

# PROPERTY MANAGEMENT AGREEMENT

This Agreement (the "Agreement") dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

**BETWEEN:** Landlord/Lessor/Agent, New Jersey Residential Rentals LLC, shall be referred to as "Agent" and Owner, \_\_\_\_\_, shall be referred to as "Owner". Agent and Owner may be collectively referred to as the "Parties".

**IN CONSIDERATION OF** the mutual covenants, benefits and obligations provided herein, intending to be legally bound, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties agree as follows:

1. **PROPERTY** – Owner hereby agrees that Agent will act as the property manager for the property municipally described herein as \_\_\_\_\_, \_\_\_\_\_ unit(s) in total, hereinafter referred to as the "Property".
2. **OWNER'S REPRESENTATIONS** - Owner hereby warrants and represents to Agent that Owner is fee simple owner of the Property, that no other owner's consent is required to enter into this Agreement, and that neither Owner nor the Property is the subject of any pending or threatened bankruptcy or foreclosure or other legal action affecting the Property, and that all financings and taxes affecting the Property are paid current. Owner agrees to promptly pay all loans, dues, and fees associated with the Property and to maintain necessary services, including all utilities when the property is unoccupied. Owner agrees to notify Agent in writing immediately of any change affecting these representations.
3. **AGENT'S REPRESENTATIONS** - Agent herein warrants and represents that it is duly licensed and insured to engage in the business of real estate property management and is in compliance with all requirements set forth by the state and municipal governments and will abide by all federal, state, and local laws, ordinances and regulations governing fair housing rules and practices regarding discrimination.
4. **MANAGEMENT** - Owner appoints Agent as Owner's exclusive agent to manage and lease the Property, on behalf of Owner, and Agent is granted full authority and discretion to do so. By signing this Agreement, Owner gives to Agent a limited Power of Attorney to sign any and all said documents which would allow it to carry out the requirements of this Agreement and to allow for the rental of properties for the benefit of Owner.
5. **TERM** - This agreement shall be for an initial term of sixty (60) days beginning as of the date of this Agreement and will automatically extend monthly unless otherwise terminated by either party.
6. **SERVICES** – The Owner hereby delegates to the Agent the authority and powers (all of which may be exercised in the name of the Owner) and Owner assumes all expenses in connection therewith, in consideration of the fees to be paid by Owner, the Agent agrees to render the following services:
  - a. **PROCURE LEASES / RENTAL AMOUNT** - To establish the terms of, sign, renew and/or cancel leases for the Property or any part thereof, determining and

negotiating the amount of the rent and other terms of the lease. Agent will make all diligent efforts to procure a suitable tenant as soon as possible at the highest rent or such other amount as may be deemed acceptable by Agent, with final approval of tenant and rental amount to be provided by Owner.

- b. **RENEW / CANCEL LEASES** - Negotiate and execute leases, renewals, or subsequent leases on behalf of the Owner, as in Agent's best judgment provide a fair return to Owner, and are consistent with Owner's instructions. Leases are to be written on the lease form provided by the Agent.
- c. **COLLECT RENTS** - Collect all rents and other charges which become due in accordance with the terms of the Lease Agreement via legal process or other means provided owner funds are sufficient to offset the expense of same, exercising due diligence in this pursuit, but nothing in this Agreement shall be construed as a guarantee by the Agent of the payment of rents or other charges by Tenant.
- d. **SECURITY DEPOSIT** - Collect from Tenant a Security Deposit and to hold the Security Deposit of Tenant in an escrow account established and maintained in accordance with applicable regulations. When Tenant vacates the Property, return to Tenant the Security Deposit with any interest as may be required by law, less any and all proper deductions. Any interest earned above the statutory interest payable to Tenant will be retained by Agent to cover administrative costs. Owner shall reimburse Agent for any interest paid to tenant which exceeds interest Agent receives on such deposits. Owner hereby waives any right to interest that may accrue on tenant's security deposit.

If Owner transfers management of the Property to Agent during the term of a tenant's occupancy, the security deposit plus accrued interest in Owner's possession or as indicated in the existing lease, if applicable, shall be transferred to Agent on the Commencement Date of this agreement.

- e. **RECORDS AND STATEMENTS** - Keep accurate records of the rent receipts and expenditures for the Property and furnish the Owner with accounting statements and detailed annual statement of receipts, expenses, charges, accruals and disbursements made as required by this Agreement.
- f. **NET RENTAL PROCEEDS** - Remit net rental proceeds directly to Owner, or to deposit in the account of Owner, as directed by Owner, the balance of all sums due Owner under the terms of this Agreement occurring prior to or on the final day of each month, except if Property will be vacant in the month following, where all proceeds will be retained for fees and approved repairs during the vacancy period. Net rental proceeds are defined as funds in Property account after payment of all monies due Agent, vendors, or allocated for replenishment of reserves.
- g. **RENTAL TERM** - It is expressly understood that Agent has the authority to execute leases on Owner's behalf for periods of time that may be longer than the term of this agreement, and that termination of this agreement has no effect on the validity of leases executed by Agent prior to such termination.

- h. **MULTIPLE OFFERS** - Owner authorizes Agent to disclose the existence and/or terms of multiple offers to any applicant, potential applicant, or cooperating broker or other tenant or tenant representative in the process of marketing and negotiating to obtain a lease for Owner.
- i. **TENANT SCREENING** - Evaluating applicants for suitability as tenants, which may include obtaining credit and reference verifications in connection therewith. All fees paid by applicants which are associated with the tenant screening process are the property of Agent.
- j. **OTHER TENANT RECEIPTS** - Collect from Tenant all or any of the following administrative charges including but not limited to: late rent payments, bad check and related charges and penalties, application processing fees, and subleasing or early termination of lease charges. Agent shall be entitled to retain such charges to cover administrative costs.
- k. **MAINTENANCE / REPAIRS** - Except as otherwise provided in this Agreement, and including 24/7 emergency responses, make or cause to be made and supervise all repairs, replacements, alterations, improvements or decorations to the Property, to clean-up the Property at the conclusion of tenancies in order to properly prepare the Property for new tenants and to purchase supplies and pay bills therefore, so that the Property remains in good, sound and clean condition, charging Owner as otherwise outlined in this Agreement

Agent shall have the authority to enter into agreements in the name of Owner for all necessary repairs, maintenance, (to include changing locks as deemed necessary by Agent), minor alterations, utility services, and other services to and for the Property.

Except in the event of emergencies, no single expense expected to exceed Five Hundred (\$500) Dollars for any one item, without prior Owner's authorization, except monthly or recurring operating charges and/or such repairs that are necessary in excess of said stated amount if, in the opinion of Agent, such expenditure is necessary to protect the property from damage or to maintain services to the tenants as required in their leases or by local, state or federal law, regulation, or ordinance. Items in excess of One Thousand (\$1000) Dollars will require multiple quotes and additional funding from Owner. For emergency and after-hours maintenance Agent cannot guarantee use of specific contractors.

- l. **INSPECTIONS / SURVEYS** - Make visual inspections of the Property at commencement and termination of tenancies and such other times as Agent feels necessary and report matters concerning the condition of the Property to the Owner. In the event of vacancy, Agent will take reasonable precautions to safeguard the Property, but Agent is not liable for any damages to the Dwelling Unit or Property of any kind.

Owner agrees that Agent shall have no responsibility for the condition or return to owner of any items not permanently attached to the property which are left behind

when owner vacates. Agent assumes responsibility to survey and note the presence of stoves, refrigerators, freezers, window air conditioners, washers, and dryers. Any other personal property that Owner provides, including but not limited to fireplace tools, lawn equipment, portable appliances such as microwave ovens, dehumidifiers, home repair materials, paint, firewood, furniture, etc. will NOT be inventoried, noted, or inspected by Agent. Owner agrees there will be no expectation that personal property will be returned and holds Agent harmless from any claim for such items.

- m. **ADVERTISE, SIGN, MLS, PHOTOGRAPHY** – Agent may advertise the Property, displaying signs thereon (unless prohibited) and such that Agent deems appropriate. Taking interior and exterior photographs or videos for the purpose of documenting the condition of or advertising the property by using the multiple listing computer system and the Internet. Such photographs may be digitized, reproduced, published, transmitted, disseminated, and displayed in any form or manner, without limitation by Agent, Agent's Broker, and the multiple listing service in and through online realty information services or other forms of electronic distribution, and in books, displays, publications and newspapers as well as any other use, media, or means to aid in the rental of the property.
- n. **LEGAL PROCEDURES** – Agent will terminate tenancies, and sign and serve such notices, as are deemed necessary and appropriate by Agent. Subject to Owner's approval, Agent shall consult with, hire and retain an Attorney at Law of the State of New Jersey, where necessary, to prosecute actions to evict tenants and to recover possession of the Property, where appropriate, and to sue in the name of Owner, to recover rents and other sums due and owing.

Under no circumstance will Agent or any attorney retained by Agent be held monetarily responsible for its inability to collect rents; nor be responsible for any expenses incurred for legal action involved in the collection of rents and/or the eviction of any tenant and/or damages incurred to the property. All such expenses shall be paid by Owner.

Agent reserves the right to settle, compromise, and release legal actions or reinstate such tenancies, as Agent sees fit or appropriate. Owner hereby appoints Agent as Owner's attorney in fact with full power to do all things appropriate that Owner might do to collect from any tenant or other party any and all amounts due and owing to Owner in relation to the Property and the matters contemplated by this Agreement, including without limitation prosecution of suits and actions for rent, damages, unlawful detainer, eviction, and other legal or equitable actions.

- o. **HIRING CONTRACTORS** - Hire, discharge and supervise, in the name of Owner, all labor, employees and contractors required for the operation and maintenance of the Property; it being agreed that all contractors shall be deemed contractors of the Owner and not of Agent, and Owner will have all obligations arising from such contracts. Agent may perform any of its duties through Owner's attorneys, agents or contractors and shall not be responsible for their acts, defaults, or negligence if reasonable care by Agent has been exercised in their employment and retention.

Agent makes no representation, warranty, or guarantee of competence of performance of contractors.

- p. **REGISTRATION / APPLICATIONS** - To complete and sign any and all forms, applications and documents typically required of a landlord to allow for the rental of properties within any municipality, including but not limited to municipality rental registrations, rental listing documents, listings service forms.
- q. **FUNDS** - To deposit all receipts collected by Agent into appropriate clearing account, tenant security account, and/or other necessary accounts, at qualified financial institutions designated by Agent, to deduct all sums that are permissible pursuant to the terms of this Agreement, disburse same as appropriate and transfer amounts to which Agent is entitled into its own business account. Agent will transfer all of Owner's sums and which are properly payable to Owner to an account to be designated by Owner. Under no circumstance shall Agent incur any liability for bankruptcy or failure of any financial institution chosen by Realty Solutions in this regard. Any interest that may be generated from the clearing account may be retained by Agent.

7. **FEES** – Owner hereby agrees to pay the Agent the following:

- a. **MANAGEMENT FEE** - Owner agrees to pay Agent Seventy-Five (\$75) Dollars per unit each month for the previously defined property management services where there is an executed lease for the Property and whose lease term falls within the given month. During times which no days of the month fall within an executed lease term, at the option of the Agent, Owner agrees to pay Agent a monthly management fee equal to Thirty-Five (\$35) Dollars until a new lease has been executed and lease term has begun. Agent is authorized to charge said fees to Owner's management account and to deduct such fees from rents or other sums accruing to Owner's account. Said fees will be paid first, having priority over any other payments to be made from Owner's account. In the event Owner's account lacks sufficient funds to cover said fees, Owner will promptly remit same to Agent upon notification of such shortfall.
- b. **TENANT PLACEMENT** - Upon execution of a lease, Owner agrees to pay Agent Seven Hundred Fifty (\$750) Dollars for every set of up to five (5) showings for the Property. If Owner has identified a tenant themselves and/or chooses to use non-Agent-related services to identify a tenant, no fee will be charged to Owner. This fee is separate and apart from the Management Fee and is due immediately upon execution for all new lease agreements. No fee will be charged if a lease is extended. These fees are non-refundable and no rebate shall be allowed for early lease termination by either party or for default under the lease.
- c. **PROPERTY VISITS** - Owner recognizes that the Property may need repairs, maintenance, modernization, renovations, and restoration and/or capital improvements (herein, collectively referred to as the "Project") during the term of this Agreement. Owner also recognizes that the Agent will perform, at Agent's convenience, inspections on the Property which include but not limited to Agent

mandatory semi-annual inspections to prepare for seasonal changes, vacancy inspections after tenant(s) move-out and prior to new tenant(s) move-in, and any required local inspection to meet required regulations. Owner agrees to pay Agent Seventy-Five (\$75) Dollars per person for the first hour of Agent's presence at Property and Thirty-Five (\$35) Dollars for each additional hour per person. Time spent will be rounded up to the nearest hour and does not include materials and other 3<sup>rd</sup>-party fees or costs, which will be listed separately on the documentation sent to Owner. Projects or inspections that will cost less than Two Hundred (\$200) Dollars will be performed; those in excess of that amount will only be made after authorization of Owner. Agent will consult with Owner concerning same and, upon agreement as to the terms and scope of the Project, Agent will retain such professionals, contractors and suppliers as are necessary to complete the Project and will bill Owner for the cost of same. Upon request, Owner will pay a deposit to Agent to allow Agent to hire the necessary vendors to begin Project. Owner will also make available to Agent all necessary documents in his possession, (such as surveys, floor plans, engineering drawings, etc.) to allow for the proper progression and execution of the project.

- d. **NON-MANAGEMENT NON-VISIT SERVICES** - Owner agrees to pay Agent a fee of Thirty-Five (\$35) Dollars per hour for non-management non-visit services rendered at Owner's request in connection with the Property. Non-management services are defined as any service performed by Agent that is not necessary for tenant occupancy. Non-management services include, but are not limited to Agent's arranging for renovations, additions, and/or improvements to the Property, renovation of the property for owner occupancy, preparation of the property for initial lease term, and securing alternative or additional mortgage financing. Non-visit services are defined as any service not performed at Property but related to non-management services.

Nothing in this Agreement obligates Agent to provide non-management services. If Agent agrees to secure or coordinate such services, it will use its best efforts, but Agent does not guarantee in any way the work to be performed. The fee due Agent shall be treated as all other fees due Agent under this Agreement.

- e. **SALE OF PROPERTY** – Owner recognizes that Owner will be restricted in the sale of the Property during the term of this Agreement and term of the lease pursuant to the lease itself and the laws of the State of New Jersey. Owner may only sell the property subject to those terms. Owner agrees to pay to the licensed real estate broker, if one exists, their commission as per their listing agreement with said broker. Owner agrees to pay Agent a sales commission of Seven Hundred Fifty (\$750) Dollars if, during the term of the tenancy or within 120 days after tenant vacates, Owner sells or agrees to sell Property to tenant or exchange or agree to exchange it with tenant for other property of any kind and wherever located. Owner understands and agrees that the sales commission provided for herein shall be due according to the terms herein regardless of whether this property management agreement is terminated prior to the sale or exchange of Property. The purpose of this paragraph is not to solicit a listing of the property. This

provision does not grant the tenant any right to purchase the Property, nor does it authorize Agent to offer the Property for sale.

- f. **EVICTION PROCESS** – As necessary, Agent shall issue notices to tenant in the event of non-payment and other non-compliance items per the executed lease in accordance with regulations. If legal action such as an eviction of a Tenant is determined necessary, Owner has the option of choosing his/her own lawyer to complete the process or utilizing the services of the attorney chosen by Agent to process the eviction action. Owner will enter into a separate agreement with said attorney for services to be rendered and all payments made directly to said attorney. If tenant satisfies all requirements of the Landlord/Tenant Court and is able to stop the process before completion, the eviction costs will be charged to the tenant, if permitted by law, and once collected, Owner will be reimbursed for all fees paid in that regard through the Reserve Account. Owner may be required to attend certain court proceedings. This will be arranged directly with the attorney.
- g. **VACANCY COSTS** – During times when Property is vacant, Agent will attempt to maintain some important ongoing costs required to maintain the integrity, security, and operation of the Property in addition to helping to improve occupancy rate and reduce liability. These costs include but are not limited to utilities such as water, sewer, gas, and electric, snow removal and ice remediation, and lawn maintenance. These costs are paid at the discretion of the Agent and only paid if Owner has available reserves and/or provided funds to Agent to cover said expenses.
- h. **RESERVE FUNDS** - No initial deposit or reserve funds are initially requested by Agent from Owner unless Property is vacant at the date of this Agreement. The balance of all sums due to Owner, including but not limited to fees and costs incurred, under the terms of this Agreement, occur prior to or on the final day of each month thus no funds, due to Owner will be retained by Agent for more than thirty (30) days, except if Property will be vacant in the month following, where all proceeds obtained in the final forty five (45) days will be retained for fees and approved repairs during the vacancy period. If the Property is vacant at the date of this Agreement an initial deposit of One Hundred and Forty (\$140) Dollars will immediately be due by the Owner to the Agent to address management fees while a tenant is placed and lease executed. If at any point, Owner's disbursements exceed the rents collected, Agent may request and retain a reserve in the sum Five Hundred (\$500) Dollars. Owner agrees to pay such excess promptly upon demand by Agent in addition to said reserve. Funds are to be accounted for in Agent's escrow account and are to be used to pay Owner's obligations as otherwise provided in this agreement. Reserve will be replenished from further rents received from tenant. Agent shall not be responsible to make any payment for which there is not sufficient funds in Owner's account. Under no circumstance is Agent required to advance any of its own moneys for any purpose whatsoever. At the conclusion of this Agreement, said funds will first be utilized to satisfy any outstanding amounts due and owing to Agent, and thereafter, any funds not utilized will be released to Owner.

i. **PERIODIC EXPENSES** – At Agent’s discretion, Agent may offer payment of Owner’s regular monthly or periodic expenses. Owner will supply Agent a full list of all monthly and or other periodic expenses that are required to be paid in connection with the Property, such as water/sewer. Owner will make available to Agent all data, records and documents pertaining to the Property which Agent may require to properly exercise its duties in this regard. In additions to the fees which will be deducted as set forth in this Agreement, said monthly or periodic payments will also be paid from the rents received prior to transferring the net balance to Owner’s account. If there is a deficiency so that there is insufficient funds to pay said monthly or periodic amounts, Agent will first utilize funds in the reserve and, upon request, Owner will promptly pay to Agent sufficient amounts to satisfy all monthly or periodic payments and, if necessary, pay a further retainer, as may be required, to replenish the reserve and to further allow for the continued payments of all required amounts. Agent is not responsible for late fees if Owner fails to pay sufficient funds to satisfy all monthly or periodic payments in a satisfactory time frame.

8. **INSURANCE** – Owner agrees to obtain and keep in effect, at Owner’s expense, adequate public liability and hazard insurance on the Property, during the term of this Agreement with minimum liability coverage equal to or greater than \$500,000 and coverage for rent loss in the event the Property should become uninhabitable or in the event of vacancies in excess of thirty days, as well as adequate coverage for vandalism. Said policy shall name Agent on an endorsement as an additional Insured. On an annual basis, Owner will provide a Certificate of Insurance or certificate(s) evidencing the existence of such insurance in form and substance satisfactory to Agent.

Owner shall provide said insurance and furnish said policy/certificate within ten (10) days from the date of this Agreement. Agent shall not be obligated to place said insurance nor keep said insurance in effect, however, should Owner fail to provide said policy/certificate Agent is authorized to procure said insurance, and charge to Owner the expense thereof. Nothing contained herein, however, shall obligate Agent to procure said insurance, and in the event no insurance naming the Agent as insured is in effect, Owner’s indemnities of Agent set forth below shall apply and be in full force and effect.

Agent will carry insurance for its own protection. However, in the case of a law suit or any claim by a tenant, or anyone else who may make a claim or file a law suit against Agent and/or Owner pertaining to the Property, if Agent is required to pay any amount as a result of the claim or law suit, including the payment of any deductible, Owner will reimburse Agent for any amount required to be paid in connection with same.

9. **RECORDS, ACCOUNTS, AND REPORTS** - A Residential Rental Property Information form shall be completed by Owner, and shall be considered a part of this Agreement.

Owner shall inform Agent and provide documents of any easements, covenants and/or regulations that would affect a tenant’s occupancy, as well as keys, cards, stickers, codes, etc. and information concerning any special move-in rules, maintenance, key service, security, intercoms, parking, storage, etc. Owner will advise Agent of any matters affecting Property and its management of which Owner is aware during the term of this Agreement.

Owner shall submit to Agent any documentation required by any governmental body; to include, but not limited to, IRS tax forms, local rental licenses, and lead based paint disclosures/registrations or certifications as required by local jurisdictions. Agent shall establish a management account for Owner. All monetary transactions involving the Property shall be recorded and a record of such transactions provided to Owner.

Files and their contents, to include electronic records, or any other material produced and maintained by Agent shall be the sole property of Agent. Agent shall provide Owner such periodic reports and other records as required by the terms of this Agreement.

10. **TERMINATION OF AGREEMENT** - Both parties agree to provide sixty (60) days written notice of its intention to terminate the Agreement. In the event of termination of this Agreement, Agent shall remit to Owner all money held or received by Agent and due Owner less any sums due Agent hereunder, and Owner shall remit to Agent all money due Agent, if any, in excess of any sums held by Agent. Termination of this Agreement shall not release the indemnities of Owner set forth above, and shall not terminate any liability or obligation of Owner to Agent for any payment of money due and payable to Agent hereunder. Owner remains liable for any commissions due, fees due, or monies owed Agent at the time of such termination and Owner will provide Agent liquidated damages in full in advance of termination in an amount equal to those due for the remaining term of this Agreement.
11. **HOLD HARMLESS** - At all times, while Agent is acting in good faith and exercising its best judgment, or where acting in compliance with any order, judgment or decree of a court or of any governmental entity, Owner agrees to hold Agent, and any of its shareholders, officers, directors, agents, employees, servant, contractors, subcontractors, assignees or designees, harmless from (i) actions and/or failures of any services, maintenance and/or repairs or renovations to the Property contracted by Agent, including Agent's referral, recommendation or retention of any vendor; (ii) all claims, demands, causes of action, damage suits, costs and expenses, including reasonable legal fees and costs, brought as a result of and in connection with the management and leasing of the Property and from liability for injury suffered by anyone whomsoever; (iii) the failure of Owner to disclose to Agent any adverse material fact actually known by Owner or from any Owner misstatement, negligence, action, inaction or failure to perform the obligations of this Agreement or any lease or agreement with a vendor; (iv) the existence of undisclosed material facts about the Property; (v) Agent's performance, at Owner's request, of any task beyond the scope of the services required pursuant to this Agreement; (vi) the failure of Owner to act upon the recommendations of Agent as to any services, maintenance and/or repairs or renovations within and upon the Property; (vii) bankruptcy or failure of the depository bank or savings and loan institution in which monies due the Owner are deposited in a fiduciary account.
12. **INDEMNIFICATION AND RELEASE** - Indemnify and save Agent harmless against all claims for damages arising out of alleged violations by Agent in a representative capacity, or Owner, or both, of any constitutional provision, statute, ordinance or regulation, federal, state or local, which arise out of the offer to lease, leasing, management or operation of the Property hereunder or otherwise; and all expenses incurred by Agent in connection with the foregoing, including the reasonable fees and costs

of counsel retained to defend Agent; provided, however, that the provisions of this Paragraph shall not apply if a court of competent jurisdiction makes a final determination, which is either upheld on appeal or not appealed within the applicable period of time, that Agent intentionally violated any such constitutional provisions, statute, ordinance, or regulation. Owner hereby releases Agent from any and all claims, liability or loss suffered by Owner as a result of damage to the Property not covered by Owner's hazard insurance. Except as otherwise provided herein, Owner and Agent do hereby release each other from any and all liability, loss, damage or claim resulting from any claim and agree to secure from their insurers acknowledgement of such release and a waiver of any rights of subrogation.

13. **PERFECTED SECURITY INTEREST LIEN** - Agent reserves a first lien against all rents collected or to be collected for any amounts due Agent under the terms herein. In addition, all records pertaining to Property which are in the possession of Agent, other than statements of accounts, shall be withheld pending full payment by Owner of all monies due Agent under the terms herein. The Owner grants Agent a perfected security interest in the rents collected or to be collected under the Lease Agreement as security for any advances and expenditures made personally by Agent for the benefit of Owner, and not thereafter reimbursed by said Owner.
14. **FAIR HOUSING** - The Property will be shown and made available to all persons without regard to race, color, creed, religion, national origin, sex, familial status, handicap or elderliness, in compliance with all applicable federal, state and local fair housing laws and regulations.
15. **MOISTURE / MOLD REMEDIATION** - Except as expressly provided in this Agreement, Agent shall have no maintenance obligations with respect to the Dwelling Unit or the Property relating to the accumulation of moisture or the presence of mold or other fungus. Agent will notify Owner of any mold condition in the Dwelling Unit or the Property of which Agent has actual knowledge; provided, however, that Agent will have no obligation to inspect for such condition except as set forth below. It is expressly agreed that Agent will hire a contractor to address any mold or moisture condition in the Dwelling Unit or the Property. Owner agrees to indemnify and hold Agent harmless from and against any and all loss, cost, expense, claim, suit, and liability whatsoever by reason of Owner's failure to perform any maintenance of the Dwelling Unit or the Property required to prevent harm or injury to any Tenant or the property of any Tenant from mold or other fungus, unless Agent has assumed in this Agreement the obligation to perform such maintenance.
16. **LEGAL ACTIONS** - In the event of any legal action undertaken on behalf of owner in relation to this Agreement, Owner shall pay any and all legal and attorney's fees incurred by Agent or its representatives in connection therewith. In the event of any such legal action, Owner hereby authorizes Agent to retain an attorney whom Agent deems appropriate. Agent shall not be required to expend any Agent funds for legal action on behalf of Owner. Owner holds Agent harmless from any claim of non-performance if Owner funds are insufficient to satisfy anticipated legal costs. Owner shall pay all expenses incurred by Agent including, without limitation, attorney's fees for counsel employed by Agent for Owner in any proceeding or suit to terminate tenancies, serve notices, evict tenants, recover possession of Property and collect judgments on Owner's behalf. Outstanding

Owner balances due to misdirected funds, unpaid invoices, attorney's fees or any other balance owed may be referred to collections by Agent.

17. **WAIVER OF BREACH** - No waiver or oversight of any breach of any covenant, condition or agreement contained, or compromise or settlement relating to such a breach shall operate as a waiver of the covenant, condition or agreement itself, or any subsequent breach.
18. **LAWS, COVENANTS, AND CODES** - It is agreed that Agent assumes no responsibility for any building or equipment compliance with the requirements of any statute, ordinance, law or regulation of any governmental body or public authority, except to notify Owner promptly of any complaints, warnings, notices or summons received by Agent relating to such matters. Owner represents that, to the best of his knowledge, Property and its equipment comply with all such requirements. Owner hereby authorizes Agent to disclose the ownership of the Property to governmental officials, in the event any such complaints, etc. are received by Agent. Owner agrees to indemnify, defend and hold Agent harmless, as well as vendors and employees from all loss, costs, expenses and liability whatsoever which may be incurred by or imposed on them by reason of any violation or alleged violation of any such statutes, ordinances, laws or regulations.

In the event tenant or Agent incurs any loss due to Owner's non-disclosure of matters affecting Property and its management of which Owner is aware during the term of this Agreement, Owner shall reimburse tenant and/or Agent for such losses. As to any such losses of Agent, reimbursement for such losses shall be allowed as provided herein.

It is agreed that, in the event it is alleged or charged that any condition of Property or its equipment, or any act or failure to act by Owner with respect to Property, constitutes a violation of any constitutional provision, statute, ordinance, law or regulation of any governmental or public authority having jurisdiction therefor; and Agent, in its sole discretion, considers that the action or inaction or position of Owner with respect thereto may result in damage or liability to Agent, Agent shall have the right to cancel this Agreement at any time by written notice to Owner of its election to do so, which cancellation shall be effective upon service of such notice. Such notice may be served personally or by electronic mail, fax, and regular mail or by registered or certified mail to Owner's last known address, and if served by mail shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of Owner as set forth herein and shall not terminate any liability or obligation of Owner to Agent for payment, reimbursement or other sum of money due and payable to Agent.

Unless the Agent is finally adjudicated to have personally, and not in a representative capacity, violated a constitutional provision, statute, ordinance, law or regulation, Owner agrees to indemnify, defend and save Agent harmless from all claims, investigations and suits with respect to any alleged violation of any local, state or federal laws and regulations relative to Property, it being expressly agreed and understood that, as between Owner and Agent, all persons acting in connection with Property are employees of Owner and not Agent. Owner's obligations under this paragraph shall include payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses and attorney's fees.

19. **PROPERTY ACCESS** - Owner shall cease all access to the property including electronic access upon any lease start date and occupancy by tenant(s) and comply with all requirements defined in the lease agreement executed by the current tenant for the Property.

20. **DEFAULT** - Owner shall be in default of this Agreement, at option of Agent, upon:

- a. Owner's failure to perform any obligation under this or any other agreement with Agent in full within ten (10) days;
- b. Breach of any of Owner's representations;
- c. Owner's insolvency or the application for the appointment of a receiver for Owner, or any assignment for the benefit of creditors by or against Owner, of any of its Property;
- d. Sale, lease (except pursuant to this Agreement) or other transfer of any of the Property or any interest therein, including a transfer by foreclosure, or;
- e. If in Agent's opinion, Owner's actions or inactions are illegal, improper, or jeopardize the safety or welfare of any tenants or other persons.
- f. Failure to remain current on mortgage, condo/PUD/HOA, or other property fees or dues.

21. **REMEDIES** - If Owner defaults, in addition to any other remedy available to it, Agent may:

- a. Remedy the default at the expense of Owner;
- b. Suspend performance under this and any other agreement with Owner until Owner cures the default and gives adequate assurances of future performance;
- c. Declare all fees payable by Owner under this Agreement to be immediately due and payable;
- d. Terminate this Agreement and recover from Owner and/or Owner's funds held by Agent any amounts owed by Owner to Agent and/or;
- e. Offset any amounts owed by Agent to Owner against any amounts owed by Owner to Agent.

22. **DISPUTES** – This Agreement will be construed and interpreted under the laws of the State of New Jersey. Any dispute will be determined by a court of competent jurisdiction within the County of Camden, New Jersey, unless both parties consent to a different location.. Before resorting to a law suit, the parties agree to attempt to resolve their dispute by the mediation or arbitration process through a mediator jointly chosen by the parties. Mediation is a process in which parties attempt to resolve a dispute by submitting it to an impartial mediator who facilitates the resolution of the dispute but who is not empowered to impose a settlement on the parties. The parties will equally divide the mediation fee, if any. In any litigation which occurs after the inability of the parties to successfully mediate

their dispute, the prevailing party shall be awarded all of the filing fees and related administrative costs. Administrative and other costs of enforcing an arbitration award, including the costs of subpoenas, depositions, transcripts and the like, witness fees, payment of reasonable attorney's fees, and similar costs related to collecting an arbitrator's award, will be added to, and become a part of, the amount due pursuant to this Agreement.

23. **IRS RULING** - Owner and Agent acknowledge that neither the United States Congress nor the Internal Revenue Service has established definitive standards for active participation in the management of investment property. Accordingly, while it is the intention of the parties that the Owner shall actively participate in management of the Property, Agent makes no representation or warranty that the provisions of this Agreement shall comply with any requirements for "active participation" by Owner.
24. **TAXES** - The amount of income generated from the Property will be reported to the Internal Revenue Service on an annual basis. No rental proceeds or other disbursements can be made under this contract without proper documents to report financial activity. Accordingly, if Owner is a citizen of the United States, Owner agrees to provide Agent with a signed IRS Form W-9 with Owner's valid social security number or tax identification number at execution of this Agreement. If Owner does not have a United States tax identification number or social security number, Owner must apply for a tax identification number through a form W-7.

If Owner is a foreign national, international citizen or non-US Resident and do not have either a valid social security number or tax identification number, Owner will be required to provide a completed W-8ECI or W-8BEN and retain a Certified Public Accountant who practices within New Jersey and cooperate with said CPA in connection with all necessary and appropriate tax filing requirements. Owner also authorizes Agent to withhold thirty per cent (30%) of all net income and pay over same to any appropriate tax authority once Agent receives information from Owners Accountant as to the amount that should be paid. The balance will be paid to Owner as otherwise set forth in this Agreement.

25. **INVALID TERMS** - If any term, covenant, condition, or provision of this Agreement or the construction thereof to any person or circumstance shall to any extent be deemed invalid or unenforceable, the remainder of this Agreement or the construction of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant, condition and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.
26. **LEASE PREVAILS** - If any provision of the Lease Agreement on the Property conflicts with this Agreement, the Lease Agreement shall take precedent over this Agreement.
27. **NOTIFICATION** - All notices required to be given under the Agreement may be hand delivered or given by regular mail, postage prepaid, with the party giving notice retaining sufficient proof of mailing which may be a U.S. Postal Certificate of Mailing, and if served by mail shall be deemed to have been given when deposited in the U.S. Mail. Owner and Agent may send notices in electronic form. If electronic delivery is used, the sender shall

retain sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery.

Owner will at all times keep Agent informed of any change of physical and email addresses and/or phone numbers. Where Owner has scheduled to be unreachable, or will be outside of the country for a period in excess of seven (7) days, Owner will identify a person who will be within the country and/or reachable and who has authority to act in the name of Owner, and provide Agent will call related contact information for said person. Where said person is not identified, Agent is hereby authorized to act in any reasonable manner whatsoever, while acting in good faith and exercising its best judgment.

**28. HEIRS, ASSIGNS, & TRANSFER** - This Agreement is entered into and made with complete understanding, accord, and without reservation, and shall be binding upon the successors, transferees, and assigns of the Agent, and the heirs, personal representatives, administrators, executors, successors, transferees, and assigns of the Owner, and in the event of a sale shall pass to the new Owner, his heirs, administrators, executors, successors and assigns. In witness whereof the parties have affixed or caused to be affixed their respective signatures and seals.

**29. MISCELLANEOUS**

- a. This is the sole and only Agreement between the parties and same contains the entire understanding of the parties.
- b. There are no representations, warranties, covenants or understandings other than those expressly set forth herein and in this Agreement.
- c. For purposes of interpretation of this Agreement, neither party shall be deemed to be the drafter of this Agreement nor shall be construed against either party solely based on the identity of the party who drafted the Agreement.

In witness whereof, as of the date set forth, the parties indicate their consent to the terms of this Agreement:

**Owner:**  
Name: \_\_\_\_\_

**Agent:**  
Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

The Owner acknowledges receiving a duplicate copy of this Lease signed by the Agent and the Owner on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

SAMPLE