

CITISTAR BEACH RENTALS
SHORT TERM RENTAL PROPERTY MANAGEMENT AGREEMENT

DATE: _____, 2008 In consideration of the covenants and conditions contained herein:

OWNER, _____, hereafter known as "OWNER" and CitiStar Rentals hereinafter called "CR" hereby covenant and agree:

1. THE OWNER HEREBY EMPLOYS CR TO EXCLUSIVELY MANAGE AND RENT ON A SHORT TERM TRANSIENT (DAILY/WEEKLY/MONTHLY) BASIS THE OWNER'S PROPERTY LOCATED AT:

PROPERTY: _____ Complex _____

UNIT # _____ ADDRESS : _____ TYPE: # OF BEDROOM _____ BUNKS _____

SOFA BED _____ BATHS _____

This agreement shall be effective for one year from date signed by Owner and thereafter continuing for annual terms, termination of this agreement subject to paragraph 21.

CitiStar Rentals:

2. CR accepts the aforesaid employment and agrees to furnish its services, to supervise all property management services normally rendered in the care and management of the above property. In addition, CR will develop a listing for Internet use and promote the property on CR selected Internet rental site(s).

3. While each property will have its own individual Internet advertisement, CR will group all rental properties by location, similarity and number of bedrooms and use this grouping to encourage renters requesting booked properties to book a similar unit under our management. Property owners proceeds will vary based upon property owners and owner guests use, quality of décor and amenities of property, location and view.

4. CR will set all rental rates and terms based on the competition of other units in the market. However, CR reserves the right to reject applications with rates not agreed to by CR. Due to competitive market conditions, tourist fluctuations and demand CR reserves the right to alter rates and terms and make special rates and terms at its discretion in order to maximize the OWNERS rental income and occupancy percentage.

5. CR may allow for payments of rents or damage deposits to be made by credit card. Bank charges related to the use of credit cards for payment of rent or deposits shall be deducted from the OWNER'S payout as an additional cost of 3%.

6. CR will promote the rentals on all their 100+ Real Estate web sites and on our specific site for the complex that the unit is located. CR's main web site www.CitiStarRentals.com has been submitted to over 240 world wide search engines for Panama City Rentals to increase traffic.

7. CR shall not be liable for loss of OWNER'S personal property located in rental property or rents collected resulting from theft, dishonored or un-collectible checks or credit card payments, bank failure, wind, storms, accidents or other causes or events beyond its control. CR shall not be required to initiate legal actions or retain an attorney for the purpose of collection of rents, collection of damages, eviction of tenants or other persons unless directed by OWNER. Collection fees and legal fees are the responsibility of the OWNER.

8. CR shall mail out to the OWNER within 15 days after the end of each calendar month during which this agreement is in effect, a statement of income collected and expenditures made during the preceding calendar month. CR shall also disburse to the OWNER along with this statement all rents collected less all disbursements made on behalf of and for the account of the OWNER.

9. CR may require advance deposits from tenants and may deposit rent receipts in interest bearing accounts. OWNER agrees that any interest earned in these accounts shall accrue to CR and shall become the sole property of CS to be used by CS at its discretion to provide additional services for the rental program.

Owner:

10. OWNER, family, and personal guests will be allowed to use the property at any time if no prior reservation by CR rental department has been made and OWNER requests and obtains confirmation of a reservation for the period in question through the CR rental department. OWNER'S account will be charged the appropriate cleaning fee unless prior payment arrangements are made with CR. OWNER and OWNER'S personal guests agree to observe the standard check-in and checkout times unless arrangements are made prior to arrival through the CR rental department.

11. OWNER shall supply and maintain the furnishings and keep the property in good order and repair. CR shall advise OWNER of special cleaning, repair, or replacement required to keep the property in good order and repair. CR shall notify the OWNER in writing in the event the property is not kept up to acceptable standards, which are deemed to be the typical standards of the majority of comparable properties in the area. The OWNER shall then have 15 days to make arrangements to have the property brought back to acceptable standards or CR shall at their discretion suspend the rental of the property. Upon correction of the

deficiencies, at OWNER'S expense, the property will again be placed in the CR rental program.

Repairs:

12. CR shall contact the OWNER for approval prior to contracting for any major repair that are not of an emergency basis. However, CR is authorized to make, at OWNER'S expense and with out prior approval any emergency repair involving danger to life or property or for the preservation of the safety of persons occupying the property. While all tenant rental contracts state there is no compensation for temporary disruption of essential services of the property during the period the property is rented, CR is authorized to make rental rebates as CR deems appropriate. CR is authorized, and shall use its best efforts to correct any such problems as quickly as possible in order to maximize rental income. In the event maintenance and repairs are necessary during months when no rental revenue is received, the OWNER will be billed direct for such incurred expenses.

13. LIABILITY INSURANCE. It is understood that the OWNER shall carry personal liability insurance for the property in the minimum amount of \$100,000/\$300,000, a copy of which shall be furnished by OWNER to CR, and the OWNER is strongly encouraged to also carry an umbrella policy extending coverage to \$1,000,000. OWNER agrees to indemnify and hold harmless CR.

14. CR shall collect a reservation and damage deposit from each tenant prior to the occupancy of any property rented herein. CR shall determine the amount of the damage deposit, require additional deposits or waive deposits as deemed in the best interest of the OWNER. The property will be inspected for damage as soon as possible after the tenant vacates said property by the cleaning contractor. CR will deduct from deposits the cost of missing items or repairs deemed beyond normal wear and use, and return any remaining damage deposit to tenant. It is understood and agreed between the parties that it is not the responsibility of to make a complete inventory and inspection of each item upon each vacation of the unit by the tenant, but rather generally inspect for major item loss and damage. The OWNER agrees to indemnify and hold CR harmless of liability of cost of damages or theft caused by tenants or others and all matters relative to this agreement.

15. OWNER acknowledges that CR makes no guarantee regarding amounts of rental income or expenses and that no inducements or representations of annual income or tax benefits have been made.

16. OWNER agrees to notify CR in writing when property is placed upon the open market for sale. OWNER agrees that property will only be shown when vacant or as coordinated through CR'S rental department. CR may at its sole discretion immediately terminate this agreement without notice and transfer any pending reservations, if in the opinion of CR sale showings and the CRs rental operations of the property cannot be properly coordinated, without any adverse effect on the quiet enjoyment of rental tenants. However our parent company CitiStar Realty is one of the most aggressive marketing companies in Panama City and would be an excellent choice for selling the property.

17. OWNER authorizes CR to have repairs made to their condo of up to \$150.00 at CR's discession during busy rental time so as to keep rental income flowing without interruption.....Other wise CR will call in reference to all repairs unless told other wise by owner.

18. OWNER shall be responsible for providing in the property two sets of sheets and towels. CR will upon OWNERS request supply and put into condo any items needed to make condo renter ready. These items will be decuted from OWNERS end of month check. The quality of this initial supply of bed and bath linens shall be at least the quality of the typical standards of the majority of comparable properties in the area. The quality of these linens will make your property stand out to renters and keep them coming back. The OWNER may from time to time be charged for the replacement of linens or be requested to purchase additional linens as needed. The entry door to the unit shall be a combination type and no keys will be given to tenants. Owner will need to pay for the lock and installation.

19. Outside maintenance services requested by the CR rental department on behalf of the rental property OWNER will in most cases be paid CR and deducted from the rent proceeds due rental property OWNER. When vendor bills are billed directly to OWNER and not paid in a timely manner, and should the vendor have to request assistance in collection, the bill will be paid by CR and deducted from the OWNER'S proceeds unless OWNER notifies CR of desire to contest bill.

20. OWNER agrees that all rental tenant information shall be the sole property of CR and that all reservations and/or bookings in OWNERS unit(s) are deemed the sole and exclusive property of CR.

Termination:

21. TERMINATION OF AGREEMENT. Under normal circumstances, this agreement may be terminated by either party with or without cause upon sixty (60) days written notice. Such termination notification shall be by certified mail. Such termination will not effect any rental reservation obligation or other obligation entered into under the terms of this agreement, except as in paragraphs 12 and 17. Under normal circumstances, OWNER must honor all reservations and/or tenants in place at time of receipt of written notice by CR of termination and pay CR normal management fee. CR may at OWNER'S request attempt to transfer any pending future reservations to another comparably priced property. However, in the event that such transfer is not possible and the tenant must be moved to a higher priced property, OWNER shall be responsible to CR for the difference in rental rate or honor said reservation.

Management Fees:

22. The OWNER shall pay to CR an annual listing and set-up fee of \$300 per property (to be deducted from the 1st rental collected) to help cover the cost of additional national vacation rental web sites that CR will be placing your property on to drive additional traffic to your unit. CR currently has 5 additional sites where your property will be exposed in addition to over 100+ sites we

own, plus the www.CitiStarRentals.com THIS FEE SHALL BE DUE ANNUALLY EACH YEAR THE LISTING IS MAINTAINED WITH CR.

23. The OWNER shall pay to CR a rental property management fee of 20 % percentage of all rentals collected. In addition to rental rates, Tenants (not OWNER) shall pay to CR a unit-cleaning fee for each rental period. This fee is due whether unit is occupied by a rental tenant, OWNER or OWNER'S guest. OWNER understands and agrees that CR will be promoting the property of OWNER, the general area where Owner's property is located, and will be working with and through national and international travel agents, media, as well as other individuals who may have occasion to promote said property and area. OWNER agrees that for promotional purposes , CR may use and have occupied the property of OWNER, free of rent for a period not to exceed five (5) days per calendar year (called complimentary days). CR will not be receiving any rental monies whatsoever for this usage and CR will pay for the cleaning associated with the promotional stay.

24. HOLD HARMLESS/INDEMNIFICATION: Owner shall hold harmless and indemnify CR, its parent and subsidiary companies, affiliates, employees, independent contractors, representatives, shareholders, insurers, successors and assigns, from all claims, suits, damages, costs, losses, fees, penalties, taxes, fines, and expenses of any kind arising from or relating to: (i) Owner's failure or refusal for any reason to deliver possession of the Property; (ii) any claim or loss relating to any guests failure to perform under any agreement or failure to pay any funds due Owner; (iii) dishonored checks or credit card payments from any source; (iv) any injury to any person or property occurring on or about the Property; and (v) any violation of any federal, state, or municipal law, regulation or ordinance by any tenant or Owner. Owner agrees to carry personal insurance to protect against loss of dwelling/furnishings/or general liability claims. Copy shall be available to CR upon request.

Special Considerations:

CR reserves the right to address tenant grievances/dissatisfaction in a fair and responsible manner for the mutual benefit of all parties. Remedies could include, but are not limited to, relocation, cancellation, refund of payment/deposit, etc. Owner may denote any additional remarks, limitations, restrictions, in this section. If none, so state: _____

Requirements of Owner;

25. CR requires that the unit have a coded door lock installed at owners expense the eliminate the problems and labor cost with handling keys to and from the tenants, cleaners, maintenance, etc. A key code lock is the most efficient way to eliminate these problems. If a tenant arrives after hours or gets locked out they know that they can get in the unit. Each unit shall have two complete sets of linens provided by owner.

Additional Terms: _____

Accepted by: (OWNER- Managing owner)

Name _____ Date _____

Address _____, City _____ Zip _____

Social Sec# _____ for the year end statements

Phone (day) _____ (night) _____ Email Address _____

Owner Signature(_____ date _____)

All additional owners must sign below:

Name _____ Date _____

Name _____ Date _____

OWNERS MUST ALSO FILL OUT THE W-9 TAX FORM INCLUDED AND RETURN WITH THIS AGREEMENT

I must provide a 1099 at the end of the year for each owner I pay during the year. The W-9 will provide me with the information necessary to do that.

Accepted by CR:

Name; Starla Metcalf Date _____ 2008

Sign and Fax to CitiStar Rentals a division of CitiStar Realty, at 206-333-0458 OR 850 230-5566

Or Mail your signed contract to: CitiStar Rentals, 7328 Thomas Drive, Suite M., Panama City Beach, FL 32408

CitiStar Rentals is a subsidiary of CitiStar Realty and PCBRE L.L.C.