

STRAGO PROPERTIES LLC

[Street Address] | College Station, TX [ZIP]

[Phone] | stragopm.com

PROPERTY MANAGEMENT AGREEMENT

1. Parties.

1.1 The parties to this agreement (the "Agreement") are: Owner: _____ ("Owner"); and Strago Properties LLC, a Texas limited liability company, acting through its sponsoring Texas real estate broker ("Broker").

1.2 Owner warrants that Owner is the sole owner of the Property, or has unconditional authority to execute this Agreement on behalf of any co-owner.

1.3 Employment of Broker. Owner hereby employs Broker as Owner's sole and exclusive agent and broker to lease, manage, maintain, and operate the property described below.

2. Property Address.

Address: _____ County: _____

3. Term.

This Agreement shall commence on _____ and shall continue on a month-to-month basis until either party terminates by providing at least thirty (30) days' written notice to the other party. Strago does not charge an early-termination fee.

4. Compliance with Law.

The parties shall comply with all obligations, duties, and responsibilities under all applicable Texas and federal laws, including fair housing laws, the Texas Property Code (including Chapter 92), the Texas Real Estate License Act (Chapter 1101 of the Texas Occupations Code), Texas Real Estate Commission ("TREC") rules, and any applicable statute, administrative rule, ordinance, or homeowners' association covenant. Owner acknowledges that Broker is regulated by TREC and must comply with TREC rules in the formation of this Agreement and in the performance of its duties.

5. Reserves.

Owner shall deposit \$300.00 with Broker, to be held in Broker's trust account as a reserve for Owner. Broker may, in its discretion, use the reserve to pay any expense related to the leasing or management of the Property (including Broker's fees). Broker may, with prior written notice to Owner, increase the reserve amount if Broker reasonably determines an increase is necessary for anticipated expenses. If the reserve balance falls below \$200.00, Broker may withhold disbursements to Owner until the reserve is replenished. Broker is not obligated to advance funds to Owner or on Owner's behalf. If the reserve is at any time insufficient to pay disbursements due, Owner shall, upon notice, promptly remit sufficient funds to Broker. Any funds advanced by Broker on Owner's behalf and not reimbursed within ten (10) days of written request shall bear interest at one and one-half percent (1.5%) per month, or the maximum rate permitted by Texas law, whichever is lower.

6. Authority of Broker.

6.1 Leasing and Management Authority. Owner grants Broker the following authority, which Broker may exercise in its discretion:

- A. Advertise and show the Property for rent at Owner's expense by means and methods that Broker determines are reasonably competitive.

B. Negotiate and execute leases on Owner's behalf for the Property at market rates and on competitively reasonable terms. Broker shall, in its discretion, establish, maintain, and terminate tenancies, including approving applicants and establishing rents, deposits, fees, pet terms, and other lease terms. Broker is not required to present every offer to lease.

C. Terminate leases for the Property, negotiate lease terminations, and serve notices of termination; settle, compromise, or withdraw any eviction or collection action; and negotiate reasonable concessions to tenants or former tenants.

D. Hold tenant security deposits in Broker's trust account on behalf of Owner, in compliance with Texas Property Code Chapter 92 and applicable TREC rules. Broker shall be responsible for the disposition of security deposits in accordance with Texas law, including refund within thirty (30) days after the tenant surrenders the premises and provides a forwarding address (Tex. Prop. Code §§ 92.103, 92.107). Any trust account Broker maintains may be interest-bearing, and Broker may retain any interest earned, to the extent permitted by TREC rules.

E. Institute and prosecute, at Owner's expense, actions to evict tenants, recover possession of the Property, or engage a collection agency to recover unpaid rent and damages. Broker shall have authority on behalf of Owner to terminate any lease, execute and serve notices, institute legal actions, settle claims, and engage attorneys. Broker is not responsible for the collection of delinquent accounts and assumes no liability for amounts that prove uncollectible or for damages or costs related to a tenancy.

F. Hire contractors to repair, maintain, or alter the Property, provided that Broker shall not expend more than \$500.00 for any single repair, maintenance item, or alteration without Owner's prior consent, except in the case of an emergency or as otherwise provided in subsection (G) below.

G. Hire contractors to make emergency or necessary repairs without regard to the foregoing expense limitation if Broker reasonably determines such repairs are necessary to protect the Property or the health or safety of an occupant. Broker may also contract for annual preventative maintenance at Owner's expense.

H. Contract, in Owner's name and at Owner's expense, for utilities, maintenance, and other recurring services Broker reasonably determines are necessary to maintain the Property.

I. Perform other services Broker reasonably determines are related to the leasing and management of the Property.

6.2 Record Keeping.

A. Broker shall maintain accurate records related to the Property and shall, where required, file IRS Form 1099 for funds received on Owner's behalf.

B. On or about the tenth (10th) day of each month, Broker shall remit to Owner the funds collected for Owner under this Agreement, less any deductions and charges, by electronic transfer to Owner's designated account, together with an electronic statement of disbursements.

6.3 Deductions and Offset. Broker may disburse from any funds Broker holds in trust for Owner any compensation or reimbursement due to Broker or to vendors under this Agreement.

7. Owner's Representations.

A. Owner is not delinquent in the payment of any property taxes, association fees, property insurance, mortgage, or any encumbrance on or affecting the Property.

B. The Property is not subject to a lis pendens or any pending legal action.

C. Owner agrees to furnish Broker with funds, as requested by Broker, sufficient to cover fees, repairs, and maintenance.

D. Owner and Broker are obligated under law to disclose to a tenant or prospective tenant any known condition that materially and adversely affects the health or safety of an occupant. Owner is obligated under the Texas Property Code (including §§ 92.051–92.061) to repair conditions that

materially affect the physical health or safety of an ordinary tenant. Owner represents that Owner is not aware of any such condition affecting the Property.

8. Owner's Cooperation. Owner agrees:

- A.** Not to hold Broker responsible for personal property left by Owner on the Property. Owner shall remove all personal property from the Property.
- B.** Not to contact, deal with, or negotiate with any prospective or current tenant concerning any matter related to the management or leasing of the Property, but to refer all such dealings to Broker.
- C.** Not to enter into a listing agreement or property management agreement with another broker for the rental, leasing, or management of the Property to become effective during this Agreement.
- D.** To retain only insured contractors and vendors to perform repair or maintenance services on the Property.
- E.** Not to list the Property for sale except during the last thirty (30) days of any lease term and with prior written notice to Broker.
- F.** To abide by all federal, state, and local fair housing laws.
- G.** If the Property is vacant, Owner may elect to coordinate repairs personally; however, Broker shall not advertise the Property for rent until such repairs are completed to Broker's reasonable satisfaction.
- H.** If Owner does NOT want Broker to perform a lease renewal, Owner must notify Broker in writing not less than one hundred twenty (120) days prior to the lease expiration date.

9. Insurance.

At all times during this Agreement, Owner shall maintain in effect and shall deliver copies to Broker of:

- A.** A landlord general liability insurance policy that names Broker (Strago Properties LLC) as an additional insured, with coverage not less than \$500,000 per occurrence.
- B.** A property insurance policy in an amount equal to the reasonable replacement cost of the Property's improvements, with endorsements that contemplate leasing of the Property and vacancies between tenancies.

10. Broker Fees.

This Section 10 shall survive termination or expiration of this Agreement with regard to fees earned during this Agreement that are not payable until after termination. Broker may deduct any fees from funds Broker holds in trust for Owner.

- A. Management Fee.** Each month, Owner shall pay Broker eight percent (8%) of the gross monthly income collected that month. "Gross income" includes all rents and other income, including tenant rent credits, move-in specials, forfeited security deposits, funds collected by a collection agency, and other miscellaneous income.
- B. Leasing Fee for New Tenancies.** Each time the Property is leased to a new tenant, Owner shall pay Broker a leasing fee equal to one hundred percent (100%) of one full month's rent, due and payable upon lease execution. This fee covers all marketing, advertising, showing, screening, and onboarding costs; no separate marketing or placement charge applies.
- C. Lease Renewal Fee.** NONE. Strago does not charge Owner a fee for tenant lease renewals or extensions.
- D. Vendor Oversight / Repair Coordination.** Vendor invoices for any single repair, maintenance, or improvement project exceeding \$500.00 shall be billed to Owner at the vendor's actual cost plus ten percent (10%). No coordination markup applies to invoices of \$500.00 or less.

E. Early Termination Fee. NONE.

10.1 Fees Charged to Tenants. Broker may charge any of the following fees directly to tenants and shall retain such fees as additional compensation under this Agreement, without obligation to account to Owner:

- Rental application fees;
- Lease Administration Fee (one-time): \$250 per lease for properties with monthly rent under \$2,500, payable by tenant at lease execution;
- Lease Administration Fee (monthly): \$25 per month, payable by tenant beginning the second month of tenancy and continuing each month thereafter;
- Late fees, returned-payment fees, posting fees, and other customary tenant fees;
- Pet fees and pet rent, where applicable.

Broker may also receive credit-card reward points or bank earnings credits in connection with its business operations and shall retain the benefit thereof.

11. Services Not Included.

Normal property management does not include monthly inspections, representation at court hearings, depositions, homeowner association meetings, providing on-site management, property sales, preparing the Property for sale, supervising or coordinating modernization, rehabilitation, or fire/major-damage restoration projects; obtaining tax, accounting, or legal advice; advising on proposed new construction; debt collection; counseling; legal proceedings; or insurance-related paperwork and estimates. If Broker performs services not included in normal property management, Owner shall pay Broker a fee of \$100.00 per hour.

12. Liability and Indemnification.

A. Owner is responsible and liable for all contracts and obligations related to the Property (e.g., maintenance, service, repair, and utility agreements) entered into before or during this Agreement by Owner or by Broker under Broker's authority hereunder. Owner agrees to hold Broker harmless from all claims related to such contracts.

B. Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that: (1) are caused by Owner, negligently or otherwise; (2) arise from Owner's failure to disclose any material or relevant information about the Property; (3) are caused by Owner giving incorrect information to any person; (4) are related to the management of the Property and are not caused by Broker's negligence or willful misconduct; or (5) arise from non-compliance of the Property with any applicable smoke alarm, carbon-monoxide, or other life-safety legal requirement. Owner represents that the Property complies with all such requirements and agrees to indemnify Broker if it does not.

C. Broker is not responsible or liable for: (1) any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant; (2) damages to Property or to Owner caused by a tenant's breach of a lease; or (3) any liabilities for the bankruptcy or failure of the bank where trust funds are deposited.

D. Broker is not responsible or liable for personal injury or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's negligence, including injuries or damages caused by: (1) other brokers, their associates, inspectors, appraisers, and contractors authorized to access the Property; (2) acts of third parties (e.g., acts of God, vandalism, theft, or criminal acts); (3) freezing or leaking water pipes, including damage to sprinkler systems due to freezing temperatures; (4) any dangerous or environmental condition on the Property; or (5) the Property's non-compliance with any law or ordinance.

E. BROKER'S TOTAL LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED THE AGGREGATE MANAGEMENT FEES PAID BY OWNER TO BROKER DURING THE TWELVE (12)

MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY. THE PARTIES WAIVE ALL CLAIMS FOR INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES.

13. Attorney's Fees.

If Owner or Broker is the prevailing party in any legal proceeding brought as a result of a dispute under this Agreement or any related transaction, the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and attorney's fees, not to exceed \$1,000.00.

14. Agreement of Parties.

A. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior negotiations, representations, and understandings.

B. Assignments. Broker may assign its rights and delegate its duties under this Agreement to a successor entity (including by sale of substantially all of Broker's assets or by merger) without Owner's consent, provided the assignee assumes Broker's obligations hereunder.

C. Binding Effect. Owner's obligation to pay Broker an earned fee is binding upon Owner and Owner's heirs, administrators, executors, successors, and permitted assignees.

D. Joint and Several. All Owners executing this Agreement are jointly and severally liable for performance of all of its terms. Any act, notice, refund, or signature of any one Owner is binding on all Owners.

E. Governing Law and Venue. This Agreement is governed by Texas law without regard to its conflict-of-laws principles. The exclusive venue for any dispute shall lie in the state district courts of Brazos County, Texas.

F. Severability. If a court finds any provision of this Agreement invalid or unenforceable, the remainder shall remain in full force and effect.

G. Notices. Notices between the parties must be in writing and are effective when sent to the receiving party's mailing address or e-mail address on file. Broker may amend the rates, fees, or other commercial terms set forth in Section 10 only with Owner's prior written consent (which may include consent by reply e-mail). Broker may make non-economic operational changes (e.g., to reporting cadence, vendor lists, or trust account procedures) on thirty (30) days' prior written notice to Owner.

H. Fair Housing. Federal and Texas fair housing laws require the Property to be shown and made available to all persons without unlawful discrimination based on race, color, religion, national origin, sex (including sexual orientation and gender identity), disability, familial status, or any other protected class. Owner agrees that Broker must comply with all fair housing requirements at all times. Owner acknowledges that liability for fair housing violations also extends to Owner. Owner shall not directly or indirectly cause Broker to violate any fair housing requirement and shall not limit Broker's ability to comply.

I. Smoke Alarms. Texas Property Code Chapter 92, Subchapter F (§§ 92.251 et seq.) requires landlords to install and maintain functioning smoke alarms in residential rental property. Broker shall test smoke alarms and install fresh batteries or replace devices, at Owner's expense, each time a new tenant occupies the Property. Where required by local ordinance or by lease, carbon-monoxide alarms shall be installed and maintained at Owner's expense.

J. Re-Keying. In accordance with Texas Property Code § 92.156, Broker shall cause the Property to be re-keyed not later than the seventh (7th) day after each new tenant takes possession, at Owner's expense.

K. Normal Wear and Tear. Owner understands that ordinary wear and tear cannot be charged to a tenant under Texas law and that Owner will incur reasonable cleaning and maintenance costs as a result of operating a rental property.

L. Service and Assistance Animals. Owner understands that federal and Texas law govern service animals and assistance/emotional-support animals, that such animals are not legally pets, and that pet policies do not apply to them.

M. Termination. If this Agreement terminates before, at the same time as, or within thirty (30) days after the expiration of an existing tenant lease, Owner shall be responsible for completing the security deposit disposition to the tenant in accordance with Texas Property Code § 92.103. All Owner funds shall be distributed to Owner within thirty (30) days of the termination date, less any amounts properly retained for outstanding obligations.

N. Legal Advice. Broker is not a law firm and cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If Owner does not understand the effect of this Agreement, Owner should consult an attorney BEFORE signing.

O. Pending Foreclosure. In the case of a pending foreclosure of the Property, Broker may freeze Owner-related funds and withhold disbursements pending resolution.

P. TREC IABS Notice. Owner acknowledges receipt of the Texas Real Estate Commission Information About Brokerage Services (“IABS”) form, separately delivered.

Q. Form Disclaimer. THIS FORM HAS NOT BEEN PROMULGATED OR APPROVED BY THE TEXAS REAL ESTATE COMMISSION. IT WAS PREPARED FOR USE BY STRAGO PROPERTIES LLC AND SHOULD BE REVIEWED BY LICENSED TEXAS COUNSEL BEFORE EXECUTION.

In witness whereof, the parties hereto have affixed their respective signatures dated:

_____ *Owner 1 – print name*

_____ *Owner 1 – signature*

_____ *Owner 2 – print name*

_____ *Owner 2 – signature*

_____ *Strago Properties LLC, by:*
_____ *(print)*

_____ *Authorized signatory – signature*

_____ *Date*

STRAGO PROPERTIES LLC

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INVESTOR RISK DISCLOSURE AND SELF-ACCREDITATION

Strago Properties LLC (“Strago”) is engaged in the business of residential property management. Our role is to provide a legally compliant, professional management experience that helps minimize the risks associated with owning and leasing residential real estate. However, owning rental property inherently involves legal, regulatory, and financial risks beyond Strago’s control.

Strago makes no guarantee as to the financial performance of your property or any tenant placed within it. The success of your investment depends on a variety of factors, including market conditions, property condition, tenant behavior, and your own financial readiness to absorb normal investment risks.

By signing below, I acknowledge the following:

I understand that owning rental real estate carries inherent risks, including but not limited to:

- Periods of vacancy and loss of rental income;
- Tenant non-payment or late payment of rent;
- Property damage caused by tenants or third parties;
- Unexpected repairs, maintenance, or capital expenses;
- Changes in market rental rates or local regulations;
- Legal expenses related to lease enforcement or eviction.

I acknowledge that Strago cannot guarantee the financial performance of the Property, the behavior of tenants, or uninterrupted rental income.

I affirm that I have adequate financial resources to engage in rental property ownership and to cover expenses associated with vacancy, non-payment, or repairs. As a general guideline, I maintain a financial reserve equivalent to at least three (3) months of rent per property under management.

I acknowledge that I have reviewed and understand the risks described in this disclosure and am proceeding with full awareness of these potential outcomes.

_____ *Portfolio Name*

_____ *Property Address(es)*

_____ *Signature(s)*

_____ *Date*

STRAGO PROPERTIES LLC

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STRAGO RISK MITIGATION GUARANTEE

Question: What if my tenant's pet causes damage? **Answer:** Strago will pay.

Question: What if my tenant has to be evicted? **Answer:** Strago will pay.

As a Strago owner-client, you can let us handle two of the biggest risks a landlord may face: eviction expenses and pet damage. Our screening and processes are tight enough that we can offer this protection at no additional cost to you.

Our Risk Mitigation Guarantee will reimburse you up to \$1,000 in eviction fees, or \$1,000 in pet damage (to a combined maximum of \$1,000 per lease) if these costs exceed the amount of the tenant's security deposit.

Event	Coverage Amount
Eviction Fees	\$1,000
Pet Damage	\$1,000

**Maximum aggregate payout per lease shall not exceed \$1,000.*

Plan Administration / Eligibility Requirements

- Owner account with Strago must be in good standing and free of any material breach of the Property Management Agreement. Termination of the Property Management Agreement causes Risk Mitigation enrollment to terminate immediately, and Strago shall not be responsible for any past or future claims thereafter.
- Tenant must have been procured by Strago and placed under a Strago lease agreement.
- In the event of a tenant default in payment of rent, Strago shall have the sole right and discretion to institute and conduct legal proceedings for eviction.
- Eligible costs will first be billed to the tenant. Strago will first attempt to collect amounts from the tenant. If Strago is unable to collect, Strago will pay the eligible expense up to the coverage limits stated above.
- Eligible amounts will first be deducted from the tenant's security deposit. Strago will pay any amount over the security deposit up to the maximum payout. Strago shall have a first claim position against the tenant for any amounts later recovered.
- All payouts will be made after the tenant has vacated and after Strago's completion of the security deposit disposition.
- Any tenant lease administration fees shall be retained by Strago.
- This guarantee applies only to animals reviewed and formally approved by Strago. The guarantee does not apply to any unapproved animal. Service animals and assistance/emotional-support animals are excluded from this guarantee in accordance with applicable Fair Housing law (which prohibits charging pet fees or deposits for such animals).
- This guarantee applies solely to evictions resulting from tenant non-payment of rent. It does not apply to evictions for lease non-compliance, violations, or no-fault actions, including non-renewals.
- Due to federal and state-regulated screening requirements, this guarantee does not cover eviction-related costs for any tenant participating in a government-subsidized housing program (e.g., Section 8 / Housing Choice Voucher).

- Strago reserves the right to determine eligibility for this guarantee based on documented compliance with company policies and applicable law.