

**PRIME STUDENT HOUSING, INC.
RESIDENTIAL LEASE**

The parties to this lease voluntarily bind themselves to its covenants and acknowledge the mutual consideration that forms the basis for the lease.

_____, (Hereafter called Landlord)

Rents _____ apartment number _____ to
_____,
_____,
_____ and _____,

(Hereafter called Tenants) and Tenants will pay reasonable rent for said Premises.

COVENANTS

1. **DESCRIPTIONS AND CONDITION.** Landlord rents to Tenants the dwelling located at _____ (the Premises), including 1 parking permit. The Premises are furnished. All furnishings in the furnished Premises are part of the Premises. Tenants have received a move-in inventory checklist. The Premises are conclusively presumed to be in good condition at move-in, unless Tenants specify objections on that list and return a completed copy of it to Landlord within seven (7) days after receiving the list. The move-in inventory checklist is not a request for repairs.
2. **TERM AND POSSESSION.** This lease begins at 12:00 p.m. on **September 5, 2010** and runs through 3:00 p.m. on **August 19, 2011**. Possession will not be provided until the first month's rent installment, Security Deposit, and preparation fee are paid. If the Premises are not ready on the date this lease commences, the sole damage for which Landlord shall be liable to Tenants is the full abatement of Tenants' prorated rent from the date this lease commences to the date the Premises are ready for occupancy, which date is at Landlord's exclusive determination. If none of the Tenants takes possession on the day it is to be provided, and if Tenants have not given Landlord written notice that they will take possession on a later day, Landlord may presume conclusively that Tenants have abandoned the Premises and rerent them.
3. **RENT.** Tenants shall pay Landlord total rent for the term of \$ _____. Rent shall be paid in 12 equal monthly installments of \$ _____, due on the first of each month, beginning with the second month (first month collected before move in). The monthly rent installment shall be paid in **one check** or money order and Landlord may charge Tenants' account a processing fee of \$5.00 for each additional check/money order. Landlord may require installments to be paid with certified funds or money orders in a single payment. Rent is paid only when actually received by Landlord.

4. **PLACE OF PAYMENT AND NOTICES.** Notices to Tenants shall be sent to the Premises. Payment of rent or other charge due from Tenants to Landlord and notices to Landlord shall be delivered or sent to 610 Church Street, Ann Arbor, Michigan 48104. Notices required by this lease or by law shall be in writing. Notices that are mailed are deemed to have been delivered to the other party on the next regular day for delivery of mail after being stamped with sufficient postage and deposited in a United States mailbox.
5. **APPLICATION OF MONEY FROM TENANTS.** Money received by Landlord from Tenants or in their behalf shall be applied to Tenant's account as follows: first to satisfy unpaid late fees, dishonored check fees, and to other fees owed by Tenants; second to maintenance and repair costs chargeable to Tenants; third to legal fees and court costs legally chargeable to Tenants, including costs incurred prior to curing a default; fourth to outstanding utility bills that are the responsibility of Tenants; fifth to deposits or portions thereof due from Tenants; sixth to rent. Restrictive endorsements on a check or statements in any communication, including those accompanying a payment, shall not constitute an accord and satisfaction or amend this provision.
6. **DEFAULT AND REMEDIES.** Tenants' noncompliance with any covenant of this lease is a default. If Tenants default, Landlord may have all remedies legally permitted, including termination of this tenancy. Landlord, upon written notice to Tenants, also may cancel any renewal, lease extension or lease for a future term that Landlord and Tenants have executed. Tenants shall reimburse Landlord for all legal fees, costs and expenses legally recoverable in such actions and for all damages caused by their default, including costs of rerenting the Premises and all rent for the remainder of the term and succeeding terms that Landlord does not collect through mitigation. If other Premises owned or managed by Landlord are available for lease, it shall not be unreasonable for Landlord to lease them prior to Tenants' Premises. From the date of execution, time is of the essence of this lease.
7. **UTILITIES.** Tenants shall put utilities for the Premises into their names, maintain uninterrupted service throughout the entire Term of this lease, and timely pay all utility bills including electric. Tenants shall pay all penalties imposed by utility provider or authorities because of late payment of original bills.
8. **LATE FEES AND DISHONORED CHECKS.** Tenants shall pay Landlord a late fee of \$30.00 for rent that is paid on or after the 4th day of a month and pay an additional late fee of \$5.00 per day for rent that is paid on the 5th through 10th day of the month. Partial payment of a month's rent does not abate the late fee. In addition to late fees, Tenants shall owe Landlord \$35.00 for any rental check that is dishonored.
9. **CHRONIC LATE PAYMENT OF RENT.** Rent is due on the first of each month, and notwithstanding paragraph 8, Landlord may terminate this lease because Tenants are chronically late with rent payments. Chronic late payment is defined as paying rent after the due date on three or more occasions during this lease.
10. **SECURITY DEPOSIT.** Tenants shall pay a security deposit of \$ _____ before receiving possession. The deposit, or any portion of it that is returned shall be returned in a check payable to all Tenants, or may be returned entirely to one Tenant if all other Tenants have so authorized Landlord in writing. Security Deposit Act communications shall be addressed to Landlord at the address in paragraph 4. Tenants may not elect to use the deposit for rent.

The names and addresses of the financial institutions where your deposit will be held are TCF Bank, 401 E. Liberty Street, Ann Arbor, Michigan, 48104.
11. **NON REFUNDABLE PREPARATION FEE.** Tenants shall pay a non-refundable Preparation fee of \$150.00 before taking possession. This fee shall cover Landlord's costs for processing Tenant's application and any furniture set up and preparing the Premises for occupancy.

12. **KEYS.** Landlord may retain a key to the Premises throughout the lease. Tenants shall not change the locks without prior written consent of the Landlord, and Tenants shall immediately provide Landlord with a key to any new lock if the locks are changed. Landlord may charge Tenants \$20.00 for replacement of building key and \$10.00 for replacement of apartment, laundry, and mailbox key. Landlord will also charge \$65.00 for responding to Tenant's requests to assist in gaining entry to the Premises after regular business hours.
13. **ENTRY BY LANDLORD.** Landlord or its agents may enter the Premises in an emergency or to perform repairs, maintenance, code inspections, appraisals, insurance inspections, or for other purposes reasonably related to the operation of the building and to show the Premises for sale, or lease. Except for entry during an actual or apparent emergency, all entries shall be made during reasonable hours; and Landlord shall make reasonable efforts to inform Tenants of its intention to enter and shall attempt to establish a mutually acceptable time.
14. **MAINTENANCE.** Tenants shall use and maintain the Premises in accordance with applicable police, sanitary, and other regulations imposed by government authorities. Tenants also shall maintain the Premises in a neat and orderly manner. Tenants will observe all reasonable regulations and requirements of underwriters concerning use and condition of the Premises tending to reduce fire hazards and insurance rates. Tenants shall pay for the repair of all damage to the Premises and structure of which they are a part including fire and flood damage caused by Tenants, their guests or invitees; and they shall reimburse Landlord for all permit, inspection, and certification costs it incurs because of their noncompliance with this lease or applicable laws; and they shall reimburse Landlord for all damages resulting from not reporting the need for repair or maintenance in a reasonably timely manner. Nothing in this clause shall waive or lessen Landlord's obligation to maintain and repair the Premises under Michigan law, but Landlord is not liable for any loss that accrues to Tenants because of Landlord's action in reasonably fulfilling its obligations hereunder.
15. **HOLD HARMLESS.** Tenants agree for themselves, their heirs and personal representatives, to hold Landlord harmless from all damages, loss including lost rents, or liability that results their negligent or illegal use Premises and their intentional misuse of them.
16. **INSURANCE.** Landlord and its agents are not responsible for the theft of any personal property of Tenants, their guests or invitees; or for damage, loss or destruction of personal property of Tenants, their guests or invitees, from any cause, including acts or omissions of third parties, unless caused by Landlord's failure to perform or negligent performance of duty imposed by law. **TENANTS ARE SPECIFICALLY ENCOURAGED TO INSURE THEIR PERSONAL PROPERTY.**
17. **ALTERATIONS.** Alterations to the Premises without Landlord's prior written consent are prohibited. Landlord is not liable to reimburse Tenants for any alterations unless agreed in writing. Alterations are the property of Landlord. Upon lease expiration or earlier termination, however, Landlord may designate, in writing, alterations it wishes to have removed, and Tenants, at their expense, shall remove them promptly and repair any damage caused thereby.
18. **RETURN OF PREMISES.** Tenants shall return the Premises at the expiration of the term (or earlier termination) in as good a condition as when received, reasonable wear and tear accepted. Early surrender of the Premises, including surrender accepted in writing, shall not extinguish any of Tenant's obligations to perform under this lease, including payment of all rent reserved.
19. **AMENDMENT.** This lease may be amended in writing only, signed by all parties. **NO VERBAL AGREEMENTS.**
20. **CAPTIONS.** Paragraph captions are solely to assist with identification. They are of no legal significance.
21. **WAIVER.** Failure by landlord to enforce a provision of this lease on one (1) or more occasions is not a continuing waiver of Landlord's right to enforce the provision.

22. **SEVERABILITY.** A court ruling that a clause of this lease is invalid, or the parties' written agreement that they no longer shall observe one or more lease provisions, shall not invalidate any other clauses of this lease.
23. **PETS.** No pets are allowed in the Premises at any time. In addition to being a default of the lease, violation of this clause shall subject Tenants to all costs associated with fumigation and other repairs or replacements in the Premises deemed necessary by Landlord, to a charge of \$50.00 for the first sighting by Landlord of an unauthorized pet in the Premises, and to a charge that increases by \$50.00 per sighting for each sighting thereafter of an unauthorized pet in the Premises. Pet sitting or visiting is not allowed.

The definition of a pet is any non-human living in the apartment and cared for by a human being. Among the variety of animals considered "pets" are dogs, cats, hamsters, fish, snakes, birds and so on.

24. **WATERBEDS.** No waterbeds are allowed in the Premises at any time. In addition to being in violation of the lease, this clause shall subject Tenants to all costs associated with repairs of the Premises deemed necessary by Landlord.
25. **SUCCESSORS BOUND.** The heirs, successors, assigns, and representatives of Landlord and Tenants shall be bound by the covenants of this lease.
26. **USES AND QUIET ENJOYMENT.** Tenants shall comply with all applicable laws and ordinances; use the Premises for residential purposes only; and refrain from conduct that unreasonably disturbs each other, other Tenants or neighbors of the building. No business shall be located in or conducted from the Premises. Tenants shall be entitled to the quiet enjoyment of the Premises throughout the lease so long as Tenants comply with its covenants.
27. **JOINT AND SEVERAL LIABILITY.** When there is more than one person on the lease, each Tenant is jointly and severally liable for its full performance.
28. **UNTENANTABILITY.** If the Premises become wholly untenable because of fire or other causality, Landlord may cancel this lease by notifying Tenants in writing, and Tenants shall surrender the Premises to Landlord. If for the same reasons the Premises become partially untenable, or wholly untenable without Landlord canceling the lease, Landlord shall repair the Premises with reasonable speed. From the date of the casualty, until the repairs are substantially completed, rent shall abate in the same percentage that the Premises are untenable, unless the untenability is caused by negligence or intentional misconduct of Tenants, their guests or invitees, in which case rent shall not abate. Landlord is not liable for failure to repair until Tenants have notified Landlord in writing of the need for repair and a reasonable amount of time to make repair has passed thereafter.
29. **ASSIGNMENT, SUBLETTING, AND OCCUPANCY.** Tenants shall not assign this lease or sublet the Premises or any part thereof, without prior written permission of Landlord, which shall not be denied unreasonably. Only those listed herein as Tenants/occupants may occupy the Premises. Landlord may evaluate proposed assignees and subtenants as it would evaluate prospective Tenants, including whether they are acceptable to the remaining Tenants.
30. **ABANDONMENT.** If during this lease, and Landlord believes in good faith that Tenants have abandoned the Premises and current rent is unpaid, Landlord may re-enter the Premises and remove the remaining possessions of Tenants without liability therefor. Abandonment is conclusively presumed if rent is unpaid for fifteen days following the due date and (1) a substantial portion of Tenant's possessions have been removed or (2) acquaintances of Tenants or other reliable sources indicate to Landlord that Tenants have left without intending to re-occupy the Premises. If Tenants abandon the Premises at anytime and leave personal property there, Landlord may dispose of it

however Landlord chooses, and Tenants shall reimburse Landlord for all costs incurred in that regard.

31. **HOLDING OVER.** Tenants shall vacate the Premises on or before the final day of the lease. If Tenants retain possession beyond that day without written permission from Landlord, Landlord shall have 30 days from the last day of the lease to sue Tenants for possession under section .5714 (1) (c) (2) of the Michigan Summary Proceedings Act (holding over after expiration of lease). If suit is not begun within those 30 days, the tenancy shall continue on a month-to-month basis, and the covenants of the lease shall remain in full force and effect except for the term provision in #2. Acceptance of money by Landlord from Tenants during the 30 days following expiration of the lease does not waive Landlord's right to seek possession as described in this paragraph, and it does not relieve Tenants of their obligation to compensate Landlord for damage caused by the unauthorized holdover. Unless otherwise agreed in writing, rent for any time beyond expiration of this lease shall be \$100.00 per day beginning at 3:01 p.m. on the lease expiration date. All other damages to the Landlord as a result of any unapproved hold over will apply. This includes but is not limited to administrative costs, maintenance costs, and delay costs to future Tenants.
32. **LIMITED CANCELLATION RIGHT.** A Tenant who has occupied the Premises for more than thirteen (13) months may terminate this lease upon sixty (60) days written notice to Landlord if: (i) Tenant has become eligible during the term to take possession of a subsidized rental unit in senior citizen housing and provides Landlord with written proof thereof; or (ii) Tenant has become incapable during the term of living independently, as certified by a physical in a notarized statement. Election to cancel under this paragraph is limited to the Tenant to whom the foregoing applies, and the lease continues in full force and effect for the remaining Tenants.
33. **ENTIRE AGREEMENT.** This lease is the Parties' entire agreement, and they enter it voluntarily. There are no other agreements that are a part of this lease unless specifically enumerated herein. **THERE ARE NO VERBAL AGREEMENTS.** Tenants' application to lease is incorporated herein, and Tenants covenant that the information supplied in that was and continues to be accurate.
34. **UNIVERSITY OF MICHIGAN OFF-CAMPUS HOUSING MEDIATION CLAUSE.** If communication between the Tenant(s) and Landlord breaks down, a mediator can assist the parties in voluntarily reaching a mutually acceptable settlement of the issues(s) in dispute. All parties to this agreement agree that the University of Michigan Off-Campus Housing Program will assist in disputes involving University of Michigan students for which one of the parties requests assistance and: a) all parties will make a reasonable and good faith effort to settle such disputes through the program; b) any party to this lease may request mediation; c) program staff may enter and inspect the premises after notice to both parties and at reasonable times; d) this provision does not preclude other legal rights of the parties. The parties agree to keep the mediation proceedings confidential.
35. **CANCELING LEASE BEFORE POSSESSION.** Tenants and Landlord agree that cancellation of this lease by Tenants after signing it will damage Landlord by requiring Landlord to re-rent the Premises and by the possible loss of rental income. The parties also agree that it is difficult to accurately establish that loss at the time of signing the lease. Using their best efforts to establish a fair compensation to the Landlord where Tenants cancel this lease prior to taking possession, they agree to the following;

If Tenants cancel this lease within thirty (30) days after signing it or prior to April 1 of the year in which the lease term begins whichever first occurs, Tenants shall pay Landlord one (1) month's rental installment as sole compensation for the cancellation. Cancellation under this paragraph must be in writing and signed by all Tenants to be effective.

This cancellation and liquidated damage does not apply to leases signed on or after April 1 of the year in which the lease term begins or for cancellations more than thirty (30) days after signing the

lease. If Tenants do not take possession and have not canceled in accordance with this paragraph, or if Tenants do not take possession and lease was signed on or after April 1 of the year in which the lease commences, they shall pay Landlord all damages Landlord incurs in excess of that amount because of the breach. Landlord may retain and apply any deposit it is holding to Tenants' liability.

36. **AGENCY.** Prime Student Housing, Inc. is the managing agent for Landlord in all matters regarding this lease and the Premises. But Prime Student Housing, Inc. is not financially responsible for Landlord's obligations under this lease or otherwise.

**ONLY AUTHORIZED SIGNATORY FOR LANDLORD IS
GENERAL MANAGER OF PRIME STUDENT HOUSING, INC.
NO ONE ELSE CAN BIND THE LANDLORD TO ANY
OBLIGATIONS OR ACTIONS.**

36. **PARKING.** Where a space is provided, parking is allowed on the Premises only with a valid parking permit. The permit must clearly and visibly affix the permit on the driver side of the front or rear window of the vehicle. **Parking is limited and therefore location is not guaranteed, but is on a first come, first serve basis only.** Any vehicle parked illegally in the lot with or without a properly displayed permit will be towed at the owner's expense, without exception. (See attached Parking Regulations or Resident Handbook for further details.)
37. **OTHER.** A copy of this lease can be picked up at Prime's office after General Manager has approved and signed it. Approval will be made within 5 working days unless otherwise notified by a Prime Student Housing, Inc. representative. It is the Tenants' responsibility to obtain a copy of their lease. Copies will be made upon Tenants' request.

38. **DISCLOSURES.** The attached disclosures, resident handbook, maintenance guide, internet usage guide and payment summary sheet are incorporated by reference to this lease. One person will sign and receive a move-in packet on move-in day. The resident handbook, maintenance guide and internet usage guide are included in this packet. They contain rules and regulations of landlord. It is the Tenants' responsibility to read and comply with these handbooks.

39. **INTERNET.** Your apartment comes with a free internet service. Please refer to the Internet Usage Guide for rules and regulations.

40. **MOVE-IN CONDITION REPORT (FOR RENEWING RESIDENTS ONLY).** The Move-in Condition report from your 2009-2010 lease will transfer in its entirety to this 2010-2011 lease.

41. **FURNITURE.** This is a furnished apartment according to the Furniture Request form attached. Any changes are subject to approval by the General Manager and must be in writing. **There are no verbal agreements.**

Landlord: _____
Prime Student Housing Inc., Managing Agent

By: _____
James Sotiroff – General Manager

Dated: _____

_____ Dated: _____
Tenant Signature

_____ Phone number: _____
Permanent Mailing Address

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Tenant Signature

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