

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 21-61176-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PROPERTY INCOME INVESTORS, LLC,
EQUINOX HOLDINGS, INC.,
PROPERTY INCOME INVESTORS 26, LLC,
PROPERTY INCOME INVESTORS 304, LLC,
PROPERTY INCOME INVESTORS 201, LLC,
PROPERTY INCOME INVESTORS 3504, LLC,
PROPERTY INCOME INVESTORS 1361, LLC,
PROPERTY INCOME INVESTORS 4020, LLC,
PROPERTY INCOME INVESTORS 9007, LLC,
PROPERTY INCOME INVESTORS 417, LLC,
PROPERTY INCOME INVESTORS 4450, LLC,
PROPERTY INCOME INVESTORS 3050, LLC,
LARRY B. BRODMAN and ANTHONY
NICOLOSI (f/k/a ANTHONY PELUSO),

Defendants.

**RECEIVER'S EXPEDITED UNOPPOSED MOTION FOR
AUTHORIZATION TO RETAIN KEYES PROPERTY MANAGEMENT, LLC**

Miranda L. Soto, Esq., solely in her capacity as Receiver (the “**Receiver**”) for Defendants Property Income Investors, LLC; Equinox Holdings, Inc.; Property Income Investors 26, LLC; Property Income Investors 304, LLC; Property Income Investors 201, LLC; Property Income Investors 3504, LLC; Property Income Investors 1361, LLC; Property Income Investors 4020, LLC; Property Income Investors 9007, LLC; Property Income Investors 417, LLC; Property Income Investors 4450, LLC; and Property Income Investors 3050, LLC (collectively, the

“**Receivership Entities**”), through her undersigned counsel and pursuant to the Court’s June 15, 2021 Order Granting Plaintiff Securities and Exchange Commission’s Unopposed Motion and Memorandum of Law for Appointment of Receiver (the “**Order Appointing Receiver**”) (Doc. 10), moves on an **expedited basis** seeking entry of an Order approving the retention of Keyes Property Management, LLC (“KPM”) to provide property management services for the seven multifamily residential properties located in South Florida that are owned by the Receivership Entities (the “Properties”).

The Receiver seeks this relief on an expedited basis on or before June 30, 2021 given the immediate need to address and handle a number of issues that have arisen with the Properties, including necessary repairs, service requests, and code enforcement issues that have been brought to her attention. In addition, many of the tenants in the Properties will begin owing their monthly rent on or after July 1, 2021, and the Receiver seeks to have KPM retained and in place by that date.¹ Neither Plaintiff nor Defendants Brodman and Nicolosi are opposed to the requested relief.

In support, the Receiver states as follows:

1. This action commenced on June 7, 2021, with the filing of Plaintiff Securities and Exchange Commission’s (the “**Commission**”) Complaint against Defendants and the Commission’s Unopposed Motion and Memorandum of Law for Appointment of Receiver (Doc. 3).

¹ In the meantime, the Receiver has notified all tenants of the receivership and has provided tenants with new information for remitting rental payments and submitting service requests pending engagement of a property manager.

2. On June 15, 2021, this Court entered the Order Appointing Receiver appointing Miranda L. Soto, Esq., as Receiver of all assets of the Receivership Entities. Pursuant to the Order Appointing Receiver, the Receiver is authorized to, among other things, “engage and employ persons in Receiver’s discretion to assist Receiver in carrying out Receiver’s duties and responsibilities hereunder, including, but not limited to, accountants...[and] attorneys ... ,” “take action as necessary and appropriate for the preservation of Receivership Property ...,” and “take all actions to manage, maintain, and/or wind-down business operations of the Receivership Estates...” See Order Appointing Receiver at ¶¶ 7.F-G, and 34. Prior to engaging any such professionals, the Receiver must first obtain an Order of this Court authorizing such engagement. *Id.* ¶ 52. Any Retained Personnel that the Receiver engages with this Court’s approval is “entitled to reasonable compensation and expense reimbursement from the Receivership Estates as described in the ‘Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission’... agreed to by the Receiver.” *Id.* at ¶ 53.

3. Pursuant to the Order Appointing Receiver, the Receiver seeks this Court’s approval to retain KPM to provide property management services.

4. One of the Receiver’s primary immediate priorities is to secure, manage, and maintain the seven multifamily residential properties owned by the Receivership that were purchased using investor funds. Given that the Properties likely represent the sole (and certainly largest) source of assets that will be used to compensate victims, it is imperative to maintain the Properties, manage the existing tenant-relationships to generate rental income, and ensure that any necessary repairs or liabilities are addressed to avoid any diminution in

value to the Properties. Indeed, since her appointment, the Receiver has learned of (and attempted to handle) multiple repair requests including plumbing and air conditioning issues, notices of code enforcement violations and late payment of utility bills, mortgage defaults and the existence of past-due real estate tax obligations. The Receiver has begun to address each of these and will continue to do so.

5. Prior to the Receiver's appointment, an administrative employee of one or more of the Receivership Entities was responsible for handling the day-to-day tasks of maintaining the Properties, communicating with tenants and collecting rent, and addressing issues or problems that arose. At Receiver's request, this employee has provided information to the Receiver necessary for the management of the properties and, to Receiver's knowledge, has continued to receive and forward to the Receiver tenant service requests. The Receiver believes that it is prudent and necessary to hire an independent professional property manager to assume these duties and ensure that the Properties are preserved pending a future sale.

6. The Receiver's counsel researched and contacted multiple property management firms in the south Florida area. Given the status of the receivership and the short time available, the make-up of the properties involved (2- to 8-unit multifamily dwellings consisting of 28 units -- including two vacancies and rents in the range of \$750 - \$1450 per month) in seven different locations throughout Broward and Palm Beach counties, the Receiver was able to identify only a few established property managers willing and able to accept this assignment on a short-term basis pending sale of the properties.² Ultimately, after

² The Receiver intends to issue a request for proposals to brokers who market these types of properties in due course to maximize the net revenue from the sales of these properties.

interviewing two of the property management firms and reviewing their proposals, the Receiver seeks to retain KPM to provide property management services for the Properties. KPM has significant experience providing multifamily residential property management services in the South Florida area, including acting as property manager for other court-appointed receivers. KPM is part of the Keyes Company, which includes Florida's largest family owned and operated real estate brokerage firm. Moreover, KPM has informed the Receiver that it is able to immediately act upon the Court's Order approving its retention.

7. KPM provided the Receiver with a detailed plan to provide turnkey property management services for the Properties, including:

- Contacting and communicating with tenants and handling collections of rent and security deposits;
- Completing and handling move-in and move-out inspections, marketing vacant units for occupancy, screening potential tenants, and coordinating occupancy and key turnover;
- Assessing any vacant units and taking steps to market and re-lease vacant units;
- Overseeing and conducting maintenance and repairs to the Properties, including coordinating third-party selected contractors to provide necessary repairs (with Receiver's approval required for any expenditures above \$250.00);
- Coordinating with the Receiver to complete and manage any improvements;
- Providing a portal for tenants and where the Receiver can obtain real-time access to all income and expenses of the Properties;
- Where necessary, taking steps to address any delinquent or late rent payments and coordinating with the Receiver regarding any subsequent steps, including any evictions;
- And providing monthly reports on income and expenses as well as anticipated future necessary expenses, to assist the Receiver in timely and efficiently assessing the Properties' needs and submitting reports to the Court

A copy of the proposed Management Agreement (together with the Owner Booklet that is supplemental to the proposed Management Agreement) negotiated between Receiver and KPM, subject to Court approval, is attached as **Exhibit A**.

8. The initial term of the proposed Management Agreement is six (6) months, and renews automatically, subject to the Receiver's right to terminate on 30 days written notice. In consideration for these services, the Receiver has negotiated the following fee and cost schedule with KPM:

- 6.25% per month of gross monthly rent collected (which is at the lower end of the range usually charged by KPM for receiverships and 0.25% less than the competing proposal);
- An initial global set-up fee of \$500 to handle bank account setup, ACH payment setup, and other tenant and property services;
- A fee equal to one month's rent for the listing and marketing of any vacant unit, including tenant screening and lease preparation;
- A minimum maintenance escrow of \$1,000 (with a cap of \$250 per repairs required without Receiver's prior consent); and
- If the Receiver terminates the Agreement within three (3) months of the Management Agreement, for any reason other than KPM's breach of the Management Agreement, KPM will be entitled to a termination fee of \$250.00 per unit, in addition to any other fee that may have come due to KPM under the Management Agreement

9. The Receiver believes that KPM's services are immediately needed to assist her in preserving and maintaining the Properties. KPM has informed the Receiver that it does not have any conflict with serving the Receiver in this case.

10. Accordingly, pursuant to the Order Appointing Receiver, the Receiver seeks this Court's approval to retain Keyes Property Management, LLC to provide property management services for the Properties. The Receiver will take all steps to ensure that there

is no duplication of efforts or expenses between or among any of the professionals she engages with the approval of this Court.

WHEREFORE, the Receiver respectfully requests that this Court enter the proposed Order attached as **Exhibit B**, authorizing the Receiver to retain Keyes Property Management, LLC pursuant to the Management Agreement attached as **Exhibit A**, and for such other and further relief as is just and proper.

LOCAL RULE 7.1(a)(3) CERTIFICATION

Pursuant to Local Rule 7.1(a)(3), the undersigned certifies that counsel for the Receiver conferred with counsel for the Commission and counsel for Defendants Anthony Nicolosi and Larry Brodman prior to filing this Motion. The Commission is agreeable to the requested relief. Defendant Anthony Nicolosi does not take a position on the requested relief, and Defendant Larry Brodman does not oppose the requested relief

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

/s/ Raquel A. Rodriguez

Raquel A. Rodriguez, FBN 511439

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Attorneys for Receiver Miranda L. Soto

and

BUCHANAN INGERSOLL & ROONEY PC

By: /s/ Jordan D. Maglich

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Tampa, FL 33602

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F: 813-222-8189

jordan.maglich@bipc.com

CERTIFICATE OF SERVICE

I hereby certify that on June 28, 2021, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Alice Sum, Esq.
U. S. Securities and Exchange Commission
Trial Unit
801 Brickell Avenue, Suite 1950
Miami, Florida 33131
Counsel for Plaintiff, Securities and Exchange Commission

Mark C. Perry, Esq.
2400 East Commercial Blvd., Suite 201
Fort Lauderdale, Florida 33308
Counsel for Defendant, Anthony Nicolosi fka Anthony Peluso

I further certify that on June 28, 2021, a true and correct copy of the foregoing was send via electronic mail to the following:

Carl F. Schoeppl, Esq.
Schoeppl Law, P.A.
4651 North Federal Highway
Boca Raton, Florida 33431-5133
Telephone: (561) 394-8301
Facsimile: (561) 394-3121
E-mail: carl@schoeppllaw.com
Counsel for Defendant Larry Brodman

/s/ Jordan D. Maglich
Jordan D. Maglich
(FBN 0086106)



RESIDENTIAL PROPERTY SERVICES AGREEMENT

This Agreement is entered into between *Keyes Property Management, LLC (KPM or KPM's)* and Miranda L. Soto solely in her capacity as Receiver for the following entities listed on **Exhibit A** hereto (the "Receivership Entities") in *Securities and Exchange Commission v. Property Income Investors, LLC et al.*, Case No. 21-61176-CIV-SINGHAL, pending in the United States District Court for the Southern District of Florida. In this Agreement, the terms **WE, US, OUR or OURS** refer to Miranda L. Soto solely in her capacity as the Court-appointed Receiver in *Securities and Exchange Commission v. Property Income Investors, LLC et al.* for the Receivership Entities, as the Receiver inures to the rights as being property owner of the real properties listed below.

In consideration of KPM's agreement to perform the routine property services described in this Agreement for a period of six (6) MONTHS from this date unless extended as provided in paragraph 2 below regarding OUR property located in Broward County and Palm Beach County, Florida (each, the "**Property**" and collectively, the "**Properties**" as the context requires) whose street addresses are:

SEE EXHIBIT "B"

1. WE agree jointly and severally to pay KPM a monthly service fee in the amount equal to **6.25%** of gross monthly rent for each calendar month through the calendar month in which this Agreement expires or is terminated by US or by KPM by giving the other 30 days written notice of termination. If WE terminate this Agreement prior to the end of the first three (3) months of this Agreement, for any reason other than KPM's breach of this Agreement, WE agree to pay KPM a termination fee of **\$250.00** per unit, in addition to any other fee that may be previously owed to KPM under it.
2. WE agree jointly and severally to pay KPM a one-time registration fee in the total amount of **\$500.00** collectively for the Properties.
3. **The term of this Agreement shall automatically renew on its expiration date unless earlier terminated or (a) at least 45 days prior to the expiration date WE or KPM gives notice to the other of intent not to renew the Agreement, (b) the Receivership is terminated, or (c) no Properties remain in the Receivership due to sale or other transfer of title.** In the event of the sale of or transfer of title to less than all of the Properties, this Agreement shall continue according to its terms with respect to the Properties still under Receivership.
4. KPM agrees to provide Special Property Services that are described in the KPM Owner's Handbook if requested to do so by US in writing for the additional fees set forth in KPM's fee schedule. WE agree to pay KPM a separate service fee for any Special Property Services other than the routine property services in accordance with KPM fee schedule in effect at the time such services are requested by US.
5. KPM agrees to provide the following routine property services for its monthly service fee: Property Services, Liaison Services for Property Rental, Property Accounting Services and Rental Concierge Services that are more fully described in the KPM Owner's Handbook that is incorporated herein by reference.
6. I/WE ___ elect **XX** decline, to enroll in the '**EVICITION PROTECTION PLAN**' at a cost of **\$15.00 per month**, for **each property** managed by KPM, regardless of the property(ies) occupancy status. I/WE acknowledge and that I/WE have read and agree to the terms of the '**EVICITION PROTECTION PLAN**' outlined and described in the **KPM Owner's Handbook**.
7. *In conjunction with its Property Accounting Services*, KPM will accept payment of rents and deposits for US from OUR tenant(s), and will deposit such payment(s) into KPM's Trust Account for OUR benefit (the "Trust Account"). KPM will deposit into a separate Escrow Account any advance rent or Security or Damage Deposit if the applicable lease agreement designates that such deposits are to be held by KPM. KPM and WE agree to abide by all requirements of Chapter 83, Florida Statutes, with regard to residential tenancies. KPM shall not be responsible for the debt collection of any rent or other payment that may be due from any tenant or other person. KPM may accept payments due under tenant leases by check, money order, or by e-check; and KPM may require tenants to make all payments under the

lease by either bank certified check or e-check into KPM's TRUST account. WE agree jointly and severally agree to allow KPM to retain 50% of any late fees collected from Tenants.

8. By the tenth day of each month, as part of its services rendered under this Agreement without further charge, KPM shall furnish an accounting to US that details per Property (a) the amount of rent paid, (b) the amount of expense incurred by KPM to repair or pay costs directly attributable to that Property, (c) any unpaid outstanding amounts owed by a tenant, (d) net amount of rents or fees KPM will remit to US, (e) any unusual expenses KPM reasonably believes will have to be incurred to maintain or protect the respective Properties in the next 30 to 60 days and (f) any other information KPM customarily provides its clients in its monthly accountings. Contemporaneous with providing the accounting, subject to clearance of funds, KPM is hereby authorized and shall also pay us the balance in the Trust Account, less its fees, expenses, taxes, professional fees (which must be approved in advance by US) and brokerage commissions, and less a reasonable operating reserve of \$1,000. Unless otherwise requested in writing by US, KPM will not be required to make such disbursements more frequently than once per month. If so directed in writing by any of US, KPM agrees to deposit the net proceeds of OUR account into a U.S. bank account designated by any of US in writing. Any costs incurred for transfers to the designated U.S. bank shall be deducted from OUR proceeds prior to or at the time of the transfer. KPM may make payments due US under this Agreement by check, wire transfer or by direct deposit into OUR account described in the Direct Deposit Agreement attached hereto and made a part hereof, and provide us with copies of any deposit slips or wire confirmations.
9. *In conjunction with its Routine Property Services*, KPM is authorized by US to coordinate minor, routine repairs such as plumbing or air conditioning repairs) and routine maintenance (such as lawn service, pest control, pool service) to be made to the Properties from OUR funds, not to exceed **\$250.00** per expenditure (if blank then \$250.00 per expenditure, or for emergency repairs regardless of the amount without OUR prior notification or approval.) Such repairs maybe made by KPM when KPM receives written notice thereof from US, from any agent designated by US, or from a tenant of the Properties. However, **KPM shall not be responsible for inspecting the Properties to determine whether any such repairs should be made.** All repairs shall be made by licensed and insured contractors who shall be solely responsible for their work. **Under no circumstances shall KPM be obligated to incur any expense on OUR behalf for any reason unless there are sufficient funds available to KPM in OUR TRUST and/or ESCROW Account to pay for such expense.** KPM may make any other disbursements on OUR behalf pursuant to OUR written instructions, if KPM agrees to do so.
10. WE acknowledge that KPM may report gross rental income amounts accepted on behalf of US to any and all Federal and State agencies in accordance with applicable law including but not limited to the Internal Revenue Service and to the Florida Department of Revenue and WE agree to provide KPM with OUR U.S. tax identification numbers or other information and documentation as may be required in connection with Federal and State laws at OUR expense. If rental payments are made payable to US, WE assume all responsibility for paying Federal, State and local taxes that may be due on such rental income and WE indemnify KPM from and against all costs, and expenses KPM may incur as a result of OUR failure to pay any such tax.
11. *In conjunction with its Liaison Services for Property Rental*, KPM will notify US and will cause to be delivered by courier or process service a 3-day notice to the tenant at any of the Properties directing the tenant to pay the past due rent or to vacate the Property if payment is not made by tenant within _____ [5 days, if left blank] after the rental due date or as otherwise provided in the lease. If after such notice, the tenant fails to pay the rent due or to vacate the Property, KPM will notify US thereof and thereafter WE will notify KPM if WE choose to employ an attorney to evict the tenant. Until KPM receives OUR notice, KPM may refrain from taking any further action regarding such delinquency.
12. WE represent that in the capacity of Receiver of the Receivership Entities, WE inure to the rights as being the Property owner with full right and authority to enter into this Agreement.
13. WE represent to KPM that WE know of no violations of any laws, rules or regulations (including but not limited to building, zoning and hazardous waste and material laws and regulations) imposed by any governmental authority to which the Property in its existing use is subject, that there is no known contamination of the Property that WE have done nothing to contaminate the Property, and that WE know of no adverse facts materially affecting the value of the Property except as stated herein: [if none, write "none"] NONE

14. WE understand that KPM has no duty to inspect or discover concealed defects in, on or about the Property, that KPM assumes no responsibility regarding the Properties' compliance with the requirements of any State or Federal laws, rules or regulations, and that KPM will rely on OUR disclosures regarding all of such matters in the performance of its services under this Agreement.
15. It is agreed that KPM is not an insurer of OUR Property and KPM's fees are based solely upon the value of KPM's services described in this Agreement. If at any time KPM should become liable by virtue of this Agreement, or because of the relation it establishes, KPM's liability, barring KPM's breach of this Agreement, negligence or willful misconduct, is and shall be limited to a sum not to exceed the total compensation paid or to be paid to KPM under this Agreement.
16. I/WE indemnify and hold KPM and its employees harmless from any and all liabilities, costs and obligations, including injuries to person(s) or property suffered or sustained by any tenant, invitee, guest, or other persons, including US, arising out of the performance of KPM's duties under this Agreement or following any directives of the Receiver, except to the extent that insurance proceeds are recovered or that the liability, cost or obligation arises out of the breach of contract, negligence, malfeasance or misconduct of KPM, its agents, employees or independent contractors. I/WE will defend at OUR own expense any lawsuits against the Receivership Entities, any Property, KPM or its employees brought solely as a result of KPM's providing services under this Agreement or following OUR directives and not based on their breach of contract, negligence, misfeasance or malfeasance. KPM indemnifies and holds Receiver harmless for all costs of suits, attorney's fees, losses, fines, fees, penalties, awards or damages occasioned by the breach of contract, negligence, misfeasance or misconduct of KPM or KPM's employees, agents or independent contractors arising out of this Agreement or the management of any Property.
17. I/WE agree that KPM assumes no obligation regarding the amount, type or scope of any Property and/or liability insurance I/WE have. I/WE agree to maintain general liability insurance in the minimum amount of \$100,000.00 per person and \$300,000.00 per occurrence for liability, personal injury and property damage that may occur in or about our Properties and multi-peril homeowner's insurance with extended coverages for our Properties. KPM shall be named insured in any such insurance and shall receive 10 days prior notice in the event of cancellation. I/WE represent that I/WE have such insurance and KPM is authorized to call OUR insurance agent whose name, phone number and email address are set forth in the KPM Insurance Disclosure Form attached hereto to verify OUR compliance with this paragraph and to obtain a copy of the policy and an insurance certificate setting forth the amounts of coverage and type.
18. In the event of a dispute between the parties relating to this Agreement, before commencing any legal action, the parties agree that they will first attempt to amicably resolve such dispute by direct negotiation following a written request for such negotiation by either party sent in accordance with the notice provisions of this Agreement. If the parties are unable to resolve their dispute within five (5) business days from the date of such request, either party may pursue available remedies in any court having jurisdiction thereof. Nothing herein will prevent either party from seeking emergency equitable relief if a delay in seeking such relief may (i) cause irreparable harm to any of the Properties; (ii) result in a violation of applicable law, regulation or court order; (iii) threaten the health, safety and welfare of any person; (iv) result in breach of the terms of any mortgage on or any agreement with a third party governing any Property; or (v) impede the performance of the Receiver's obligations in accordance with the terms of her appointment. Nothing in this provision will prevent either party from sending any notice of default or termination as otherwise provided in this Agreement.
19. WE UNDERSTAND THAT KPM IS ACTING AS AN INDEPENDENT CONTRACTOR AND NOT AS OUR AGENT. THE PERFORMANCE OF KPM'S SERVICES UNDER THIS OR ANY OTHER AGREEMENT OR TRANSACTION IS NOT SUBJECT TO OUR CONTROL REGARDLESS OF ANY OTHER DESIGNATION OR DESCRIPTION IN ANY OTHER DOCUMENT OR AGREEMENT TO THE CONTRARY; THAT NEITHER KPM'S EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS ARE AUTHORIZED TO MAKE, MODIFY, OR ALTER THIS OR ANY OTHER AGREEMENT ON KPM'S BEHALF; THAT THEY ARE EACH SOLELY RESPONSIBLE FOR THEIR OWN STATEMENTS, REPRESENTATIONS AND ACTIONS; AND THAT KPM MAY

BE EMPLOYED BY OTHER OWNERS PROVIDE THE PROPERTY SERVICES FOR THEM DURING THE TERM OF THIS AGREEMENT.

20. This Agreement, along with the "Owner Handbook" (as of the effective date of this Agreement), is the complete and final expression of the understandings between the parties, KPM has agreed to perform only the services stated herein and there are no other agreements, representations, statements or warranties, expressed or implied, oral or written, of any kind on which the parties have relied unless reduced to writing and attached to this Agreement. The terms of this Agreement may not be modified or waived unless such modification or waiver is in writing and signed by the party bound thereby. The language of this Agreement shall be construed according to its plain meaning and not strictly for or against either party. In the event of a conflict between the terms of this Agreement and the "Owner Handbook", the terms of this Agreement shall control. This Agreement shall be governed by Florida law, and is for the exclusive benefit of the parties hereto and it is not intended to benefit any other parties.

21. KPM will send all notices to US at OUR mailing address, email address or fax number stated below, and WE will send all notices to KPM at KPM's mailing address, email address or fax number stated below. Either party may change their mailing address, email address or fax number by sending written notice to the other in accordance herewith.

If WE believe KPM has failed to abide by this Agreement, WE will give KPM written notice thereof and thereafter KPM shall have 15 days within which to cure any such failure.

LEAD DISCLOSURE

22. **WE understand** that under Federal Law, 42U.S.C.4852(d) and the regulations of the Department of Housing and Urban Development, and the Environmental Protection Agency promulgated thereunder, 35 C.F.R. sections 35.88;35.90 and 35.92; and 40 C.F.R. section 745.107, the **owner** of any interest in residential real Property built prior to 1978 is required **(1) to provide the Buyer/tenant with any information on lead-based paint hazards from risk assessments or inspections in the owner's possession, (2) to notify the Buyer/tenant of any known lead-based paint hazards, (3) to provide the Buyer/tenant with an EPA approved lead hazard information pamphlet such as Protect Your Family From Lead in Your Home, and (4) to disclose the same information to each person employed to sell or lease such housing (broker),** including such information as the basis for the determination that lead-based paint hazards are the condition of the painted surfaces, and **WE AGREE TO DO SO.**

COMPLIANCE WITH FAIR HOUSING LAWS

23. **WE understand that under the 1968 Fair Housing Act as amended we are required to sell (or lease) our residential Property to a qualified person regardless of race, color, creed, national origin, family status, handicap or sex and we agree to do so. We also agree to comply with similar local laws that are applicable to our Property that may require US to sell or lease our residential Property to a qualified person regardless of sexual orientation.**

24. This Agreement may be executed in counter parts, each of which shall be considered an original, but all of which, taken together shall be considered as one agreement. Offer or acceptance of this agreement may be made by any Party by delivery of an executed original hereof or by delivery of an executed copy hereof by fax, email or other electronic means to the other parties. If offer or acceptance is by fax, email or other electronic means, and executed original shall be delivered promptly thereafter, but such subsequent delivery of an original is not a condition of either offer or acceptance.

IN WITNESS WHEREOF this PROPERTY SERVICES AGREEMENT has been signed by US and by KPM on the date indicated next to OURS and KPM'S respective signatures.

OWNER

Property Owner Signature

Print Name

Date

OWNER

Property Owner Signature

Print Name

Date

Mailing Address (including City, State, Zip)

Mailing Address (including City, State, Zip)

Phone Number

Phone Number

Email Address

Email Address

KPM

Keyes Property Management

4301 N. Federal Highway, Suite 2

Pompano Beach, Florida 33064

Phone Number: (561) 598-5760

Email Address: info@keyespm.com

Fax Number: (561) 623-5539

Website: www.keyespm.com

KPM Signature



OWNER'S INSURANCE DISCLOSURE FORM

I/WE represent that I/WE have general liability insurance in the minimum amount of \$100,000 per person and \$300,000 per occurrence for personal injury and property damage that may occur in or about our Property and multi-peril homeowner's insurance with extended coverages for our Property.

I/WE agree that KPM shall be a named insured in any such insurance and that KPM shall receive 10 days prior notice in the event of cancellation.

I/WE hereby represent that I/WE have such insurance with:

Name of Insurance Agent & Agency: _____

Insurance Agent Phone Number: _____

Insurance Agent Email Address: _____

Name of Insurance Company: _____ **SEE EXHIBIT ---** _____

Policy Number: _____ **SEE EXHIBIT ---** _____

Together with this Agreement, WE have provided to KPM copies of our existing insurance policies on the Properties. I/WE authorize our insurance agent to verify OUR compliance with

the foregoing paragraph, and to provide a copy of the policy and insurance certificate setting forth the amounts of coverage and type to KPM.

OWNER

OWNER

Property Owner Signature _____ Date _____

Property Owner Signature _____ Date _____

Printed Name _____

Printed Name _____

Date _____

Date _____



HOMEOWNER'S/ CONDO ASSOCIATION DISCLOSURE FORM

I/WE would like KPM to pay the 'Association' Maintenance Fees from my/our rental proceeds or my/our contributed funds. **(Enter YES or NO) NO.** If **YES**, I/We understand that I will receive a separate document which I/WE must fill out entirely and return to KPM in order for KPM to commence making payments.

Is your rental property a part of a Homeowner's or Condominium Association?

If YES – please complete all the fields below. If a field does not apply, please enter N/A or a dash symbol.	If NO – please fill in all the fields below with a dash symbol as the system will not allow you to move forward without entering something.
<u>Association Name:</u> <u>Name of Management Company if Applicable:</u>	<u>N/A</u>
<u>Association Phone Number:</u>	<u>N/A</u>
<u>Association Mailing Address:</u>	<u>N/A</u>
<u>Association E-Mail Address:</u>	<u>N/A</u>
<u>Is the community gated?</u>	<u>N/A</u>
<u>If Yes, how is access provided? (card, fob, gate pad pin entry, etc.)</u>	<u>N/A</u>
<u>Is there a gate code? If yes, what is it?</u>	<u>N/A</u>
<u>Is parking assigned?</u> <u>If yes, how many parking spaces are there?</u>	<u>N/A</u>
<u>What are the parking space numbers?</u> <u>What is the mailbox number?</u>	<u>N/A</u>
<u>List any additional access information (pools, gym, building, mailboxes, etc.)</u>	<u>N/A</u>
<u>Is Tenant required to apply with the Association?</u> <small>KPM</small> <u>If Yes, please provide any details you have:</u>	<u>N/A</u>

I/WE agree to provide KPM with a copy of the current Association Rules & Regulations. Additionally, I/WE understand it is OUR responsibility to notify KPM with any changes to the Association Rules & Regulations or

EXHIBIT B

201 E 30th St., Riviera Beach, Florida 33404

3775 NW 115th Terrace, Coral Springs, Florida 33065

1361 SE 4th St., Deerfield Beach, Florida 33441

4020 NW 81st Ave., Coral Springs, Florida 33065

530 NE 34th St, Pompano Beach, Florida 33064

4450 Coral Springs Drive, Coral Springs, Florida 33065

3050 Coral Springs Drive, Coral Springs, Florida 33065

Keyes Property Management

OWNER HANDBOOK



OFFICE 561.598.5760 | FAX 561.623.5539 | info@keyespm.com | KeyesPM.com

4301 N. Federal Highway Suite 2
Pompano Beach, FL 33064

Founding Member & Affiliate of
LEADING
REAL ESTATE
COMPANIES
OF THE WORLD
LUXURY
PORTFOLIO
INTERNATIONAL



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Welcome to the Keyes Property Management Family, also known as the KPM Family! Thank you for choosing KPM as your property management professional. We take great pride in offering the most comprehensive, personal and professional residential property management service in Florida. Rest assured that our primary focus targets taking exceptional care of your investment.

We are mindful that this may be your first investment property and/or first time utilizing a property management company. We also understand that each property management company operates slightly different. To better assist you with understanding how our property management organization operates, we have prepared a handbook which will take you through our services on a step-by—step basis.

Please take a few moments to review the information enclosed as it will answer many of your questions. If you should have additional questions after reading through the handbook, please do not hesitate to call or email anytime.

KPM strives to provide excellence in customer service. In the event you wish to provide feedback to our executive team, please reach out to us anytime. We encourage you to share your experience with us. While we hope your feedback is always positive, we understand how valuable all types of feedback can be. Contact information will be listed later in this handbook.

Please note, the information contained herein is subject to change. KPM prides itself on following State and Federal laws pertaining to property management, leasing and real estate services.

We look forward to working with you and assisting in generating the best possible returns on your investment.

Sincerely,

Benjamin Gene

CEO & Founder

We at Keyes Property Management pride ourselves on providing exceptional property management services to investors, focusing on providing our customers with increased revenues, trustworthy advocates, efficient leasing and peace of mind.



The following services are included in your monthly management fee:

○ **PROPERTY SET-UP**

- Work alongside your preferred Real Estate Agent to list your property for rent
- Meet/Communicate with homeowner for initial client information gathering/property tour
- Provide homeowner with “Owner Handbook”, outlining KPM Management procedures
- Create OWNER PORTAL – which is online account for Owner to view accounting, invoices and documents pertaining to property management services

○ **TENANT MOVE-IN**

- Perform pre-move-in video inspection
- Hold Tenant Security Deposit, Last Month’s Rent Deposit and/or Pet Deposit in non-interest-bearing escrow bank account in accordance with Florida Law
- Provide tenant with a “Tenant Handbook”, outlining tenant rules and regulations
- Create TENANT PORTAL – which is an online account for Tenant to pay rent, submit work order requests and view documents pertaining to their lease

○ **DURING TENANT OCCUPANCY**

- Collect rent
- Provide maintenance staff and/or contractors as needed
- Deliver and enforce notices for non-payment of rent and lease violations
- Serve as liaison between homeowner and law firm should an eviction of a tenant be needed (*attorney’s fees and court costs are not included and must be paid separately to the attorney*)
- Perform 6-month inspection of tenant occupied property (upon request)
- Perform monthly drive-by to view exterior of property (upon request)
- Alert tenant, owner and real estate agent of upcoming lease expiration

○ **MONTHLY ACCOUNTING**

- Supply owners with monthly statements
- Supply owners with monthly disbursements of any applicable proceeds from rent collection
- Process and pay bills on behalf of the owner (i.e. pool, landscaping, pest control)

○ **ANNUAL ACCOUNTING**

- Supply owners with annual statement
- Supply owner with 1099/1042

○ **TENANT MOVE-OUT**

- Perform move-out video
- Coordinates maintenance/contractors after tenant move-out to return property to rent-ready condition
- Prepares and mails any applicable claim letters against security deposit
- Process return of and/or forfeiture to owner of tenant security deposit upon tenant move-out
- Communicate with owner and owner’s preferred Real Estate Agent to re-list property for rent or

Keyes Property Management prides itself on offering *SPECIAL PROPERTY SERVICES* to our customers. However, there are items which are NOT covered in the monthly management fee. The following are services offered A-La-Carte for an additional fee:

\$15.00 per month, per property **EVICTIION PROTECTION PLAN**
(see coverage details on next page)

\$150.00 – per court appearance **COURT APPEARANCE OF BEHALF OF LANDLORD**

\$75.00 – per inspection **STORM DAMAGE INSPECTION**

\$75.00 – per inspection **ADDITIONAL GENERAL PROPERTY INSPECTION**

Price subject to scope of work:

HOMEOWNERS/CONDOMINIUM ASSOCIATION LIAISON

HURRICANE PREPAREDNESS INSPECTION

HURRICANE SHUTTER INSTALLATION

HURRICANE CLEAN-UP

RENOVATION / RE-MODELING

VALUE ADDED CONSULTING

The Eviction Protection Plan is similar to a home warranty service. You pay a monthly premium of \$15.00 per month, per unit. This coverage includes only the cost of one (1) standard eviction of your tenant for non-payment of rent or hold-over within a 12-month period.

What is a Standard Eviction?

- Tenant fails to pay rent by end of allotted grace-period
 - Posting of the legally required “Three-Day-Notice to Pay or Vacate”
 - Tenant fails to pay rent by the expiration of the “Three-Day-Notice to Pay or Vacate”
 - Submission of the eviction request to the attorney
 - Submission of all documents required by the attorney to file the eviction with the court including but not limited to, *copy of the posted “Three-Day-Notice to Pay or Vacate”, copy of the Tenant’s ledger, copy of the Tenant’s lease agreement, copy of the property record showing current legal owner of the property.*
 - Payment to the attorney eviction legal fees and court costs
 - Attorney files the eviction with the County Court
 - Process server or Sheriff will serve the tenant with a Summons
 - Tenant will have 5 business days to file an answer to the eviction lawsuit
 - If the Tenant **does not*** file an answer, attorney will file a motion for default judgement for eviction
 - Once the motion is filed, approximately 10-14 days must pass for the judge to enter a Final Judgement for Eviction
 - Once judge grants Final Judgement for Eviction, within 2 weeks, the Sheriff’s Department will make an appointment to meet at the property to execute a Writ of Possession and remove the tenant.
 - At this time, possession of the property will be returned to the Landlord.
- Any Eviction outside the scope described above, is **NOT** covered by the Eviction Protection Plan.
- Any legal fees, attorney’s fees and/or court costs that arise as a result of a Standard Eviction transitioning into a more complex Eviction, must be paid by you, the property Owner, immediately upon request, in order for the Eviction to continue.
- *If the Tenant **does** file an answer, additional attorney’s fees will be due and payable by you, the property Owner, immediately upon request in order to proceed with the Eviction.
- Should a court appearance be required by the Landlord, and you elect to have KPM attend on your behalf, the cost per court appearance, due to KPM will be \$150.00.

Hurricane season begins June 1st and ends on November 30th of each year. As you know, Florida is a high-risk hurricane state.

KPM encourages homeowners to protect their assets from such storms. The most common methods are hurricane shutters. Hurricane shutters come in many forms such as Lexan panels, metal panels, accordion shutters, pull down shutters, etc. If you do not have shutters, or some form of hurricane defense currently in place, KPM would be happy to assist in setting up estimates and installation. The best time to prepare your asset for a hurricane is during the off-season of December 1st of each year through May 31st of the following year.

In the event of a storm or hurricane, KPM is **NOT** responsible for closing/opening hurricane shutters or hurricane barriers of any kind. Often, we are only provided 48-hours' notice of a hurricane, leaving us insufficient time to get to every customer's home.

KPM recommends that you make preparations with a specialized company, neighbor, tenant or friend to have your hurricane shutters opened/closed in the event of a storm or hurricane.

KPM will perform a site visit to non-occupied residences within 72 hours after a state of emergency has been lifted, power has been restored and roads are open and clear.

KPM does not assume responsibility for the performance of any shutter or plywood. KPM recommends that shutters and panels be inspected and serviced well before the start of hurricane season. KPM recommends cleaning and lubricating shutter tracks and making sure that all panels, bolts and/or wing nuts are accounted for annually.

KPM may require the assistance of vendors in the event of a hurricane to close shutters or perform emergency work after a storm (plywood installation over broken windows, etc.). As such, KPM cannot guarantee labor rates for these tasks. We will do our best to ensure cost effective rates. However, our concern is the well-being of your home first and foremost.

Ask your KPM representative today about how we can help ensure your home is prepared for hurricane season.

MAIN/GENERAL

Mailing address: Keyes Property Management
4301 N. Federal Highway
Suite 2
Pompano Beach, FL 33064

Phone number: (561) 598-5760

E-Mail: Info@KeyesPM.com

Website: www.KeyesPM.com

CEO/FOUNDER – Benjamin Gene

Mailing address: Keyes Property Management
4301 N. Federal Highway
Suite 2
Pompano Beach, FL 33064

Cell phone number: (248) 860-0999

E-Mail: BGene@KeyesPM.com

VICE PRESIDENT – Jennifer Mendoza

Mailing address: Keyes Property Management
4301 N. Federal Highway
Suite 2
Pompano Beach, FL 33064

Cell phone number: (786) 747-8091

E-Mail: JMendoza@KeyesPM.com

As a leader in the Property Management industry, KPM prides itself on closely following state and federal laws regarding real estate. We place a heavy emphasis on not only following these laws and regulations, but actively participating in the organizations that help to shape such law. KPM is proud to be a member of the National Association of Residential Property Managers (NARPM), The National Association of Realtors (NAR), The Florida Association of Residential Property Managers (FARPM). KPM is also very proud to be associated with a founding member of The Leading Realtors of the World.

In addition, to effectively manage property, it is important to have a specific set of guidelines for homeowners and tenants to follow. We have compiled these guidelines from years of experience working in this industry. If you follow the rules, we assure you of a stress free working relationship with KPM. We have tried to include everything. However, if you have any questions or need clarification, please do not hesitate to contact us at (561) 598-5760 or Info@KeyesPM.com.

BANK ACCOUNTS

The State of Florida requires that property management companies hold each client's account in a trust fund. KPM ensures that each client's account is kept separate and does not get co-mingled with KPM monies or broker monies as mandated by the Florida Real Estate Commission.

REPORTING

KPM strives to keep our clients as up to date as possible on their account. We continue to invest in the most technological options on the market, allowing you to access your account anytime, anywhere, to obtain real-time account information. Through our website, our customers have access to daily bookkeeping and can print statements as needed.

KPM will send statements on a monthly-basis regardless of your online activity. At the end of each fiscal year, KPM will issue a statement reflecting total amounts for income and expenses from that fiscal year. KPM does not issue statements to owners' tax preparers. It is the responsibility of the homeowner to do so.

DISBURSEMENT OF FUNDS

KPM disburses monthly funds within three (3) business days of receipt. KPM does not disburse funds on holidays or weekends. If the disbursement date should fall on a weekend or holiday, the funds will be sent the following business day. It is very important to note that KPM will NOT disburse monies unless there are sufficient funds in the owner's account. KPM can disburse funds either by company check or ACH direct deposit. Please note that KPM is required to send 1099 forms to any client when income is received over \$600.00. Owners who are U.S. Citizens will receive the 1099 forms in January for the previous year. Owners who are Foreign Nationals will receive the 1042 forms in March for the previous year. KPM requires the property Tax ID # or Social Security Number for each property to conform to IRS regulations. We ask that if any of this information changes while under management that you please let our office know as soon as possible.

Keyes Property Management is also required by law, to send 1099 forms to vendors who have completed work over \$600.00. Owners are not required to issue their own 1099's if work was paid through the trust account managed by KPM. ***KPM is NOT responsible for issuing 1099's to vendors if the owner pays the vendor directly from their personal account.***

Renting your property is a critical part of KPM's property management. KPM is an affiliate of the Keyes Company. However, we work with real estate agents from any brokerage. In the event you do not already have a preferred, licensed real estate agent, KPM will gladly appoint one for you. All real estate transactions will be handled by a licensed real estate associate. It is our goal to get your property occupied as quickly as possible, and do so with the highest quality tenant. KPM has assembled a team of professionals qualified to perform strict background checks and who utilize the very best tools to market and advertise your property. Thereby ensuring your property is rented quickly to quality tenants.

PREPARING THE PROPERTY

When a prospective tenant tours a property, KPM wants to be sure that it's the last property they visit. A clean, well-maintained property is a crucial part of obtaining that result. KPM will work alongside your real estate agent to assess what the property needs in order to compete with other area rentals. One way we do this is through our property analysis.

ADVERTISING/MARKETING THE PROPERTY

The Keyes Company has an aggressive strategy available to the Keyes Real Estate Agents for attracting rents and buyers. By distributing your listing information, along with photographs, to a wide array of premier consumer websites, we make sure that we maximize every opportunity to attract qualified tenants.



ApartmentList
Chase My New Home
eLookyLoo
FindAPlace4Me by Visual Tour
FreedomSoft
Harmon Homes
HomeBidz
HomeTourConnect
HouseHunt.com
ImagesWork by CirclePix
Keyes Real Estate Network
LandAndFarm
LandWatch
LiquidusMedia
MobileRealEstateListings by Dee Sign
Property Pursuit
RealEstateCentral
RealtyStore
RentSocial
Showing Suite
Trulia
USALifestyleRealEstate
Vast



AdWerx
BuyerHomeSite.com
CommercialSearch
Appraisal
Foreclosure.com
Guidance Realty
Home2.met
Homes By Lender
HomeWinks
HUD Seeker
Juwal
LakeHomesUSA
Lands of America
LearnMoreNow.com
LotNetwork.com
New Home Source
Property Shark
RealQuest Express
RentRange
SellersLane
The Real Estate Book
USAGolfHome
USHUD.com
XILI Mobile

TENANT SCREENING

One of the greatest challenges in the rental market is finding the right tenant. KPM, working alongside your preferred Real Estate Agent, strictly abides by Federal and State law regarding property leasing and tenant selection. We do, however, perform all legal screening to try to prevent any potential problematic tenants. It is KPM policy for all applicants to fill out a detailed application and submit it for approval to your preferred Real Estate Agent. As part of this application process, we require all tenants to submit to a credit check, criminal history check, employment verification and previous tenancy background checks.

It is KPM policy not to accept co-signers for renting a property. We do however, understand that some circumstances warrant allowing a co-signer or guarantor and we will consult owners before doing so.

PETS

The property management industry has always struggled with allowing pets. It is true that pets have caused considerable damage to property over the years. However, many renters own pets. It is KPM policy to allow pets at all rental properties unless instructed otherwise by owners. If a tenant has a pet, we increase the security deposit to protect our customers from damage. In order for a lease to be signed and a property to be occupied, all pets must be listed on the lease and/or reported to management by tenants.

It is legal for owners to prohibit pets from their properties. You may wish to prohibit pets, or you may wish to prohibit quantity, size or breed. KPM will work with you and your tenants regardless of your decision.

One thing to note is that it is **ILLEGAL** to discriminate against service animals. The Federal Fair Housing Act prohibits owners from discriminating against handicapped/disabled persons with service animals and owners are prohibited from collecting deposits for service animals.

SECURITY DEPOSIT

For a tenant to take possession of the property, first month's rent, last month's rent deposit and security deposit must be paid in full. We do not accept installment payments. If a lease has been signed, KPM will follow the terms of the executed lease.

MOVE-IN VIDEO

KPM policy requires that move-in videos are performed prior to the tenant move-in. This video will act as documentation of the condition of the unit prior to tenant occupancy. These videos are instrumental upon move-out when KPM must determine whether any part of the security deposit must be withheld for damages. A move-out video is also taken. So, both the move-in and move-out conditions are documented.

TENANT INSTRUCTIONS

The KPM Team does their best to educate tenants to allow for better management and proper upkeep of the property. Each tenant is presented with a tenant instruction booklet upon move-in. This booklet will instruct the tenant on all the policies, rules, regulations, maintenance procedures, rent collection procedures and all management contact information.

RENT COLLECTION

Rent will be collected on the first day of each month and will be considered late if not received in the KPM office by the fifth day of the month. KPM offers multiple options for tenants to pay rent. Online payment through PayPal, ACH-direct deposit or by check/money order. KPM does NOT accept cash payments for rent. ***Please note, rent due dates and grace periods are subject to the terms indicated in the executed lease agreement.***

We understand that there are extenuating circumstances regarding rent being late. We will take into consideration the tenants payment history as well as the reason should rent be delayed.

PAY-OR-QUIT NOTICE / THREE DAY NOTICE TO PAY OR VACATE

If rent is not received on the date it is due, KPM will deliver to the delinquent tenant, a "Three Day Notice to Pay or Vacate". This service notifies tenants to remit payment within three days (*excluding Saturdays, Sundays and legal holidays*) to avoid legal proceedings for eviction. Part of KPM's management technique is keeping our customers abreast of any changes to the rental property or agreement. If we post a "Three Day Notice to Pay or Vacate", upon the expiration of said notice, we will communicate with the homeowner to determine the appropriate course of action.

VIOLATIONS

There are other notices that may be required during a tenant's occupancy. Noise complaints, property maintenance, unauthorized pets, unauthorized occupants and general cleanliness of the property are some examples. These are not common occurrences if the tenants are screened properly, but they do occur. KPM would like to be in front of the problem and have everything documented in the event it should result in legal action.

Should legal action be required, for any reason, KPM will contact the homeowner to discuss and work out a plan for resolving the situation.

Like us, our properties aren't getting any younger. As is the case with our bodies, properties require constant upkeep to keep them in good shape. KPM is keenly aware of the need for preventative maintenance to ensure the good health of your property.

We have implemented certain service offerings which will undoubtedly assist in prevention and getting ahead of any issues that may arise.

KPM offers annual maintenance review of properties which include comprehensive inspections to determine if the tenant has been caring for the property and aims to identify any current and/or potential issues requiring action.

When the tenants move in, we provide a tenant handbook instructing them on proper care of your unit. These items include changing the air filter and reporting any issues or areas of concern at the time of the occurrence. One of the biggest causes for larger issues is unreported and untreated smaller items. A tenant may see a small water stain on the ceiling, but does not report it because not dripping has not occurred. We teach them to report that small stain as this could be indicative of a larger issue such as a roof leak or air conditioning leak.

OWNER RESERVE & MAINTENANCE AUTHORIZATION LIMIT

KPM withholds \$250.00 from the owner proceeds at the start of a lease. This is called the "Owner Reserve". We use this reserve to cover maintenance needs throughout the duration of tenant occupancy. KPM reserves the right to make any repairs or perform maintenance tasks within this dollar amount. If there is required work that will exceed this amount, KPM will contact the homeowner for approval. We do our best to keep our clients abreast of any maintenance or repair work regardless of the cost. Please note, the owner may choose to increase the reserve amount and understands in doing so, thereby authorizes KPM to make repairs and/or perform maintenance tasks within the limit of the reserve dollar amount.

If work is done and some or all the funds held in reserve is used, these funds will be replenished using the following months' rent received from the tenant. Therefore, the disbursement for said month will be less any needed reserve replenishments. This activity will not be noted on the monthly statements as "reserve replenishment", instead, you will see on your statement, the actual expenses paid.

ADDITIONAL SERVICES

Over the years, KPM has developed a core group of contractors that we can call upon to perform additional services as needed. Whether our customers are interested in updating and refreshing the look of the property or just need a plumber, electrician or handyman, KPM has licensed and insured contractors to take care of your needs.

It is very important to KPM to maintain transparency when it comes to costs. KPM works on a straight 10% overhead, 10% profit scale. Rest assured that we offer you the best possible pricing when performing work on your home. KPM does reserve the right to charge either an hourly fee, or flat management fee on jobs requiring extensive supervision. Examples of this work includes, but is not limited to kitchen/bathroom renovations, mold remediation, water extractions, insurance claims, etc.

There are many reasons a tenant might vacate a property. When the tenant moves in, they are provided with a tenant handbook which explains the move-out procedures and will assist in making the move-out process run more smoothly.

Once notice is given by the tenant that they will be vacating the property, KPM will notify the homeowner and the homeowner's preferred Real Estate Agent, so the process of re-listing the property for rent may begin.

MOVE-OUT VIDEO

Once we receive notice that a tenant is vacating the property, a date/time is scheduled to perform the move-out video. The video is only performed after the tenant has completely vacated the property. The move-out video is compared with the move-in video to determine if a claim against the tenant's security deposit will be needed.

SECURITY DEPOSIT RECONCILIATION

Security deposit refunds can be a sticking point when the lease ends. This is precisely why we perform the move-in and move-out videos. This action assists tremendously in eliminating any potential discrepancies. When handling security deposits, KPM follows Florida Statute guidelines with respect to notifications, claims and timeliness for the refund.

When a tenant vacates the property, Florida Statutes indicate that the Landlord/Agent for Landlord has 30-days from the date the tenant vacated to notify the tenant in writing, VIA certified mail, of any intent to place a claim against the security deposit. In the event no claim is made, the security deposit must be refunded in full within 15-days of tenant move-out.

To determine if a claim will be placed against the tenant's security deposit, we compare the move-in video against the move-out video, review the lease to determine tenant responsibility vs. owner responsibility, take into consideration items that may be considered normal wear-and-tear and evaluate the tenant's ledger to identify any past due rent or fees.

In the event a claim is placed, we are required to allow the tenant a 15-day period, from the date they RECEIVED the notice to claim against their deposit, to dispute the claim. Once that time frame has passed, any claimed portions of the deposit will be forfeited to the homeowner.

In the event the tenant disputes the claim against their deposit, the dispute will be reviewed with the homeowner and the homeowner will make the final decision regarding standing firm with the initial claim, or revising the claim.

If damages exceed the dollar amount of the tenant's security deposit, you may decide to hire an attorney or collection agency. The amount owed by the tenant which exceeds the security deposit, is indicated on the claim letter to the tenant. However, if the tenant does not remit payment for said amount, you will need to decide if want to proceed with collection activity. Should you choose to do so, please communicate your desire so we can assist in locating a collection agency or attorney for you.

RETURNING THE PROPERTY TO RENT READY CONDITION

Once the tenant vacates, it is expected that some work will need to be done to return the property to a condition that is marketable to prospective tenants. KPM will have facilitated most of the repairs and/or cleaning as part of the move-out process and security deposit reconciliation. However, KPM along with your preferred Real Estate Agent, will assess what may need to be done above and beyond the items deducted from the tenant's security deposit. KPM and/or your agent will communicate any recommendations to you. Should you decide to proceed with any, or all of the recommendations, KPM will coordinate the work once you have contributed funds to your to KPM to cover the expense

An example of this, includes a tenant that may have occupied your property for 7 years. The property has carpeted flooring. Upon the move-out of the tenant, there is no visible damage to the carpet. However, the carpet has been in place for at least 7 years and looks dull, worn and old. This cannot be claimed from the tenant's security deposit as they did not do anything to shorten the life-span of the carpet. As we all know, carpeting is only manufactured to last 7 – 10 years. Therefore, in order to create a property that is marketable and attractive to prospective tenants, you may consider replacing the carpet or upgrading the flooring to laminate or tile.

UTILITIES

Once you receive notification from us that your tenant is vacating the property, you will need to ensure any utility services are transferred to your name, effective on the date the tenant vacates. In the event you'd like KPM to handle this for you, please speak with your Property Manager, as they may need specific information or authorization from you. Some utility companies, such as water companies, require the owner of the property to fill out a form to provide a third-party with authorization to make changes to the account.

OWNER RESPONSIBILITIES

To ensure a profitable and long-lasting business relationship, KPM asks that homeowners follow a few simple guidelines which will assist us in making the relationship successful.

- Review monthly statements and report any issues promptly
- Keep all insurance, mortgage and utilities up to date and current
 - Notify us of any changes
 - Property insurance is REQUIRED always, if you are in need of insurance, please let us know so we can connect you with Keyes Insurance
- Ensure maintenance fees and dues for homeowners or condominium associations are current
 - Notify us of any changes to the rules and regulations of the association or a change in association management
- Review and abide by Fair Housing laws (*link below*)
 - https://www.hud.gov/program_offices/fair_housing_equal_opp/FHLaws/yourrights
- Review and abide by Florida Landlord Tenant Act (*link below*)
 - http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=0000-0099/0083/0083.html
- Notify us of any changes to ownership of the property, contact information or address
- Treat KPM staff with respect and report any mistreatment by KPM staff to our executive team
- Understand that KPM has your best interest at heart
 - If a maintenance request or suggestion is reported to you, it is for good reason

VACATION

In the event you are going to be unreachable for any extended period of time, please contact KPM to alert us and provide us with the following:

- Dates you will be unavailable
- Who you designate and authorize to make decisions on your behalf regarding emergencies during the time you will be unavailable
 - Provide contact information for said individual

REAL ESTATE SERVICES

KPM is an affiliate of the Keyes Company, Florida's premier real estate brokerage. As a KPM customer, there are many benefits to this affiliation. Whether you are looking to add to your portfolio of investment properties, need assistance with mortgage, title or insurance or you would like to sell your property. The Keyes Company has all the tools you need under one roof.

OWNER HANDBOOK ACKNOWLEDGEMENT

I/We,

_____,
_____,

have received, read and understand the policies and procedures outlined in the "Keyes Property Management Owner Handbook".

Owner Signature Date

Owner Signature Date

Owner Signature Date

Owner Signature Date

Keyes Property Management Signature Date

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 21-61176-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PROPERTY INCOME INVESTORS, LLC
EQUINOX HOLDINGS, INC.
PROPERTY INCOME INVESTORS 26, LLC
PROPERTY INCOME INVESTORS 304, LLC,
PROPERTY INCOME INVESTORS 201, LLC,
PROPERTY INCOME INVESTORS 3504, LLC,
PROPERTY INCOME INVESTORS 1361, LLC,
PROPERTY INCOME INVESTORS 4020, LLC,
PROPERTY INCOME INVESTORS 9007, LLC,
PROPERTY INCOME INVESTORS 417, LLC,
PROPERTY INCOME INVESTORS 4450, LLC,
PROPERTY INCOME INVESTORS 3050, LLC,
LARRY B. BRODMAN and ANTHONY
NICOLOSI (f/k/a ANTHONY PELUSO),

Defendants.

**ORDER GRANTING RECEIVER'S EXPEDITED UNOPPOSED MOTION FOR
AUTHORIZATION TO RETAIN KEYES PROPERTY MANAGEMENT, LLC**

THIS CAUSE came before the Court on the Receiver's (the "**Receiver**") Expedited Unopposed Motion For Authorization To Retain Keyes Property Management, LLC (Doc. ___)(the "**Motion**"), to provide property management services for the multifamily residential properties located in South Florida that are owned by the Defendant entities placed under the Receiver's control (the "**Receivership Entities**").

The Court having considered the Motion, reviewed the file, and finding that

cause exists to grant the Motion, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED**.

2. The Receiver is authorized to engage Keyes Property Management, LLC, and enter into the Agreement attached as Exhibit A to the Motion, to provide property management services for the multifamily residential properties located in South Florida that are owned by the Defendants placed under the Receiver's control.

DONE and ORDERED this ____ day of _____, 2021 in Miami,
Florida.

UNITED STATES DISTRICT COURT JUDGE

**Copies to:
All counsel of record**