



PROPERTY MANAGEMENT AND EXCLUSIVE LEASING AGREEMENT

DEFINITIONS

Whenever the following capitalized words are used in the body of this agreement, they shall refer to the information shown in the box below.

| | | |
|---------------------------|---------------------|--|
| OWNER: | | AGENT: LONG & FOSTER REAL ESTATE, INC. |
| MAILING ADDRESS: | | MAILING ADDRESS: 14501 GEORGE CARTER WAY CHANTILLY, VA 20151 |
| OWNER EMAIL: | | OWNER IS A U.S. CITIZEN: YES NO |
| RENTAL PROPERTY ADDRESS: | | OWNER RESIDES IN CONTINENTAL U.S. YES NO |
| ASSOCIATION AND CONTACT#: | | IF NON-US, COUNTRY OF CITIZENSHIP |
| EXECUTION DATE: | COMMENCEMENT DATE: | TERMINATION DATE: |
| MANAGEMENT FEE: | MINIMUM RESERVE: | MAXIMUM LEASE TERM: |
| LEASING COMMISSION: | RENEWAL COMMISSION: | YEAR BUILT: |
| EXPENSE LIMIT: | MARKET RENT: | MINIMUM RENT: |
| AGENT OF RECORD: | | OFFICE: |

OWNER'S REPRESENTATIONS

Owner hereby warrants and represents to Agent that Owner is fee simple owner of the Property, that no other owner's consent is required to enter into this Agreement, and that neither Owner nor the Property is the subject of any pending or threatened bankruptcy or foreclosure or other legal action affecting the Property, and that all financings and taxes affecting the Property are paid current. Owner agrees to promptly pay all loans, dues, and fees associated with the Property and to maintain necessary services, including all utilities when the property is unoccupied. Owner agrees to notify Agent in writing immediately of any change affecting these representations.

AGENT'S REPRESENTATIONS

Agent herein warrants and represents that it is duly licensed and bonded to engage in the business of real estate property management and sales and is in compliance with all requirements set forth by the state and municipal governments and will abide by all federal, state, and local laws, ordinances and regulations governing fair housing rules and practices regarding discrimination.

MANAGEMENT

Owner appoints Agent as Owner's exclusive agent to manage and lease the Property, on behalf of Owner, and Agent is granted full authority and discretion to do so. Agent must report rents received to the Internal Revenue Service.

TERM

This agreement shall be for an initial term commencing on the Commencement Date and ending on the Termination Date and continuing thereafter for periods of twelve months unless either party gives the other thirty (30) days written notice of its intention to terminate the agreement as of the expiration of the then current lease.

If the Property remains unrented after the initial 120 days of this agreement, either Agent or Owner may terminate this agreement upon written notice. In the event Owner terminates the agreement within the original 120 days, Owner agrees to forfeit the Minimum Reserve to Agent.

THE OWNER HEREBY DELEGATES TO THE AGENT THE FOLLOWING AUTHORITY AND POWERS (ALL OF WHICH MAY BE EXERCISED IN THE NAME OF THE OWNER) AND ASSUMES ALL EXPENSE IN CONNECTION THEREWITH:

| | |
|---------------------------------------|--|
| PROCURE LEASES / RENTAL AMOUNT | Make all diligent efforts to procure a suitable tenant as soon as possible at the Market Rent or such other amount as may be deemed acceptable by Agent, but in no event less than the Minimum Rent without Owner's approval. |
| RENEW / CANCEL LEASES | Negotiate and execute leases, renewals, or subsequent leases on behalf of the Owner, as in Agent's best judgment provide a fair return to Owner, and are consistent with Owner's instructions. Leases are to be written on the lease form provided by the Agent. |
| COLLECT RENTS | Collect all rents and other charges which become due in accordance with the terms of the Lease Agreement via legal process or other means provided owner funds are sufficient to offset the expense of same, exercising due diligence in this pursuit, but nothing in this Agreement shall be construed as a guarantee by the Agent of the payment of rents or other charges by Tenant. |
| SECURITY DEPOSIT | <p>Collect from Tenant a Security Deposit and to hold the Security Deposit of Tenant in an escrow account established and maintained in accordance with applicable regulations. When Tenant vacates the Property, return to Tenant the Security Deposit with any interest as may be required by law, less any and all proper deductions. Any interest earned above the statutory interest payable to Tenant will be retained by Agent to cover administrative costs. Owner shall reimburse Agent for any interest paid to tenant which exceeds interest Agent receives on such deposits. Owner hereby waives any right to interest that may accrue on tenant's security deposit.</p> <p>If Owner transfers management of the Property to Agent during the term of a tenant's occupancy, the security deposit plus accrued interest in Owner's possession or as indicated in the existing lease, if applicable, shall be transferred to Agent on the Commencement Date of this agreement.</p> |
| RECORDS AND STATEMENTS | Keep accurate records of the rent receipts and expenditures for the Property and furnish the Owner with accounting statements and detailed annual statement of receipts and disbursements for tax purposes, with IRS Form 1099 indicating rents received for Property. |
| NET RENTAL PROCEEDS | Promptly remit net rental proceeds directly to Owner, or to deposit in the account of Owner, as directed by Owner, the balance of all sums due Owner under the terms of this Agreement. Net rental proceeds are defined as funds in Property account after payment of all monies due Agent, vendors, or allocated for replenishment of reserves. |
| RENTAL TERM | Leases are to be written for a term no longer than the Maximum Lease Term. It is expressly understood that Agent has the authority to execute leases on Owner's behalf for periods of time that may be longer than the term of this agreement, and that termination of this agreement has no effect on the validity of leases executed by Agent prior to such termination. |
| MULTIPLE OFFERS | Owner authorizes Agent to disclose the existence and/or terms of multiple offers to any applicant, potential applicant, or cooperating broker or other tenant or tenant representative in the process of marketing and negotiating to obtain a lease for Owner. |
| TENANT SCREENING | Evaluating applicants for suitability as tenants, which may include obtaining credit and reference verifications in connection therewith. |
| OTHER TENANT RECEIPTS | Collect from Tenant all or any of the following administrative charges including but not limited to: late rent payments, bad check and related charges and penalties, application processing fees, and subleasing or early termination of lease charges. Agent shall be entitled to retain such charges to cover administrative costs. |

MAINTENANCE

Except as otherwise provided in this Agreement, make or cause to be made all repairs, replacements, alterations, or decorations to the Property. Agent shall have the authority to enter into agreements in the name of Owner for all necessary repairs, maintenance, (to include changing locks as deemed necessary by Agent), minor alterations, utility services, and other services to and for the Property.

Except in the event of emergencies, no single expense expected to exceed the Expense Limit shall be made without Owner's authorization. It is agreed and understood that emergency repairs are those which in the opinion of the Agent are necessary to protect the Property from damage or to maintain services to tenants called for by the Lease, by law, regulation, or ordinance.

For emergency and after-hours maintenance Agent cannot guarantee use of specific contractors.

Agent assumes no responsibility to contract for repairs, improvements or upgrades to market Property for the initial lease term or for sale. Should Owner wish to continue to use limited Agent services, owner must execute a Custodial Management Agreement for the Property.

SURVEYS

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

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

**ADVERTISE, SIGN,
LOCKBOX, MLS,
PHOTOGRAPHY**

Advertising the Property, displaying signs thereon (unless prohibited), placing a common key lockbox upon the Property, and making a blanket unilateral offer of cooperation to real estate brokers and participants in any multiple listing service that Agent deems appropriate.

Taking interior and exterior photographs or videos for the purpose of documenting the condition of or advertising the property by using the multiple listing computer system and the Internet. Such photographs may be digitized, reproduced, published, transmitted, disseminated, and displayed in any form or manner, without limitation by Agent, Agent's Broker, and the multiple listing service in and through online realty information services or other forms of electronic distribution, and in books, displays, publications and newspapers as well as any other use, media, or means to aid in the rental of the property.

**LEGAL
PROCEDURES**

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

**HIRING
CONTRACTORS**

Hire, discharge and supervise, in the name of Owner, all labor and contractors required for the operation and maintenance of the Property; it being agreed that all contractors shall be deemed contractors of the Owner and not of Agent, and Owner will have all obligations arising from such contracts. Agent may perform any of its duties through Owner's attorneys, agents or contractors and shall not be responsible for their acts, defaults, or negligence if reasonable care by Agent has been exercised in their employment and retention. Agent makes no representation, warranty, or guarantee of competence of performance of contractors.

THE OWNER HEREBY AGREES TO PAY THE AGENT:

MANAGEMENT FEE

Owner agrees to pay Agent each month for the previously defined property management services, the Management Fee calculated as a percentage of the monthly rent specified in the existing lease, but not less than \$75. During vacancies, at the option of the Agent, Owner agrees to pay Agent a monthly management fee equal to 5% of the current market rent or \$75, whichever is greater. Agent is authorized to charge said fees to Owner's management account and to deduct such fees from rents or other sums accruing to Owner's account. Said fees will be paid first, having priority over any other payments to be made from Owner's account. In the event Owner's account lacks sufficient funds to cover said fees, Owner will promptly remit same to Agent upon notification of such shortfall.

**NON-MANAGEMENT
SERVICES**

Owner agrees to pay Agent a fee of twenty percent (20%) of the cost up to \$1,000 and ten percent (10%) of the cost over \$1,000 for non-management services rendered at Owner's request in connection with the Property. Non-management services are defined as any service performed by Agent that is not necessary for tenant occupancy. Non-management services include, but are not limited to Agent's arranging for renovations, additions, and/or improvements to the Property, renovation of the property for owner occupancy, preparation of the property for initial lease term, and securing alternative or additional mortgage financing.

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

**LEASING AND
RENEWAL
COMMISSIONS**

Leasing and Renewal Commissions are calculated as a percentage of rent amount. Owner agrees to pay Agent the Leasing Commission upon execution of a lease. This Leasing Commission is separate and apart from the Management Fee. Leasing Commission is due for all leases up to twelve (12) months. Leasing Commission plus Renewal Commission is due for leases longer than twelve months, with Leasing Commission paid for months one through twelve and Renewal Commission for each additional year of the lease based on the rent amount(s) for the affected period(s). Leasing Commission and Renewal Commission are due immediately upon execution of the lease agreement and are due in full when multi-year leases are obtained. If a lease is extended for less than six months, or extended on a month-to-month basis, a Renewal Commission shall be charged. These commissions are non-refundable and no rebate shall be allowed for early lease termination by either party or for default under the lease.

**ADMINISTRATIVE
FEE**

Owner agrees to provide a non-refundable \$95.00 set-up fee with this signed Agreement. An annual fee of \$50.00 will be charged on the anniversary of this agreement.

**NON-MANAGEMENT
SALE**

Owner agrees to pay Agent a sales commission equal to 6% of the selling price of the property if, during the term of the tenancy or within 120 days after tenant vacates, Owner sells or agrees to sell Property to tenant or exchange or agree to exchange it with tenant for other property of any kind and wherever located. Owner understands and agrees that the sales commission provided for herein shall be due according to the terms herein regardless of whether this property management agreement is terminated prior to the sale or exchange of Property. The purpose of this paragraph is not to solicit a listing of the property. This provision does not grant the tenant any right to purchase the Property, nor does it authorize Agent to offer the Property for sale.

THE OWNER HEREBY FURTHER AGREES TO:

**LIABILITY
INSURANCE**

Owner shall obtain and keep in effect on the Property, during the term of this Agreement and at his own expense, public/premise liability insurance, known as Owners, Landlords and Tenants Insurance or Extended Premise Liability Insurance, with minimum liability coverage equal to or greater than \$500,000. Owner shall make his best efforts to name Agent as an additional insured or as their interest may appear (ATIMA).

Condo owners shall secure separate liability protection because the Condo Master Policy does not give liability protection to the interior of the unit. Owner shall furnish to Agent a copy of the front page of said policy or certificate(s) evidencing the existence of such public/premise liability insurance in form and substance satisfactory to Agent.

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

**INDEMNIFICATION
AND RELEASE**

Indemnify and save Agent harmless against all claims for damages arising out of alleged violations by Agent in a representative capacity, or Owner, or both, of any constitutional provision, statute, ordinance or regulation, federal, state or local, which arise out of the offer to lease, leasing, management or operation of the Property hereunder or otherwise; and (ii) all expenses incurred by Agent in connection with the foregoing, including the reasonable fees and costs of counsel retained to defend Agent; provided, however, that the provisions of this Paragraph shall not apply if a court of competent jurisdiction makes a final determination, which is either upheld on appeal or not appealed within the applicable period of time, that Agent intentionally violated any such constitutional provisions, statute, ordinance, or regulation. Owner hereby releases Agent from any and all claims, liability or loss suffered by Owner as a result of damage to the Property not covered by Owner's hazard insurance. Except as otherwise provided herein, Owner and Agent do hereby release each other from any and all liability, loss, damage or claim resulting from any claim and agree to secure from their insurers acknowledgement of such release and a waiver of any rights of subrogation.

VACANCY

If for any reason, the Property remains vacant for thirty (30) days or more, Owner shall obtain and keep in effect for said period, at his own expense, adequate vacant property insurance.

FIRE INSURANCE

Provide Agent with a copy of the fire and hazard insurance policy in force which shall include coverage for rent loss in the event the Property should become uninhabitable or in the event of vacancies in excess of thirty days, as well as adequate coverage for vandalism.

**RECORDS,
ACCOUNTS, AND
REPORTS**

A Residential Management Information Sheet shall be completed by Owner, and shall be considered a part of this Agreement.

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

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

BANKRUPTCY DEPOSITORY Agent shall not be held liable in the event of bankruptcy or failure of the depository bank or savings and loan institution in which monies due the Owner are deposited in a fiduciary account.

MINIMUM RESERVE Maintain in Owner's account with Agent an amount equal to the Minimum Reserve. Funds are to be accounted for in Agent's escrow account and are to be used to pay Owner's obligations as otherwise provided in this agreement.

IT IS MUTUALLY AGREED THAT:

AGENT'S PERFECTED SECURITY LIEN Agent reserves a first lien against all rents collected or to be collected for any amounts due Agent under the terms herein. In addition, all records pertaining to Property which are in the possession of Agent, other than statements of accounts, shall be withheld pending full payment by Owner of all monies due Agent under the terms herein.

The Owner grants Agent a perfected security interest in the rents collected or to be collected under the Lease Agreement as security for any advances and expenditures made personally by Agent for the benefit of Owner, and not thereafter reimbursed by said Owner.

FAIR HOUSING The Property will be shown and made available to all persons without regard to race, color, creed, religion, national origin, sex, familial status, handicap or elderliness, in compliance with all applicable federal, state and local fair housing laws and regulations.

MOISTURE / MOLD REMEDIATION Except as expressly provided in this Agreement, Agent shall have no maintenance obligations with respect to the Dwelling Unit or the Premises relating to the accumulation of moisture or the presence of mold or other fungus. Agent will notify Owner of any mold condition in the Dwelling Unit or the Premises of which Agent has actual knowledge; provided, however, that Agent will have no obligation to inspect for such condition except as set forth below. It is expressly agreed that Agent will hire a contractor to address any mold or moisture condition in the Dwelling Unit or the Premises. Owner agrees to indemnify and hold Agent harmless from and against any and all loss, cost, expense, claim, suit, and liability whatsoever by reason of Owner's failure to perform any maintenance of the Dwelling Unit or the Premises required to prevent harm or injury to any Tenant or the property of any Tenant from mold or other fungus, unless Agent has assumed in this Agreement the obligation to perform such maintenance.

WAIVER OF BREACH No waiver or oversight of any breach of any covenant, condition or agreement contained, or compromise or settlement relating to such a breach shall operate as a waiver of the covenant, condition or agreement itself, or any subsequent breach.

LAWS, COVENANTS, AND CODES Owner shall inform Agent and provide documents of any easements, covenants and/or regulations that would affect a tenant's occupancy, as well as keys, cards, stickers, codes, etc. and information concerning any special move-in rules, maintenance, key service, security, intercoms, parking, storage, etc. Owner will advise Agent of any matters affecting Property and its management of which Owner is aware during the term of this Agreement. In the event tenant or Agent incurs any loss due to Owner's non-disclosure of such matters, Owner shall reimburse tenant and/or Agent for such losses. As to any such losses of Agent, reimbursement for such losses shall be allowed as provided herein.

It is agreed that Agent assumes no responsibility for any building or equipment compliance with the requirements of any statute, ordinance, law or regulation of any governmental body or public authority, except to notify Owner promptly of any complaints, warnings, notices or summons received by Agent relating to such matters. Owner represents that, to the best of his knowledge, Property and its equipment comply with all such requirements. Owner hereby authorizes Agent to disclose the ownership of the Property to governmental officials, in the event any such complaints, etc. are received by Agent. Owner agrees to indemnify, defend and hold Agent harmless, as well as vendors and employees from all loss, costs, expenses and liability whatsoever which may be incurred by or imposed on them by reason of any violation or alleged violation of any such statutes, ordinances, laws or regulations.

**LAWS, COVENANTS,
AND CODES**

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

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

LEGAL ACTIONS

In the event of any legal action undertaken on behalf of owner in relation to this Agreement, Owner shall pay any and all legal and attorney's fees incurred by Agent or its representatives in connection therewith.

Agent shall issue notices to tenant in the event of non-payment of rent, and take legal action as may be determined necessary. In the event of any such legal action, Owner hereby authorizes Agent to retain an attorney whom Agent deems appropriate. Agent shall not be required to expend any Agent funds for legal action on behalf of Owner. Owner holds Agent harmless from any claim of non-performance if Owner funds are insufficient to satisfy anticipated legal costs.

Owner shall pay all expenses incurred by Agent including, without limitation, attorney's fees for counsel employed by Agent for Owner in any proceeding or suit to terminate tenancies, serve notices, evict tenants, recover possession of Property and collect judgments on Owner's behalf.

DEFAULT

Owner shall be in default of this Agreement, at option of Agent, upon:

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

REMEDIES

If Owner defaults, in addition to any other remedy available to it, Agent may:

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

TERMINATION OF AGREEMENT

Owner may terminate this Agreement with thirty (30) days written notice to Agent at any time by providing Agent liquidated damages in full in advance in an amount equal to the management fees and commissions due for the remaining term of the current lease. Agent shall be entitled to receive such liquidated damages for any leases and renewals so long as any tenant procured by Agent occupies the property.

If Owner qualifies under the diplomatic/military clause of any existing lease and is returning to the area to occupy the Property, Owner may terminate this Agreement by giving Agent sixty (60) days written notice to that effect. The notice will become effective on the first day of the month following receipt of the Owner's written request to terminate the lease and occupy the property. Owner agrees to verify transfer by providing a copy of orders to Agent with the termination notice. This Agreement shall terminate when affected tenant vacates. Owner agrees to pay Agent management fees in advance in full for the balance of lease in effect at time of such termination.

Agent reserves the right to terminate this agreement with thirty (30) days written notice to Owner at any time. Owner remains liable for any commissions due, fees due, or monies owed Agent at the time of such termination.

In the event of termination of this Agreement, Agent shall remit to Owner all money held or received by Agent and due Owner less any sums due Agent hereunder, and Owner shall remit to Agent all money due Agent, if any, in excess of any sums held by Agent.

Termination of this Agreement shall not release the indemnities of Owner set forth above, and shall not terminate any liability or obligation of Owner to Agent for any payment of money due and payable to Agent hereunder.

This Agreement shall terminate and management responsibilities shall immediately cease if Property becomes vacant and Owner withdraws authorization to market the Property for rent.

DISPUTES BETWEEN THE PARTIES TO THIS AGREEMENT

In the event of any dispute between the parties which arises under this Agreement, such dispute shall be settled by arbitration in accordance with the rules for commercial arbitration of the American Arbitration Association (or a similar organization) in effect at the time such arbitration is initiated, and subject further to the provisions of law governing arbitration in the state where the rental property is located. A list of arbitrators shall be presented to the Claimant and Respondent from which one will be chosen using the applicable rules. The hearing shall be conducted in the city or county in which the rental property is located, unless both parties consent to a different location. The decision of the arbitrator shall be final and binding upon all Parties.

The prevailing party shall be awarded all of the filing fees and related administrative costs. Administrative and other costs of enforcing an arbitration award, including the costs of subpoenas, depositions, transcripts and the like, witness fees, payment of reasonable attorney's fees, and similar costs related to collecting an arbitrator's award, will be added to, and become a part of, the amount due pursuant to this Agreement. Any questions involving contract interpretation shall use the laws of the state where the rental property is located. An arbitrator's decision may be entered in any jurisdiction in which the party has assets in order to collect any amounts due hereunder.

IRS RULING

Owner and Agent acknowledge that neither the United States Congress nor the Internal Revenue Service has established definitive standards for active participation in the management of investment property. Accordingly, while it is the intention of the parties that the Owner shall actively participate in management of the Property, Agent makes no representation or warranty that the provisions of this Agreement shall comply with any requirements for "active participation" by Owner.

INVALID TERMS

If any term, covenant, condition, or provision of this Agreement or the construction thereof to any person or circumstance shall to any extent be deemed invalid or unenforceable, the remainder of this Agreement or the construction of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant, condition and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

LEASE PREVAILS

If any provision of the Lease Agreement on the Property conflicts with this Agreement, the Lease Agreement shall take precedent over this Agreement.

NOTICE

All notices required to be given under the Agreement may be hand delivered or given by regular mail, postage prepaid, with the party giving notice retaining sufficient proof of mailing which may be a U.S. Postal Certificate of Mailing, and if served by mail shall be deemed to have been given when deposited in the U.S. Mail. Owner and Agent may send notices in electronic form. If electronic delivery is used, the sender shall retain sufficient proof of the electronic delivery, which may be an electronic receipt of delivery, a confirmation that the notice was sent by facsimile, or a certificate of service prepared by the sender confirming the electronic delivery.

HEIRS, ASSIGNS, & TRANSFER

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

FEDERAL GOVERNMENT REPORTING REQUIREMENTS

If owner is a citizen of the United States and/or a non-citizen residing in the United States, a completed W-9 is required in order to report rental income and expenses in conjunction with this agreement.

If owner is not a citizen of the United States and does not reside in the United States, a completed W-8ECI or W-8BEN is required.

If Owner does not have a United States tax identification number or social security number Owner must apply for a tax identification number through a form W-7.

No rental proceeds or other disbursements can be made under this contract without proper documents to report financial activity.

(ALL LEGAL OWNERS MUST SIGN)

Signature _____ (SEAL)
Owner

Date: _____
SSN / Tax I.D. Number

Signature _____ (SEAL)
Co-Owner

Date: _____
SSN / Tax I.D. Number

Vice President
Property Management Division