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PROPERTY MANAGEMENT AGREEMENT

This AGREEMENT, made this _____ day of _____, 20____, by and between _____, legal owner(s) of the below-referenced property, hereinafter referred to as Owner, and DMS PROPERTIES, LLC, hereinafter referred to as Agent, constitutes the complete and entire agreement concerning leasing and management of the UNFURNISHED property known as _____, hereinafter referred to as Property. The property was constructed in _____.

Owner hereby warrants and represents that it is the legal owner of the subject property and that Owner is now and will remain current on payment of all loans, dues, and fees associated with the property and to maintain necessary services.

Agent herein 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 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.

Owner acknowledges that Agent intends to fully comply with all Federal, state and local laws, ordinances and regulations prohibiting any form of discrimination including, but not limited to all Federal, state and local bases of discrimination. In signing this Agreement, Owner thereby agrees to also fully comply with said laws, ordinances and regulations.

1. TERMS --

a. Owner employs Agent exclusively and grants Agent the necessary authority to manage the Property beginning on _____, 20____, and ending on the last day of _____, 20____, and continuing thereafter for periods of twelve months.

b. If, after the original 90 days of this Agreement, the Property remains un-rented, either Agent or Owner may, upon written notice, terminate this Agreement, which shall then be considered null and void. In the event Owner terminates the Agreement within the original 90 days, Owner agrees to forfeit the initial \$300 deposit to Agent (see section 9, paragraph c).

2. RENTAL AMOUNT --

Owner authorizes Agent to accept leases for a monthly rental of \$_____, or such other amount as may be deemed acceptable by Agent, but in no event less than \$_____, without Owners approval.

3. MANAGEMENT DEFINED --

Owner grants authority to Agent to perform management activities and Owner agrees to assume all expenses in connection with the management of the property. Management of the Property is defined as:

- Acting for Owner for the purpose of securing and/or renewing lease contracts.
- Using generally accepted procedures to procure tenants for vacancies as they occur. This may include advertising, using multiple listing services, placing of sign and lockbox on Property, and removing any other sign if necessary. Owner authorizes Agent to have interior and exterior photographs of the property taken and to digitize, reproduce, publish, transit, disseminate, and display in any form or manner including, without limitation, Multiple Listing Systems and any other electronic media, as well as books, displays, publications, and newspapers as well as any other use, media, or means to aid in the rental of Landlord's property. Landlord hereby waives, acquits and forever releases Agent, MLS Systems, their officers, directors, employees, and shareholders from any responsibility or liability concerning any photographic services or the use, distribution, or display of photographs in any form or manner.
- Using generally accepted procedures to evaluate applicants for their suitability as tenants, which may include obtaining credit and reference verifications in connection therewith.
- Receiving all rent and other monies due from tenant.
- Remitting all monies due Owner under the terms of this Agreement.
- Maintaining accurate records of rental income and expenditure for the Property; furnishing Owner such records from time to time as Owner may require; submitting at the end of each calendar year Internal Revenue Service Form 1099 indicating rents received for the Property.
- Performing due diligence in selecting and arranging for necessary maintenance of the Property.
- Surveying the interior of the property at least yearly during the tenancy, surveying the exterior of the property at least quarterly, and performing an interior and exterior inspection at the termination of tenant's occupancy.
- Initiating legal action when required to protect Owner's and/or Agent's interests.
- Terminating tenancies and to sign and serve or have served such notices as are deemed to be necessary by Agent; to institute and prosecute actions to evict tenants and recover possession of Property; to sue and recover rent; when expedient, to settle, compromise and release any such actions or suits, or reinstate any such tenancies.
- Entering into contracts in the Owner's name, and at Owner's expense, for electricity, gas, fuel, water, sewer, trash removal and other services to and for the Property during vacancy. Agent does not guarantee vendors. Agent may terminate provision in Owner's name of such services when Property is occupied by a tenant and the lease holds the tenant responsible for such services.
- Installing smoke detectors or any other equipment required by applicable law or regulation at Owner's expense before occupancy by tenants and to provide tenant with certification thereof.
- Negotiating accommodations/concessions as may be necessary to resolve disputes between Owners/Landlords and tenants.

4. LEASES --

a. Agent shall negotiate and execute leases on Owner's behalf. Agent will also be authorized (with the advice and consent of the owner) to cancel or modify leases. Owner grants Agent authority to uphold Owner's obligations under the lease contract with tenant.

b. Leases are to be written on the lease form provided by Agent.

c. Leases are to be written for a minimum term of one year and a maximum of ____ years. It is expressly understood that Agent has the authority to execute leases on Owner's behalf for periods of time which may

be longer than the term of this Agreement, and that the termination of this agreement has no effect on the validity of leases executed by Agent prior to such termination. The minimum term of leases may be reduced by mutual written agreement of Agent and Owner.

5. RECEIPTS FROM TENANT --

a. Agent shall receive rents and/or assessments or other amounts due in accordance with the terms of any lease now in existence or which might be executed in the future pursuant hereto.

b. Agent shall collect from tenant, prior to occupancy of Property, rent due in advance plus security deposit equivalent to at least one month's rent. When Owner transfers the management of Property to Agent during the term of a tenant's occupancy, the security deposit plus accrued interest in Owner's possession, or as indicated on existing lease, shall be paid to Agent upon the commencement of this Agreement. The security deposit is held in escrow by Agent for the duration of the lease and any extension thereof, and Agent shall pay interest on such security deposit to tenant as may be required by law. Any interest earned above that which is payable to tenant shall be retained by Agent to cover costs of administration. Owner shall reimburse agent for any interest paid to tenants which exceeds interest Agent receives on such deposits. Owner hereby waives any right to interest that may accrue on tenant's security deposit.

c. From time to time Agent collects from tenant any or all of the following: a late rent administrative charge which may be identified as additional rent in the lease agreement, a non-negotiable check charge, an application processing fee, a change-lease administrative charge, and a broker's commission upon the re-leasing of the Property at tenant's request. It is understood and agreed that these sums of money belong to Agent and Agent need not account to Owner for such receipts.

d. Nothing in this Agreement shall be construed as a guarantee by Agent of payment of rents or other monies due from tenant, nor as guarantee of the negotiability of checks given for payment by tenants.

e. Agent shall refund tenant's security deposit at the expiration of tenant's occupancy in accordance with applicable law and the terms of the lease. Agent shall make a reasonable visual survey pre-tenancy and post-tenancy to determine the amount of tenant's security deposit to be refunded, if any. Agent shall determine if any additional amounts are to be paid by tenant for expenses incurred by Owner or Agent to return the property to marketable condition. Such determinations regarding property condition and allocation of security deposit monies shall be mad at Agent's sole discretion. Agent assumes no responsibility for the condition of the Property or for the performance by tenant of the terms of the lease.

f. It is understood and agreed that Agent has a first lien against all monies collected or to be collected for any non-reimbursed expenses incurred and fees paid or earned by Agent for the benefit of Owner, or due to Agent per the terms of this Agreement.

6. DISBURSEMENTS TO OWNER --

a. Agent will promptly remit all sums due Owner under the terms of this Agreement. Such payments may be made directly to Owner, deposited in a bank account maintained by Owner, or otherwise handled as directed in writing by Owner.

b. Disbursements will be made for the balance of all sums due Owner in excess of the operating fund, re-occurring payable funds and actual or projected expenses as outlined in this Agreement.

c. Funds due to Owner are defined as residual funds in account after payment of all monies due Agent, Vendors, or for replenishment of reserves.

7. FEES AND COMMISSIONS --

a. Owner agrees to pay Agent each month for the previously defined property management services, a management fee equal to 6% of the monthly rent specified in the existing lease, but no less than \$50 per month. During vacancies, at the option of Agent, Owner agrees to pay Agent a monthly management fee equal to 3% of the agreed minimum acceptable rent or \$30 per month, 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.

b. 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's of all monies due Agent under the terms herein.

8. RECORDS, ACCOUNTS AND REPORTS --

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

b. 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.

The Property is located in:

- _____ County, which requires _____.
- The City or Town of _____, which requires _____.

c. Owner shall deposit into the management account an operating fund of \$300 (see section 9, paragraph b), plus, if applicable, an amount equal to one month's payment(s) and any additional pre-scheduled payments (See Addendum if applicable).

d. The total amount of operating funds required shall be indicated on the Statement of Account as "REQUIRED MINIMUM BALANCE." Owner must note any balance due indicated on his or her monthly statement and promptly remit funds due to Agent.

e. 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, and will include the monthly statement of account and year-end summary of account.

9. MAINTENANCE --

- a. Owner authorizes Agent and Agent agrees to attend to necessary maintenance, repairs, and upon vacancies, cleaning of the Property, and to purchase incidental supplies thereof at Owner's expense. Except in the event of emergencies, no single expenditure expected to exceed \$300 will be made without Owner's authorization. It is agreed and understood that emergency repairs are those which, in Agent's sole discretion, are necessary to protect the Property from further damage or to maintain habitability or called for by law or lease provisions.
- b. Owner agrees to deposit the sum of \$300 in the management account as set forth in Section 8, paragraph c). Agent may use said funds to pay any Owner expenses. This fund shall be replenished from rent monies collected by Agent or by Owner at Agent's request. Such request may take the form of a personal communication (letter, e-mail, telephone, etc.). Owner shall review monthly account balance and fund account promptly when balance is below minimum.
- c. Agent will perform due diligence to hire, on Owner's behalf, competent, licensed and insured contractors and vendors; however, it is understood and agreed that Agent makes no warranty or guarantee of competence or performance of vendors.
- d. For emergency situations and after-hours maintenance, Agent cannot guarantee the use of specific contractors.

10. PROPERTY SURVEYS --

- a. Agent will make reasonable visual surveys of the Property at commencement of tenancy, annually during tenancy and at termination of tenant's occupancy. Agent may make additional surveys as Agent deems in its sole discretion to be necessary, but will perform exterior survey at least quarterly. Agent's surveys at tenant's occupancy and termination will include a written report of general condition of the Property, but does not warrant condition of Property. Agent will provide Owner with a copy of such occupancy survey report. In the event of a known vacancy, Agent will take what it deems in its sole discretion reasonable precautions to safeguard Property, and Owner agrees to arrange for proper insurance coverage.
- b. 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 will assume management responsibility to survey and note the presence of stoves, refrigerators, freezers, window air conditioners, washers, and dryers. Any other personal property that Owner provides, to include fireplace tools, lawn equipment, portable appliances such as microwave ovens, dehumidifiers, home repair materials, paint, firewood, etc., will NOT be inventoried, noted, or inspected by Agent. Owner agrees there will be no expectation that personal property including, but not limited to, the items listed above will be returned to owner and holds Agent harmless from any claim for such items.

11. INSURANCE --

- a. Owner shall obtain and keep in effect during the term of this Agreement, at his own expense, fire and adequate vandalism insurance on the Property. Owner shall provide Agent with copies of the front page (declarations page) of said insurance policies.
- b. 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 of \$500,000. Owner shall make his best efforts to name Agent as an additional insured or as their interest may appear (ATIMA).

c. 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.

d. 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 therefore. 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 in Section 13, Paragraph d below shall apply and be in full force and effect.

e. 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.

f. Owner agrees to indemnify, defend and save Agent harmless from all suits in connection with the leasing and management of the Property and from liability for damage to any other Property and for injuries to or death of any person or persons.

12. LAWS, COVENANTS, AND CODES --

a. 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.

b. 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.

c. 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.

d. 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 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 therefore; 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 any payment, reimbursement or other sum of money due and payable to Agent.

e. 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 legally acting in connection with Property are contractors 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.

13. LEGAL ACTIONS --

a. In the event of any legal action in relation to this Agreement, or to the management or leasing of Property, Owner shall pay any and all legal and attorney's fees incurred by Agent or its representatives in connection therewith. In litigation between the parties to this Agreement, the losing party will pay the prevailing party's legal fees.

b. Agent shall give notices to tenant in the event of non-payment of rent, and shall take further legal action as may be necessary.

c. 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 as required by law, evict tenants, recover possession of Property and collect judgments on Owner's behalf.

d. In the event of any such legal action as set forth in Section 14, Paragraph c, Owner hereby authorizes Agent to retain an attorney whom Agent deems appropriate.

14. DEFAULT --

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

- Owner's failure to perform any obligation under this or any other agreement with Agent in full within ten (10) days;
- Breach of any of Owner's representations;
- Owner's insolvency or the application for appointment of a receiver for Owner, or any assignment for the benefit of creditors by or against Owner, of any of its Premises;
- 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;
- If in the Agent's opinion, Owner's actions or inactions are illegal, improper or jeopardize the safety or welfare of any tenants or other persons.
- Failure to remain current on the payment of any condo/PUD/HOA or other property related fees or dues.

15. REMEDIES --

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

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

16 . TERMINATION OF AGREEMENT --

a. Owner may terminate this Agreement with thirty (30) days written notice to Agent at any time by providing Agent liquidated damages in an amount equal to 50% of the management fees and commissions due for the remaining term of the current lease. If Owner terminates this agreement "for cause," then the liquidated damages above are waived.

b. If Owner qualifies under the diplomatic/military clause of any existing lease and is returning to the area and plans to occupy the Property, Owner may terminate this Agreement by giving Agent a 30 day written notice, five business days prior to the notification time period specified in the diplomatic/military clause of any existing lease. Such written notice shall include an official copy of Owner's returning orders. This Agreement shall terminate when current tenant vacates and security deposit disbursed, unless Agent is requested to prepare the Property for the return of Owner. See section 7, paragraph b.

c. 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. Agent will provide copies of all documents pertaining to the Property with said written notice to Owner.

d. 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.

e. 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.

f. This Agreement shall terminate and management responsibilities shall immediately cease if Property becomes vacant and Owner places Property on the market for sale. Agent assumes to responsibility to contract for repairs, improvements or upgrades to market Property for sale. Should Owner wish to continue to use limited Agent services, Owner must execute a Custodial Management Agreement for the Property.

17. 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.

18. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement concerning _____,

Without any additions, and a copy of the executed Agreement is provided to each of the parties. This Agreement may be signed in counterparts, which together shall constitute one agreement.

FEDERAL GOVERNMENT REPORTING REQUIREMENTS	(ALL LEGAL OWNERS MUST SIGN)
Are you a citizen of the United States?	Signature _____
Yes ____ No ____	Date: _____ SSN or TIN _____
If Yes, complete form W-9 and forward with this document.	Signature _____
If No, do you reside in the continental United States?	Date: _____ SSN or TIN _____
Yes ____ No ____	Signature _____
Country of citizenship: _____	Date: _____ SSN or TIN _____
If Yes, complete forms W-9 and forward with this document	This Agreement will only be valid when signed below and upon receipt of information and monies as outlined in Section 3, Section 8, paragraph c and Section 9, paragraph b. The Housing Condition Questionnaire is a part of this Agreement.
If No, complete form W-8ECI or W-8BEN and forward with this document.	
If Owner does not have a U.S. tax identification number or social security number, Owner must apply for a tax identification number through a form W-7.	
	_____ DMS Properties, LLC