

AssureLease Deposit Insurance Program

For as long residential property have been rented, it's been customary to collect first and last months rent in advance and a cash security deposit from the lessee, at the time the lease is signed, covering the eventuality that the lessee might damage the apartment unit/home or vacate same prior to the end of lease without making the final lease payment. In reality, coming up with a cash security deposit has become a major financial barrier for many lease tenants. Additionally, due to many conflicting state laws, the administration of these cash security deposits winds up both a legal and financial burden and a drag on the financial earnings of the residential property owner.



The easier it is for the lease tenant to defer or expense, on a month to month basis, any cash deposit and rent pre-payment requirement, the easier it will be for the prospective applicant to qualify and maintain financial solvency while a tenant at your property.

AssureLease™ is a totally new hybrid insurance product that not only addresses a market need to provide coverage for residential lessees in the event of loss due to resident damage, failure to pay contractual costs when due and, in some jurisdictions, cost of eviction proceedings. **AssureLease™** has the distinct ability to create a potential profit center out of a traditional cost center. At the same time, **AssureLease™** implements coverage in a much more attractive and affordable way for the tenant.¹

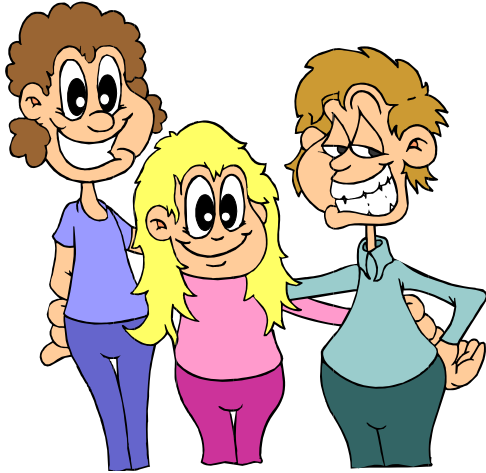
Key benefits of the AssureLease™ Program are:

- Indemnifies the property owner's risk with an insurance product with limits that are higher than what would be collected in cash from the lessee.
- Policy of insurance has all the characteristics and benefits of a cash security deposit, only more so.



¹ This brochure provides only a simplified description of the AssureLease™ Residential Tenant Deposit Insurance Program and is not a statement of contract. For complete details of coverage, conditions, limits and what constitutes a loss be sure to read the policy including all endorsements.

- Protection provided by an AM Bests “A” (Excellent) rated insurance company, a leader in the insurance industry.
- Reduces the “upfront” costs associated with tenant move-in.
- Greatly reduces operational costs for the residential property management company.



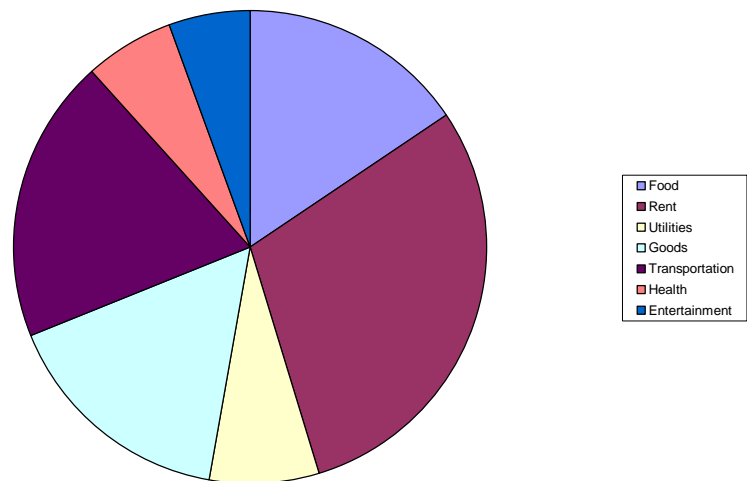
Some basic facts regarding an average lease applicant:

The Lease / Security Deposit Conundrum:

- \$34,359 Average Annual Household Income²
- \$2,550 national average lease tenant deposit required at lease signing.
- Residential tenant lease deposits are one of the largest family expenses incurred

- Americans have the lowest savings rate of all G7 countries
- 4.9% average per American family savings rate
- \$1,480 American family savings per year
- \$2,550 move in cost (pre-payment of security deposit, first and last months rent)
- Move in cost equals almost 200% of a average family’s annual savings

Key US Household Demographics



Why Hold a Cash Security Deposit?



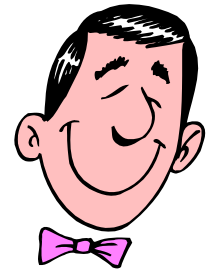
- Limited Protection Against:
 - Damages to the rental unit in excess of normal wear and tear (difficulty in determining what is “normal”)
 - Loss of rental income
 - Costs associated with eviction proceedings

² United States Department of Housing and Urban Development Statistical Study – Fiscal Year 2004

- **High Costs Associated With:**
 - Segregation of deposit funds required in most states
 - Specialized accounting and record keeping

The *AssureLease*TM Program Difference:

- The Traditional Way - **\$2,550** covers the move in cost of the tenant
- With *AssureLease*TM – Only **\$12³** additional per Month during the term moves the lease tenant in! In many cases, this reduces the overall move in cost by at least 20%.



Exactly What Is *AssureLease*TM ?

- A potentially profitable alternative to cash security deposits
- Real protection against lease tenant caused damages
- Protection against loss of “last months” lease payment
- A bonified new insurance product
- Monthly premium is incorporated in the tenant’s monthly payment
- The residential property owner/management company is the policyholder
- Available in all 50 states and Canada
- Benefits both the residential property owner and lease tenant

The Residential Property Owner/Management Co. Benefits Through:

- **Significantly Reduced Administrative Costs**
 - On average, by as much as 30%
 - All Collection and Recovery costs assumed by the insurance company
 - Expedited Claims Payment
 - Claims submitted and paid on a monthly bordereau basis



The Residential Tenant Benefits Through:

- **Retaining Economic Benefits of Previously Required Cash Deposit**
- **Modest Monthly Increase in Lease Payment**
 - Typically between \$10.00 and \$15.00 per month
 - No Hassle Move-In and/or Move-Out

³ \$14 per month rate based upon average damage, skip/eviction ratios. Your actual rate could be more or less than is utilized in our exhibit