



PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (“Agreement”) is made this ____ day of _____, 2016 by and among _____ (“Owner”) and NestQuest Direct NJ, LLC (“Manager” or “Broker”), a New Jersey limited liability company, which is a fully licensed real estate brokerage in the States of New Jersey, New York, Pennsylvania and Florida. In consideration of the mutual terms of this Agreement, the parties agree as follows:

1. Agreement to Manage

- A. Engaging the Services of Manager: Owner hereby appoints Manager as Owner’s broker/agent and property manager, with full authority to engage in such activities or services as are identified within this Agreement. Manager shall not be required to perform any services which are not specifically identified in this Agreement, unless specifically required to do so by any law which supersedes this Agreement.
- B. Relationship of Manager to Owner: The relationship of the parties to this Agreement shall be that of principal and agent, with Manager serving as the agent of Owner and an independent contractor of Owner. Nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship other than agency. Manager shall not be considered an employee of Owner.
- C. Description of Property: “Property,” as used throughout this Agreement shall be limited to the Property or Properties described on Exhibit B attached. The Exhibit may be amended or modified to add or reduce the number of properties at any time, provided Owner and Manager agree to the changes in writing.
- D. Term: This Agreement shall begin on _____ and shall expire on _____

2. Manager Responsibilities: To assist Owner with the ongoing management of the Property, Manager shall perform the following:

- A. Collection and Disbursement: Manager shall use reasonable efforts to collect all rent due from Tenant and provide to Owner all Owner Income actually paid under the applicable lease agreement. Manager shall remit to Owner all income, less any properly deducted fees/charges, by wire, automatic payment, or other arrangement as established by Manager and Owner. Before payment is remitted

to Owner, Manager reserves the right to hold rent checks from Tenant until such check has officially cleared Manager's bank. Should payment made by Tenant be refused or returned for any reason, Owner shall refund to Manager any such payment made to Owner within 3 days from written or verbal request, or the payment will be reversed and drafted from Owner's bank account on file. Owner acknowledges that Manager does not warrant or guarantee the payment of rent or any other sums by Tenant.

- B. Late Payments from Tenants: Any Lease with Tenant shall include a \$50.00 late rent fee in the event Tenant rent is not received by the 5th day of each month. To the extent State law does not permit a late fee of \$50.00, the late fee shall be limited to the maximum amount allowable by law. To the extent Manager is not involved until the Lease has been executed, this fee shall still apply, and Owner shall amend the lease accordingly or this fee shall be deducted from amounts due to Owner. All late fees shall be paid to Manager.
- C. Advertising: Manager shall advertise the Property, identify and screen prospective Tenants, and present Tenants who apply for Tenancy to Owner for approval, prior to leasing the Property.
- D. Lease Negotiations: Manager will set rents that in the opinion of the Manager at the time of the rent negotiations with the Tenant reflect the prevailing market conditions of that time and geographic location and approximate rents of comparable rental properties. However, Manager will not set the rents if expressly instructed in writing by Owner to Manager to the contrary, with Owner confirming the amount of the initial rent and any subsequent increases which are deemed acceptable to Owner. Owner designates Manager as its agent to negotiate any and all lease agreements on its behalf, unless expressly instructed otherwise in a written statement from Owner to Manager.
- E. Property Inspections: Manager shall complete move in and move out inspections. Owner may request 2 additional Property site visits or inspections per year of the lease, without additional charge. Manager may conduct other site visits or inspections as necessary to respond to complaints and maintenance requests. Owner shall pay Manager \$65.00 per inspection for all inspections beyond the move in, move out, and 2 additional per year of the lease.
- F. City Requested Inspections. Any inspections requested by the city or municipality in which the Property is located, will be in addition to the aforementioned Property Inspections. Inspections requested by the city or municipality include, but are not limited to, Code Compliance Inspections, Subsidized Housing Inspections, and Rental License Inspections (collectively hereinafter referred to as "City Requested Inspections"). Owner shall pay Manager an inspection fee equal to \$65.00, which shall cover one City Requested Inspection and up to one re-inspection, if necessary. Manager is not responsible or liable for any fees or costs associated with the maintenance, repair, or replacement of Property to meet any inspection items noted by the city or municipality. Manager is not

responsible for any fines, fees or costs assessed by any city or municipality associated with the re-inspection of the Property, unless said fines, fees or costs are directly attributable to the gross negligence or willful misconduct of Manager, which shall not be presumed, but shall be determined by a court of competent jurisdiction. City Requested Inspections may not be substituted for the two additional Property site visits included in Manager's duties described in Section 2(e).

3. Management Fees and Expenses: As compensation for the services rendered by Manager under this Agreement, exclusive of reimbursements of and in addition to expenses to which Manager is entitled, Owner shall pay Manager as follows:

- A. Manager shall be paid \$_____ per unit, per month for managing the Property which consists of _____ units. The total monthly management fee for the property of \$_____ includes 5 hours per year of on premises time by Manager, to the extent such time is necessary to fulfill the Manager Responsibilities, in addition to the hours necessary to complete Manager Responsibilities detailed in Section 2. All other time requested of Manager that does not fall within Section 2 shall be billed at \$55.00/hour, payable by Owner. Manager shall identify such excess time for Owner's advance approval. Owners shall be charged \$25.00 per month for Manager handling monthly collection of money from laundry and vending machines. This fee will be added to the monthly management fee.
- B. Additional charges: Owners who are new clients with Manager, shall pay Manager a one time \$_____ set-up charge upon signing this Agreement. Eviction: In the event an eviction proceeding is necessary, Owner shall pay Manager a \$299.00 fee for time spent at court and completing administrative tasks required for eviction. In the event Owner is a corporation, LLC, or similar entity, Owner may be required to have their own attorney present to represent them at such an eviction hearing. In such event, Owner will not be represented by Manager in the eviction process.
- C. Lease Renewals: Manager shall be paid \$299.00 for each individual lease renewal, due to Manager at execution of lease renewal.
- D. Advertising: In return for advertising vacant Property, Owner shall pay Manager an amount equal to 1/2 full month's rent for all leases up to 18 months; 1 month's rent for all leases from 19-36 months; 1.5 times full months' rent for all leases 36 months or longer. Owner shall pay Manager an amount equal to 1.5 times full months' rent for advertising rent-to-own Properties. Payment shall be due upon Tenant's signing of lease, at the rental rate agreed to in the Lease. In the event the Owner shall procure a tenant on their own, Owner may choose to use Broker's lease forms, and background check services for a fee of \$300.00. The regular commission associated with lease length would no longer be due. In the event Manager showed the Property to Tenant, prior to Owner showing the Property, Manager has procured Tenant for the purposes of commission being

due from Owner. If Owner has procured the Tenant, the Manager will not provide the Tenant Warranty otherwise made available under the Tenant Placement Agreement.

- E. Interest on Unpaid Sums: Any sums due to Manager under the terms of this Agreement and not paid within 30 days after such sums have become due shall bear 7% interest per year on any unpaid balance.
- F. Negotiation with Vendor/Contractor: Manager maintains business relationships with vendors and/or contractors who may be regularly retained by Manager for maintenance and other services. Sometimes these services are contracted for and paid in bulk or on a time-spent basis, where Manager is charged for the work performed on several properties, rather than on a per-property basis. Manager, may also retain any discounts or compensation received as a result of vendor relationships.
- G. Additional Compensation: Broker shall be allowed to sell the following information: the lease term; property address; and, rent amount.

4. Deposits and Payments

- A. Trust Accounts: Manager shall maintain in a Trust Account, all funds received and maintained for or on behalf of Owner. Such depository shall be selected by Manager. Owner is responsible for market interest on security deposits as mandated by state statute. Designated funds relating to the Property in such accounts remain the property of Owner subject to disbursement of expenses by Manager or collection of Management Fees described in this agreement.
- B. Deposit Disputes: In the event a Tenant challenges the security deposit disposition, it is Manager's policy to direct Tenant to address this issue with Owner, as Owner is required to determine the disposition of the security deposit. In the event the Tenant brings any suit, claim, or cause of action against or involving Manager in such a dispute, Owner agrees to immediately, upon Manager's written demand, indemnify and hold Manager harmless from any and all liabilities, damages, obligations and attorneys' fees and costs incurred in any such matter.

5. Collection of Rents and Other Receipts

- A. Manager's Authority: Manager is authorized to use reasonable efforts to collect all rents, charges and other amounts receivable on Owner's behalf in connection with the management and operation of the Property. Such receipts shall be deposited in the Rent Clearing Account maintained by the Manager.
- B. Security Deposits: Manager shall collect a security deposit from tenants as required by law and shall deposit it into the Trust Account. Owner authorizes and

consents that Manager shall return/disburse it in accordance with State Law. However, the owner is required to determine the disposition of the deposit.

6. Disbursements of Rents and Other Receipts

- A. Net Proceeds: To the extent that funds are available Manager shall remit the balances due to Owner monthly.
- B. Paper Check & Statement: Owners who choose to receive their rents via monthly printed-paper check accompanied by a paper statement, shall be charged \$6.00 per check issued. This fee will be added to the monthly management fee, as provided in Section 2. Paper checks are processed once weekly.
- C. Direct Deposit: Owners who wish to avoid the paper check fee may choose to sign up for electronic transfer of rental income via direct deposit at no additional charge, and receive an e-statement instead of a paper statement.

7. Manager is Not Required to Advance Funds: In no event shall Manager be required to use its own funds to pay such disbursements, nor shall Manager be required to advance any monies to Owner or to the Trust Account.

8. Financial and Other Reports:

- A. Owner's Reporting to Internal Revenue Service ("IRS"): Owner is required to file all required IRS forms and meet all IRS requirements. Owner agrees to furnish Manager with a proper TIN (Taxpayer Identification Number) via an IRS W9 form, or other applicable IRS approved document.
- B. Reports: Manager shall furnish Owner with a statement of cash receipts and disbursements from the operation of the Property, on a monthly basis. In addition, Manager shall, on a mutually acceptable schedule, prepare and submit to Owner such other reports as are agreed on in writing by both parties. Manager shall submit as required by the IRS at the conclusion of each calendar year a Form 1099 indicating the total income received from the Property.

9. Leasing and Renting

- A. Manager's Authority: Manager is authorized to negotiate, prepare and sign all leases, including all renewals, extensions and addendums of leases and to cancel and modify existing leases for Owner, however, any such agreements shall not be valid until Owner provides its approval and execution. To the extent Owner wishes to assume responsibility for the negotiation of final leasing terms, Owner must notify Manager in writing. Leases will be written by Manager on Manager's standard lease form.
- B. Lease Enforcement: Manager will be authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the

collection of rent or other income from the Property, or for the eviction or dispossession of the Tenants or other persons from the Property. Manager will further be authorized to sign and serve such notices, as Manager deems necessary for lease enforcement, including the collection of rent or other income. If Manager deems it necessary, Manager may retain an attorney of Manager's choice after notice provided to Owner (unless Owner supplies Manager with the name of Owner's attorney). Owner shall pay all attorneys fees and court costs as their actual costs as incurred.

- C. Rental Licenses & Permits: Owner shall obtain and maintain any applicable authorization or permitting necessary to rent the Property.

10. Reasonable Maintenance and Repair: Manager shall coordinate repairs or maintenance for Property as necessary to make Property a desirable place to live as approved by Owner and at Owner's expense.

- A. Ordinary Maintenance and Repair: All expenses associated with regular and ongoing Property maintenance shall require permission from Owner which may occur by written or verbal communication, including, phone, fax or email, except for repairs made in accordance with paragraph 10H. Manager reserves the right to inspect Property randomly at the discretion of Manager subject to any notice requirements or restrictions under any applicable lease agreement. Owners with Home Warranty or Service Plans shall provide account information to Manager and must list Manager as an additional member on the account. Tenants shall be responsible for maintaining Property as required under the applicable lease agreement. Fines assessed by the city, municipality or state for violations such as snow removal, lawn/tree/landscaping issues, trash, or the like shall be paid first by Tenant (if consistent with terms of the lease) or by Owner if Tenant is unable or unwilling to pay.
- B. Pre-Move-In Maintenance: In the event Owner and Tenant agreed prior to lease execution that Owner would complete specific repairs, these repairs and their due dates shall be written into and become part of the lease agreement. If the agreed upon repairs have not been completed by the due date or the move-in date, whichever is later, Manager reserves the right to hire a Manager-approved contractor to complete the maintenance or repairs. Owner shall be responsible for all maintenance and repair expenses as well as a 15% administrative fee payable to the Manager for the coordination and completion of such repairs.
- C. Emergency Maintenance and Repair: In the event of a request for maintenance which Manager deems to be an emergency issue, if Owner has not responded to request for permission to address the request within 24 hours, Manager reserves the right to address and correct all repairs that are immediately necessary for the preservation and safety of the Property, at the Owner's expense, to avoid the suspension of any essential service to the Property, to avoid danger of life or Property, or to comply with federal, state, or local law. Repair costs shall be

deducted by Manager from future rental income due to Owner, deductible the month following the repair.

- D. Notification and Response: Manager will contact Owner via both email and phone to provide information about maintenance requests placed on the Property. Owner is required to respond to requests within 72 hours of initial contact, or Manager may at its discretion contract for work to be completed and billed back to Owner.
- E. Contractors: Owner may select the contractor to perform maintenance and repairs on Property, provided Owner assumes all responsibility for coordinating maintenance and repair work for contractor Owner has selected, including but not limited to supervision, licensure, insurance, and payment of contractor and follows the Owner Completing Maintenance Policies provided. Should the maintenance not be completed within the agreed upon time frame, Manager reserves the right to hire a Manager-approved contractor to complete maintenance or repairs originally contracted for by Owner. Owner shall be responsible for all maintenance and repair expenses.
- F. Smoke and Carbon Monoxide Detectors: At Owner's expense, smoke detectors and carbon monoxide detectors will be installed on the Property in accordance with the law, prior to the Tenant's occupancy. During the occupancy, it shall be the Tenant's responsibility to maintain all smoke detectors and carbon monoxide detectors in good working order.
- G. Payment for Repairs: Owner is solely responsible for all maintenance and repair expenses. If repairs are contracted through a Manager-approved contractor, all expenses shall by default be deducted from future monthly rent collected by Manager. In some instances, a down payment may be required before a Manager-approved contractor will begin repairs. Any such payment shall be made directly to Manager or Manager-approved contractor.
- H. Pre-Approval of Repairs: Owner hereby pre-approves repairs that do not exceed \$_____ per repair. For such repairs, Manager does not have to obtain pre-approval pursuant to paragraph 10A.

11. Utilities and Services: Owner shall make contracts for electricity, gas or water and other such services as necessary or prudent for the operation of the Property. It is the Owner's responsibility to verify that all utilities have been transferred to the Tenant within 72 business hours of occupancy, as most providers will not speak with Managers. All utility charges and deposits shall be Owner's responsibility, unless provided otherwise by the lease as Tenant's responsibility (for separately metered utilities).

12. Insurance

- A. Owner's Insurance: Owner shall obtain and maintain adequate insurance against liability for loss, damage or injury to property or persons which might arise out of

the occupancy, management, use, operation or maintenance of the Property. The deductible required under such insurance policies shall be at Owner's expense. Owner shall obtain an Additional Insured Endorsement naming Manager as the Additional Insured under the policy on all liability insurance maintained with respect to the Property. Owner shall add Manager as additional insured to provide coverage for Manager and/or any losses arising out of Manager's duties, work or operations under this Agreement. Owner shall furnish Manager with duplicate copies of such policies within 15 days after the date of this Agreement. Owner's failure to maintain such insurance shall result in Manager's authority to obtain such policies on behalf of Owner and Manager, at Owner's expense, which shall be deemed an additional fee or cost due to Manager, deductible from any monthly rental income due and owing Owner. In the event of any loss, investigation, suits, damage, cost, expense (including attorneys' fees), liability or claims for personal injury or Property damage (collectively, "Claims") against Manager, Owner shall indemnify and hold Manager harmless from said Claims.

- B. Tenant's Insurance: All Tenants procured by Manager are advised that it is recommended that they obtain renters insurance and that Owner's insurance does not cover tenants personal items or effects. Owner may require Tenants to obtain renters insurance by notifying Manager in writing prior to lease execution.

13. Manager Assumes No Liability: Manager assumes no liability for any damages, losses, or acts or omission by the Tenant. Manager assumes no liability for any acts or omissions of Owner, previous Owners or previous brokers. Manager assumes no liability for default, breach or non-performance by any Tenant. Manager assumes no liability for violations of environmental or other regulations which may become known during the term of this Agreement. Any such regulatory violations or hazards discovered by Manager shall be brought to the attention of Owner, and Owner shall promptly cure them at Owner's sole expense. Manager shall not be liable in the event of bankruptcy or failure of the depository bank where Owner's funds are deposited.

14. Indemnification and Owner's Responsibilities to Defend

- A. Generally: Owner shall immediately, upon the written demand of Manager, indemnify, defend, and hold Manager harmless from and against any and all losses, investigations, lawsuits, damages, cost, expense (including attorneys' fees) liabilities, obligations or claims, known or unknown, fixed or contingent, arising from or related to the ownership, use, misuse, rental, leasing, trespassing or occupancy of the Property.
- B. Indemnification Survives Termination: All representations and warranties of the parties contained herein, including any provisions of this Agreement that require Owner to have insured or to defend, reimburse, or indemnify Manager shall survive the termination of this Agreement. If Manager becomes involved in any proceeding or litigation by reason of having been Owner's Manager at any time, such provisions shall apply as if this Agreement were still in effect.

- C. **Litigation and Compliance Expenses:** Owner shall pay all fines, penalties, or other expenses in connection with any claim, proceeding, or suit involving an alleged violation of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control taxes or fair housing, including illegal discrimination on the basis of race, sex, color, religion, national origin, physical handicap, familial status, public assistance, age or all other classes protected by state or federal law; provided, however, that Owner shall not be responsible to Manager for any such expenses if Manager is found in a court of law to have personally, and not in a representative capacity, violated any such law. Should Owner sue Manager, Owner shall pay the full costs of Manager's attorneys' fees and costs expended in defending itself, in the event Manager prevails in such suit. Nothing contained in this Agreement shall obligate Manager to employ legal counsel to represent Owner in any such proceeding or suit.
- D. **Fees for Legal Advice:** Owner shall reimburse Manager for its reasonable expenses incurred in obtaining legal advice regarding compliance with any law affecting the Property, which shall be specifically requested or required by Owner. NestQuest Direct shall in no way be deemed to have provided legal advice to Owner. NestQuest Direct's officers, staff and employees are not attorneys.

15. Owner Representations: Owner represents and warrants that Owner has full power and authority to enter into this Agreement; that there are no written or oral agreements affecting the Property other than disclosed Tenant leases, copies of which have been furnished to Manager; that there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Property for the purposes intended under this Agreement; that the Property is zoned for the intended use; that all permits for the operation of the Property have been secured and are current; that any underlying mortgages or related liens permit rental of the Property or proper steps have been taken to ensure the Property being used in a manner consistent with how it has been represented to third parties. Manager shall not in any event be deemed to be the Landlord of the Property.

16. Termination

- A. **Early Termination:** This Agreement may be terminated by either party at any time with 30 days notice.
- B. **Termination for Violation of Agreement or Law:** Manager reserves the right to terminate this Agreement with 5 days written notice if Owner is found or suspected to have violated the Agreement. Manager reserves the right to terminate this Agreement immediately if Owner acts in a manner which, at the discretion of Manager, creates a hostile or otherwise harmful relationship with Manager, or Owner is found in violation of any federal, state, or local law that may create a liability to Owner, impact the goodwill or public reputation of Manager, or otherwise endanger Manager in any way.

C. Owner Responsible for Payments: Upon termination, Owner shall pay Manager any fees, commissions, and expenses due to Manager for services already rendered or payments due through the month of termination. Owner shall assume and satisfy the obligations of any contract or outstanding bill incurred by Manager under this Agreement. Manager may withhold funds for 30 days after the end of the month in which

17. Additional

A. Authorization to Connect Services: Owner authorizes Manager to sign for and allow professional installation of cable or satellite services using any existing wiring or connections. If any additional connections, mounts, or cabling is needed, Owner authorization must be obtained.

B. Complete Agreement: This Agreement shall be binding upon the parties, and each of their respective heirs, executors, administrators, successors, and assigns. There are no warranties or representations not herein contained. The Agreement shall not be modified or amended without written agreement of the parties.

18. Owner's Acknowledgement to Insurance Requirements: I understand that until I name NestQuest Direct as an Additional Insured to the property and liability insurance policies covering the Property, my account will be placed on hold.

OWNER:

By _____ Owner Signature

By _____ Owner Name (print please)

Date _____

OWNER:

By _____ Owner Signature

By _____ Owner Name (print please)

Date _____

MANAGER:

By _____ Authorized Agent for Manager

By _____ Manager (print please)

Date _____

Exhibit A

Owner Contact:

Address:

Email:

Phone:

Back-up Contact Should Owner Be Unreachable/Out Of Country

Address

Email:

Phone:

Additional Notes:

Exhibit B

Property Details (list if more than one):

Address:

Description:

Additional Notes: