Agent, such provision shall apply as if this Agreement were still in effect.

17.3 Agent may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated to pay bills previously incurred but not yet invoiced and to close accounts.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this

_____ day of _____, 2010.

Agent

Stamar Management Corp

By: _____
Mark Railey, Vice President

Owner

(Signature)

Name: _____

Street Address: _____

City, State and Zip: _____

Phone Numbers:

Home: _____

Cell: _____

Email: _____

Tax ID or SSN: _____

Emergency Contact Name: _____

Phone #: _____