

INTRODUCTION

When you choose Nest Managers, you're choosing more than a property manager — you're choosing a partner who believes in protecting your investment through clarity and trust. We know that surprise charges and vague contracts are why many owners leave other firms. That's why our motto is No Surprises.

Every fee, every optional service, and every policy is disclosed upfront — not buried in fine print or hidden in vague terms. We don't believe in bait-and-switch tactics, and we're proud to be one of the only firms in North Carolina that provides a side-by-side breakdown of our standard services and optional add-ons.

Whether you're a local investor or stationed across the globe, you'll always know what to expect, how your money is being managed, and what your property is receiving in return.

This handbook, combined with our Owner Services Snapshot, is your roadmap to a transparent, headache-free rental experience.

WELCOME FROM THE OWNERS OF NEST MANAGERS REAL ESTATE

Thank you for choosing Nest Managers Real Estate to lease and manage your rental property. We appreciate your vote of confidence and will work hard to prove you made the right decision. This handbook is just one of the ways we've developed over the years to set your expectations for our relationship and communicate to our new owners just how we manage properties. Every manager has their own way of doing property management whether they're in Australia, California, Florida or Fayetteville, NC. Setting expectations is important as we strive to serve our owners.

WHY THIS HANDBOOK EXISTS

Welcome to Nest Managers Real Estate. We're truly honored that you've chosen to trust us with your property — whether this is your first investment or one of many. We know firsthand how stressful it can be to hand over the keys to someone else, which is why this handbook exists: to eliminate uncertainty and build trust through transparency.

Every property manager operates differently. This handbook outlines exactly how we manage your investment and what you can expect from our team — from our guarantees to how we handle rent collection, maintenance, and tenant relations. We created this guide to align expectations, reduce surprises, and ensure you're always in the loop.

We appreciate your confidence and are committed to earning it every day.

Warmly,
Lindsey Pelaez
Founder, CEO Nest Managers Real Estate

WHO WE ARE

Nest Managers Real Estate is a full-service Investment, Brokerage, Leasing and Management Nest Managers Real Estate.....Exceeding Your Expectations

Striving to exceed your expectations is a big challenge as some set the bar pretty high. We get it, and we will push hard not to disappoint you. When we do let someone down, it's usually because we did a bad job at properly setting expectations. One way or the other, we're out to make you exceedingly happy with us.

MOTTO FOR OWNERS ... NO SURPRISES

We have the motto NO SURPRISES for our owners, meaning that we will strive to tell you in advance what fees you'll pay, what outside costs you'll experience, and when we're dealing with a maintenance request. There's nothing more disheartening than opening your bank records and seeing a disbursement from us for less than you expected. We'll work hard to keep that from happening and let our motto "NO SURPRISES" drive our behavior.

MISSION STATEMENT

Our mission is to serve... Serve our Investors by helping them acquire properties that perform as expected; our Clients by taking care of their properties as if they were our own; our Residents by providing them with a pleasant rental experience; and our Staff by constantly training them and helping them reach their highest professional potential.

LICENSES AND AFFILIATIONS

We are active members of the National Association of Residential Property Managers (NARPM.org) the National Association of Realtors (NAR.org) the North Carolina Association of Realtors and the Longleaf Pines Association of Realtors (Longleafpinesrealtors.com). Each one of them has a code of ethics that we review regularly and measure ourselves by. You can review them at your leisure by going to each of their web sites.

INDUSTRY DESIGNATIONS

Every industry has its trade association who offer designations for their members to demonstrate their knowledge, professionalism and commitment to the industry. Property Management is no exception.

The National Association of Residential Property Managers is our trade association and is dedicated to training the professional management community.

LEGAL AND RISK MANAGEMENT POLICIES

All Nest Managers operations comply with:

- NC General Statutes Chapter 42 (Landlord-Tenant Act)
- NC Real Estate Commission Rules §58A .0109 and §58A .0112
- Federal Fair Credit Reporting Act (FCRA)
- Lead-Based Paint Disclosure Rules (EPA Title X, Section 1018)
- Federal Fair Housing Act (§ 42 U.S.C. 3601 et seq.)
- North Carolina Fair Housing Act (§41A)

Nest Managers complies with NC Gen Stat §75-65 regarding the secure storage of personally identifiable information. All owner and tenant data is stored in encrypted cloud-based systems, such as Rentvine, and Nest does not share or sell private data to third parties unless required by law.

TOP REASONS PEOPLE CHOOSE NEST MANAGERS

TOP NOTCH MARKETING INCLUDES SHARING OUR COMMISSION WITH OTHERS

Marketing your home on a variety of internet websites is the best way to get tenants through the door. When you market your home with us, we will list your home on over 50 websites including the expensive ones like Rentals.com , RentalHouses.com, Hotpads.com, as well as all the free sites we can find including Craigslist.org, FreeRentalSites.com and many others. More importantly, we will list your home in Long Leaf Pines multiple listing service (MLS) exposing your home to thousands of hungry real estate agents and their tenant prospects. Many of our competitors refuse to do this because it means they have to share their fees with outside agents. Our priority is to get the home rented, even if it means giving up a big chunk of the commission. As a result, your home gets rented quickly without costing you more. Today, over a third of our listings are rented by outside agents.

MANAGEMENT FEE OF 10%

Nest Managers Real Estate offers a competitive management fee, especially for the services we provide. You only pay for performance — a 10% management fee of the lease amount activates once your home is leased. That means no surprises and no payment until results happen.”

ELECTRONIC DISBURSEMENTS WHEN FUNDS ARE AVAILABLE & NO LATER THAN THE 15TH

Collecting rent when it's due, and disbursing it to owners quickly, is one of our highest priorities. Through our "fast cash" system we disburse funds due (and financial statements) to the owner electronically by the 15th of each month. We're in this for you and continue to find ways to help our owner/clients.

PERFORMANCE BASED FEES

Our philosophy iswe shouldn't get paid until we have secured you a tenant. Although our efforts increase substantially during a vacancy, eviction, or when rent is unpaid, we won't charge a management fee until your home is occupied. If an owner chooses to run owner led repairs, preventing our team from securing a tenant, a fee may be incurred to account for the admin time and software use.

YEARS OF EXPERIENCE IN NORTH CAROLINA

Veteran owned and born and raised in Fayetteville NC, we have handled every situation you can imagine. That experience means more protection for you as we are past most of the learning curves that new managers go through, on their customer's dime. Nest Manager's friendly and helpful staff hold degrees in Management, Real Estate, Hospitality, Marketing, Finance, and Accounting. Our team has all the right elements to get your property leased and producing a return on your investment.

NEST MANAGERS STYLE OF MANAGEMENT PROTECTS OWNERS

We have observed a disturbing shift in property manager styles over the past few years. This shift is troubling and property owners need to be sure they understand these issues before they choose a manager. The consequences of selecting the wrong manager style may be more costly than you expect. This is so important that we have dedicated an entire section of our website just to covering this topic.

SECURITY DEPOSIT LEGAL STRATEGY

We strictly follow North Carolina's Landlord-Tenant laws when processing and disbursing security deposits. Our inspection documentation and charge assessments are guided by the legal definition of "normal wear and tear" as outlined in NCGS §42-51 and §42-52. This means owners benefit from consistent, compliant practices that reduce disputes, ensure fair outcomes, and help avoid small claims court.

Our team has years of experience handling security deposit returns correctly — a major advantage over less experienced managers or self-managing landlords who often risk non-compliance and tenant backlash.

VENDOR NEGOTIATION ADVANTAGE

Nest Managers Real Estate holds our vendors to the highest standards of quality, professionalism, and value. As part of our commitment to protecting your bottom line:

All Nest-approved vendors must offer at least a 5% discount off standard market rates. These negotiated savings are passed directly to you — helping you spend less on maintenance while benefiting from vetted, insured, and licensed contractors.

This policy is just one way we leverage our portfolio size to benefit individual owners. Most competitors don't negotiate pricing — we do.

PLANNED MAINTENANCE = PROTECTED INVESTMENTS

We don't just wait for things to break — we plan ahead.

At Nest Managers, we calendar key preventative maintenance items throughout the year to protect your asset, preserve long-term value, and avoid costly surprises. From HVAC tune-ups to seasonal gutter cleaning, our rotating schedule ensures your property receives the right care at the right time.

MONTHLY OWNER SPECIALS

Each month, we offer a discounted service — exclusively for Nest owners — to encourage proactive upkeep. These services are optional, but they're designed to minimize risk, catch small issues early, and often save hundreds in long-term repairs.

Past specials have included:

- Spring HVAC service + filter swap
- Dryer vent cleanouts
- Fall gutter clearing
- Pest control bundles
- Winterization checks
- Roof and plumbing inspections, and many more!

It's one more way we look out for your investment — and your wallet.

COMMUNICATING WITH NEST MANAGERS

Address: 1318 Fort Bragg Road, Fayetteville NC 28305 Phone: (910) 644.8930

Accounting Related Concerns: Assetmanager@nestmanagers.com

Property Manager: Rental@nestmanagers.com

Senior Property Manager: SPM@nestmanagers.com

Maintenance & Project Management: Solutions@nestmanagers.com

Leasing Concerns: Service@nestmanagers.com

General Inquiries & Elevated Support: CX@nestmanagers.com

We are open by appointment only and will be unable to accommodate walk in requests.

TECHNOLOGY WE USE

Nest Managers Real Estate has embraced many technological tools to help make us more efficient and enable us to connect with our clients, residents, vendors, staff and colleagues in the business. This changes quite often, but here is a sampling of what we use today.

WEB-BASED PROPERTY MANAGEMENT SOFTWARE

With hundreds of houses under management, we need a robust property management software package to keep up with all the owner and tenant information plus accounting for all the money. Rentvine is about as good as you can get in the industry and most other software providers measure themselves by it.

OWNER PORTAL

Rentvine allows our owners to link into their own information portal 24/7 to view all financial reports without having to contact us. This allows you to view current and old owner reports all the way back to the date you started with Nest Managers. Additionally, all inspections are conveniently uploaded to your portal and stored for your convenience.

TENANT PORTAL

Tenants also can view their payment records and current balances, make payments and review documents on their portal 24/7. Good software makes all this simple and affordable.

RENTCHECK

RentCheck is a state-of-the-art inspection system that creates high quality digital representations of your Nest in easy to view PDF format. All inspections are time/date stamped and include line item notations along with corresponding pictures and items needing attention.

TENANT TURNER

Your property is marketed on multiple sites with flexible showings powered by secure tech — helping you lease faster, with fewer vacancies and no missed opportunities. When you choose the Nest Elite Marketing Package, you will be enrolled in our smart lockbox system - getting more eyes on your property — even after hours and on weekends — so you get rented faster and more reliably, without the delays of manual scheduling.

Nest Managers adheres to **NCGS §75-65** regarding the protection of personally identifiable information (PII). All tenant and owner data is encrypted and stored via secure platforms, including Rentvine. We do not sell or share personal data, and all third-party vendors are required to maintain compliant data protection protocols.

OUR WEBSITE WWW.NESTMANAGERS.COM

Websites are not just a tool to communicate with the public; they've become the face of the company. We use ours extensively to attract new customers as well as to serve our existing clients and staff.

THE MANAGEMENT AGREEMENT AND FEES

At Nest Managers, we believe in one thing above all else: No Surprises.

Unlike other firms that hide fees in the fine print, we value your trust too much for that. This page is designed to give you a transparent, simplified look at what's included in your management service—and what additional options you can choose if you'd like to enhance your property's performance.

At Nest Managers, we go beyond the basics of property management to deliver a service experience built around trust, transparency, and results. Whether you're a local investor, an out-of-state landlord, or managing your property while serving overseas, our systems are designed to protect your investment while maximizing your returns.

This document outlines both the services included in every management agreement and the optional upgrades available to tailor our support to your specific needs. From rent collection and emergency repairs to marketing strategy and compliance management, we focus on doing what matters most: reducing your stress, protecting your assets, and delivering value.

INCLUDED WITH EVERY MANAGEMENT PLAN

PROFESSIONAL MANAGEMENT

Comprehensive oversight of leasing, maintenance, inspections, and tenant relations — giving you peace of mind and freeing you from day-to-day landlord stress.

LICENSED LEASING TEAM

Your home is marketed and leased by licensed professionals trained to minimize vacancy and secure qualified tenants fast. You can rest easy knowing every applicant undergoes rigorous screening — including credit, income, and prior landlord history — to protect your home and reduce costly turnovers.

RENT COLLECTION + OWNER DISBURSEMENT

We collect rent and disburse funds to you twice per month — on or before the 15th and again during the last week — keeping your cash flow consistent and predictable.

PROPERTY INSPECTIONS

We conduct at least four detailed inspections annually, complete with photo documentation. This proactive approach helps catch maintenance issues early and protects your property's long-term value.

PROACTIVE MAINTENANCE PLANS

Preventative care is key to protecting your investment. We track service schedules, monitor vendor performance, and recommend seasonal maintenance to keep your property in top condition.

24/7 EMERGENCY SUPPORT

Emergencies don't wait for business hours. Our on-call team is available around the clock to handle urgent issues and protect your home from damage — at no additional cost to you.

ADVANCED TECHNOLOGY INTEGRATION

Real-time access to financials, maintenance updates, inspection reports, and leasing activity via your secure Owner Portal — powered by Rentvine and Aply for streamlined communication and transparency.

MOVE-IN / MOVE-OUT INSPECTIONS

Detailed, timestamped condition reports (with photos) at move-in and move-out provide clear documentation, reduce deposit disputes, and protect your asset's condition.

EVICTION COST COVERAGE

If a tenant we place must be evicted, we'll cover up to \$1,000 in legal costs — a rare industry guarantee that reflects our confidence in our screening and our commitment to your bottom line.

NARPM + NCAR COMPLIANT

We are fully licensed in North Carolina and operate under the ethical standards of the National Association of Residential Property Managers (NARPM). You benefit from professionalism, compliance, and accountability at every level.

ENHANCED & OPTIONAL SERVICE MENU

In addition to our standard management services, Nest Managers offers a suite of optional enhancements designed to elevate your property's performance and simplify your experience as an owner. These services are available à la carte, giving you flexibility based on your goals, property condition, and involvement level. Whether you want to boost your marketing exposure, delegate home warranty claims, or manage a renovation while we keep your home active in our system — we have solutions to support you. Some services, like tax prep and digital portal access, are automatically charged to ensure compliance and ease. Everything we offer is built to deliver more value, more protection, and fewer headaches.

Marketing Package: Nest Essentials: Maximize exposure and leasing speed with professional photos, MLS listing, and syndication to 100+ websites, plus weekday key checkouts for faster access.	30% of 1 Month's Rent
Marketing Package: Nest Elite: Boost your listing's performance with everything in Essentials, plus video walkthroughs, SEO-optimized YouTube placement, 7-day self-showing access, and targeted social media marketing to attract high-quality renters faster.	50% of 1 Month's Rent
Home Warranty Coordination: We handle the hassle — from logging in, scheduling, and verifying completion — to ensure your home warranty is used properly and issues are resolved quickly.	\$250 Per Year
Lease Renewals: Strategically evaluated 60 – 90 days prior to expiration to assess market rent, tenant performance, and property condition. If approved by the owner, we negotiate updated terms, prepare renewal documentation, and execute the extension to minimize vacancy and protect your long-term returns.	15% of lease amount
Annual Tax Prep. We simplify your tax season by providing IRS-compliant 1099s, income reports, and audit-ready documentation to support your accountant or CPA.	\$40 Per Year
Owner-Set Rent Fee: Want to set your own rent? We'll support your decision with additional marketing strategy, pricing audits, and tenant qualification oversight to mitigate vacancy or risk.	\$500 One Time Fee
Utility Re-Activation or Reinspection: If utilities aren't active, we'll follow-up inspection to protect your property from delays, damages, or move-in issues.	\$100
Document Retention Fee: We maintain secure, long-term access to your records — even after termination — in compliance with NC regulations and your peace of mind.	\$150 Per Door
Vacant Management Fee (Owner-led rehab): Prefer to handle renovations yourself? We'll keep your property active in our system, maintain audit coverage, and provide contractor access — all while staying hands-off on the rehab.	\$100 Per Month
Annual Administrative Fee: This fee supports ongoing tech, compliance, and owner portal systems — ensuring your financials, communications, and documentation stay organized and secure.	\$30 Per Year
Owner-to-Tenant Contact Violation: To protect you from legal liability and maintain agency boundaries, a fee is applied if owners bypass Nest and contact tenants directly.	\$100 Per Incident
Ownership Change Fee: We manage the backend work required when ownership transfers — including system updates, trust accounting compliance, and new contact credentialing.	\$50 Per Property
Owner Requested Check Ins: In addition to our scheduled quarterly inspections and weekly vacant home checks, we offer optional, on-demand property check-ins at the owner's request. These visits provide added peace of mind for long-distance owners, those in transition, or those preparing for sale or renovation. Fees may apply depending on the scope and frequency, but each visit includes a report and photo documentation.	\$85 Per Incident
Tenant Transfer: Transferring tenants from another property management company or owner-managed home to Nest Managers requires careful documentation and communication. Owners must provide written notification of the transfer, tenant contact information, and lease agreements. Our team will handle document collection, tenant communication, and system updates.	25% 1 Month's Rent or \$250

WHAT IS NOT INCLUDED IN MANAGEMENT SERVICES

Because NEST provides owners with a very wide range of services, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services. There are also areas we dare not tread, such as accounting or legal advice, that require proper licensing. We ask that you remember this when making a request.

MANAGEMENT SERVICES DO NOT INCLUDE

Showing the property to real estate agents, inspectors, appraisers, or prospective buyers while the property is for sale, providing on-site management, property sales, refinancing, preparing Property for sale or refinancing, supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects, obtaining income tax, accounting or legal advice; advising on proposals, new construction, debt collection, counseling, or attending Owner's association meeting and the like. If Owner desires Management to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services before work begins, subject to certain limitation imposed by law for the specialized services only authorized by licensed professionals. If an owner wishes to oversee their own repairs and/or rehabs in between tenants or while the property is vacant, we do charge a minimum \$100 management fee to have the property remain active in our system and included in our required monthly reconciliations and active audits. This management fee does not cover any costs incurred to check on the homeowner's contractor's work.

If you have any questions on what is included or not included in property management, please let us know.

FEE TRANSPARENCY STATEMENT: *All fees described herein are subject to modification with 30 days' written notice and are governed by the current executed Property Management Agreement. This ensures transparency and fair notice in accordance with North Carolina contract and disclosure laws.*

OUR GUARANTEES

At Nest Managers, we stand behind our services with clear, meaningful guarantees designed to protect your investment and give you peace of mind. These aren't just promises — they're part of how we do business every day.

EVICTION PROTECTION GUARANTEE

If a tenant we place defaults, we'll cover up to \$1,000 in legal fees related to eviction. That means fewer surprises, less financial risk, and more confidence in the placement process.

TENANT PLACEMENT GUARANTEE

If a Nest-placed tenant breaks their lease within the first 12 months, we'll place a replacement tenant — at no additional leasing fee to you. (Excludes military relocations protected under the Servicemembers Civil Relief Act.)

100% SATISFACTION GUARANTEE

If you're not satisfied with our management service, simply let us know in writing. We require a 30 day period to remedy your issues. We'll work to resolve it. Still not happy? You can terminate your agreement with just 30 days' notice — no penalties, no pushback. (Details apply. See website for details. <https://www.nestmanagers.com/fayetteville-nc-property-management-company/specific-guarantees>)

24-HOUR RESPONSE GUARANTEE

We respond to every owner communication within 24 business hours — often faster. You'll never be left wondering what's going on with your property or where your manager is.

NEST PET GUARANTEE

For any pet approved through our third -party screening process, Nest Managers offers up to \$1,000 in damage protection for pet -related damages that exceed the tenant's security deposit.

Important Notes:

- This guarantee applies only to pets formally approved and screened through our designated system.
- Coverage applies solely to physical property damage directly caused by the approved pet.
- Damages must be documented via our inspection process and assessed by our team or licensed vendors.
- Guarantee does not apply to unapproved animals, service animal fraud, pest infestations, or behavior -related lease violations.

This guarantee provides additional peace of mind for owners while still holding tenants accountable for responsible pet ownership and compliance with lease terms.

LOYALTY & MULTI DOOR REWARDS PROGRAM

We believe in rewarding long-term partnerships and portfolio growth. That's why we offer the Gold Nest Advantage — a branded loyalty program designed to thank our most committed owners.

MULTI-DOOR DISCOUNT

Owners with multiple properties under management receive reduced management rates.

SALES COMMISSION DISCOUNT

Reduced commission when our sister company, Swanky Nests, lists and sells your rental property.

REFERRAL DISCOUNT PROGRAM

Refer another owner to Nest Managers and earn service credit or discounts on future fees.

Whether you've been with us for one year or ten, you deserve to be celebrated. The longer we work together — or the more doors you entrust to us — the more value we give back.

DUTIES OF THE OWNER AND MANAGER

Throughout the management agreement, Nest Manager's duties to you are laid out, as are your duties to Nest Managers Real Estate. Here is a brief outline of those duties.

DUTIES OF NEST MANAGERS TO THE OWNER

- Maintain office, staff, website, escrow accounts, phone and email systems.
- Maintain appropriate licenses and trust accounts for owner's and tenant's funds, as required by the NC Real Estate Commission, and maintain said records for three years.
- Represent the owner exclusively unless owner gives written authorization to the contrary.
- Maintain qualified staff with experience and specialized training in managing residential rental properties.
- Provide owner with insight and advice regarding the rental market, help with setting asking rent, and help with getting the property rent-ready.
- Market owner's property for rent; put out signs and install lockboxes; post in local multiple listing services, as well as local and national web-hosting sites.
- Maintain licensed leasing staff to respond to callers and lease properties.
- Take tenant applications, pull credit history, employment and residency records, eviction reports (along with other background information) and use good judgment in the qualifying/approving/denying of applicants.
- Retain tenant's security deposit in a trust account registered with the North Carolina Real Estate Commission and disburse it after moving out, according to the terms of the lease, the North Carolina license law and the North Carolina Landlord Tenant Law.
- Maintain a maintenance response system to take requests from tenants requiring maintenance
- Maintain 24/7 emergency response call system for maintenance emergencies.
- Manage the property for the owner; handling tasks to include the execution, renewal, default, and reinstatement of leases; collecting rent; maintaining the property and making maintenance records available for owner review.
- Maintain owner's escrow account records, including receiving and recording receipt of rents, handling owner advances, paying expenses on the property, paying vendors and managing emergency situations, distributing collected funds to owner and providing monthly owner financial reports.
- Manage the eviction process, including filing with the county, negotiating consent agreements, coordinating court appearances, purchasing writs of possession and overseeing the removal of the tenant's possessions from the property on behalf of the owner and at his expense.
- Manage normal maintenance breakdowns as part of the management fees and managing rehab, renovations and restorations when authorized by owner.
- Complete a move-out inspection when the tenant vacates the property and charge the tenant for damages above normal wear and tear as described in the lease, the North Carolina Landlord Tenant Law and consistent with industry standards.
- Only initiate legal actions on owner's behalf with owner's permission, except those related to collecting rent and evicting tenants over rent collection.
- Refund owner's escrow funds within thirty (30) days of termination of the agreement and consistent with North Carolina license laws.

DUTIES OF OWNER TO NEST MANAGERS

- Warrant to Nest Managers that all owners with rights in the property have executed the management agreement.
- Maintain regular communication with Nest Managers and respond to inquiries and requests for authorizations.
- Keep mortgage loan payments, property taxes, insurance, and HOA dues current and to notify Nest Managers immediately upon receiving a notice of default.
- Investigate and communicate to Nest Managers any HOA rules governing leasing in the community where the property is located, as well as provide Nest Managers with leasing requirements of said HOA.
- Timely pay Nest Managers the commissions and all other expenses agreed to in the agreement.
- Avoid discrimination of any kind regarding the property while under agreement with Nest Managers.
- Maintain a positive escrow account balance until management agreement is over.
- Pay (reimburse Nest Managers) for maintenance on the property necessary to maintain habitability, utilities, safety, and health of the resident.
- Fund, in advance, any repair over \$500 and maintain a minimum owner reserve.
- Maintain landlord insurance naming Nest Managers as additional insured
- Provide HOA documents, keys, passes, and lease approvals in advance
- Respond within 48 hours to authorization requests for expenses exceeding \$500
- Fund escrow promptly if the account goes negative
- Ensure properties are "hotel clean" prior to tenant move-in or allow Nest to perform a pre-move-in wipe down
- Avoid direct tenant contact and coordinate exclusively through Nest Managers
- Fund within seven (7) business days of notification if escrow account becomes negative.
- Maintain landlord insurance on property naming Nest Managers as an additional insured.

- Keep plumbing, electrical, HVAC systems, appliances and improvements left on the property in normal operating condition during the term of the agreement with Nest Managers.
- Pay attorney and court costs for evictions that exceed our \$1,000.00 guarantee.

ESCROW ACCOUNT MANAGEMENT

Like other real estate brokers, we handle a lot of money for other people. We are regulated by state trust account laws and real estate license laws and regulations that lay out strict rules regarding how we handle that money. All trust account handling complies with **21 NCAC 58A .0116**. Nest Managers maintains federally insured trust accounts and adheres strictly to North Carolina Real Estate Commission trust accounting rules, including three-way reconciliation and CPA oversight. Records are retained for a minimum of three years and are available upon request.

NEGATIVE OWNER BALANCES

Occasionally, your trust account may go negative for any one of a dozen reasons. Although we work hard at having the money in the account to cover expenses before the work is done, we don't always have control over bounced checks, surprise maintenance issues or emergencies at the property. When this happens, we'll need your full and quick cooperation to fund the account and keep your balance positive. We'll always notify you in writing and give you a few days to fund your account but if you fail to respond we'll have to clear it up another way. Sometimes resolving such issues can be expensive, so your quick response is critical. We'll talk you through the process when it happens.

LANDLORD INSURANCE

Owner agrees to maintain a valid landlord insurance policy that meets or exceeds the coverage requirements of NCGS §42-55, including a minimum of \$1,000,000 in general liability coverage. Nest Managers must be named and covered as an 'Additional Insured' on the policy for the duration of our management of your property. You must keep your property covered by a landlord policy during our relationship. You also need sufficient liability insurance to cover the increased risk incurred by having a renter in the property. Renters are not a protected class in the courtroom, but they are a favored class when owners or landlords do stupid things. Your policy needs certain limits of coverage. We can help you get inexpensive coverage from local agents we've dealt with for many years. We will be glad to put you in touch with them.

As a whole, homeowners associations (HOAs) have an issue with renters and tend to create a lot of heartburn for owners and landlords when they move them into their communities. If owners get behind on their dues or forget to tell us the rules for leasing in their community, HOAs think nothing of booting cars, suing tenants for the rent until the owners' dues are caught up, turning off utility services, hauling off their cars and evicting them over rule violations. Although we'll handle the process, you'll need to stay in the loop as HOAs don't always communicate very well with third parties (property managers and tenants) regarding their actions. Since they can fine you and place a lien on the title of your property over these issues, you'll need to work with us to resolve these challenges. This is one of the issues you can't turn over to your property manager entirely.

AMENITY PASSES, GATE KEYS AND POOL KEYS

We often rent properties in communities that require gate passes, codes, keys and permission from the HOA for access to amenities and entry points. Occasionally, an owner will ask us to call the HOA on their behalf and find out about these restrictions. HOAs often refuse to speak to anyone but the owner regarding these items. The HOA, not Nest Managers, is in control of the community and we, like you, are beholden to them. It is imperative that you get permission from the HOA to rent your property and provide us with keys, passes and codes for us before we lease the property. If you don't do this in advance of our leasing the property, be prepared to handle issues with your HOA including the expenses (time and labor) in resolving issues with them.

PERSONAL PROPERTY

Owners are not permitted to leave personal property, including but not limited to items such as lawn mowers, tools, or furniture, at the property managed by Nest Managers. Any items left behind can present a liability risk to the owner.

Nest Managers is not responsible for any personal property left on the premises. If items are found after the owner vacates, the owner will incur a removal fee to cover the cost of disposal or storage.

MORTGAGE DISCLOSURE

If you lose your property in a foreclosure while a tenant is there, you'll create some serious damage for them and for us. We'll work with you to minimize the damage, but you'll need to keep us in the know. Below we will discuss the mortgage issue and lay out your responsibility for the consequences should there be a foreclosure while we're managing the property.

MOLD/MILDEW DISCLOSURE

Mold and mildew are serious concerns for both property condition and tenant health. In North Carolina, landlords are legally obligated to provide a fit and habitable property under the NC Residential Rental Agreements Act (N.C. Gen. Stat. § 42-42). At Nest Managers, we take proactive steps to meet this obligation and protect our owners from liability.

If mold is suspected or reported, we initiate professional testing to confirm its presence and identify the cause. If mold is found, we assess whether remediation can occur safely and promptly with the tenant in place. If remediation cannot be completed quickly or the conditions pose a health risk, we will notify the owner and coordinate a full tenant move-out, which includes the return of the tenant's security deposit in full, per NC law. This avoids claims of constructive eviction and limits exposure to health-related lawsuits.

Our team manages remediation using licensed vendors and documents every step to ensure compliance, protect your investment, and mitigate reputational risk. We also communicate with tenants professionally and transparently to prevent disputes or negative reviews. Owners are expected to act promptly when remediation is required—we're here to help guide that process from start to finish.

PROPERTY FEATURES / DISCLOSURE

Since you know the property better than anyone else, you should help us identify area schools, HOAs, and basic information about the property so we can represent it properly in our advertising. Tenants get really upset when they move into a home and it's not in the school system they were told it was, so let's get this disclosed right up front and save everyone the headache and potential litigation.

LLC, LAND TRUST AND CORPORATE AFFIDAVITS

If you hold title in a corporation, limited liability company or land trust you'll have some special documents to execute to address who's authorized to act, receive money, approve maintenance and terminate leases on the property. Investors love to hide title from the public; we get it. Let's just make sure that we know who's who so we are operating under the right authority as the manager.

HOT TUBS & POOLS

Owners know that hot tubs require management. Tenants think they are just fun. When hot tubs are not managed properly, motors burn out and water gets green. They can create a hazardous environment for the tenant and a liability for the owner. We'll manage them with a home warranty in place but the best way to deal with them is to shut them down before you put the property on the rental market.

Pool Policy: If there is a pool on the property, you **MUST**, prior to the tenants moving-in, provide (a) covers; (b) all pool equipment; and (c) all funds necessary to prepare said pool and/or hot tub for a tenant. The tenant will be expected to hire a company to care for the pool during the tenancy and you agree that we require an extra security deposit from the tenant of \$300 at the time of contract to help ensure the funds necessary to bring the pool back to a swim ready condition at the end of a tenancy. Nest Managers is not liable for damages, repairs, misuse, injury, or any deficiency by either party. We also strongly suggest that the owner speak to an attorney about having tenants sign a liability waiver when a hot tub, pool, trampoline, or other hazardous item is present at the property.

OWNER'S W-9 FORM

Many years ago, the IRS made property managers the cops for reporting income received on behalf of our clients from rental properties. Just like employers, we must report to the IRS (using a 1099 form) the gross rent we collected on your behalf and you must report the expenses of interest, insurance, repairs and other property expenses on Schedule E of your personal tax return. We'll send you (and the IRS) a 1099 reporting the gross rent we received from a tenant by the end of January every year, as required by the IRS.

MARKETING YOUR PROPERTY

After leasing 1000's of houses throughout the past years, we have figured out what advertising it takes to get the job done quickly. It keeps changing and we work hard to keep up with the new technology, but we lease roughly 40 homes a month, so we think we do it well.

PRE-MARKETING

First impressions are critical when people are selecting a place to live. Utilities must be on; repairs must be complete (or almost complete) and the property must be clean before we start marketing a property. It is aggravating to drive an hour to a property with a prospective renter only to find it dirty, smelly and unsightly. Tenants get turned off by houses that are not move-in-ready and often won't return to see them a second time. Get the property in rentable condition, and then the marketing can begin.

RENT-READY ISSUES

"Go ahead and start marketing the property ... I'll have the rehab done before you get a tenant" just doesn't work. We often rent houses in a few weeks and trying to move tenants into a half-ready home is painful. Get it ready and then we'll market it for rent.

RENT SETTING POLICY

Local demand. Our expertise ensures that the property is competitively priced to attract quality tenants and minimize vacancy periods.

If an owner wishes to set the rent themselves, a one-time, upfront fee of \$500 will be charged. This fee covers the additional administrative costs associated with weekly vacancy inspections, maintenance management, extended administrative time, and increased marketing efforts required to fill the property.

Please note that this fee does not include the lease fee once a tenant has been secured and the lease is executed.

LOCKBOXES AND SIGNS

Lockboxes allow all agents in the market and prospective renters to view homes 24/7. We'll install a lockbox on the front door (or nearby) and start showing the property as soon as it's rent-ready. If your community requires a special sign, the cost of getting it made (and delivered) will be passed along to you. If you don't alert us about special signs required by your HOA and we get fined for using our own, you will absorb the charges.

UTILITIES

Because utility companies don't like working with third parties (such as property managers), you will need to keep service on in your name until the property is rented and between tenants. You can and should set up "continuous service" with each utility company so service is never interrupted. We can't do that for you. We'll let you know when to get utilities turned on and off. Utilities must be on before we start marketing

a property. We have several articles on the topic “why we won’t market houses without the utilities on” as we’ve been burned over it many times. You can’t clean it, flush toilets, vacuum up dead bugs, or test the appliances or HVAC without the utilities on. As soon as service is on, we’ll check out the condition of the property and begin marketing.

KEYS

We can’t express how important it is for you to provide Nest Managers all applicable keys: keys to the property, pool, entry gate, clubhouse, mailbox, etc. It is our job to make your property stand out from all the others the potential renter will be considering, and often the decision comes down to the amenities. To put it bluntly, we can’t sell what we can’t show. We will work diligently to rent your property, and to do that we must have all the keys. We will re-key the property just before a tenant moves in. The tenant will pay the first \$100 of every rekey and you’ll pick up the balance.

SCREENING APPLICANTS

We have screened thousands of applicants in the past 10 years and have gained some hard-earned wisdom along the way. As much as we think we have it figured out, applicants are still teaching us new things every day. Identity theft is rampant, and it’s easy to miss something even when you’re watching for it. It’s not a cut and dry system and takes lot of experience. We have this experience because we’ve made many mistakes over the years and have most of our learning behind us. You have the benefit of our experience because we’re not learning on your dime. To conform to the Fair Credit Reporting Act and the Red Flag Rules (regarding privacy of personal information), we keep this information locked up and confidential.

BACKGROUND CHECKS

We pull credit, employment history, residency history, foreclosure, bankruptcy, eviction reports, sex offender reports and more. There is no perfect system to qualify applicants, but we take advantage of all the information we can get our hands on.

Screening applicants is often a balancing act between the information we gather about them and the money they are willing to put down (security deposit) to secure their fulfillment of the promises in the lease.

APPLICATION CONTINGENCIES AND OWNER APPROVAL

If the applicant has special requests, offers less than asking rent, has multiple pets, or presents any issues outside of the norm, you will be contacted for final approval. We will not exceed our authority when it comes to this or any other matter during our leasing and management of the property.

NEGOTIATING THE LEASE

Our lease has evolved over 10 years with the help of 1,000’s tenant experiences and tens of thousands of dollars in attorney fees; it has been refined and customized to work for all of our properties, owners and tenants. You will be involved in negotiating special stipulations for things such as finishing a fence, putting in a refrigerator, having an 18-month lease or changing out deadbolts. Some issues need your input, and we’ll not be timid asking for it. In many circumstances, we’ll just handle it.

COSIGNERS

Good credit is required to secure the renter’s promises in a lease, but it doesn’t have to be the occupant’s credit. We get lots of folks who have their parents, employers, caregivers and counselors guarantee the lease and we’ve had great success enforcing cosigner agreements. The cosigner completes an application and executes a guarantee.

24-MONTH LEASES

Some think long leases save you tons of money by preventing expensive vacancies. You’ll be a happy camper if we can keep a tenant in your home for 10 years, but we won’t be able to increase your rent or move your tenant out if we have issues. Some owners plan to move back into their properties, so we won’t allow extended leases (anything over 12 months) without your permission.

LEASE DOCUMENTS & PRESENTATIONS

Tenants will sign several documents before they take possession of your property. The lease is the primary document, but there are also additional addendums, inspection addendums, pet addendum, maintenance agreement, HOA disclosure, lead paint disclosure, hot tub exhibit and documents that cover property visits, renter’s insurance, smoke detectors and more. The lease execution and interview are usually done before the move-in inspection. You are welcome to have a copy of everything the tenant signed. Just ask your property manager.

MANAGING THE MOVE IN

Nest Managers Quality Assurance Team conducts their own Move In Inspection prior to the tenant taking possession. We give our tenants 7 days after moving in to complete their own move in inspection as well. We take the extra step of conducting our own inspections as most tenants forget to complete the inspection themselves and/or simply are not as thorough. Landlords need to document the condition of the property prior to the tenant taking possession so there is something to compare to when charges are assessed for damages after move-out.

TENANT HOLIDAY GIFT PROGRAM

Studies have shown that tenants who feel valued and appreciated by the owners of their home tend to stay longer, take better care of the property, and are encouraged to make timely rent payments. Each Fall, NEST will notify you of the opportunity to participate in our Holiday Gift Program where we send a gift to your tenant(s) on your behalf at your expense (usually \$25-100). You will have the opportunity to opt out in writing should you prefer not to participate in this program.

RE-KEY POLICY, SECURITY DEVICES & SMOKE DETECTORS

It is our policy to change locks between tenants. A copy of the key will be kept at our office in a locked box. This expense is shared between the tenant and the owner. Under no circumstances will we allow anyone other than our locksmith to perform re-keys on a property. This is for liability protection. Smoke detectors, CO2 detectors and fire extinguishers will be required as well.

KEYLESS & SMART HOME ACCESS

The cleanest and most effective access is a keyless deadbolt system. NEST can have one installed on your home at owner cost. This will save you a multitude of rekey fees down the road and add value and a sense of security with your tenants. If you are interested in this option, please let us know.

INCOMPLETE REPAIRS / CONTINGENCIES

One of the worst things that can happen when we meet a tenant at the property for a move-in is to find that the property isn't ready. Owners (or their vendors) don't always complete work as they promised or clean up thoroughly, and it causes lots of problems. Tenants often arrive with their moving van and don't have the time to clean the home before moving in. We do everything we can to prevent this, including a pre-move-in wipe down, but it doesn't always work out the way we hope. When the property isn't ready, or the contingencies are not done as promised by the owner, we often have to take drastic actions, costing the owner serious money. When a tenant moves into a dirty home, or one that has unfinished repairs, they will hold it against us for the life of the lease. We'll do everything we can to make it right, but it usually is an expensive process because we're all scrambling for solutions at the last minute in order to avoid putting off the move-in inspection or losing the tenant. Remember this: speed always costs more, whether you're shipping packages or calling a contractor or a cleaner to come immediately and finish a repair or clean the home so we can let the tenants take possession. In these situations, we go to work "making it right" and discuss the costs later.

PRE-MOVE-IN WIPE DOWN

For many years, it was common for us to get ready to move a tenant in and then find the property was not clean and ready to occupy. Dead bugs accumulate in vacant homes, toilets get rancid, cobwebs gather, light bulbs die, vendors fail to clean up after themselves and the property gets stale and musty. Tenants expect hotel (white glove) clean, whether they should or not. No one likes to clean up someone else's dirt. We solved this dilemma several years ago by scheduling a pre-move-in wipe down just before the tenant is to take occupancy. Like re-keying, it is done a day or two before the move-in takes place.

OWNER CLEANING CHALLENGES

Frequently we have owners tell us that they will clean the property before move-in and we don't need to order the previously mentioned wipe down. Everyone wants to save money and the DIY method is often preferred. Here's the problem: everyone has a different idea of what clean is and people are satisfied with different levels of clean. To some, cleaning once a month is good enough while others clean every day. Since we can't attempt to match tenants with owners of the same cleaning standards, we have to use a neutral standard we can all agree with. That standard is "hotel clean." When you check into a hotel room and find dirty mirrors, toothpaste on the counter, Q-tips in the waste basket, and mud on the floors, you demand another room, and so you should. "Hotel clean" means leaving no evidence of the previous occupant.

If you tell us you'll do the cleaning and the property is not "hotel clean" when we arrive to do the move-in inspection, we'll call a crew to make it right before we turn it over to the tenant. Also, if we promised the tenant a move-in on Saturday and the home isn't ready, we may have to put the tenant up in a hotel on your dime until the cleaners can get there on Monday. Most tenants arrive to the home with their truck full of stuff and movers ready to set up house.

Having the property clean and ready for the move-in is one of our highest priorities and should be yours as well. The move-in can be a pleasant experience or a horrible one and will set their expectations and attitude toward the home, manager and owner for the rest of their stay. Let's work together to welcome the tenants to a clean and safe place to live.

INSPECTIONS

Our team will inspect and or field visit the home during the term of the property management agreement. The first inspections include an initial comprehensive photo inspection regarding the condition of the home prior to a tenant moving in. We oversee the tenant Move In Inspection. Nest Managers Real Estate will inspect the home in the 6th month during the lease term and also Nest performs a condition inspection of the home at the end of a tenancy and/or another tenant inspection for tenants who continue with a second-year agreement. When inspecting on your behalf, Nest Managers Real Estate will look for obvious neglect and/or care (deferred maintenance) on your tenants' part and regular maintenance issues that might arise.

All home inspections may include, but may not be limited to, photographs and or video. We are not licensed home inspectors, nor are we general contractors, and therefore, we hereby disclaim any ability to spot all structural, electrical, roofing, and other issues that might be caught by a licensed general contractor. By signing and dating this agreement, you acknowledge and agree to this disclaimer.

BILLING RIGHTS SUMMARY

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us as soon as possible. We must hear from you no later than 60 days after we sent you the FIRST bill on which the error or problem appeared. You can telephone us but doing so will not preserve your rights. In your letter, give us the following information: *Your name and managed property address. *The dollar amount of the suspected error, and *Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about. This is a summary of your rights under the Federal Fair Credit Billing Rights which governs all of our practices.

This next section is broken down into Managing the Money, Managing the Owner, Managing the Property, Managing the Tenant and Managing the Move-out.

MANAGING THE MONEY

One of the main parts of our job is managing the money. We have our Broker In Charge who manages this account and a CPA who signs off on these accounts to ensure good accounting practices through a 3 Way Reconciliation Process and make sure everyone's money is accounted for properly.

SECURITY DEPOSIT HELD IN ESCROW ACCOUNT

Property managers hold security deposits in a trust account (just like they do the owner's money), as they belong to the tenant until they move out and all their charges are finalized. Once we account for all of the tenant charges, they receive a check for the balance of their funds directly from our trust account. This is accomplished within 30 days of their move-out (as required by state law), unless the tenant disputes move-out charges. We'll disburse your portion as soon as we can, but there are licensing and trust account regulations to satisfy.

ESCROW & TRUST ACCOUNT

All owner and tenant funds are held in a federally insured trust account in accordance with 21 NCAC 58A .0116 and NCGS §93A. Funds are safeguarded through three-way reconciliation and audited for compliance with NC Real Estate Commission rules. Copies of trust account statements are available to owners upon request and are retained for a minimum of three years per regulatory requirements.

COLLECTING RENT

Collecting rent is a tedious process which takes nerves of steel. Property managers can get it done quicker and cheaper than the owner or an attorney because they do it regularly and know every step of the process.

DUE DATE

The due date is always the 1st of the month and technically late by the 5th no matter when they moved in. We prorate the second month, not the first, so we get the bulk of the money the month they take possession. If they move in on the 15th you'll see a full month's rent on your owner statement the first month and a prorated portion the second. If the 1st falls on a weekend or holiday, we consider it "on time" if rent is received by noon the next business day.

LATE DATE

Rent is always late the after the 5th of the month. We do not adjust for weekends and holidays. Often the tenant will drop payment in the drop box, so we don't know exactly when it comes in, but we track it carefully. We push online rent collection hard because most owners are making a mortgage payment and pressing the tenant for the money and getting it to the owner is a high priority.

LATE FEE

The late fee is 5% of the rent and is assessed on the 6th of the month automatically.

WHAT HAPPENS IF THE TENANT IS LATE?

At NEST, we take our responsibilities seriously and expect our tenants to do the same. NEST's job is to ensure that our tenants get what they pay for, namely a well-maintained property. The tenant's job is to live in the property peacefully, care for it properly, and pay the rent when it is due for the owner.

When rent is not paid, here are the steps NEST will take as the Management Company:

- On the third (3rd) day of the month a reminder email and/or text will be sent out via our automated system.
- On the sixth (6th) day of the month a Late notification is sent. At this point a late charge has been added to your account and is due with your current rent payment. The tenant will receive a 10 Day Pay or Quit.
- On the eleventh (11th) day of the month, NEST works to begin the eviction process. Bringing account "fully current" may not stop the eviction process or owners desire to take possession of the property.
- On the seventeenth (17th) We officially file for eviction to regain possession of the home.
- If account not made current, filing with the court system will generate a court date for the tenant to attend followed by lockout/vacating the property (supervised by the Sheriff Dept.)

NEST MANAGERS takes no pleasure in evicting any tenant. It is a fundamental truth, however, that you really do have to "pay to stay" If an account is past due any amount, an automated reminder email will be sent out daily (listing the past due amounts) until the account is brought current.

Please note that once the proper paperwork has been filed with court system, NEST MANAGERS may not be able to stop the serving of those papers to the residence.

All evictions are executed in accordance with NCGS §42-26 through the appropriate county court. Nest Managers initiate the process on behalf of the owner and coordinates filings, consent orders, writs of possession, and lockouts. In cases where owner approval is legally required, we will seek written consent before proceeding.

CONSENT AGREEMENTS

Consent Agreements are payment plans tenants agree to if they want to stay and pay. Some tenants just get behind and to avoid costly court visits we'll try our best to get them to execute a consent agreement to catch up on their payments. Court costs are not totally avoided because the judge must sign the agreement to have the weight of the court behind the document, but costs are cut by around 2/3. Saving you money is a big priority and a consent agreement is a great shortcut to settlement. You will be notified before we agree to a payment plan. The cost for this generally runs \$100 - \$150.

PUT-OUT

This takes place when the county sheriff goes to the property and physically removes the tenants from the home. Generally, we are notified of the day of the eviction ahead of time, and we can have a locksmith ready to change the locks.

REMOVING THE TRASH

Tenants may not have all their belongings removed by the time the sheriff arrives. Nest Managers Real Estate must wait 7 days for the tenant to claim their belongings. Afterwards, we will have a team remove their items and haul it off. The cost depends on how much is left.

RE-KEYING

Immediately after the sheriff has finished the put-out, you'll need to rekey and secure the property so neighbor kids don't make it their playground. We've even had evicted tenants move back in and had to evict them again, so re-keying is important. We will have the home rekeyed at the owner's expense.

NSF RENT CHECKS

When checks bounce (or electronic payment is rejected), we generally know about it before we disburse money to you. Our office does not accept personal checks, so it makes this process a lot easier. As soon as the money comes in, we'll disburse it to you during our next payout cycle.

DISTRIBUTING THE MONEY

You should receive your money by the 15th of the month (if you have signed up for automatic deposits). Some things regularly get in our way of that target date like late rent payments, weekends, holidays and snow days, but most of the time we'll disburse your money and electronically by the 15th. If you don't choose to have your payment automatically deposited, we'll mail it by the 15th.

CONTRACTOR INVOICES

In our efforts to "go green and help save the planet," we add lots of details to your owner's report, so you don't have to call us with questions about expenses. We keep all maintenance records for three years and can locate and send them to you if needed.

ANTICIPATING VACANCY EXPENSES

We've had enough vacancies over the years to be able to predict pretty closely what it will cost to have a tenant move out. Once you understand the costs involved, it makes sense to keep the property in great condition and help us keep the current tenant there. Property damages are just a part of the vacancy costs. When you add to the expenses re-rent costs, utilities, lawn care, advertising and pest control you figure out pretty quickly that keeping a tenant in the home is very important.

MANAGING OWNER RELATIONSHIPS

AUTHORIZATION

During your time with Nest Managers Real Estate, we will need your authorization from time-to-time when decisions need to be made that are outside our scope of authority. We'll do our best to leave you alone and manage the property, but occasionally we will need you to decide about such things as the appropriate action to take when a tenant is discovered to have an unauthorized pet or extra roommates; taking payments on a Consent Agreement (payment plan); and spending money over the \$500 reserve, to name a few examples. Many times, an email is sufficient authorization, but occasionally we'll need something more formal. Most of the management decisions are small and we'll make them ourselves, but when confronted with larger issues, we'll contact you personally. If we do not receive a response from you in 48 hours, Nest Managers reserves the right to make the decision on your behalf in the best interest of you and your home.

RENEWING AGREEMENTS

The real estate licensing board requires that we keep the management agreements current without clearly defining what "current" means. Some managers ask owners to complete new owner agreements every year. Our attorneys have assured us that this isn't necessary. As a general rule, we'll ask you to renew your owner paperwork every three to four years. Generally, it's done between tenants. We have the agreement online so it's not a big hassle, but every once and a while we'll need you to update another management agreement. We'll notify you in writing when it's needed.

FORECLOSURES

When owners can't make their mortgage payment, they usually don't call us and tell us to stop collecting rent. They usually take the rent and hope the lender takes a long time to complete the process. As unfair as this is, people do funny things when they are financially stretched. Usually we find out about a foreclosure when the tenant calls screaming about the letter they got from the lender's attorney demanding they move and threatening eviction. Since the tenant's only contact regarding the property is Nest Managers, we get the brunt of the anger and accusations. They often accuse us of protecting the owner and cooperating with them in scamming the renter. Their life is turning upside down and they want to vent, file grievances with the real estate commission, the Better Business Bureau and the courts, and say nasty things about us on sites like Yelp.com. We get bludgeoned; the owner gets to keep the money and the tenant has to move.

In May of 2009, in response to all the foreclosures on rented property, Congress passed the “Renters Rights in Foreclosure Act” mandating that the tenant be allowed to stay in a foreclosed property until the end of their lease term. Lenders are ignoring this law and ordering their representatives (the foreclosure attorneys) to get the tenant out, whatever it takes. Renters are not strong enough to fight the attorney, so they pack up and move out, mad at the world, the owner, but particularly at Nest Managers Real Estate. There is nothing fair about any of this. The owner’s credit is destroyed, our reputation is trashed, the renter is in upheaval and the lender takes a bath on the property. There is no upside and there’s nothing we can do to change it.

Nest Managers Real Estate charges a \$500 termination fee on foreclosed properties. The management agreement calls for a lot more in early termination charges, but there usually isn’t enough money in the owner’s trust account to pay it.

OWNERSHIP CHANGE POLICY

If an owner wishes to transfer property ownership, Nest Managers requires new documentation and system updates. The owner must provide written notice and complete the necessary forms we provide.

MANAGING THE PROPERTY

MANAGING MAINTENANCE ISSUES

Managing the physical condition of the property is one of our biggest tasks. This is where most of the stress comes from as we balance habitability and money issues. We have to be sensitive to mold, electrical problems, plumbing, ceiling fans, septic tank backups, rodents, dishwashers, A/C systems and the quality of the air, the water, the gas and power. Judges and court systems hold us to a high standard when it comes to our duties to provide a safe and habitable place to live, as do the people living in these houses. In their minds, safety of people overrides safety of the property and cost to the owner, so we manage with that standard in mind. Tenants are a favored class when it comes to managers keeping their safety as a high priority.

Our process for handling maintenance issues is simple, transparent and efficient.

FOR TENANT SUBMITTED WORK ORDERS

Firstly, our Maintenance Director will decide if this is in fact, a work order worthy request. We put only the most qualified people in this position and our Maintenance Director has been with us since Day 1. She has over 30-year building, construction, and maintenance experience, not to mention a keen sense of judgment. If it is something she can mitigate over the phone, such as a tripped breaker, readjusting the eyes on a garage door, or even using a plunger (yes that happens) she will. She will then assign the vendor to the work order and notify the tenant of the vendor assigned. You will also receive an email, through the portal, alerting you to the work order request and that a vendor has been assigned. Once the work has been completed, the work order will be updated, and the final invoice uploaded. If she requires further direction, she will text or email you through the portal or follow up with a phone call. It’s that simple.

MAINTENANCE ISSUES OR ITEMS TO BE AWARE OF FROM INSPECTIONS

Every now and again our inspections will yield some items that need to be addressed. You will be notified one of two ways. (1) You will receive an email from our Maintenance Director with the item(s) found and a list of suggestions to prevent further damage. If you choose to move forward, your authorization will be required. A work order will be created, and we will complete the work. (2) You will receive a work order that these items were found during an inspection and are being handled immediately to prevent further damage. Again, once the work is complete, the invoice will be uploaded to the portal for transparency.

OWNER RESPONSIBILITIES DURING VACANCY

Owners are responsible for ensuring all property systems remain active and operational during periods of vacancy. This includes but is not limited to:

- Keeping all utilities (electric, water, gas) connected and in working order
- Ensuring the lawn, exterior, and landscape remain maintained per city and HOA ordinances
- Providing Nest Managers with updated gate codes, parking passes, and pool keys if applicable
- Promptly addressing HOA violations to prevent fines or tenant move-in delays

Failure to maintain utility continuity may delay property marketing or tenant placement and may result in additional service fees for inspections or rescheduling.

EMERGENCY AUTHORITY CLAUSE

In accordance with NC law and standard landlord duties of habitability, Nest Managers is authorized to make emergency repairs without prior owner approval when such repairs are necessary to prevent significant damage to the property or risk to tenant safety, even when they exceed the contractual repair cost threshold. Owners will be notified of the emergency and provided receipts and documentation of work performed.

PROJECT MANAGEMENT SERVICES CLAUSE

Nest Managers only contracts with vendors who meet state licensure requirements and who carry active insurance and worker’s compensation coverage. For any project exceeding \$1,000, Nest reserves the right to charge a 10% Project Oversight Fee, which includes bid collection, scheduling, inspection, and vendor communication.

MAINTENANCE SPENDING LIMITATIONS

No one wants to give their property manager an open check book, and we don’t want one. That being said, we also can’t contact the owner every time something needs to be repaired. The management agreement has a \$500 ceiling on repairs we can order without waiting for your response. We’ll let you know by email when a maintenance request comes in, but only as an FYI - unless we think it’s going to exceed \$500.

Where we get into trouble with this limit is during weekends, holidays, snowstorms and on A/C units. As a practical matter, we exceed that limit from time –to- time out of necessity to save the owner money in the long run.

Note: This spending limit does not apply to emergencies, move-in contingencies (cleanliness), or habitability issues. Occasionally, not often, there is a tornado, burst water pipes, flooded basement, fire, A/C out in 95-degree weather, heat out in 35-degree weather, sewer backup, etc., and we must respond immediately without regard to the spending limit. We require top management to make this decision, and we know we are ultimately accountable to you for using good judgment. However, sometimes we just have to use common sense when managing your property. The day we abuse this is the day you'll find another manager, so we understand our limits and will always be ready to defend our decisions.

MINOR MAINTENANCE ISSUES

Before the tenant moves in, they agree to handle regular, everyday issues around the house themselves like flipping GFI switches, changing out light bulbs in two-story foyers, resetting garbage disposals, etc. We go over a document with them before move-in outlining their responsibilities around the house, so they know not to expect a response to nuisance maintenance calls. Some tenants are accustomed to living in an apartment community with maintenance personnel around to change their light bulbs and help them move the grill. We've dealt with this long enough to know what we can pass on to them and what we should respond to.

LAWN CARE

We would love to assure you that tenants will keep the lawn manicured like you did, but in reality, we cannot. The lease calls for them to do lawn care, but most tenants do not think like owners in this regard. Getting them to mow is about all you can expect, and sometimes it is difficult to get them to do that. The real problem is when there is an active HOA going around counting weeds and taking photos of pine islands. Generally, lawn care isn't a problem as much as managing pine islands, trimming shrubs, edging and aerating. This can be done in the fall and spring through our seasonal landscaping program or just done as needed.

PROPERTY VISITS AND CHARGES

We inspect the property by appointment with the tenant throughout the tenant's tenancy. If you ask us to make a special trip (owner-requested trips) to meet an appraiser, a relative, your contractor, the HOA manager, etc., to check on utilities, to see if your vendor is finished, to see if the hail storm did any damage, to pick up your mail, or to see if you left your lights on, there will be a trip charge. We try hard to avoid unscheduled trips, but we don't want to say no when asked by the owner to do something special.

EMERGENCY MAINTENANCE PHONE SYSTEM

Occasionally a tenant calls with a true maintenance emergency, which requires immediate attention. We manage an emergency phone system that responds 24/7 to tenant emergencies to help them through urgent maintenance issues. When the septic system is backing up, creating a serious habitability problem, or the A/C is out in the 95-degree North Carolina's summer heat, we need to provide on-the-spot service. Weekend service calls are pricey, but some things just can't wait until the next business day.

HANDLING YOUR OWN MAINTENANCE

Most owners hire a manager because they don't want direct involvement with the tenant in the property. However, some owners have a tool belt and like to tinker around the house to save a little money. When the property is vacant you are free to do whatever you like as long as you coordinate with our office. While the tenant is occupying the property, you agree that we will handle all maintenance.

KEEPING YOUR NEST FIT & HABITABLE

In compliance with **NCGS §42-42**, Nest Managers Real Estate is committed to maintaining all managed properties in a *fit and habitable* condition. This includes ensuring structural safety, adequate heating, plumbing, and sanitation systems, and prompt response to health and safety hazards. Our maintenance protocols are aligned with these statutory duties to protect both the tenant's rights and the owner's legal standing.

North Carolina has very strict guidelines on protecting the tenant's rights and the landlord's responsibility to provide a home that is "fit and habitable." Many times, in maintenance, and especially in dealing with home warranties, we experience lag times in repairs to major systems and equipment. Although our homeowners are saving money by waiting for the home warranty to replace an air compressor, the home and tenant is sitting for weeks at a time in 90-day humidity which could lead to mold growth, health concern for asthmatic tenants, etc. Refrigerators waiting for replacement parts, stoves that are out for days at a time providing no way to cook food are also things we have encountered. Because of this we have an automatic Rental Equipment Program that automatically kick in if a repair will extend past our normal target times. This program is designed to protect your investment and your pocketbook from potential lawsuits, demands for hotel rooms and tenants that refuse to pay rent. It also shows that we are doing our best as well. Tenants will be provided the option to purchase an approved heating source to remain at the property if temperatures are below 55 degrees. They can deduct this expense from the rent owed.

- HVAC when the temperature is above 90 degrees \$15
- Daily Per Unit Refrigerator Rental: \$20 Daily
- Electric Oven: \$25 Daily
- Deliver/Install Charge & Pick Up Charge: \$65 Each Other Items at Property Manager's Discretion

At Nest Managers, we prioritize tenant comfort and safety, especially in emergency situations involving HVAC failures. If a heating or cooling repair exceeds standard industry timelines or presents an urgent issue, tenants are permitted to purchase a temporary air conditioning unit or space heater to maintain livable conditions. With prior approval and submission of a receipt, the cost of the unit will be credited toward the following month's rent. To ensure continued benefit for future occupants, any approved temporary units must remain with the property upon move-out. This policy provides a practical solution for maintaining habitability while major repairs are being completed.

HOME AND BUILDER WARRANTIES

While home warranties may assist in reducing owner repair costs, delays in service or denial of claims may conflict with landlord obligations under NCGS §42-42. If a warranty delay endangers the tenant's right to a habitable property, Nest Managers reserves the right to override the warranty process and proceed with repairs to maintain legal compliance. Associated costs will be billed to the owner.

TENANT VS. OWNER (MANAGER) RESPONSIBILITIES

We take great pains at the move-in to clarify exactly what the tenant can expect from us in the way of maintenance response. Sending a vendor to the property is expensive, so this is not an option for every call. For example, a dead limb hanging over the fence is relevant, but it probably doesn't justify a special visit. In most cases, we assure the tenant that we'll address these minor issues at the anniversary date or that we'll look at it next time we're at the property.

REGULAR MAINTENANCE VS. REPLACEMENTS, RENOVATIONS AND REMODELING

Clearly, we are responsible to oversee normal maintenance breakdowns and regular repairs as a part of our management fee. We separate these issues from the larger projects of renovations, full paintings, replacing carpet, roofs, siding and appliances. All property managers put limits on what they do for their monthly fees. Nest Managers only manages projects using vendors who are licensed and insured in accordance with **North Carolina Law**. For any work exceeding \$1,000, a 10% Project Oversight Fee may apply to cover scheduling, quality control, and communication with licensed tradespeople. Since the amount is over the \$500 spending limit anyway, you will be involved in this process and have control over what is done.

Nest Managers Real Estate employs a strategic approach to maintain low management fees for our clients. We add a nominal 10% convenience fee to vendor invoices, a practice that directly supports our ability to conduct additional property inspections, maintain an in house management team rather than resorting to artificial intelligence and/or virtual assistants, and man a 24/7 maintenance line, at no extra cost to our clients. This is a key differentiator from our competitors, who typically charge separately for such inspections and decrease quality and communication with owners with VA's in other time zones. Moreover, we actively negotiate with vendors to ensure the most cost-effective solutions are provided, further reinforcing our commitment to delivering value and quality service without imposing significant additional financial burdens on our clients. **As a commitment to fair pricing, all vendors who work and are affiliated with Nest Managers are required to offer no less than a 5% discount on each invoice.**

AFFILIATED BUSINESS DISCLOSURE

To provide our real estate clients with the best in customer service and care, we routinely refer our clients to other service providers who we feel provide exemplary service at a good value. **This is to give you notice that Nest Managers Real Estate has a business relationship with several of our preferred vendors ("Affiliated Businesses").** Our firm and agents have an interest or family ties to one or more of these Affiliated Businesses. Because of these relationships, the referral of a customer (including you) by any of the Affiliated Businesses to another may provide the referring company, its affiliates, and/or their employees with a financial or other benefit due to the family ties or common ownership among these entities. However, there is no referral fee or other compensation exchanged between any of our partners and you will not be charged any additional fee when selecting an Affiliated Business. We certainly hope that your experience doing business with any company that we refer you to will be satisfactory and your feedback is always appreciated. You are NOT required to use any of these Affiliated Businesses and if we should ever expect to receive any direct referral fee or other consideration paid directly to us by any of the Affiliated Businesses, we will provide prompt disclosure so that you may make an informed decision on whether to use any vendor we recommend.

MANAGING THE TENANT

A major part of our job is interacting with the tenant. We believe the more you know about how we manage tenants, the better you'll appreciate and enjoy the benefits of your anonymity. Our motto for the tenants is "clean and safe." Here are just a few topics for discussion.

30-DAY AUTO MONTH TO MONTH RENEWAL

Thirty days before the anniversary date, the lease renews on a month to month basis. Unless one party notifies the other in writing of their intent not to renew, renewal happens automatically. Keeping a renter in the property and paying rent for a long time is an important strategy, and we work hard to make that happen. If you want to move back in or sell the property, you need to be careful to put your wishes in writing. Don't miss this important notice if you don't want the lease to renew. When we receive your notice, we'll notify the tenant by letter immediately, so the lease won't renew automatically.

LEASE RENEWAL PROCESS

The last thing you want is a vacancy. Therefore, it makes sense to reward your property manager for keeping the renter for another year.

90-120 days before your tenant's lease renews, our team will reach out to you to confirm if you wish to renew and on what terms. If you want to entice a good renter to stay, you can instruct us to keep the rent the same or offer a carrot like a new ceiling fan or a carpet cleaning. Sometimes the tenant will negotiate to freeze the rent or ask for a rent reduction for a 24- month extension. We won't make these decisions without you. If you wish to increase the rent or find a new tenant, this will give us plenty of lead to alert the tenant before the required 30-day mandatory tenant notice.

OWNER-TO-TENANT CONTACT FEE – \$100 PER OCCURRENCE/COMMUNICATING WITH TENANTS

Owners are not permitted to directly contact tenants once Nest managers assume management of the property. Direct communication between owners and tenants can lead to confusion, disrupt established management protocols, and create challenges in maintaining a professional relationship.

If an owner contacts a tenant directly, it undermines our ability to effectively manage the property and handle issues promptly. To discourage this and ensure smooth operations, a fee of \$100 will be charged per occurrence of owner-to-tenant contact. This fee covers the additional administrative work required to address any complications resulting from such communication.

This fee is not punitive in nature but is applied as a Disruption and Compliance Remediation Fee to account for the significant administrative work that results when owners bypass Nest Managers and contact tenants directly. Such contact can lead to:

- Confusion in communication and conflicting directives,
- Documentation gaps or liability exposure,
- Disruption of tenant expectations, lease enforcement, and vendor coordination.

Each occurrence requires staff follow-up, clarification with the tenant, potential legal risk mitigation, and documentation for audit and compliance purposes. This \$100 fee offsets the internal cost of restoring proper management channels and protecting both the owner and tenant from potential misunderstandings or fair housing complaints.

MANAGING THE MOVE-OUT

The next part of the management process is the move-out. The state Landlord Tenant Act has a lot to say about the move-out process. Legislators obviously have had a lot of complaints from renters over the years, because there is a lot about tenants moving out, charges for damages, and security deposits in the law. Below is a description of the process.

BEFORE THE MOVE-OUT

In managing rentals there are five kinds of move-outs depending on the circumstances.

NORMAL SCHEDULED MOVE-OUTS

Normal Scheduled Move-Outs account for about 95% of our business. Once they give us notice to move we will be communicating with them, and with you, right up to the day of the move-out inspection to make sure they keep utilities on; return keys, garage door openers, community keys and passes; and remove all personal property. We give them lists of things to think about so they can avoid fees and get back more of their security deposit. Our priority is to get the property back in rent-ready condition. Most renters want their deposit back and pay close attention to these issues.

EARLY TERMINATIONS

Occasionally people get transferred, get military orders or buy another home before their lease ends. We do not have an early termination stipulation in the lease that allows the tenant to move early by paying rent or giving us notice. The only circumstance that a tenant can break their lease with 30-day notice is with verified military orders. We'll notify you immediately upon receiving a notice of this and let you know of our intent to work with the tenant. In most cases we will let the tenant know that they are responsible for the rent until a new tenant can be found. It encourages them to lease the home in tip top shape to avoid paying rent any longer than necessary.

COORDINATED TERMINATIONS

Occasionally renters call us in the middle of their lease term and just tell us they're moving for any number of reasons. They lose jobs, get divorced, can't get along with their roommate or just can't afford the rent anymore. They're not offering to pay the early termination fees; they just want to notify us of their intent to move and want to do it under controlled conditions. We'll notify you immediately and will handle all the charges according to the lease and state law.

ABANDONMENT

Every now and then, we find a property abandoned. Usually we discover it when we're doing a drive-by due to unpaid rent or an imminent eviction. Often the utilities are off and there's plenty of personal property left behind. When this happens, we'll decide whether we take immediate possession or wait for the sheriff to empty the property. We'll notify you immediately upon discovering your property vacant and keep you in the loop throughout the process.

Eviction takes place when the dispossession process is finalized. Tenants are kept well informed regarding the pending eviction so there are no surprises and they often move out shortly before the sheriff arrives. As we near the day of eviction, we will be monitoring the property, utilities and tenant closely to try to figure out when they leave. We try our best to cooperate with them, so we get keys and garage door openers returned and utilities transferred. Finding a home with the utilities turned off is not pretty, especially when there is food left in the refrigerator and the temperature is 90 degrees. It doesn't happen often, but it happens.

Evictions shall be initiated in accordance with NCGS §42-26 and related statutes. Nest Managers shall act as agent to file summary ejection or other lawful remedies in local court jurisdiction with owner knowledge and consent unless otherwise delegated in writing.

DURING THE MOVE-OUT

We try not to have the tenant present during the move-out inspection, as their presence often turns it into a highly combative event. They usually want to argue about the damages for which we are charging them, claiming the issues were there when they moved in. We will charge for all damages unless we see it on the move-in inspection, or it is normal wear and tear. The move-out inspection can take an hour, or several hours, depending on how much damage needs to be recorded. If it's bad, we'll call in another one of our managers, the senior property manager, or a contractor to do a backup move-out inspection. If we are charging the tenant thousands of dollars for damages, we need to go overboard to document it. The more eyes the better. Everyone will take their photos in preparation for proving the charges to the tenant or the judge. If keys or garage door openers are missing, we charge the tenant for them. If the tenant returns them, we take the charge off the list.

PHOTOS

For years we have sought to document our charges to the tenant by taking digital photos of damages just in case the tenant disputes the charges. Often, carpet stains or excessive damages to the walls don't show up well on photos, but it's the best we can do.

NORMAL WEAR AND TEAR

Landlord Tenant Laws prevent landlords from charging renters for "normal wear and tear" on the move-out inspection. All the conflict comes from this. This is very subjective, as three well-trained property managers will come up with three different numbers looking at the same property. We do this with one eye on explaining it to you (and the magistrate judge) if the tenant disputes the charges, as the judge has the final say as to charging damages to the tenant. Some owners think the tenant should return the property in the same condition in which they found it or in a rent-ready condition. While some states allow this standard, North Carolina is not one of those states and there will be normal wear and tear on your property while a tenant is living there. That is just the cost of being a landlord. Abuse this process and the judge will not go lightly on you when looking over the charges, so being reasonable with the charges is important.

AFTER THE MOVE-OUT

North Carolina law gives landlords thirty days to identify charges and get the information to the tenant for review. Mailing the inspection to them within thirty days of move-out satisfies that requirement. The tenant may dispute charges in writing if they so choose. If they don't, we disburse the deposit as charged on the inspection and current tenant ledger. North Carolina law requires that we disburse the security deposit within 30 days of the move-out inspection unless we give them an interim accounting. We will send the tenant a document detailing all the charges they owe, including unpaid rent, late fees, NSF charges, and damages to the property.

DISBURSING THE SECURITY DEPOSIT

If the tenant disputes any charges, we work aggressively to get them in the office to review photos and videos or to the property to re-examine the evidence. If they take too long, we'll decide and disburse the security deposit as we see fit. If we see a battle brewing, we can hold their deposit longer, but we risk the wrath of the judge if we don't have good justification for holding it.

WHEN IT'S TIME TO SELL

SELLING TO THE TENANT

The most efficient sale you will ever have is when you can sell the property to the existing tenant. Everybody loves the idea of selling to the tenant because there is no vacancy between the time the tenant moves out and a new buyer moves in. This is the best of all worlds for the owner. So, if it is good for the owner, why doesn't it happen very often? As a broker, we would love to sell to current tenants every time. It's an easier sale, and there is no move-in or move-out to manage. When we got in this business, we thought tenants would buy houses. We offer discounted commissions to sell your home to the tenant based on the longevity of your management contract.

LEASE PURCHASE

We have lots of tenants that become buyers. If you are interested in selling through a lease purchase, contact us for details.

LIST FOR SALE

When our clients are done with leasing the property we often sell the home for them. We are experienced licensed brokers and have a dynamic staff of listing agents who know how to get the job done. Because we know a lot about the property, and we have a relationship with the occupant, we are able to get it on the market before they move out and we don't need much from you to make it happen. When you get notice from us that they're moving, let us know if you want to sell. Should you choose to sell through another office, our office will be responsible for notifying the tenants of any showings to protect the tenant's privacy and abide by the terms of the Residential Rental Contract with regards to proper notice. We allow 15 minute showings with 48 hour advance notice to avoid unneeded inconveniences and displaced tenants for hours on end. When selling through another agency, please understand that your management agreement with our company is still in place and you may still owe administrative fees and management fees for the duration of your contract. There is a flat \$1000 fee if you choose to use another agency to sell your home while you are still in an active property management agreement.

SHORT SALES

It's a common misconception that a short sale is the best way to get rid of a property in a hurry. What people don't understand is that the owner must be several months behind in the mortgage payments (which is damaging to their credit rating) before their lender will even talk to them about taking a discount on the loan payoff (paying it short). They also won't talk to you if the property is rented. The lender thinks if the property is rented, you should be able to make the payments. Short sales are a common phenomenon of the current real estate market which means three things: the lenders are all doing them differently, the rules are changing weekly and the fad will be over soon. If you think your property is not worth what you owe on the mortgage and you want to investigate this option, contact your lender, and get the story before you call Nest Managers Real Estate about offering it to the renter.

MANAGING THE SEPARATION

While every relationship eventually comes to a close, our goal is to make your time with us so valuable you'll choose to stay for the long haul — or come back when you're ready. If we do part ways, you can count on a respectful and seamless transition. Because there are license laws and trust accounts involved, we have to do this very carefully. We have thorough checklists for this process, so our managers don't miss a thing. Some owners decide to manage their own property. Some want another property manager, while others want to sell and be done with leasing.

Whatever the reason, we will always be willing and cooperative to make the transition smooth. Here is more on the final process of our relationship:

CONTRACT TERMINATION POLICY

If an owner decides to terminate their management contract with Nest Managers without cause before its expiration, a \$1,000 termination fee per door will be applied. This fee is assessed when an owner elects to terminate the management agreement **without cause before the contract end date or in violation of the minimum service term**. The fee offsets the administrative and operational work required to:

- Close out financial accounts and reconcile trust balances,
- Notify tenants and vendors of the transition,
- Transfer documents, keys, service orders, and digital records,
- Comply with NC Real Estate Commission trust account rules and final disbursement laws,
- Reassign internal resources and ensure a smooth separation.

The fee also accounts for the loss of future income relied upon in staffing, marketing, and software investment decisions made when the agreement was executed. It is not a penalty but a reasonable cost recovery mechanism consistent with North Carolina property management industry practices.

SEPARATING WITH CAUSE AND WITHOUT CAUSE

Either party can initiate a separation. However, there are two sets of circumstances that generate a separation. One is “for cause”, meaning one of us is unwilling to fulfill their agreement and the other is unwilling to continue to tolerate it. As an example: if we don’t manage as we agreed based on our responsibilities (See Page 2 of your Exclusive Property Management Agreement) and you call us on it, we must be given the opportunity to correct problem with actionable items within a 30 day period. If we don’t, then you should be able to sever our relationship without penalty. The second is “without cause”, meaning there is no contractual reason to separate, just a need to part company. If that takes place, there may be some consequences as we are both counting on each other to fulfill the agreement.

MANDATORY MEDIATION

If a dispute arises out of or relates to this Lease, the property, or the parties’ obligations, and the dispute is not resolved through informal communication and the Pre -Litigation Notice of Claim process, the parties agree to participate in good -faith mediation before initiating any lawsuit or administrative complaint (other than those filed with NCREC or HUD). Mediation is a condition precedent to filing any civil action. If a party files suit without first completing mediation, the other party may request that the court stay or dismiss the action until mediation occurs. A party who refuses to participate in mediation or initiates litigation prematurely may be responsible for the other party’s reasonable attorney’s fees and costs incurred in enforcing this clause, to the fullest extent allowed by North Carolina law.

PRE-LITIGATION NOTICE OF CLAIM REQUIREMENT

Before initiating mediation or filing any civil action relating to the Lease, property condition, maintenance, communication, or any alleged breach, the complaining party (“Claimant”) must provide the other party (“Responding Party”) with a written Notice of Claim.

The Notice of Claim must:

1. Describe in reasonable detail the issue, concern, or alleged breach;
2. Identify the dates the issue occurred and any prior communication;
3. State the relief requested and how any damages were calculated; and
4. Include any available supporting documentation, such as photos, receipts, screenshots, or vendor notes.

Upon receiving the Notice of Claim, the Responding Party shall have ten (10) business days to investigate and provide a written response or proposed resolution. During this response period, the Claimant shall not initiate mediation or litigation.

Failure to provide a Notice of Claim and allow the response period may be raised as a defense to any later mediation or legal proceeding.

BAD-FAITH OR FRIVOLOUS CLAIMS

Nothing in this document restricts a party’s lawful right to file a claim. However, any party who files a claim, complaint, or lawsuit in bad faith, without supporting evidence, or for purposes of harassment, may be responsible for the other party’s attorney’s fees, court costs, and allowable damages as permitted under North Carolina law, including N.C. Gen. Stat. § 6 -21.5.

Examples of bad -faith filings include but are not limited to:

- Claims based on delays caused by home -warranty processes, vendor availability, tenant scheduling conflicts, or other circumstances beyond the landlord’s control;
- Claims seeking damages for issues that did not result in actual, documented financial loss;
- Claims filed without first providing the required Notice of Claim and participating in mediation.

OWNER PROTECTIONS FOR DISPUTE RESOLUTION

Owners acknowledge that NEST MANAGERS employs a structured dispute -resolution process designed to reduce unnecessary litigation, frivolous tenant claims, and unwarranted complaints. Owners authorize NEST MANAGERS to enforce the Pre -Litigation Notice of Claim requirement, mediation obligations, and bad -faith deterrents on their behalf.

In the event a tenant initiates a claim that is unsupported, frivolous, or tied to factors outside NEST MANAGERS or the Owner’s control (such as home-warranty delays or vendor backlogs), Owners agree that NEST MANAGERS may:

- Provide documentation and defense materials on the Owner’s behalf;
- Seek recovery of fees or costs when permitted;
- Assert the tenant’s failure to follow required procedures as a defense.

Owners acknowledge that many tenant -initiated claims are dismissed once documentation is reviewed, and the above provisions are intended to protect both the Owner and NEST MANAGERS from unnecessary legal exposure and administrative burden.

DEFAMATION CLAUSE

The parties to this agreement mutually agree and covenant not to disparage one-another by publishing to any third-party, verbally or in writing, any harassing or defamatory "reviews," comments or remarks that are, or could reasonably be construed as being, injurious to the other's business, reputation, or property or that would tend to cast a false light on the other.

The categories of statements expressly prohibited by this agreement shall include, but are not limited to statements, including written, photographic or video-based reviews, testimonials or evaluations, published on any internet website, crowd-sourced review publication or database (including but not limited to Yelp, Facebook, Google Maps, Twitter, Angie's List, Manta, Rip-off Report, Consumer Affairs, Google Reviews) whose subject matter is, whether in whole or in part: (i) the performance or breach by the other party of any of such party's obligations under any written agreement entered by the parties (whether prior or subsequent to this Agreement), including without limitation any lease or property management agreement; (ii) the performance or breach by the other party of any legal or regulatory duty; (iii) the physical condition of any real property, including without limitation required repairs or maintenance, or requests therefore; and (iv) the payment, refund or accounting for any security deposit.

Anything to the contrary herein notwithstanding, the parties acknowledge and agree that this agreement is intended to constitute a voluntary, mutually agreed and mutually binding waiver and restriction of certain rights of the parties, including the ability to speak publicly, but shall not prohibit any party from publishing or making factual and accurate statements about the other party to any of the following:

1. law enforcement agencies.
2. regulatory agencies, including the NC Real Estate Commission.
3. courts of this state, to the extent that such statements are made in connection with a legal proceeding.
4. an attorney representing the party making the statement(s); and/or
5. any credit bureau or other reporting agency, provided that the statements otherwise comply with applicable laws.

If any dispute arises regarding whether any remark, statement, or publication violates this agreement, the parties agree that for purposes of this provision, that any remark, statement, or publication shall be irrefutably deemed harassing and/or defamatory if: (1) the other party requests, in writing, that the party publishing the same removes the statement and/or publication; and (2) the statement and/or publication is not removed from publication within 72 hours of said written request.

OFFICIAL NOTICE TO SEPARATE

The management agreement calls for a notification in writing to notify each other of our need to part ways. Upon official notice we'll address all the issues in a methodical and seamless way to facilitate a smooth separation. Such notice shall be in writing made to the email address customarily utilized by us to communicate with one another.

CONCLUSION

Property management is a lot more complicated than it looks. There are few trainers, workshops and books to read on the topic so most of the lessons come from the school of hard knocks. Our staff is committed to exceeding your expectations as we manage your property as if it were our own and do it in such a way that there are no surprises.

Once we move a tenant into your property, we'll give you access to more information on our web site designed to increase your knowledge of our processes and systems. Our goal is to set expectations thoroughly so neither of us is surprised or disappointed in our relationship.

In the end, you've hired us to manage an asset for you. You hired us because this is what we excel at doing, and you don't want to do it yourself. In a business relationship we must trust each other. You're trusting us to make decisions and recommendations that are in your best interest. We're trusting you to honor our decisions and recommendations to maintain a quality rental property. If one of us falls short of these expectations, we should call each other out. We want to hear from our clients; we want feedback. We maintain a true open-door policy at our office. Those that are local, are welcome to come see us face to face. If you're not local, we want to see you if and when you're in town. Honest feedback from our clients has helped to make us who we are and is a big part of why we're area's top choice for professional single-family property management services. Thank you for choosing Nest Managers Real Estate and deciding to elevate your Property Management experience.

WELCOME TO NEST MANAGERS REAL ESTATE

With the help of our attorneys, this handbook was built based on years of experience — and honest feedback from owners like you. If you have suggestions, questions, or need clarification, we're just a call or email away. Your experience matters to us.

This handbook is herewith made an integral part of the aforementioned Exclusive Property Management Agreement.

OWNER: _____

DATE: _____

OWNER: _____

DATE: _____