Jetty

Jetty Deposit

Residential Tenant Bond
Tenant Agreement

This is a summary of all the legal details of the Tenant Bond plan. If you have questions, please e-mail us at help@jetty.com or call us at 1-855-695-3889.

SURETY / INSURANCE COMPANY

State National Insurance Company, Inc.
1900 L. Don Dodson Drive
Bedford, Texas 76021

AGENCY

Jetty Insurance Agency LLC
14 Wall Street, 20th Floor
New York, New York 10005

Jetty is excited to offer you the Jetty Deposit Residential Tenant Bond underwritten by State National (the "Surety"). This Tenant Agreement (the "Agreement") sets forth the terms and conditions of your relationship with the Surety and Jetty (the "Agent"), and your and their respective obligations.

The parties to this Agreement are:
1. the company guaranteeing the Bond (the "Surety");
2. you, the undersigned Tenant (the "Principal"); and
3. if applicable, the undersigned Responsible Party (the "Responsible Party").

In this Agreement, the terms "you", "your", "me", "I", "my" and "mine" refer to you, the undersigned Tenant (the "Principal").

The Coverage Term of this bond begins on the Inception Date, as stated in the related Tenant Bond Certificate. The date upon which coverage becomes effective under the bond is defined as the latter of the lease start date per the lease agreement, or the Inception Date (in the case that a bond is issued after the lease has commenced).

Coverage shall continue for the full duration of your Tenancy in the unit, and will extend to include your relocations to another Unit, if either owned or managed by the Landlord (Obligee) and within the same building or complex. Coverage will Terminate after you cease to be a Tenant or Resident of a Unit either owned or managed by the Obligee and within the same building or complex as the original Unit.

This Agreement applies to the Tenant (Principal), Apartment (Unit), and Lease identified in the Tenant Bond Certificate Particulars above, and is made as of the identified Inception Date.

All terms otherwise defined herein have the meaning given to them in the Bond Document. In the event of any inconsistency between the terms of this Agreement and the terms of the Bond Document (disregarding for this purpose the incorporation of this Agreement into the Bond Document), the terms of the Bond Document shall control.

Principal's Affirmation of Important Terms

PRINCIPAL (TENANT) EXPRESSLY ACKNOWLEDGES, UNDERSTANDS AND AGREES TO THE FOLLOWING IMPORTANT TERMS:

a. I intend to be legally bound by this Agreement.

b. I am voluntarily purchasing coverage of a Jetty Deposit Residential Tenant Bond that is issued for the benefit of the Landlord (Obligee) named above.

c. The premium that I am paying for this Bond is not a security deposit, is not insurance and I will not receive the premium back at the end of my lease.

d. I understand that by selecting a payment plan I am consenting to pay the agreed upon premium, and any applicable annual rate adjustments or inflation factor for the full duration of my Tenancy.

e. I agree to a rent inflation factor where the bond limit may be adjusted once every 12 months on the anniversary of inception to reflect reasonable increases in rents as allowed by local law and not to exceed 5% annually.

f. I understand that my Tenancy begins on the lease start date of my first lease term and ends on the earlier of: the date I vacate the Unit at the conclusion of my normal lease term, the date I permanently abandon the Unit, or the date I am evicted from the Unit by the Landlord (Obligee).

g. I also understand that I may cancel this Bond purchase for a full refund only within five calendar days of the Effective Date, PROVIDED that the cancellation is submitted in a Documented format to Jetty (meaning communication including in writing, web application, facsimile, electronic mail, or other message system provided by Jetty) and PROVIDED I post the required funds with the Landlord (Obligee) in cash or by cashier's check, for which the Landlord (Obligee) must also indicate receipt to Jetty.

h. I also understand that I may elect to cancel this Bond after five calendar days from the Effective Date, PROVIDED that the cancellation is submitted in a Documented format to Jetty (meaning communication including in writing, web application, facsimile, electronic mail, or other message system provided by Jetty) and PROVIDED I post the required funds with the Landlord (Obligee) in cash or by cashier's check, for which the Landlord (Obligee) must also indicate receipt to Jetty. For premiums subject to a payment schedule, we will return to you any unearned premium, on a pro-rata basis.

Terms and Conditions of this Agreement

In consideration of the Premium paid, and the mutual covenants and obligations set forth herein and within the Jetty Deposit Residential Tenant Bond, the parties agree as follows:

The Bond is for the amount listed on the Tenant Bond Certificate in the box marked “Bond Coverage Amount”.

The Premium shall be paid in full or a payment schedule must be agreed upon at inception and prior to issuance of the Tenant Bond Certificate. The Premium is a non-refundable fee payment for the Residential Tenant Bond, and is not subject to rebate or adjustment for any reason unless required by applicable law. Premium subject to a payment schedule will be due for the full duration of Tenancy, and any outstanding balance becomes due in full in the event of a claim. The Premium is not, nor is it intended, nor should it be construed as, a payment to the Landlord. The Premium is not and shall not for any purpose be considered a payment of rent or other consideration to the Landlord. The Bond is not a security deposit, is not insurance and I will not receive the Premium back at the end of my Lease.

The bond provides coverage for any physical damage to the apartment (beyond normal wear and tear) or any of my obligations under the lease agreement that are not paid, such as past due rent, unpaid rent, or fees up to the “Bond Coverage Amount” only.

If the Landlord (Obligee) makes a valid claim in strict compliance with the Lease terms that I owe it money because I created damage or did not fulfill lease obligations, such as paying rent or applicable fees, the Surety will be obligated to pay the claim including collection expenses, court costs, or attorney fees not to exceed the “Bond Coverage Amount.”

In the event that the Surety pays any such claim to the Landlord (Obligee), I expressly acknowledge, understand and agree that I will reimburse the Surety for all amounts that the Surety has paid to the Landlord (Obligee) as a result of a claim made under the Residential Tenant Bond. Further, I expressly acknowledge, understand and agree that the Surety has the right to sue me to collect those reimbursement amounts and any outstanding premium, and I will be obligated to pay any attorney’s fees and expenses incurred by the Surety to collect those amounts.

If the Landlord (Obligee) has any of my money on deposit at the end of my lease, it will apply this money first to pay the claim. If the Surety pays the Landlord (Obligee) on my behalf and then tries to collect reimbursement from me up to the “Bond Coverage Amount”and any outstanding premium: a) I authorize anyone to furnish the Surety (or its employees or agents or assigns) any information that will assist the Surety in collecting the money I owe to the Surety ; and b) the Landlord (Obligee) is not a party to, and is not responsible for, the actions that the Surety takes during any collection efforts.

Terms and Conditions of this Agreement (Cont.)

I expressly acknowledge, understand and agree that I am jointly and severally liable for all obligations under this Residential Tenant Bond, this Agreement, and such Lease as I execute with the Landlord (Obligee). I expressly acknowledge, understand and agree that the Surety will be able to seek the full performance of all obligations under this Agreement from me, regardless of whether any co-tenant may be responsible for a failure to perform any relevant Lease obligation or obligation under this Agreement.

I expressly acknowledge, understand and agree that if I fail to pay my Landlord for any moneys' or damages owed under the Lease, if I fail to pay premium or fail to reimburse the Surety, the Surety or Jetty will report this information to the three major credit bureaus: Equifax, Experian and Trans Union. I expressly acknowledge, understand and agree that any reporting to the three major credit bureaus (Equifax, Experian and Trans Union) may negatively impact my credit score and I may experience a more difficult, costly, or impossible, effort to access credit from, including but not limited to any credit-based opportunities and programs including, but not limited to, property management companies or managers, credit card companies, utility companies, any and all financing companies, and companies that extend credit for the purchase of any good, service , or property, and that I might have trouble getting insurance coverage.

Surety will waive its right to collect reimbursement amounts specific to rent payments and related fees, and will refrain from reporting this information to the three major credit bureaus if the Tenant (Principal) is able to provide documentation demonstrating that failure to meet those lease obligations resulted from:

a. Loss of Tenant (Principal) employment for reasons that were beyond your reasonable control, and where your annual income has fallen by at least 35%, as a result; or

b. A reduction in salary in accordance with the written terms of your contract of employment, because you reduced your working hours, or stopped working altogether, on the advice of an appropriately qualified medical professional, following an injury, illness, or disability which first occurred during the life of the lease agreement, and that has caused your aggregate annual income to fall by at least 35%.

Tenant (Principal) understands and acknowledges that the Landlord (Obligee) may be compensated by Surety for endorsement and/or services associated with administering this bond.

Any dispute or claim arising out of or relating to this agreement will be resolved by a single arbitrator in a binding arbitration proceeding administered by the American Arbitration Association or other appropriate entity that we mutually accept, except that the Surety or I may choose to pursue claims in court if the claims relate solely to the collection of any debts I owe to the Surety. Judgment on the arbitrator's award may be entered in any court with appropriate jurisdiction. In any arbitration or court proceeding, the Surety, Jetty and I waive any claims for punitive damages, and the Surety, Jetty and I waive any right to pursue claims on a class or representative basis.

All parties agree that the Surety may cancel this Bond without notice, for any material omission, material misrepresentation or, material misstatement or involves any act of fraud by the Tenant (Principal) or Landlord (Obligee), and such cancellation shall extinguish all liability and obligations of the Surety.

This is our entire Agreement, and I am not relying on any oral promises or statements.

Signed this __ day of __, __.

Tenant (Principal) Date

Co-Tenant (Principal) Date

Guarantor (Responsible Party) Date

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false, incomplete, or misleading information, or conceals information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime punishable by incarceration, and shall also be subject to civil penalties.

Jetty

Jetty Deposit

Residential Tenant Bond
Bond Document

This Bond Document summarizes all the details of the Jetty Deposit Residential Tenant Bond product. If you have questions, please e-mail us at help@jetty.com or call us at 1-855-695-3889.

SURETY / INSURANCE COMPANY

State National Insurance Company, Inc.
1900 L. Don Dodson Drive
Bedford, Texas 76021

AGENCY

Jetty Insurance Agency LLC
14 Wall Street, 20th Floor
New York, New York 10005

Article 1: Eligibility and Consent to Terms

Eligibility for this bond is determined by the underwriting criteria of Surety or Surety's designated agent. Surety or Surety's designated agent shall have the right to refuse a Tenant coverage under this Bond for any reason that is valid under the insurance laws applicable at the time and place of Resident enrollment. Surety's approval shall not be unreasonably withheld. Enrollment under this bond shall be optional with the Tenant. Landlord shall not make enrollment under this Bond a mandatory requirement of any lease transaction with a Tenant.

Landlord's offering and acceptance of certificates issued under this bond (in lieu of an alternative lease security or protection) constitutes acceptance of the full and complete terms and conditions outlined herein.

Article 2: Premium

Premium shall be paid in full or a monthly payment schedule must be agreed upon at inception and prior to issuance of the Tenant Bond Certificate. The Premium is a non-refundable fee payment for the Residential Tenant Bond, and is not subject to rebate or adjustment for any reason unless required by applicable law. Premium subject to a payment schedule will be due for the full duration of tenancy, and any outstanding balance becomes due in full in the event of a claim. The Premium is not, nor is it intended, nor should it be construed as, a payment to the Landlord. The Premium is not and shall not for any purpose be considered a payment of rent or other consideration to the Landlord.

Article 3: Bond Coverage Period

The Coverage Term of this bond begins on the Inception Date, stated in the related Tenant Bond Certificate. The date upon which coverage becomes effective under the bond is defined as the latter of the lease start date per the lease agreement, or the Inception Date (in the case that a bond is taken after the lease has commenced).

Coverage shall continue for the full duration of the Principal's tenancy in the unit, and will extend to include relocations of the Principal to another Unit, either owned or managed by the Landlord (Obligee), within the same building or complex. Coverage under an Individual Tenant Bond Certificate issued pursuant to this Bond will Terminate after the Tenant (Principal) ceases to be a Tenant or Resident of a Unit, either owned or managed by Obligee and within the same building or complex.

Article 4: Initiation and Conclusion of Lease

At the initiation of the Tenant's (Principal's) tenancy, the Tenant (Principal) and Landlord (Obligee) shall perform a walk-through (the Initial Inspection) of the Unit to assess the condition, and note any pre-existing damages. Landlord (Obligee) and Tenant (Principal) shall jointly agree on the condition of the Unit and document any prior damage or wear and tear prior to Tenant's (Principal's) move-in.

At the conclusion of the Tenant's (Principal's) tenancy, the Tenant (Principal) and Obligee shall perform a final walk-through (the Final Inspection) of the Unit to assess the condition, and determine if any damages beyond "normal wear and tear" (as defined below) exist.

Should no damages exist, the Landlord (Obligee) represents, warrants and agrees that the Surety's liability shall be immediately, fully and finally extinguished, on a cut-off basis on such date as such Final Inspection takes place.

Article 5: Damages and Loss of Rents

Damages and Loss of Rents are covered under this bond only if the economic loss or damage occurred after the inception of the bond and lease start date. If Tenant (Principal) provides written notice of intent to not fulfill the signed lease over 30 days in advance of the lease start date, coverage will be limited to the lesser of the equivalent of one month of rent per the lease agreement or the bond amount.

Landlord (Obligee) agrees to apply, and comply with the terms of the lease, and applicable local and state landlord/resident laws, insofar as the lease and the laws define what constitutes “damages” or “loss of rents” covered by security deposits, and what is considered “normal wear and tear”, and will otherwise comply with all other requirements of such laws. Obligee will in good faith seek to prevent or mitigate any loss.

In the absence of a definition provided in an applicable lease provision or clause, or local or state landlord/resident law:

a. Damages shall be defined as physical damage to the leased premises, exclusive of damages resulting from normal wear and tear;

b. Normal wear and tear shall be defined as:

- **a.** Wear and/or soiling of carpeting, walls, ceiling, windows, blinds/ drapes, bathroom fixtures, appliances, etc.; which is not excessive, and/ or
- **b.** The depreciation in value of the leased premises that occurs as a result of ordinary and reasonable use of the leased premises and not as a result of negligence, carelessness, accident or abuse. Normal post-vacancy cleaning of the leased premises’ carpet, appliances, bathrooms and walls, and normal post- vacancy repair of the leased premises’ nail holes and painting of the leased premises’ walls, is specifically excluded from coverage hereunder unless specifically made a responsibility of the Tenant (Principal) under the terms of the Lease; and

c. Loss of Rents shall be defined as rents, cancellation fees and related expenses arising out of a rental / lease agreement between Principal and Obligee, to which the Principal may be in default, provided, however, that Principal has ceased occupancy, either voluntarily or by means of eviction, of the leased premises.

Article 6: Submission of Claims

Landlord (Obligee) must submit all claims to Surety, in a Documented standard, and per the agreed protocols and, as soon as practical while providing the Tenant (Principal) notice of amount due and a reasonable amount of time to respond.

As proof of Damages, the Obligee must submit a completed Notice of Claim, which generally includes:

a. Bond Identification Number
b. Photographs of any physical damage claimed, or other satisfactory proof of damages to the unit (and specifically as evidenced by damage noted and identified in the Final Inspection)
c. Proof and accounting of Loss of Rents, cancellation fees and/or other related expenses claimed
d. Copy of relevant correspondence with the Principal (Tenant)

A Notice of Claim may be made in Documented format and means of communication, as agreed between the Surety and the Landlord (Obligee)

The Landlord (Obligee) must identify damages strictly in accordance with the procedures established in the lease and/or as may be mandated by applicable law. Any security deposits that are held by the Landlord (Obligee) on behalf of the Tenant (Principal) must be applied to the payment of Damages and/or Loss of Rents in full before a claim can be successfully brought against the bond.

Article 7: Claims Adjudication/Limitation of Liability

The Surety or Surety's designated agent is the sole arbiter and decision-maker in determining if a claim is covered by the bond. Claims will be adjudicated based on the full scope of evidence and proof provided, including but not limited to information, assessments, descriptions, and photographs collected as part of any such Initial Inspection or Final Inspection, at fair-value estimates of the actual damage and loss, and provided those claims meet the criteria defined under the DAMAGES AND LOSS OF RENTS clause herein.

Surety's maximum liability for a claim shall be the lesser of:
a. the actual damages sustained, together with loss of rents, cancellation penalties and related expenses, or
b. the Bond coverage amount agreed upon by the parties.

Any withholding or lack of required proof of loss or damages to adjudicate a claim, including the lack of accounting of Loss of Rents and relevant correspondence with the Principal (Tenant), could lead to a denial of claims.

Surety shall pay the covered claims within thirty (30) days of receipt of claim submission by Obligee, up to the value of the Bond Coverage Amount. Surety shall have no obligation or liability for the payment of non-covered claims, nor for the value of covered claims beyond the Bond Coverage Amount stated above.

Any recoveries or subrogation of claims paid that are made either directly by the Obligee or by the Surety or its agents after the payment of any claim shall be remitted to the Surety (up to the value of the paid claims), net of the expenses associated with the collection process.

Article 8: Reporting Requirements

Landlord (Obligee) agrees to provide Surety with timely notification of an enrolled Principals' lease termination or conclusion.

The Surety or its designated agent will annually provide Obligee with a list of all enrolled Tenants (Principals) for which Surety remains obligated. Landlord (Obligee) shall provide a status of such Tenants (Principals by indicating those Principals who remain residents as of the report date.

Article 9: Duty of Cooperation

A copy of any and all notices provided to a Tenant (Principal) that relate to an actual or possible Tenant-default will be provided to the Surety by the Landlord (Obligee). Such copies will be provided to the Surety and may be provided in an agreed upon Documented format.

Article 10: Examination of Records

Surety grants Landlord (Obligee) the right to a complete and accurate accounting of all transactions pertaining to this Bond as frequently and in the form as may be agreed to by the parties prior to the issuance thereof, providing that factors beyond Surety's control do not operate to hinder such efforts. The Landlord (Obligee) may initiate legal suit or other legal action to enforce this right.

Landlord (Obligee) must give Surety access to, and the right to audit, Landlord's books and records, and the books and records of communities under Landlord's management, at all reasonable times during and after the Bond Period, to determine any fact relating to this Bond.

It will also be an absolute defense for Surety to any suit or action brought under this Bond, if the Landlord (Obligee) refuses Surety's access to its books and records. Surety may initiate a suit or other legal action to enforce these rights. Surety recognizes that Landlord's (Obligee's) books and records are proprietary and confidential. Surety will not disclose the contents of same to any other party except as may be required by law or regulatory body. The venue of any lawsuit filed in connection with this Bond will be brought in the state where the unit is domiciled, unless it is mutually agreed upon that the venue may be in any other court with the appropriate jurisdiction.

Article 11: Indemnification

Landlord (Obligee) agrees to indemnify and forever save Surety, its successors, assigns, officers, directors, employees and agents harmless from any and all harm, loss, expense, cost, including reasonable attorney fees and cost of suit resulting, directly or indirectly from Landlord's (Obligee's) breach of any of its obligations and/or undertakings contained in this Bond or for any violation of applicable law or any allegation thereof. This provision shall survive any termination of this Agreement.

Article 12: Cancellation/Termination

This Bond may be canceled by Surety or the Landlord (Obligee) by giving thirty (30) days notice in writing to the other party by certified mail, at the address stated herein.

This Bond would terminate concurrently with the termination by any regulatory authority of either party's authority to act in accordance with the terms of this Bond in that state.

Surety and Landlord (Obligee) agree that each will make a full accounting to the other of all relevant matters pertaining to this Bond within forty-five (45) calendar days after the effective date of cancellation or termination.

Upon cancellation or termination, Surety shall remain liable with respect to all Tenants (Principals) pursuant to their respective Tenant Bond Certificates, covered by this Bond as of the effective date of cancellation or termination.

However, Surety and Landlord (Obligee) agree that such liability shall be fully and finally extinguished, on a cut-off basis, at such time as each such Tenant (Principal) chooses to make alternative arrangements with the Landlord (Obligee), and Landlord (Obligee) notifies Surety of such.

Landlord (Obligee) (i) affirms that the provisions of the Duty of Cooperation, Examination of Records, and Cancellation/Termination clauses survive this agreement and Bond, and (ii) will continue to provide prompt notification to Surety of such final extinguishment of Tenant Bond Certificate and its related liability by any such Tenant (Principal).

Article 13: No Agency Partnership or Joint Venture

Nothing in this Bond shall be construed as making one party the agent of the other, nor construed as forming a partnership or joint venture between them.

Article 14: Notices

All notices, reports, or other documents required or permitted to be given by either party to the other, except as otherwise specifically provided herein, shall be in writing and shall be delivered by (i) certified mail, postage prepaid, return receipt requested, or (ii) commercial overnight courier that guarantees next day delivery and provides a receipt, to the recipient at the address shown on the Tenant Bond or Bond Certificate or at such other address as a Party may from time to time specify in writing to the other Party/Parties. Any notice shall be effective upon delivery to the party to whom the notice is addressed, as evidenced by confirmation receipt.

Article 15: Documented Communication

For purposes of communication, where the Surety and Landlord (Obligee) have agreed to provide an alternative to formal written Notices as defined herein, the Surety and Landlord (Obligee) agree to follow Documented communication standard, where Documented means: any formal means of communicating with other parties (including but not limited to the Surety, Surety's designated Claims Administrator, Surety Program Manager, Obligee, and Tenant) that constitute formal notice, notification, or proof of communications, and which can be further shared pursuant to any need to provide proof or documentation of such communication, and may be provided by in writing, web application, facsimile, electronic mail message, or any other agreed-upon form of information exchange.

Article 16: Non-Waiver

A failure by a party to exercise any right hereunder, or otherwise waive or condone any delay or failure by the other party to comply with any of the terms or conditions of this Bond shall not constitute a continuing waiver of any such requirement or provision, or any rights of each party hereunder.

Article 17: Entire Agreement

This Residential Tenant Bond, along with the Tenant Bond Certificate issued for a Tenant (Principal) covered hereunder, constitute the entire agreement between the Surety and the Landlord (Obligee). No requirement, provision, or condition of this Tenant Bond and the Bond Certificate will be deemed to have been altered, amended, waived, or otherwise changed unless stated in writing and duly executed by the Obligee and the Surety.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false, incomplete, or misleading information, or conceals information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime punishable by incarceration, and shall also be subject to civil penalties.