

SECURITY DEPOSIT RECEIPT

DATE OF LEASE OFFER _____

OWNER/LANDLORD _____

TENANT _____

LEASED PROPERTY ADDRESS (THE "PROPERTY") _____

Owner and Tenant have entered into a Lease dated the ___ day of _____, _____, for the rental of Property. Owner hereby acknowledges receipt from Tenant of the sum of _____ Dollars(\$_____) in the form of _____ as a security deposit in connection with the Lease to protect Owner against non-payment of rent, damage due to breach of the Lease (including failure to surrender the Property free and clear of debris and furniture, or failure to return all keys to the Property to the Owner), and for damages to the Property, common areas, major appliances and furnishings, if any, caused by 'Tenant, or any agent, employee, invitee or family member of Tenant, in excess of ordinary wear and tear.

The amount of the security deposit shall not exceed the equivalent of two (2) months' rent per dwelling unit leased under the Lease. Tenant shall not apply the security deposit as rent and shall not apply the security deposit to the last month's rent.

Within thirty (30) days of its receipt, the security deposit shall be deposited by Owner in a Federally insured Maryland banking or savings institution, which does business in Maryland, in an interest-bearing account devoted exclusively to security deposits or, upon Owner's election, in an insured certificate of deposit at a branch of a Federally insured banking or savings institution located in Maryland, or in securities issued by the Federal Government or the State of Maryland. Within forty-five (45) days after the end of the tenancy, Owner shall return the security deposit to Tenant, by first class mail addressed to Tenant's last known address, together with simple interest which has accrued in the amount of four percent (4%) per annum, less any damages rightfully withheld, including nonpayment of rent, damages due to a breach of the Lease or damages to the leased Premises, common elements, major appliances and furnishings caused by Tenant, or by Tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear. Interest shall accrue at six-month intervals from the day Tenant gives the security deposit. Interest shall not be compounded. If Owner withholds all or any portion of the security deposit for unpaid rent or for damages as provided, Owner, within forty-five (45) days after the termination of the tenancy, shall furnish, by first class mail to Tenant's last known address, a written list of damages claimed, together with a statement of the costs actually incurred.

Tenant has the right to have the Property inspected by Owner, in the presence of the Tenant, for the purpose of making a written list of damages to the Property that exist at the commencement of the tenancy if Tenant so requests, in writing, by certified mail, to Owner within fifteen (15) days of the Tenant's occupancy of the Property.

Tenant has the right to be present when Owner inspects the Property in order to determine if any damage was done to the Property, if the Tenant notifies the Owner by certified mail of Tenant's intention to move, the date of moving and Tenant's new address. Such notice from Tenant must be mailed at least fifteen (15) days prior to the date of moving. Upon receipt of such notice, Owner shall notify Tenant by certified mail of the time and date when the Property is to be inspected. The date of inspection shall occur within five (5) days before or five (5) days after the date of moving as designated in the notice from Tenant to Owner. Owner need not notify Tenant of his intention to withhold all or any part of the security deposit if Tenant has been evicted, or ejected for breach of a condition or covenant of the Lease prior to the termination of the tenancy, or if Tenant has abandoned the Property prior to the termination of the tenancy. In such event, Tenant may make demand for return of the security deposit by giving written notice by first class mail to Owner within forty-five (45) days of being evicted or ejected or of abandoning the Property. The notice shall specify the Tenant's new address. Owner, within forty-five (45) days of receipt of said notice, shall supply Tenant with a list of damages and costs by first class mail.

In the event Owner fails to comply with the provisions of Maryland law applicable to residential security deposits, Owner may be liable to Tenant for a penalty of up to three (3) times the amount of the security deposit withheld by Owner, plus reasonable attorney's fees. Owner, by Maryland law, shall retain a copy of this receipt for a period of two (2) years following the termination of the tenancy, abandonment of the Property, or eviction of the Tenant.

In the event of a sale of the Property or the transfer or assignment by Owner of this Lease, Owner shall have the right to transfer the security deposit to the transferee and Owner shall be released from all liability for the return of the security deposit and Tenant shall look solely to the transferee for the return of the security deposit. It is agreed that the foregoing shall apply to every transfer or assignment made of the security deposit to a transferee. In the event of any rightful or permitted assignment or sublease of the Lease by Tenant to any assignee or sublessee, the security deposit shall be deemed to be held by Owner as a deposit made by the assignee or sublessee and Owner shall have no further liability with respect to return of such security deposit to Tenant.

Tenant hereby acknowledges that a copy of the foregoing Receipt for Security Deposit was delivered by Owner to Tenant.

Tenant Date Tenant Date

SEAL SEAL

Owner/Authorized Representative

Date

Owner/Authorized Representative

Date 5/1/04