

## Exclusive Authorization to Rent and Property Management Agreement

This EXCLUSIVE AUTHORIZATION TO RENT AND PROPERTY MANAGEMENT AGREEMENT (this "Agreement"), made on \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date") by and between **EJF Real Estate Services, Inc.** ("EJF") and \_\_\_\_\_ ("Owner").

### **SECTION 1. PROPERTY; ENGAGEMENT.**

- A. **Property.** Owner owns the property located at \_\_\_\_\_, together with, \_\_\_\_\_ (collectively, the "Property"). The Property is located in \_\_\_\_\_ (the "Association").
- B. **Engagement.** Subject to the terms and conditions set forth herein, the Owner hereby exclusively engages EJF to rent, lease, operate and manage the Property, and EJF hereby accepts such engagement. In order to assist EJF in the smooth transition of the start-up of its obligations under this Agreement, Owner agrees to provide or cooperate in the production of certain materials, information, reports and/or documents as may be requested from time to time by EJF.

### **SECTION 2. RENTAL TERMS.**

- A. **Rental Rate:** The Property is to be offered at a rental of \$\_\_\_\_\_ per month; provided, however, that EJF may in its professional judgment in response to market conditions, make changes in the rental rate without prior notice to, or the consent of, Owner.
- B. **Lease Term:** The Property is to be offered for a term of twelve (12) months or such longer term as agreed to by Owner.
- C. **Possession.** The Property will be available for occupancy on or about \_\_\_\_\_, 20\_\_\_\_.
- D. **Utilities:**
- (i) The following utilities are to be paid by tenant: \_\_\_\_\_
  - (ii) The following utilities are to be paid by Owner: \_\_\_\_\_
- E. **Pets:** Pets are accepted \_\_\_\_ YES \_\_\_\_ NO

### **SECTION 3. TERM OF THIS AGREEMENT.**

- A. **Initial Term.** The term of this Agreement (the "Term") shall commence on the Effective Date and, subject to Section 3.C. of this Agreement, shall expire at 11:59 pm on the date that is twelve (12) months from the commencement date of the first lease that EJF enters into with a tenant with respect to the Property ("Initial Term").
- B. **Automatic Renewal.** Subject to Section 3.C. of this Agreement, upon the expiration of the Initial Term, this Agreement shall automatically renew and continue on a month-to-month basis.
- C. **Termination.** Following the Initial Term, this Agreement may be terminated by either party giving to the other not less than sixty (60) days prior written notice of their intention to terminate. Notwithstanding the foregoing, (i) if either party defaults in the performance of any material obligation of such party under this Agreement and such default continues for a period of 30 days after written notice by the non-defaulting party to the defaulting party specifying in reasonable detail the nature of such default, then the non-defaulting party may terminate this Agreement prior to the expiration of the Term; (ii) EJF may terminate this Agreement upon 30 days' written notice prior to the expiration of the Term if: (a) normal operation of the Property is not practical due to the failure of the Property to comply with any applicable rules, orders, determinations, ordinances or any laws; (b) in the event of loss or damage of the Property or (c) if Owner sells or transfers the Property or if the Property is taken under the power of eminent domain; and (iii) EJF may, at its sole discretion terminate this Agreement prior to the expiration of the Term within 90 days' written notice.

#### **SECTION 4. DUTIES AND AUTHORITY OF EJF.**

- A. **Rent Property.** Owner grants EJF the power and authority to lease and manage the Property in its own name as agent for Owner. EJF will offer for rent and will use commercially reasonable efforts to rent the Property. EJF may show the Property to prospective tenants and take and process applications for rentals.
- B. **Execute Leases.** EJF is authorized to execute binding leases, renewals, lease amendments and/or subsequent leases for the Property, on behalf of Owner, in EJF's commercially reasonable judgement consistent with Owner's instructions. Leases are to be written on the standard form of lease utilized by EJF or form of lease required by a condominium, cooperative or homeowner's association ("Association"), if any. Owner shall provide EJF with any lease required by an Association with respect to the Property.
- C. **Advertise; Multiple Listing; Signs.** EJF is authorized to advertise the Property, at its own expense, by means and methods as EJF determines in its sole but reasonable discretion. EJF is authorized to enter the Property into the multiple listing system used by local real estate brokers to advertise properties for rent and to cooperate with other brokers representing tenants in the rental of the Property. Owner authorizes EJF to display "For Rent" signs on or about the Property unless prohibited by the Association or other applicable law.
- D. **Lockbox.** When permissible, EJF is authorized to place a lockbox on the Property for the convenience and use of EJF, its representatives, employees, contractors, cooperating brokers, prospective tenants or other parties. EJF may provide the lockbox code or may use an automated electronic lockbox system that allows access to the Property for prospective tenants who have provided their driver's license or other commercially reasonable pre-screening documentation. Owner agrees to indemnify, defend, and hold EJF, its representatives, servants and employees, harmless of and from all loss, cost, expense, and liability whatsoever which may be imposed on them by reason of the use of a lockbox except if caused by EJF's gross negligence or willful misconduct.
- E. **Collection of Rent.** On behalf of Owner, EJF will use commercially reasonable efforts to collect and receive all rents and other fees and charges, if applicable, that become due in accordance with the terms of any lease now in existence on the Property or may be executed in the future by EJF on Owner's behalf. EJF shall not be responsible to Owner for the failure by tenant to pay any rent or other fee or charge.
- F. **Performance and Enforcement of Leases.** EJF will use commercially reasonable efforts to cause the obligations of Owner as landlord under the leases to be timely performed (other than those obligations, if any, that by their nature must be performed directly by Owner) and to attempt to obtain compliance by the tenants with the terms of the leases. EJF may lawfully terminate any tenancy when, in EJF's judgment, sufficient cause (including, but not limited to, nonpayment of rent) for such termination exists under the terms of the tenant's lease. For this purpose, EJF is authorized to consult with legal counsel selected by EJF to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to any such action. Attorneys' fees and other necessary costs incurred in connection with such actions will be paid by Owner. EJF is authorized in its sole and absolute discretion to settle, compromise and release any such actions and/or lawsuits. EJF shall not be responsible to Owner for any damages or loss resulting from failure by tenant to comply with any of the terms of the lease nor shall EJF be responsible for any personal property of Owner.
- G. **Security Deposit.**
- (i) EJF will collect, deposit and disburse a security deposit ("Security Deposit") in accordance with the terms of a tenant's lease and comply with all applicable law related thereto. The Security Deposit will be equal to one month's rent or such other amount as permitted by applicable law or authorized by the Owner.
  - (ii) Security Deposits will be deposited by EJF in a trust or escrow account with one or more banks that are members of the Federal Deposit Incorporation Corporation ("Security Deposit Account") and maintained solely for security deposits or as otherwise required under applicable law. Notwithstanding anything to the contrary in this Agreement, EJF shall not be responsible for, nor liable in the event of, the failure, insolvency, bankruptcy or receivership of such bank.

- (iii) Interest received in connection with the Security Deposit Account shall first be paid to the tenant in an amount as required by law and any residual interest may be retained by EJV as compensation for administering the Security Deposit Account. In the event interest earned on the Security Deposit is insufficient to meet the minimum amount required by to be paid to tenant under applicable law, Owner agrees to pay the amount needed to bring the interest paid to the required amount.
- (iv) EJV is authorized to apply funds in the Security Deposit Account to (a) refunds of amounts due to tenants and/or (b) amounts due from tenants. Upon expiration or termination of any lease, EJV shall determine, in its sole and absolute discretion, the amount of deduction for damages to be applied against the Security Deposit in accordance with applicable law. Owner hereby agrees to be bound by EJV's determination under this Section 4.G.(iv). EJV shall not be responsible to Owner for any damages or other amounts owed by tenant to Owner in excess of the amount of the Security Deposit determined by EJV to be due from tenant to Owner under this Section 4.G.(iv).

**H. Preparation and Maintenance of the Property.**

- (i) Prior to the commencement of any lease between EJV, on behalf of Owner, and a tenant, EJV is authorized to prepare or cause to be prepared the Property for occupancy at Owner's sole cost and expense in such a manner as EJV determines in its sole and absolute discretion to be necessary or appropriate in order to lease the Property; including, but not limited to, maintenance, repairs, painting, cleaning, alterations and decorations. Notwithstanding the foregoing, without the consent of Owner, EJV shall not make expenditures in an amount greater than Two Thousand Five Hundred Dollars (\$2,500.00) ("Preparation Expenditure Cap") in connection with the preparation of the Property for occupancy.
- (ii) EJV is authorized to maintain or cause to be maintained the Property at Owner's sole cost and expense in such a manner as EJV determines in its sole and absolute discretion to be necessary or appropriate in order to maintain the property in an attractive condition and good state of repair for the operation of the Property and to comply with lease requirements, insurance requirements and/or applicable law; including, but not limited to, maintenance, repairs, minor alterations, cleaning, replacement of appliance, fixtures, equipment and decorations. Notwithstanding the foregoing, without the consent of Owner, EJV shall not make expenditures in an amount greater than Five Hundred Dollars (\$500.00) ("Maintenance Expenditure Cap") in connection with the preparation of the Property for occupancy.
- (iii) Notwithstanding anything to the contrary herein, EJV is authorized to make expenditures in excess of the Preparation Expenditure Cap and/or Maintenance Expenditure Cap without the consent of Owner in an emergency situation involving an imminent threat to persons or property, if required in order to comply with the terms of the lease or if required in order for the Property to comply with any applicable law.
- (iv) For purposes of this Section 4.H., Owner shall be deemed to have consented to expenditures in excess of the Preparation Expenditure Cap and/or Maintenance Expenditure Cap if EJV does not receive written notice of Owner's disapproval within ten (10) days after EJV has requested such consent.
- (v) Notwithstanding anything to the contrary in this Agreement, (a) EJV does not guarantee or warrant the quality of any work done whether for maintenance, capital improvement work and/or any other work done to the Property pursuant to this Agreement, (the "Work") nor the fitness of any of the Work for its intended purpose and (b) EJV does not guarantee the cost of any of the Work, nor the performance of any of the Work by contractors and suppliers or other professionals.

- I. **Contracts and Purchases.** EJV shall enter into such contracts and make such purchases in the name of and at the expense of Owner as EJV reasonably determines to be necessary or advisable for the marketing, leasing, maintenance and operation of the Property, including, without limitation, the furnishing of all utilities, services, materials and/or supplies for the Property. EJV shall use commercially reasonable efforts to obtain materials, supplies and services at a reasonable cost and on reasonable terms; provided, however, that EJV is authorized to use the services of the contractor(s) of its choice in connection with the Property, including, but not limited to, EJV Maintenance Services. EJV shall have no liability for any amounts due with respect to any agreement, contract, account or obligation entered into by EJV on behalf of Owner pursuant to this Agreement. EJV shall be the sole beneficiary of any rewards, points or rebates offered by vendors, suppliers or EJV's credit card issuer for any payment or

purchase made by EJV on behalf of the Owner.

- J. **Reports.** EJV shall keep accurate records of the receipts and expenditures for said Property and furnish Owner with detailed monthly and annual accounting statements. In addition, EJV shall prepare and file IRS Form 1099.
- K. **Inspections.** EJV is authorized to make inspections of the Property as EJV feels necessary and report matters concerning the condition of the Property to Owner. Owner agrees to pay a reasonable fee to EJV or any third-party inspector hired by EJV, for each inspection performed. Notwithstanding anything to the contrary herein, EJV shall have no duty or obligation to inspect the Property.

#### **SECTION 5. ESTABLISHMENT OF ACCOUNTS.**

##### **A. Operating Account.**

- (i) EJV shall promptly deposit all amounts collected on behalf of Owner into a trust or escrow account with one or more banks that are members of the Federal Deposit Incorporation Corporation ("Operating Account"). Notwithstanding anything to the contrary in this Agreement, EJV shall not be responsible for, nor liable in the event of, the failure, insolvency, bankruptcy or receivership of such bank.
- (ii) EJV shall be authorized to pay or reimburse itself for the following from the Operating Account: (i) reimbursements for costs and allocated costs incurred by EJV in connection with the Property; (ii) management fees, other fees and other amounts due to EJV; (iii) charges for utility services furnished to the Property; (iv) the costs and expenses of operating, maintaining and repairing the Property and (v) all other sums relating to the Property chargeable to Owner under the terms of this Agreement. Owner shall be responsible for the payment of all mortgage/notes, property taxes, Association fees, special assessments, premiums for casualty and liability insurance relating to the Property and any other costs, fees or expenses associated with the Property. EJV does not assume responsibility for any late fees which may be assessed if such late payment results from insufficient funds in the Operating Account attributable to the Property, the late collection of the rent or non-payment by Owner of any amount Owner is required to pay directly. EJV shall not be liable for the default under, or any consequences related to, terms of any trust, mortgage, deed of trust and/or other loan document.
- (iii) EJV shall have no obligation to advance or provide any funds to pay any of the items set forth in Section 5.A.(ii). If the amounts in the Operating Account attributable to the Property are insufficient to pay any of the amounts set forth in Section 5.A.(ii), EJV may, in its sole discretion, either (a) make payments on behalf of Owner in such amounts, it being expressly understood that EJV is under no obligation whatsoever to do so, or (b) send Owner a statement of account listing any such amounts. It shall be the responsibility of Owner to reimburse or pay EJV within fifteen (15) days of notice. EJV may deduct any advances or reimbursements from any money EJV holds in trust for Owner. In the event that the Owner fails to reimburse EJV for amounts advanced on Owner's behalf by EJV within fifteen (15) days from receiving notice thereof, EJV shall, at its sole opinion and discretion, have the option to charge Owner a Twenty-Five Dollar (\$25.00) administration fee plus interest equal to eighteen percent (18%) per annum (or the maximum amount permitted by law if such amount is less than eighteen percent (18%)) until such amounts are paid in full, as well as the right to pursue any legal and equitable remedies. Mailing or electronic delivery of monthly statement of income and expenses indicating a deficient Owner balance shall be sufficient notice to Owner of balance due. Owner grants EJV a perfected security interest in the rents collected or to be collected under the lease as security for any advances and expenditures made personally by EJV for the benefit of Owner, and not thereafter reimbursed by said Owner.

- B. **Disbursements.** On or before the last day of each month, EJV shall disburse the rental proceeds, net of any amounts due from Owner to EJV under this Agreement, to Owner, via ACH deposit, into Owner's specified bank account. If Owner requires payment by check rather than by ACH, Owner agrees to pay to EJV a reasonable administrative fee.

#### **SECTION 6. DUTIES AND AUTHORITY OF OWNER.**

- A. **Owner's Representations and Warranties.** The Owner makes the following representations with regard to the Property: (1) Owner owns and holds sole legal and beneficial title to the Property, free and clear of all rights of first refusal, rights of first offer, options or rights to purchase or acquire the Property; (2) there does not exist any default, or any circumstances which, with the passage of time, the giving of notice or both, would constitute a default under any loan document or other material document

related to the Property; and (3) The Property is not under the direction of any court, receiver, liquidator, assignee, custodian, trustee, sequestrator; and (4) all information relating to the Property provided to EJV by Owner is true and correct in all material respects.

- B. **Community Association.** Owner shall provide EJV with any and all condominium, cooperative or homeowner association rules and regulations, forms or leases and/or any other documentation and/or information with respect to the Association that EJV may need in order to perform its duties under this Agreement within seven (7) days of the Effective Date. Owner shall timely pay any and all fees charged by the Association.
- C. **Rental License and Rent Control.** Owner is responsible for obtaining and timely renewing: (i) a rental facility license or permit from any municipality requiring a rental license; (ii) all required registrations with the Office of Tax and Revenue; (iii) Rent Control Registration (or exemption, as applicable); (iv) an occupancy permit; (v) any other jurisdictional requirements pertaining to the use of the Property as a residential rental property. Owner agrees to indemnify and hold EJV harmless from any liability for damages or loss arising out of Owner's failure to maintain any license or other jurisdictional requirements pertaining to the use of the Property as a residential rental property. Owner will provide EJV with verification of the current rental facility license at time of execution of this Agreement or as soon as the license is obtained, whichever first occurs. For Property located within the District of Columbia, Owner will provide EJV with a copy of his, her or its Rental Accommodation Registration/Exemption Certificate. If requested by Owner, EJV agrees to help obtain the proper license or registration for the Property as required by the jurisdiction in which the Property is located, based on the information provided by Owner. Owner shall pay or reimburse EJV for the payment of all fees charged by the jurisdiction in connection with obtaining and maintaining the registration or license plus reasonable administrative fees charged by EJV or a third party processor to obtain and maintain such licenses or registrations; to obtain or update the certificate of occupancy; or for EJV to serve as the registered agent.
- D. **Fair Housing.** It is understood that EJV and Owner will abide by all laws, ordinances and regulations governing fair housing rules and practices regarding discrimination as well as all other pertinent laws. The Property listed herein shall be shown and made available to all persons without regard to race, color, religion, national origin, ancestry, sex, age, marital status, sexual orientation, presence of children, familial status, source of income, physical or mental handicaps and all other protected classes. Owner agrees to pay all expenses incurred by EJV including, without limitation, attorney's fees for counsel employed to represent EJV and/or Owner in any proceeding or suit involving an alleged violation by EJV and/or Owner, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to Federal, state or local Fair Housing laws in the sale, rental or other disposition of housing or any services rendered in connection therewith, but nothing herein.
- E. **Mechanical Systems.** Owner represents and warrants that the electrical, plumbing, heating and air conditioning, smoke detectors and any other mechanical systems and related equipment, including kitchen and laundry appliances included as part of the leased premises, shall be in good operating condition as of the date of this Agreement. In the event that tenant alleges that the equipment is not in good operating condition, EJV is authorized to have said equipment inspected and, if needed, repaired and to deduct the cost from Owner's funds without regard to any limitations set forth in Section 4.H. of this Agreement.
- F. **Environmental Matters.** Owner represents that, to the best of its knowledge, the Property complies, in all material respects, with all applicable federal, state or local statutes, regulations, rules, codes, ordinances, common law or requirements concerning pollution, natural resources, protection of human health, protection of the environment, hazardous substances or the environmental conditions on, under or about the Property. Without limiting the generality or scope of any other indemnifications provided by Owner herein, Owner agrees to indemnify, defend, and hold EJV, its representatives, servants and employees, harmless of and from all loss, cost, expense, and liability whatsoever which may be imposed on them by reason of any present or future violation or alleged violation of such laws, ordinances, rules, or regulations. Without limiting any other provision in this Agreement, it is expressly recognized that EJV is not an expert in environmental laws and shall not be responsible for remedying any violations of such laws; and Owner shall be solely responsible for remedying such violations. The provisions of this Section 6.F. shall survive the expiration or earlier termination of this Agreement.
- G. **Lead Paint, Lead Pipes.** Federal and local regulations require that every tenant in properties built prior to 1986 must (1) be notified that such property may present exposure to lead from lead-based paint or lead pipes; (2) be provided with a federally

approved pamphlet on lead poisoning prevention; (3) be notified of any known lead-based paint or lead-piping hazards which exists at the Property; and (4) be provided with any information on lead-based paint or lead-piping hazards from risk assessments or inspections performed on the Property in the Owner's possession. Owner agrees to provide EJV with all information Owner knows about the existence of lead-based paint and lead-based paint hazards in the Property. Owner acknowledges that EJV will rely upon Owners' representations regarding the Property when dealing with prospective tenant(s). Owner will immediately inform EJV of any material facts affecting the property that arise after signing this Agreement. Owner agrees to complete and sign required lead-paint and lead piping disclosure forms, copies of which will be provided by EJV to prospective tenants. In the alternative, Owner authorizes EJV, in EJV's discretion, to fulfill Owner's disclosure obligations by completing and signing said form on Owner's behalf based on information provided by Owner to EJV.

- H. **Insurance.** At all times this Agreement is in effect, Owner, at Owner's expense, shall obtain and keep in full force and effect public/premise liability insurance, known as Owners, Landlords and Tenants Insurance or Extended Premise Liability Insurance, with a minimum liability coverage of \$500,000 or the full replacement value of the Property, whichever is greater. Owner shall name EJV Real Estate Services, Inc., its successors and assigns as an additional insured on such policies. Within fifteen (15) days from the Commencement Date, Owner must provide EJV with a copy of a certificate of insurance or the front page of said policy (declarations page) evidencing the existence of required coverage. EJV shall not be obligated to place said insurance nor keep said insurance in effect. 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.
- I. **Administration.** EJV may, on Owner's behalf, file claims with, settle with, and release any insurance carrier providing insurance to the Property with respect to any casualty loss or any other insured loss or damage related to the Property.
- J. **Indemnification.** Owner agrees to indemnify and hold EJV, its affiliates, officers, directors, shareholders, employees and agents harmless from and against any and all liabilities, obligations, damages, claims, costs and expenses arising from and/or related to the ownership, use, operation and/or management of the Property, and/or actions taken at the express direction of Owner, as well as amounts due with respect to any and all agreements, contracts, accounts or obligations entered into by EJV on behalf of Owner pursuant to this Agreement to the fullest extent permitted by applicable law, except for matters arising from the gross negligence or willful misconduct of EJV. Indemnification hereunder shall include, without limitation, payment by Owner promptly upon demand by EJV of all amounts set forth in this Section incurred in defending a civil or criminal proceeding as such amounts are incurred in advance of a final disposition of such action or proceeding but only upon receipt of an undertaking by EJV to repay such payment if EJV shall be finally adjudicated not to be entitled to indemnification. Any such undertaking shall be accepted without reference to the financial capability of EJV to make repayment. The provisions of this Section shall survive the expiration or earlier termination of this Agreement.
- K. **Exclusive Right To Sell.** Because the efforts of Agent in effectively managing the Property described in this Agreement will enhance its value and contribute to its marketability and because the real estate license laws require that a licensee may not show a property for sale or negotiate a sale without having a written listing agreement on the Property, and because Agent may know of opportunities to sell the Property and may wish to show and negotiate offers on the Property when Agent believes that a sale of the Property may be in the best interest of Owner, it is agreed that if Owner decides to sell or exchange the Property to tenant(s) or to other person(s) during the term of this Agreement or within ninety (90) calendar days following the expiration or termination of any lease agreement procured by Agent, or any renewal of such lease, Agent shall have the EXCLUSIVE RIGHT TO SELL or exchange the Property at a price and upon terms acceptable to Owner. In the event of such sale or exchange, **Owner agrees to pay to Agent a mutually agreed upon brokerage fee not to exceed 5%** of the sale or exchange price. Owner agrees to execute a written exclusive right to sell listing agreement containing provisions as required by applicable jurisdiction law on such form as shall be provided by Agent. Failure of Owner to execute a written listing agreement shall not relieve Owner from Owner's Obligation to pay such brokerage fee to Agent in the event of a sale or exchange of the Property by Owner.

## **SECTION 7. COMPENSATION OF EJV.**

- A. **Leasing Fee.** Owner agrees to pay EJV a leasing fee upon the execution and delivery of a lease by tenant. The leasing fee shall be equal to one full month's rent for a lease with an initial term of up to one year; 150% of one full month's rent for a lease with an

initial term of up to two years; and 200% of one full month's rent for a lease with an initial term of up to and exceeding three (3) years. EJV may retain the Leasing Fee (or portion thereof) from the rental payments made by tenant.

- B. **Management Fee.** Owner agrees to pay EJV as compensation for property management services performed by EJV under this Agreement a Property Management Fee of eight percent (8%) of all gross rents charged to the Tenant with respect to the Property per month. No management fee shall be charged when the property is not under lease. The Property Management Fee shall be retained by EJV from all rental payments collected during the term of any lease negotiated hereby and renewal or extension thereof. This Property Management Fee is separate and apart from the Leasing Fee.
- C. **Lease Renewal Fee.** Owner agrees to pay EJV a Lease Renewal fee of \$325 each time a tenant renews or extends his, her or its lease agreement beyond its then expiring term.
- D. **Annual Administrative Fee.** Owner agrees to pay EJV an annual Administrative Fee of \$50, paid to EJV in January of each year for: (i) the cost of ACH Owner payments; (ii) Owner's access to the EJV provided web portal; (iii) tenant's access to the EJV provided web portal; (iv) electronic document storage; (v) EJV's efforts in preparing an annual statement of receipts and disbursements for tax purposes; and (vi) the IRS Form 1099. Owner authorizes delivery of Form 1099 via electronic methods. EJV may retain the Administrative Fee (or portion thereof) from the rental payments made by tenant.
- E. **Other Tenant Charges.** All tenant charges and fees for late rent payment, bounced checks, credit reporting, subletting, roommate change, early termination as well as all other fees and charges collected by EJV from the tenant under the lease, agreed to by the tenant or allowed by jurisdictional law shall be retained by EJV as compensation for the additional work, time and administrative expense involved.
- F. **Construction and Project Oversight Fee.** Owner agrees to pay a fee to EJV equal to ten percent (10%) of the total project construction costs for EJV to supervise or oversee extensive repairs, renovation, modernization, rehabilitation, improvements and remodels done at the Property, defined as any work at/on the Property costing in excess of Five Thousand Dollars (\$5,000), including restoration of the Property or part of the Property caused by fire, flood or other occurrence, whether covered by insurance or not.
- G. **Non-Routine Services.** EJV shall maintain availability to perform services not included in normal property management or specified above. Charges for non-routine services will be billed at the rate of \$100 per hour, which are to be paid to EJV out of the rents collected from the tenant. Normal property management does not include, without limitation, inspections, representation at court hearings, depositions, homeowner meetings, evictions, property sales, refinancing, preparing Property for sale or refinancing; obtaining income tax, accounting or legal advice; advising on proposed new construction; administering claims for home warranties, and debt collection.

## **SECTION 8. MISCELLANEOUS.**

- A. **Counterparts; Facsimile.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute the same agreement. This Agreement may be signed by facsimile and/or electronic signatures, and if so signed, (i) may be relied on by each party as if the document were a manually signed original and (ii) will be binding on each party for all purposes.
- B. **Brokers.** Owner represents and warrants that it is not under any agreement with any real estate broker, salesperson or finder with respect to the Property, other than EJV. Owner agrees to defend and indemnify EJV against any claim, liability, damage or expense asserted against or suffered by the indemnified party arising out of the breach or inaccuracy of the representation and warranty of the indemnifying party under this Section 8.B.
- C. **No Liability for Past Practices.** Notwithstanding any other provisions of this Agreement to the contrary, EJV shall not be liable for any acts or omissions of Owner, of any previous owner of the Property, of any previous manager of the Property, or of any agent of any of them, and Owner shall indemnify and hold EJV harmless from and against any and all liabilities, claims, costs and expenses, including reasonable attorneys' fees, arising from or related to any such acts or omissions. The provisions of this Section

shall survive the expiration or earlier termination of this Agreement.

- D. **Compliance with Applicable Laws.** EJV shall not be responsible to Owner for the physical compliance of the Property with applicable laws, other than to notify Owner promptly after EJV obtains actual knowledge of non-compliance. Owner represents to EJV that, to the best of Owner's knowledge, all elements of the Property are in compliance with applicable laws. Owner shall indemnify and hold EJV harmless from and against any and all liabilities, claims, costs and expenses, including reasonable attorneys' fees, arising from or related to any physical non-compliance of the Property with applicable laws, unless caused by EJV's gross negligence, willful misconduct or breach of this Agreement. The provisions of this Section shall survive the expiration or earlier termination of this Agreement.
- E. **Damages.** The liability of each party for damages for breach of this Agreement shall be limited to actual, direct damages, and shall not include any amount for indirect, consequential or punitive damages.
- F. **Benefits and Burdens.** This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns.
- G. **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party; provided that EJV may assign this Agreement, without the consent of Owner, to any entity that succeeds to all or a portion of the management business of EJV. EJV shall have the right to subcontract or delegate any or all of the services to be performed by EJV under this Agreement and to retain any profit derived therefrom, without in any way reducing the fees, reimbursements, and other amounts due to EJV under this Agreement.
- H. **Modifications.** This Agreement cannot be modified except by written agreement of the parties hereto; provided, however, that EJV may modify this Agreement if Owner does not given written notice to EJV within 90 days after receipt of intent from EJV to modify this Agreement that the Owner objects to such modification. Notwithstanding the foregoing, EJV may make modifications to this Agreement required in its reasonable judgment to comply with any applicable law.
- I. **Entire Agreement.** This Agreement constitutes all of the understandings and agreements of whatsoever nature or kind now existing between the parties with respect to the subject matter hereof.
- J. **Headings.** The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Agreement.
- K. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.
- L. **Severability.** Should any part of this Agreement be unenforceable for any reason, such unenforceability shall not affect or impair the validity of the remainder of this Agreement.
- M. **Time.** Time is of the essence as to all provisions of this Agreement.
- N. **Arbitration and Litigation.** Owner and EJV agree that any and all disputes, controversies or claims arising from or in connection with this Agreement shall be resolved through mediation and, if not settled, through binding arbitration, held in the District of Columbia, and administered by the American Arbitration Association in accordance with its commercial arbitration rules. The prevailing party shall be entitled to recover its reasonable legal fees and costs expended in such action or proceeding. If the matter is resolved by mediation, the costs will be shared equally between the Owner and EJV. If the matter is settled by arbitration, the arbitrator's award will be final, and judgment thereon may be entered in any court of competent jurisdiction. Any party breaching this provision forfeits the benefit of the Attorneys' Fees provision set forth below in any related litigation.
- O. **Authority.** Owner and EJV hereby covenant each for itself that each has full right, power and authority to enter into this Agreement upon the terms and conditions set forth herein. If Owner and/or EJV signs as a corporation, limited liability company



or partnership then each of the persons executing this Agreement on behalf of each does hereby covenant and warrant that such entity is a duly authorized and existing corporation, limited liability company or partnership, as applicable, qualified to do business in the state in which the Property is located, that the entity has full right and authority to enter into this Agreement, and that each person signing on behalf of the corporation, limited liability company or partnership was authorized to do so.

- P. **No Joint Venture; Competing Activities.** EJF is an independent contractor. Nothing contained herein shall be deemed to render EJF and Owner as joint venturers or partners of each other and neither party shall have the power to bind or obligate the other party except in accordance with the terms of this Agreement. Nothing contained herein shall deprive or otherwise affect the right of either party to own, invest in, manage or operate properties that compete with the Property, or to conduct business activities that compete with the business of the Property.
- Q. **Government Approval.** Owner hereby represents and warrants that Owner has obtained, or caused to be obtained, all necessary certificates, permits, licenses, qualifications, authorizations, consents and approvals from all necessary governmental authorities, if any, to engage EJF to perform the obligations under this Agreement.
- R. **Notices.** Any notice required or intended to be given under the terms of this Agreement shall be in writing, shall be addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed to have been given upon the earliest of (a) three days following deposit in the U.S. Mail, certified mail, return receipt requested, with proper postage prepaid, or (b) the next business day after delivery to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (c) receipt of notice given by email or personal delivery, if received on a business day during business hours (otherwise on the next occurring business day):
- S. **Claims.** Owner will not file in any claim at law or in equity, including any action for declaratory relief, on any matter for which EJF is not responsible for under this Agreement.
- T. **No Consequential or Indirect Damages.** Notwithstanding anything to the contrary contained herein, the parties hereby unconditionally and irrevocably waive any right, power or privilege either may have to claim or receive from the other party any indirect, consequential, punitive or special damages, whatsoever, including any loss of goodwill or loss of profits.
- U. **Waiver of Jury Trial.** Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law any right it may have to a trial by jury in any legal proceeding or action directly or indirectly arising out of or relating to this agreement or any other document executed in connection herewith or the property contemplated hereby or thereby (whether based on contract, tort or any other theory).
- V. **Binding.** This is a legally binding contract. If you do not understand all the terms of this document, please seek legal advice before signing. EJF cannot give legal advice.

By signing below, the undersigned parties hereby ratify, accept and agree to this Agreement and acknowledge receipt of a signed copy of it.

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**EJF's Representative's Signature**

*Also, Please Print Name*

Date

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**Owner's Signature**

*Also, Please Print Name*

Date