



Property Management Agreement

This Property Management Agreement (“Agreement”), by and between Heart Property Management, LLC (“Manager”) and Owner (see **Exhibit A**), (each party hereto may individually be referred to as a “Party” or collectively as the “Parties”) is subject to the terms and conditions stated herein:

1. **Authority.** Owner hereby grants Manager the authority, as Owner’s agent, to provide services as specified in this Agreement (the “Services”) for the real property described in **Exhibit B** and upon the terms stated in this Agreement.
2. **Properties.** The Services shall be provided for the real property or properties identified in **Exhibit B** attached hereto and incorporated by reference (each, a “Property,” and collectively, the “Properties”). If any Property consists of multiple dwelling units, each individual unit shall be deemed a separate Property for purposes of this Agreement.
3. **Term.** This Agreement shall commence on the date set forth in **Exhibit A** and shall continue for the initial term specified in **Exhibit A** (the “Initial Term”), unless earlier terminated or extended in accordance with this Agreement.
4. **Renewal.** Upon expiration of the Initial Term, this Agreement shall automatically renew for successive one (1) year terms (each, a “Renewal Term”), unless either Party provides written notice of termination to the other at least sixty (60) days prior to the end of the then-current term.
5. **Fees.**
 - a. **Management Fee.** Owner shall pay Manager a monthly management fee equal to the percentage of rents and pet fees actually collected for each Property, as specified in **Exhibit A**, for each month this Agreement is in effect. Owner authorizes Manager to deduct the Management Fee from rental payments received for the applicable Property.
 - b. **Lease Commission.** Owner shall pay Manager a lease commission in the amount specified in **Exhibit A** (the “Lease Commission”) for each Property upon execution of a lease with a tenant procured by Manager. The Lease Commission shall be earned, payable, and non-refundable upon lease execution.
 - c. **Lease Renewal Fee.** Owner shall pay Manager a lease renewal fee in the amount specified in **Exhibit A** (the “Renewal Fee”) for each Property upon renewal or extension of a tenant’s lease. Manager is authorized to deduct the Renewal Fee from rental payments received for the applicable Property.
 - d. **Due Date of Fees.** To the extent any fees, commissions, or other amounts due to Manager under this Agreement are not otherwise deducted from funds received on behalf of Owner, such amounts (collectively, the “Fees”) shall be paid by Owner within thirty (30) days of receipt of an invoice from Manager.



6. **Rent Collection and Leasing.** Leasing Authority. Owner grants Manager the authority to collect rents and fees and to negotiate and execute leases, lease amendments, and lease renewals on behalf of Owner in accordance with this Agreement and applicable law.
7. **Marketing.** Owner authorizes Manager, directly or through its agents or licensed brokers, to market the Property for lease, including:
 - a. setting rental pricing;
 - b. advertising and listing the Property on platforms selected by Manager;
 - c. authorizing access to the Property for showings by prospective tenants and cooperating brokers;
 - d. paying any broker compensation due in connection with leasing the Property from the applicable Lease Commission.
8. **Associations.** If a Property is subject to a homeowners' or condominium association (an "Association"), Owner shall:
 - a. promptly provide Manager with all applicable Association applications, rules, and regulations relating to the leasing, management, or occupancy of the Property; and
 - b. remain in compliance with such Association requirements during the term of this Agreement.
9. **Tenant Application.** Owner authorizes Manager to require all prospective tenants and adult occupants (eighteen (18) years of age or older) to submit a rental application and to screen such applicants in accordance with applicable law. Manager may charge non-refundable application and processing fees to applicants, which shall be retained by Manager.
10. **Screening.** Manager may use one or more third-party screening services to screen prospective tenants, adult occupants, and pets in accordance with applicable law and industry-standard practices. Owner acknowledges that screening information may be incomplete or limited by the reporting practices of such services. Manager shall have sole authority to approve or decline rental applications based on the screening information obtained (each, a "Screening Decision").
11. **Security Deposits.** Owner authorizes Manager to collect, hold, and disburse tenant security deposits in accordance with the applicable lease and law. To the extent permitted by law, security deposits may be held in an interest-bearing or income-producing account, and any interest or income earned on such deposits may be retained by Manager as additional compensation under this Agreement. Manager is further authorized to accept security deposit alternatives in lieu of a cash deposit, including surety bonds or insurance products (each, a "Security Deposit Alternative").



12. **Electronic Rent Payments.** Owner authorizes Manager to require tenants to pay rent electronically through Manager's online tenant portal or other payment methods designated by Manager.
13. **Electronic Deposits to Owner.** Owner authorizes and directs Manager to remit all rental proceeds and other amounts payable to Owner exclusively by electronic funds transfer (ACH) to the bank account designated by Owner, net of deductions authorized under this Agreement. Owner acknowledges that paper checks will not be issued.
14. **Tenant Charges.** Owner authorizes Manager to assess and retain reasonable fees and charges to tenants in connection with the leasing, occupancy, and administration of the Property ("Tenant Charges"), including late fees, returned payment charges, administrative fees, maintenance-related charges, and fees for optional tenant services. Tenant Charges may be established and modified by Manager from time to time in accordance with applicable law.
15. **Eviction Services.** Owner authorizes Manager to retain attorneys or other eviction service providers, on behalf of and in the name of Owner, to pursue possession of the Property, collect unpaid rent, and enforce lease terms ("Eviction Services"). Manager may require advance payment of all costs, fees, and attorneys' fees associated with Eviction Services.
16. **Monthly Statement.** Manager shall make available to Owner, on a monthly basis, a statement reflecting funds collected under this Agreement, net of authorized deductions, through Manager's online portal and/or by email.
17. **Maintenance Requests.** Manager shall provide tenants with a telephone number and an online portal through which tenants may submit requests regarding the condition, maintenance, or repair of the Property (each, a "Maintenance Request").
18. **Property Services.** Owner authorizes Manager to perform, or to cause to be performed, property management services reasonably necessary for the operation, maintenance, and leasing of each Property (collectively, the "Property Services"), and agrees to compensate or reimburse Manager for all costs incurred in connection therewith. Property Services may include:
 - a. responding to Maintenance Requests;
 - b. performing or coordinating maintenance, repairs, emergency services, and preservation work necessary to maintain the Property in a safe, clean, and habitable condition;
 - c. preparing a Property for leasing;
 - d. coordinating Manager's personnel or engaging third-party vendors at Owner's expense; and
 - e. conducting interior and exterior inspections as reasonably determined by Manager, subject to Property access.



19. **Access Devices.** Owner authorizes Manager to install, maintain, and remove lockboxes, keyboxes, smart locks, or other access control devices reasonably necessary for leasing, showing, maintenance, or management of the Property, at Owner's expense and subject to applicable law.
20. **Reserve.** Upon execution of this Agreement, Owner shall fund and maintain a reserve account in the amount specified in **Exhibit A** (the "Reserve") for each Property, to be used for Property Services and other amounts payable under this Agreement. Manager may modify the required Reserve amount upon thirty (30) days' prior written notice to Owner.

Owner shall maintain the Reserve at all times during the term of this Agreement. If the Reserve is insufficient to cover amounts incurred by Manager on Owner's behalf, such amounts shall constitute a "Reserve Advance." Manager may, at its option, (a) reimburse itself for any Reserve Advance from funds received on behalf of Owner in connection with any Property, or (b) require Owner to replenish the Reserve or reimburse the Reserve Advance within five (5) days of notice.

If Owner fails to maintain the Reserve or timely reimburse a Reserve Advance, Manager may suspend some or all Property Services until such deficiency is cured. Manager shall have no obligation to advance funds, extend credit, or otherwise finance Owner's obligations under this Agreement. All financial obligations relating to the Properties remain the responsibility of Owner.

21. **Authorization Limits.** Owner authorizes Manager to incur expenses for Property Services up to the authorization limit specified in **Exhibit A** (the "Authorization Limit") for any single issue or item. If an expense is reasonably expected to exceed the Authorization Limit, Manager shall seek Owner's approval, which shall not be unreasonably withheld or delayed. Owner shall provide funds in excess of the Reserve, if required, within five (5) days after granting such approval.
22. **Property Emergency.** If Manager reasonably determines that Property Services are required on an emergency basis to address issues affecting safety, habitability, or the preservation of the Property or personal property (a "Property Emergency"), Owner authorizes Manager to incur such expenses without prior approval and to exceed the Authorization Limit as necessary. Any amounts paid by Manager in excess of the Reserve in connection with a Property Emergency shall constitute a Reserve Advance.
23. **Utility Services.** Owner authorizes Manager to coordinate and manage utility services for each Property, including activation, deactivation, suspension, and ongoing utility administration (collectively, "Utility Services"), for the benefit of Owner, vendors, contractors, and prospective tenants. Owner shall be responsible for all Utility Services costs incurred on Owner's behalf and shall ensure that required utility services remain connected throughout the term of this Agreement. Manager may charge separate fees to Owner and tenants for Utility Services, as applicable.
24. **Owner Financial Obligations.** Owner authorizes Manager to deduct any amounts due to Manager under this Agreement or any addendum from funds received or held on Owner's behalf. Except as otherwise expressly agreed in writing by Manager, Owner shall be solely responsible for payment of all utilities, taxes, insurance, mortgage



obligations, homeowners' or condominium association fees, and other costs associated with ownership of the Property.

25. **Owner Representations.** Owner represents and warrants, with respect to each Property and throughout the term of this Agreement, that:

- a. Owner holds good and marketable title to, and has the right to lease, each Property;
- b. each Property complies with all applicable local, state, and federal laws, codes, and regulations;
- c. Owner is not bound by any conflicting agreement affecting the leasing or management of a Property, except as previously disclosed to and approved in writing by Manager;
- d. the individual(s) executing this Agreement on behalf of Owner have full authority to do so;
- e. each Property is, and will be maintained in, a safe, habitable condition as required by law;
- f. there are no restrictions or prohibitions preventing the rental of any Property;
- g. there are no outstanding financial obligations or legal conditions that would impair the leasing or management of any Property; and
- h. Owner is not aware of any material facts affecting the desirability or habitability of a Property that are not readily observable by a prospective tenant (collectively, the "Representations").

26. **Personal Property.** Manager shall not be responsible for any personal property, furnishings, or items ("Personal Property") belonging to Owner or any tenant or occupant that are located at the Property. Owner shall provide Manager with a written inventory of any Owner Personal Property to be included with leasing materials, if applicable. Owner agrees to look solely to the tenant or occupant for any claim relating to loss of, theft of, or damage to Owner's Personal Property.

27. **Warranties.** Owner shall be solely responsible for all costs, terms, and coverage associated with any home warranty, service contract, or other warranty applicable to the Property or any furnishings, appliances, or equipment located at the Property (each, a "Warranty"). Owner shall provide Manager with copies of all applicable Warranties, and Manager shall have no obligation to utilize any Warranty not disclosed to Manager in writing. If the use of a Warranty would result in unreasonable delay in performing Property Services, Owner authorizes Manager to proceed without utilizing the Warranty, at Owner's expense.

28. **Sale of Property to Tenant.** If, during the term of this Agreement or within six (6) months following its termination, Owner enters into a contract to sell a Property to a tenant or occupant of such Property (or any member of such tenant's or occupant's



immediate family, or any entity or trust controlled by any of the foregoing), Owner shall pay Manager, at closing, a commission equal to three percent (3%) of the gross sales price. This provision shall not apply to tenants in possession of a Property as of the commencement date of this Agreement. Any brokerage commissions payable to third-party brokers in connection with such sale shall be the responsibility of Owner.

29. **Property Service Charges.** Manager may perform Property Services through its employees, affiliated entities, or third-party vendors engaged by Manager (collectively, “Vendors”). Charges for Property Services may include, without limitation, costs for labor, materials, equipment, appliances, trip or service fees, coordination or administrative fees, and applicable taxes. Owner acknowledges that Manager or its affiliates may receive compensation in connection with the provision or coordination of Property Services.
30. **Ancillary Services.** Owner acknowledges that Manager may offer and provide additional administrative or ancillary services to Owner or tenants in connection with the Properties (“Ancillary Services”), directly or through Manager’s employees, affiliates, or third-party vendors selected by Manager. Owner further acknowledges that Manager and its affiliates may receive compensation in connection with the provision of such Ancillary Services.
31. **Foreclosure and Delinquency.** Owner represents that no Property is currently subject to foreclosure or other legal proceedings that could impair Owner’s ownership or right to lease the Property, and that Owner is not delinquent in the payment of any taxes, insurance premiums, mortgage obligations, or homeowners’ or condominium association fees or assessments affecting the Property. Owner shall promptly notify Manager if any foreclosure or similar proceeding is commenced with respect to a Property.
32. **Owner Indemnification.** To the fullest extent permitted by law, except with respect to matters giving rise to Manager Indemnification (as defined below), Owner shall defend, indemnify, and hold harmless Manager, any affiliated broker, and each of their respective parents, subsidiaries, affiliates, members, managers, officers, employees, agents, independent contractors, representatives, shareholders, insurers, successors, and assigns (collectively, the “Manager Parties”) from and against any and all claims, demands, causes of action, suits, damages, losses, liabilities, penalties, fines, taxes, costs, and expenses (including reasonable attorneys’ fees) of any kind (collectively, “Claims”) arising out of or relating to the Property or this Agreement, including without limitation Claims arising from or relating to:
- a. any breach of this Agreement or any representation or obligation of Owner hereunder;
 - b. the ownership, condition, maintenance, repair, operation, leasing, use, or occupancy of the Property, including personal injury, bodily injury, death, or property damage occurring on or about the Property;
 - c. any act or omission of Owner, tenants, occupants, guests, invitees, vendors, contractors, or other third parties, including tenant non-performance, damage to the Property, failure to report maintenance issues, or failure to maintain



required insurance;

- d. Owner's failure to disclose material information, provide accurate information, maintain insurance, comply with applicable laws or association requirements, fund reserves, authorize or enable maintenance or repairs, or properly handle security deposits or warranties; and
- e. Manager's performance of services under this Agreement, other than claims arising solely from Manager's gross negligence or intentional misconduct, including marketing, leasing, screening, Screening Decisions, inspections, evaluations, coordination with vendors, reliance on third-party information, delays or failures caused by events beyond Manager's reasonable control (including force majeure events), and unpaid utility balances.

This indemnification obligation shall apply regardless of whether a Claim is asserted by Owner, a tenant, an occupant, or any third party, and shall survive the termination of this Agreement.

33. **Limitation of Liability.** Except with respect to Manager Indemnification, in no event shall Manager be liable to Owner or any third party for any claims arising out of or relating to this Agreement in an amount exceeding the total management fees actually paid by Owner to Manager under this Agreement during the twelve (12) months immediately preceding the event giving rise to the claim.

To the fullest extent permitted by law, Owner knowingly and voluntarily waives any claims against Manager for punitive, consequential, incidental, special, or exemplary damages, including lost revenue or profits, even if Manager has been advised of the possibility of such damages.

34. **Termination by Manager.** Manager may terminate this Agreement as follows:

- a. **Immediate Termination for Cause.** Manager may terminate this Agreement immediately upon written notice to Owner if any of the following events occurs (each, an "Immediate Termination Event"):
 - i. Owner engages in or directs illegal or improper conduct relating to the leasing or management of a Property;
 - ii. Owner files for bankruptcy or becomes the subject of an involuntary bankruptcy proceeding;
 - iii. a foreclosure or similar action is commenced against a Property;
 - iv. Owner fails to pay any amounts due under this Agreement when due;
 - v. Owner materially breaches this Agreement; or
 - vi. any Owner Representation becomes inaccurate or misleading.

Upon an Immediate Termination Event, Manager shall have no further



obligation to perform services under this Agreement. Owner shall remain responsible for all fees, costs, and expenses **earned or incurred** by Manager through the effective date of termination.

- b. **Termination Without Cause.** Manager may terminate this Agreement for any reason upon thirty (30) days' prior written notice to Owner.

Termination of this Agreement shall not affect Manager's right to receive payment of all amounts earned prior to termination, nor any provisions which by their nature are intended to survive termination.

- 35. **Termination by Owner.** If Owner terminates this Agreement with respect to one or more Properties for any reason during the Initial Term or a Renewal Term, Owner acknowledges that such early termination will cause Manager to suffer damages that are difficult to ascertain with certainty, including lost management revenue, unrecovered onboarding and transition costs, operational disruption, and lost opportunity costs.

Accordingly, Owner agrees to pay Manager, as liquidated damages and not as a penalty, an amount equal to the total management fees that would have been payable for the affected Property or Properties during the remaining portion of the then-current term had this Agreement not been terminated.

The Parties agree that this amount represents a reasonable estimate of Manager's anticipated damages at the time of contracting.

Any funds held by Manager on Owner's behalf following termination shall be remitted to Owner, net of amounts due to Manager under this Agreement. Owner shall provide not less than sixty (60) days' prior written notice of termination.

- 36. **Owner Default.** Upon the occurrence of an Immediate Termination Event, except as otherwise expressly provided in this Agreement, all obligations of Manager to perform services shall immediately cease. All amounts then due and owing to Manager under this Agreement, including any Indebtedness, shall, at Manager's election, become immediately due and payable.

Manager shall have all rights and remedies available at law or in equity to collect such amounts, including the right to pursue collection without first engaging in mediation or arbitration. Owner agrees that any Indebtedness remaining unpaid following an Immediate Termination Event shall bear interest at an annual rate equal to the lesser of twenty-four percent (24%) or the maximum rate permitted by law.

Owner shall be responsible for all reasonable costs incurred by Manager in enforcing this Agreement or collecting amounts due, including attorneys' fees and court costs to the extent permitted by law. All rights and remedies of Manager shall be cumulative and may be exercised separately or concurrently. Manager's election to pursue any remedy or to take action on Owner's behalf shall not constitute a waiver of any other rights or remedies.

37. **Mediation and Arbitration.** Except with respect to the collection of any Indebtedness owed by Owner to Manager, any dispute, claim, or controversy arising out of or relating to this Agreement or the breach thereof (each, a “Dispute”) that cannot be resolved informally shall first be submitted to mandatory, non-binding mediation upon written notice by either Party.

If the Dispute is not resolved through mediation, it shall be resolved by binding arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules then in effect. The arbitration shall be conducted before a single arbitrator selected pursuant to such rules, in the county in which the applicable Property is located, unless the Parties agree otherwise.

This agreement to arbitrate shall be governed by and enforced under the Federal Arbitration Act and shall survive termination of this Agreement. Judgment on the arbitrator’s final, written award may be entered in any court of competent jurisdiction.

The prevailing Party in any arbitration shall be entitled to recover its reasonable attorneys’ fees and costs. All other arbitration costs shall be allocated in accordance with the AAA rules.

38. **Fair Housing.** Manager and Owner shall comply with all applicable federal, state, and local fair housing and equal opportunity laws and regulations in connection with the leasing, management, and operation of the Property, including the terms and performance of this Agreement.

39. **Miscellaneous.**

- a. **Entire Agreement.** This Agreement, together with all exhibits and incorporated documents, constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous agreements or understandings. This Agreement may be amended only by a written instrument signed by both Parties.
- b. **Binding Effect; Joint and Several Liability.** This Agreement shall bind and benefit the Parties and their respective successors and permitted assigns. All Owners executing this Agreement shall be jointly and severally liable for all obligations hereunder.
- c. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of law principles. Venue for any action not subject to arbitration shall lie exclusively in Dallas County, Texas.
- d. **Tax Reporting.** Manager shall file tax reports required by applicable law with respect to funds received on Owner’s behalf.
- e. **Severability.** If any provision of this Agreement is held unenforceable, the remaining provisions shall remain in full force and effect.



- f. **Waiver of Jury Trial.** THE PARTIES KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW.
- g. **Notices.** Notices under this Agreement shall be in writing and may be delivered by email, mail, or through any designated electronic portal, and shall be deemed effective upon transmission.
- h. **Professional Advice; Disclosures.** Owner acknowledges that Manager does not provide legal, tax, environmental, or other professional advice and agrees to consult appropriate professionals. Owner shall make all disclosures required by law relating to the Property.
- i. **Collections.** Manager may assign delinquent tenant accounts to third-party collection agencies and authorize such agencies to pursue lawful collection efforts. Any collection costs or fees may be deducted from amounts collected prior to remittance to Owner.
- j. **Communications.** Owner consents to receive electronic communications from Manager related to the administration of this Agreement by reasonable means, including email, telephone, and text message, using contact information provided by Owner. Owner may update contact preferences by written notice.
- k. **Modification of Services.** Manager may make reasonable modifications to operational procedures or service delivery methods in the ordinary course of business, provided such modifications do not materially reduce the Services described in this Agreement.
- l. **Assignment.** Manager may assign this Agreement, in whole or in part, to any affiliate, successor, or third party without the consent of Owner. Manager shall remain responsible for obligations accrued prior to the effective date of assignment. Owner may not assign this Agreement without the prior written consent of Manager.
- m. **Compliance with Law.** Each Party shall comply with all applicable laws relating to its obligations under this Agreement.
- n. **Interpretation.** Headings are for convenience only and shall not affect interpretation.
- o. **Survival.** Sections relating to fees, indemnification, limitation of liability, dispute resolution, termination, and collections shall survive expiration or termination of this Agreement.
- p. **"Indebtedness"** means all amounts due or owing from Owner to Manager under this Agreement or any addendum, whether accrued, invoiced, contingent, or incurred but not yet billed.



40. **Notices and Payments.** Manager may provide an electronic portal or similar system (the “Portal”) for the delivery of notices required under this Agreement (“Notices”) and for the remittance of payments, fees, and other amounts due to Manager (“Payments”). Owner agrees to use the Portal for Notices and Payments to the extent it is made available by Manager.

If the Portal is unavailable or otherwise not reasonably accessible, Notices and Payments shall be delivered by such alternative means as Manager may reasonably designate, including electronic delivery. Payments made outside the Portal shall be in a form acceptable to Manager and delivered to the address or account designated by Manager from time to time.

Owner

Signature

Printed Name

Date

Manager

Signature

Printed Name

Date