

RESIDENTIAL
RENTAL AGREEMENT

Cooperative Housing at the University of Virginia
1625-B Rugby Avenue
Charlottesville, VA 22903
EIN: 20-0716824
Attachment to Form 1023 - Part II, #10b

REAL PROPERTY INC
1500 Amherst St #3
CHARLOTTESVILLE VA 22903
434-971-1600
Real Property Inc.
Agent: Mike Ioakimedes

Tenants: Daniel Dunbar

for Co-Operative Housing at the University of Virginia (CHUVA)

signature: Dan Dunbar

date: 2005-1-13

signature: Mike Ioakimedes

date: 1/13/05

Landlord: Edward Anderson

Property: 220A Shamrock Road, Charlottesville VA 22903

Landlord hereby leases to Tenant the property to be used for the purpose of residence and no other without the Agent's written consent. This Lease is pending application approval.

Term June 5, 2005 to May 31, 2006

Either Agent or Tenant may terminate this Rental Agreement after the expiration of the term by giving the other written notice of at least thirty (30) days. In the absence of such notice, this Rental Agreement will continue for additional terms of one month.

Utilities: No utilities are included with the rental amount. Residents will arrange the water/sewer, telephone, electricity, cable TV and all other utility connections/services as needed.

Rent \$ 1450.00 per month.

Payable on the first of each month in advance to Agent at Agent's address or at such other places as agent may designate to Tenant.

(a) Utility services appropriate for common areas will be arranged for as deemed necessary by Agent, and Tenant agrees not to abuse same. If not included in the rent tenant will pay his prorata share of rubbish and garbage removal and other utilities used in common areas and charged against the property. Agent reserves the right to access Tenant for any waste of such utilities services provided by Landlord. The interruption of services for any cause shall not result in a financial liability of Agent or Landlord to Tenant. Agent furthermore reserves the right to separate any utility charges provided by Landlord from the remainder of the rental payment, requiring Tenant to pay his prorata share or to procure and pay the appropriate utility companies direct for such services provided that Agent gives written notice to Tenant at least thirty (30) days prior to the effective date of such arrangement. Agent further reserves the right if such utility charges are in fact separated from the remainder of the rental payment, not to reduce the total monthly rental payment if the change is due to additional utility charges or the Landlord upgrades the Property commensurately. Tenant must procure, maintain and pay for all utility services, if any, not provided by Landlord direct with the appropriate utility companies. If the Tenant desires telephone or other services, arrangements must be made direct with these service companies, but Agent reserves the right to designate location of the connection within the Property.

(b) Should Tenant not fulfill the term of his rental agreement he shall be subject to the following: If the Rental Agreement has been in effect (i) less than one (1) year, Tenant will be responsible for the cost of preparing the Property for new tenancy, including advertising and a rental agreement breakage fee of 1 (one) months rent and the liability of the rent on the Property until it is rented to a new acceptable tenant at the current market rent or the current Rental Agreement expires; (ii) more than one (1) year, Tenant will be responsible for the cost of preparing the Property for new tenancy, including advertising fees, and will subject to a rental agreement breakage fee of 1/2 (one half) of one months rent, and the liability of the rent on the Property until it is rented to a new acceptable tenant at the current market rent or the current Rental Agreement expires. Any member of the Armed Forces of the United States who has received permanent change of station orders to depart fifty (50) miles or more (radius) from the location of the Property or is permanently and involuntarily discharged or released from active duty, may terminate this Rental Agreement by giving Agent not less than thirty (30) days notice, notice must be accompanied by a copy of the official orders and Tenant will be responsible for a rental agreement breakage fee of (i) one months rent if less than 6 months of the term of the Rental Agreement shall have elapsed as of the effective date of termination or (ii) one-half of a months rent if more than 6 months but less than 12 months of the Rental Agreement shall have elapsed as of the effective date of termination.

(c) Any unpaid balance remaining on Tenant's account after closing time on the fifth day of any calendar month, will be assessed a late penalty of ten percent (10%) of the unpaid balance. Any rental payment received after legal action has been initiated by Agent will be accepted with reservation and will be applied to delinquent amounts due but will not affect any legal action instituted by Agent against Tenant to recover delinquent amounts and possession of the Property.

(d) Agent reserves the right to require that all monthly installments be made by money order or cashiers check should Tenant have two checks returned for reasons of insufficient funds within one calendar year, and to impose a service charge for each returned check.

e) Tenant will comply with all lawful requirements of the local and state health boards, police and fire departments, municipal, state and federal authorities, and the board of fire underwriters, respecting the use of the Property; and will at his expense install all fixtures that may be required and do any work, which may be ordered by lawful authority or that may be necessary to abate any nuisance on the Property, but if Tenant, after ten (10) days from the date Agent issues a written notice ordering the work, fails to do it with reasonable promptness, Agent, without notice to Tenant, may do it and collect the cost from Tenant. Property is accepted in "As-Is" condition, pending a Move In Inspection. **Tenant shall maintain in safe and working order, all trade fixtures installed on the property regardless of whether or they have become the property of the Landlord as described herein. Tenant will immediately notify Agent of any problems with the heating and air conditioning systems, electrical wiring, toilets, water pipes, gas and electric fixtures to insure that appropriate action to repair and protect the property can be taken.** These types of repairs, being of a structural nature, are the responsibility of the Landlord, however, if Tenant does not notify Agent immediately, he will be liable for any further damage that may occur. Tenant will not make any alteration or additions or changes in the Property including improvements, except after first having the written consent of the Agent. All alterations, changes and improvements by whomsoever may, shall become the property of the Landlord. Tenant has made an inspection of the property, and Tenant agrees that the Property is in fit and habitable condition, except for such damages as will be itemized on the inspection report provided by Agent to Tenant, and after Agent's review and approval, said report shall become part of this Rental Agreement unless Tenant fails to return it to Agent within ten days after occupancy.

(f) In event of governmental price controls, the rent may be increased to offset increases in taxes, insurance, interest, utilities, maintenance and other operating costs.

Deposit

Per the Application, Tenant deposits with Agent the sum of one month rent, which will become the Deposit to secure the complete and faithful performance by Tenant of all terms and conditions of the Rental Agreement upon the commencement of the Rental Agreement term.

(a) Where more than one Tenant signs the Rental Agreement, a violation or deduction made is joint and several, and the Agent is not liable for any understanding that may exist between two or more Tenants as to the portion of the Deposit that one Tenant may be entitled to, as opposed to another Tenant. Agent will draw one check, payable to any one Tenant or all Tenants jointly and forward same to the forwarding address provided to Agent by written notice.

(b) Tenant has no right to deduct the Deposit from the payment for the last month of this Rental Agreement.

(c) If Landlord in any way transfers his interest in the property or if Agent in any way transfers his interest in the management of the Property to a third party, Agent may transfer the Deposit to the transferee and is thereafter released from all liability for the return of the Deposit to Tenant. If such transfer occurs, Tenant agrees to look to the transferee solely for the return of the Deposit and to release Landlord and Agent from all obligations and liability relating thereto.

(d) Tenant must leave the property in a clean and damage-free condition. Repairs and cleaning fees incurred which are deemed to be negligence of the tenant will be billed to tenant. This applies to all walls, appliances, flooring, bathroom facilities, etc. Excessive patching and/or painting will be billed to tenant. Carpet should be steam-cleaned upon move-out, and carpet repairs/replacement will also be billed to tenant.

(e) Under the Virginia Residential Landlord Tenant Act, the Agent must make reasonable effort to provide Tenant with notice of a right to be present at the time of the move-out inspection. Tenant must make a written request to Agent to be present at such an inspection, and Agent will notify Tenant of the inspection time, which must occur within 72 hours of the termination of the tenancy period. If Tenant fails to make such a request, Agent will proceed to do the move-out inspection without Tenant being present.

Use and Occupancy

Tenant will (a) keep the property in good, clean, safe, and sanitary condition with the exception of reasonable wear and tear, (b) comply with all rules and regulations attached hereto or hereafter adopted by the Agent and made known to Tenant, and these shall have the same force and effect as covenants of said Rental Agreement, (c) use in a reasonable manner all utilities, services, facilities, appliances and equipment provided, (d) immediately notify Agent of any problems with the Property so that appropriate action to repair and protect the Property can be taken. Tenant will give Agent notice of any absence of Tenant from the Property. During such absence of Tenant, Agent may enter the Property at times reasonably necessary to protect the Property. In the event that Tenant fails to give such notice, Agent or Landlord may recover for any actual damages sustained. Tenant agrees that Agent will determine if damages are due to Tenant neglect or abuse.

Pets

No pets of any kind are allowed on the property without the written consent of Landlord or Agent. If prior written consent is not obtained, Tenant will be found in noncompliance of lease and in violation of Rental Agreement.

Excess Premiums

Tenant will pay all excess insurance premiums (i.e., premiums in excess of the usual premiums for non-hazardous risks) required to be paid by Landlord on any location on the Property by reason of Tenant's use or occupancy.

Property Notices

Should Tenant receive any notice affecting the Property, he will promptly show the notice to Agent, and any damage caused Landlord or Agent by Tenant's failure to do so shall be paid by Tenant.

Advertising

Tenant will not, without the written consent of Agent, use or permit the walls, fences, or roof to be used for advertising purposes and must obtain approval of Agent for installation of free-standing signs or to paint any windows.

Sublet

Tenant **may** permit the Property to be utilized in whole or part by any person other than Tenant and **may** assign or sublet the Property or any part thereof without prior written approval of Agent or Landlord. Acceptance of rent by Agent or Landlord from a person other than Tenant shall not constitute consent to an assignment or subletting. Upon any transfer of the corporate shares of the Tenant by sale, merger, bequest, inheritance, operation of law or otherwise if such transfer results in a change in the present effective control of the Tenant by any person or persons owning a majority of such shares as of the date hereof, the Tenant forthwith shall give written notice thereof to the Agent. In the event of any such transfer, the Tenant shall be deemed to be in violation of this Rental Agreement if prior written consent has not been obtained from Agent.

Noncompliance

Any material noncompliance committed by Tenant, or the guest or invitees of the Tenant, with any obligation imposed upon Tenant by the terms and conditions of this Rental Agreement, the Rules and Regulations, Law, or otherwise objectionable conduct in the opinion of the Agent may, at Agent's option, be grounds for termination of Tenant's tenancy in the Property.

(a) Material noncompliance by Tenant failing to pay rent when due. The Tenant's rent is due and payable on the first day of each calendar month. If Tenant fails to pay such rent as due after Agent has served a five (5) day material noncompliance notice for failure to pay rent, Tenant is in default, and Agent may terminate this Rental Agreement in accordance with the Law.

(b) Material noncompliance by Tenant, which can be cured within twenty-one (21) days. If Tenant commits this type of material noncompliance, Agent may serve on Tenant a material noncompliance notice stating that if Tenant does not cure these specified noncompliances within twenty-one (21) days, if the noncompliance is remediable at all, the Agent will terminate this Rental Agreement in thirty (30) days. If the Tenant has been served with a prior written notice which required the Tenant to remedy a breach, and the Tenant remedied such breach, where the Tenant intentionally commits a subsequent breach of a like nature as the prior breach, Agent may serve on Tenant a termination notice stating that the Rental Agreement will terminate in thirty (30) days.

(c) Material noncompliance by Tenant, which cannot be cured. If Tenant commits a material noncompliance, which cannot be cured within the statutory twenty-one (21) day period of time, or otherwise objectionable conduct in the opinion of the Agent, Agent may serve on Tenant a termination of Rental Agreement notice stating that the Rental Agreement will terminate in thirty (30) days for the reason stated therein, which constitutes justification for termination of the tenancy. If Tenant commits a criminal or a willful act which poses a threat to health or safety, Agent may terminate the Rental Agreement immediately and proceed to obtain possession of the property.

(d) If the Tenant commits a material noncompliance, which could be remedied by repair, cleaning, or replacement, Agent may place Tenant on notice that Agent is going to make the repair, cleaning, or replacement on a certain date, and that the itemized bill for same will be submitted to Tenant, which is payable as rent at the first of the next month. The failure of Tenant to pay the bill as required will result in a material noncompliance for failure to pay the rent for which the Agent may terminate the Rental Agreement, as provided for by law, and will result in a monetary obligation for which Agent or Landlord may file a warrant and recover a judgment in the appropriate court.

(e) Upon termination of Rental Agreement, Agent will seek a money judgment for the actual damages sustained as a result of the Tenant's default and breach of the Rental Agreement including but not limited to, rent for the balance of the term of the Rental Agreement.

Possession

If Agent is unable to deliver possession of the Property to Tenant on the beginning date of this Rental Agreement, Agent and Landlord are not liable to Tenant for any damages other than to rebate the rent paid by Tenant in advance; and if Agent cannot deliver possession of the property within thirty (30) days of the beginning date of this Rental Agreement, this Rental Agreement can be terminated by Tenant giving notice as provided herein and any Deposit which has been paid by Tenant will be refunded.

Personal Property

All personal property placed on the Property, shall be at the sole risk of Tenant, or the parties owning the same, and Agent or Landlord shall not be liable for the loss, destruction, theft of, or damage to such personal property. Agent recommends that Tenant obtain insurance for their personal property.

Casualty Damage

If the Property is damaged or destroyed by fire or other casualty to the extent that the Tenant's use thereof is substantially impaired, and Tenant is not at fault for said casualty, then Tenant may immediately vacate the Property and notify Agent in writing of an intention to terminate the Rental Agreement within fourteen (14) days thereafter. If the Property is only partially uninhabitable, Agent will make appropriate abatement of all or part of the rental payment until such time as Agent or Landlord can complete repairs to the Property. In the event that Agent and Tenant do not agree as to the question of habitability, the decision of the building inspector for the City or County in which the Property is located will control. Agent reserves the right to proceed legally to remove Tenant from the Property if same is uninhabitable and unsafe for continued occupancy. If Tenant was at fault as far as the casualty is concerned, Agent and Landlord reserve the right to proceed legally against Tenant to recover damages for the said casualty. If the Property, or any part thereof, shall be acquired or condemned by right of eminent domain, the Rental Agreement may be terminated at the option of the Agent, and in such event rent shall be apportioned and adjusted as of the date of termination. Tenant expressly waives the right to participate in any proceeds, and the right to claim any damages against the Agent or Landlord as a result of such condemnation.

Liability

Agent or Landlord is not responsible for matters outside the dominion or control of Agent or Landlord, including but not limited to: failure of utilities or services, acts of God, and any injuries or damages to persons or property either caused by or relating from falling plaster, dampness, overflow, or leakage upon or into the property of water, rain, snow, ice, sewage, steam, gas, or electricity; or by any breakage in or malfunction of pipes, fixtures, air conditions, or appliances; or for any injury or damage from any other cause. Agent or Landlord, in addition, shall not be liable under any circumstance of Tenant's failure to provide Agent with prompt notice of any such condition existing in the Property, or on the Property complex. Tenant hereby releases Agent or Landlord from any and all such liability, to indemnify Agent and Landlord for such losses with respect to Tenant and all invitees of Tenant.

Common Areas

(a) All common areas and facilities not within the Property, which Tenant may be permitted to use, are to be used under a revocable license.

(b) Said areas shall be subject to such Rules and Regulations as Agent may adopt from time to time, and Agent reserves the right to make changes, additions, alterations or improvements in and to such common areas, provided.

Rental Application

This Rental Agreement was entered into based upon the representations of the Tenant contained in the Rental Application. If any of those representations are found to be misleading, incorrect, or untrue, Agent may immediately terminate the Rental Agreement and notify Tenant to vacate the Property.

Waiving of Breach

If Agent waives a noncompliance by Tenant with the Rental Agreement or with the Law, such a waiver shall not be interpreted as a waiver of any subsequent breach of noncompliance and this Rental Agreement shall continue in full force and effect.

Subordination

This Rental Agreement is junior and subordinate in lien to any present, or future, mortgages or deeds of trust, affecting the Property. Tenant does hereby constitute and appoint Agent, irrevocably, as Tenant's attorney in fact, to execute any certificate for and in behalf of Tenant in order to effectuate subordination of this Rental Agreement, in compliance with provisions of this Paragraph.

Bank Accounts Maintained by Agent

All funds required by law to be held in a segregated escrow account shall be. Actual accrued interest, if any, will be used to offset administrative costs of such accounts. Agents will not be held liable in the event of failure of financial institution.

Financial Responsibility

If the Landlord is required to pay money or other consideration to Tenant, Tenant agrees that such financial obligations will be satisfied solely from the Property and the Real Estate upon which the said Property is situated, and the improvements of which it is a part, or the proceeds thereof. Landlord and its Agent will incur no individual liability for such financial obligation.

Notice

(a) A person shall be deemed to have notice of a fact if he has actual knowledge of it; he has received a notice or notification of it; or, from all the facts known to him at the time in question, he has reason to know that it exists.

(b) A person shall be deemed to have notified or given notice when it is served upon the recipient by regular mail, postage prepaid, and the sender retains sufficient proof of mailing which may be a certificate of mailing prepared by him.

Access

Agent, Landlord, and their representatives shall have access to the property for purposes including but not limited to maintenance (including preparing the property for tenancy at the beginning and end of the Rental Agreement) and showing the Property to appropriate persons. Tenant agrees not to change the locks to the Property without Agent's prior written consent, such consent will not be unreasonably withheld. Upon such consent, tenant must immediately supply Agent, without charge, a key to the new locks. Failure to either obtain such consent or supply such a key will constitute a breach of the Rental Agreement. Tenant agrees to pay all expenses incurred in order to enter the Property caused by Tenant's failure to comply with the provisions of the Rental Agreement.

Holdover

If after the vacating date the Tenant remains in possession of the Property, Tenant is liable for the damage sustained by Landlord by Tenant holding over as well as for payment for the fair market rent as determined by Agent.

Lead Warning

No testing for the presence of elevated lead levels has been conducted on this property or in the stated unit, and Lessor has no knowledge of any harmful levels of lead within the property or unit. Tenant has received and understands the pamphlet entitled, "Protect Your Family from Lead in Your Home," and agrees that Tenant may test the unit for elevated levels of lead if desired. Any findings of harmful levels of lead within the unit should be reported to the Agent immediately.

Quiet Enjoyment

Landlord covenants for Tenant's quiet enjoyment of the term of this Rental Agreement; to make all necessary repairs to maintain habitability for the Tenant; and to comply with the requirements of building codes materially affecting health and safety and applicable to the Property.

Discrimination

Agent will not discriminate against Tenant in the provision of services, or in any other manner, on the basis of race, color, religion, sex, national origin, age, disability, or any other protected class.

Enforcement Costs

Tenant agrees to pay all costs, management court charges at 25%, attorney's fees at 25%, and collection agency fees at 50% of the outstanding account balance, incurred by Agent and or Landlord, in enforcing, by legal action or otherwise, any of the provisions of this Rental Agreement.

Handwriting

Handwritten items take precedence over typewritten ones.

Pronouns

Feminine and neuter pronouns shall be substituted for masculine, and plural for singular, wherever the contexts are required.

Headings

Paragraph headings are mere catch words indicating contents of the paragraphs, and are not to be used in construing this Rental Agreement.

Applicable Law

This agreement shall be governed by and construed in accordance with the laws and statutes of the Commonwealth of Virginia.

Violative Provisions

If any provisions of this Rental Agreement are violative of any law, it is agreed that the remaining provisions are in full force and effect.

Agency Disclosure

Tenant confirms that disclosure of the agency relationship, Agent acting on behalf of Landlord, has been made.

Modification

This Rental Agreement constitutes the entire agreement among parties, and it may not be modified or changed except by written instrument executed by Agent and Tenant.