

RESIDENTIAL LEASE

_____ (hereafter Landlord) rents
_____ to _____

(hereafter Tenants), and Tenants will pay reasonable rent for the premises.

COVENANTS

1. PREMISES. Landlord leases to Tenants the dwelling located at _____ (the Premises), including _____ parking spaces. When parking is provided, Landlord may designate parking procedures for authorized vehicles and have unauthorized vehicles removed, including vehicles that are disabled or without current license plates. Such removal shall be at Tenants' expense and may be without prior notice. Parking of commercial vehicles, boats, recreational vehicles, and trailers is prohibited, and no vehicle may be washed or repaired (including fluid changes) on the premises. The premises are/are not furnished. All furnishings in furnished Premises are part of the Premises. Tenants have received a move-in inventory checklist and will return a completed copy of it to Landlord within seven (7) days after receiving it. The Premises are conclusively presumed to be in good condition at move-in, unless Tenants specify objections on the move-in inventory checklist. Such objections are not a request for repairs.

2. TERM AND POSSESSION. The lease Term runs from _____ at _____ o'clock [*a.m.* / *p.m.*] to _____ at _____ o'clock [*a.m.* / *p.m.*] Possession will be provided only after the first month's rent, Security Deposit, and preparation fee are paid. If none of the Tenants takes possession on the day it is to be provided and if by that day Tenants have not notified Landlord in writing that they will take possession on a later day, Landlord may presume conclusively that Tenants have abandoned the Premises and re-rent them. If the Premises are not ready for occupancy when the Term commences, Landlord's sole liability to Tenants is abatement of Tenants' rent, in the same percentage that the Premises are not ready for occupancy, from the date the Term commences to the date the Premises are ready for occupancy, which date is at Landlord's exclusive determination.

3. RENT. All Rent herein is reserved, and Tenants shall pay Landlord rent for the term of \$ _____, plus all other Rent that becomes due under this Lease. Rent shall be paid in consecutive monthly installments of \$ _____, due on the first of each month, beginning with the second month (first month collected before move-in). Landlord may require installments to be paid with certified funds or money orders and in a single payment. Rent is paid only when actually received by Landlord.

4. PLACE OF PAYMENT AND NOTICES. Notices to Tenants (excluding security deposit claim notices) shall be delivered or mailed to the Premises. Tenants' rent, other charges/fees, and notices to Landlord, including security deposit communications, shall be delivered or mailed to Landlord at: _____; except that if the Electronic Mail Alternative is accepted, security deposit communications shall be e-mailed to Landlord at the e-mail address set forth in the Electronic Notice Addendum. Security Deposit Notices required by this lease or by law shall be in writing. Notices that are mailed using the U.S. Postal Service (including security deposit claim notices) are deemed received by the other party on the next regular day for delivery of mail after being properly addressed, stamped with sufficient postage, and deposited in a United States mailbox. Notices that are e-mailed under the Electronic Notice Addendum For Security Deposit are deemed received on the day they are sent, but they must be signed (typed signature of sender) by the sender to be valid.

5. APPLICATION OF TENANTS' MONEY. Money received by Landlord from Tenants (or in their behalf) shall be applied to Tenants' 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 charges, fines, and assessments against Landlord caused by Tenants; seventh to rent. Restrictive language on a check or 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 and declaring all remaining rental installments immediately due and owing. Landlord may terminate this tenancy on 24 hours' written notice if Tenants (or any one of them), a member of Tenants' household, or other person under Tenants' control unlawfully manufactures, delivers, possesses with intent to deliver, or possesses a controlled substance on the premises. Tenants shall reimburse Landlord for all legal fees, costs, and expenses legally recoverable and for all damages caused by their default, including costs of rerenting the Premises, such as showing, advertising, and preparing them; all lost rent for the remainder of the term and succeeding terms for which Landlord and Tenants have a lease and for which Landlord does not collect through mitigation; and the maximum amount of interest allowed by Michigan law on Tenants' debt, from the date Tenants vacate. Tenants may not be liable for the total accelerated amount because of Landlord's obligation to minimize its damages, and either party may have a court determine the actual amount owed. If other Premises owned or managed by Landlord are available for lease, it shall not be unreasonable for Landlord to lease them before Tenants' Premises. From the date of execution, time is of the essence of this lease. If Landlord terminates this tenancy or obtains a judgment against Tenants for possession that is not redeemed, all renewals, lease extensions, or leases for a future term that Landlord and Tenants have executed, or to which they have agreed, are canceled.

7. UTILITIES. For the entire Term, Tenants shall place utilities for the Premises into their names, maintain uninterrupted service, and timely pay all utility bills, including _____, _____, and _____. Tenants shall pay all charges of utility providers because of late payment or other default. Landlord is not responsible for utility service interruptions that are beyond its control or due to necessary repairs, replacements, or alterations.

8. LATE FEES AND DISHONORED CHECKS. Tenants shall pay Landlord a late fee of \$ _____ when a rental installment is _____ days late and an additional late fee of \$ _____ when a rental installment is _____ days late or more. Partial payment of a rental installment does not abate late fees. In addition to late fees, Tenants shall pay Landlord \$ _____ for each check to Landlord that is dishonored. Late fees and dishonored check fees shall be paid by the first of the calendar month following the month in which they accrue and are deemed to be Rent as of that date.

9. CHRONIC LATE PAYMENT OF RENT. Rent is due on the first of each month. Notwithstanding Paragraph 8, Landlord may terminate this lease because Tenants are chronically late with rent payments. Chronic late payment means failing to pay rent by the due date on three or more occasions during this lease.

10. SECURITY DEPOSIT. Tenants shall pay a security deposit of \$ _____ before receiving possession of the Premises. If there are multiple

tenants on this Lease, their security deposit is one joint deposit, and occupancy of the Premises is terminated when the last tenant, or his/her subtenant or assignee, vacates. Any amount of deposit that is returned shall be returned in a check, payable to all Tenants, or, if all Tenants have authorized Landlord in writing, only to one Tenant. Security Deposit Act communications shall be addressed to Landlord at the address in paragraph 4, except that if the Electronic Notice Addendum For Security Deposit is being used, security deposit communications shall be e-mailed to Landlord at the e-mail address there supplied. Tenants may not elect to use the deposit for rent. If Tenants cause damages that exceed the amount on Deposit, they will pay those excess damages immediately upon receiving Notice thereof.

The name and address of the financial institution where your deposit will be held is:

_____.

The name and address of the surety company providing a bond for your deposit is:

_____.

TO TENANTS: YOU MUST NOTIFY YOUR LANDLORD IN WRITING WITHIN FOUR (4) DAYS AFTER YOU MOVE OF A FORWARDING ADDRESS WHERE YOU CAN BE REACHED AND WHERE YOU WILL RECEIVE MAIL; OTHERWISE YOUR LANDLORD SHALL BE RELIEVED OF SENDING YOU AN ITEMIZED LIST OF DAMAGES AND THE PENALTIES ADHERENT TO THAT FAILURE.

ELECTRONIC NOTICE ALTERNATIVE: The parties to this Lease may elect to communicate electronically for purposes of Security Deposit administration. If all parties to this lease execute the Electronic Notice Addendum For Security Deposit, Tenants' notice of forwarding address, Landlord's notice of claims against security deposit, and Tenants' protest notice of Landlord's claims will be communicated exclusively by e-mail, but Tenants also will advise Landlord of the ordinary mailing address to which any security deposit refund is to be sent through the U.S. Postal Service.

11. NONREFUNDABLE PREPARATION FEE. Tenants shall pay a nonrefundable Preparation Fee of \$ _____ before receiving possession of the Premises.

12. KEYS. Landlord may retain a key to the Premises throughout the lease. Tenants shall not change any lock without Landlord's prior written consent, and Tenants shall provide Landlord with a key to any new or altered lock immediately upon its installation. Landlord may charge Tenants a reasonable amount for replacing lost keys and for assisting Tenants in gaining entry to the Premises.

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, other purposes reasonably related to the operation of the building, and to show the Premises for sale or lease. Except during an emergency or when Landlord reasonably believes there is an emergency, all entries shall be made during reasonable hours, and Landlord shall make reasonable efforts to inform Tenants of its intention to enter and to establish a mutually acceptable time.

14. MAINTENANCE. Tenants shall maintain the Premises in a neat, clean, and orderly manner; use and maintain them in accordance with applicable police, sanitary, and all other regulations imposed by governmental authorities; observe all reasonable regulations and requirements of underwriters concerning use and condition of the Premises tending to reduce fire

hazard and insurance rates; and immediately inform Landlord when there is a need for Landlord to perform repairs or maintenance. Tenants shall not cause or permit any waste or misuse of any utility fixtures or of any portion of the Premises. Tenants shall reimburse Landlord for all damages caused by such waste or misuse; for all permit, inspection, and certification costs Landlord incurs because of Tenants' noncompliance with this lease or applicable laws; and for all damages resulting from Tenants' not timely reporting the need for repair or maintenance. Landlord may invoice Tenants for the cost of any repairs/replacements (other than normal wear and tear) during the term of this Lease. The amount of such invoices is deemed unpaid rent and shall be due with the rental Installment for the month following the month in which the invoice is sent. Tenants shall pay and be liable to Landlord and/or Landlord's insurer (in contract and/or tort) for the repair of all damage to, and/or replacement of, the Premises and structure of which they are a part, including fire and flood damage, in any way caused or made necessary by Tenants, their guests, invitees, licensees, or agents. Nothing in this clause waives or lessens Landlord's obligation to maintain and repair the Premises under Michigan law, but Landlord is not so liable when it has not been informed of the need to repair. Landlord's reasonable exercise of any right or obligation hereunder never shall be deemed an eviction of Tenants or interference with their use and possession of the Premises, and Landlord shall have no liability to Tenants because of Landlord's actions 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, including damages to the Premises and structure of which they are a part; all lost rents for the Premises and structure of which they are a part; and all liability that results from their negligent or illegal use of the Premises and from their intentional misuse of them, including common areas of any apartment building. When claims against Landlord's insurance are paid because of acts or omissions of Tenants or their visitors, guests, or invitees, Tenants will reimburse Landlord for any insurance deductible it pays.

16. DAMAGE TO TENANTS' PROPERTY. Landlord and its agents do not provide any insurance coverage for personal property of Tenants, their guests, or invitees and shall not be liable for any damage, loss, or destruction of such property from any cause, including acts or omissions of third parties, unless caused by Landlord's or its agents' nonperformance or negligent performance of a duty imposed by law or by their grossly negligent or intentional actions. **TENANTS SPECIFICALLY ARE 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 alteration, unless agreed in writing. Alterations are the property of Landlord, but upon lease expiration or earlier termination, 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, leaving the Premises in the same condition they were before the alteration.

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 excepted. Early surrender of the Premises, including surrender accepted in writing, does not extinguish any of Tenants' obligations to perform under this lease, including payment of all rent required hereunder.

19. AMENDMENT. This lease may be amended only in writing, signed by all parties; except that on thirty days written notice to Tenants, Landlord may (a) amend this Lease to conform with Changes required by federal, state, or local law, rule, or regulation or to implement changes in rules relating to the Premises that are required to protect the physical health, safety, or peaceful

enjoyment of tenants and guests and (b) increase required rental payments to cover additional costs incurred by Landlord in operating the premises because of any increase in ad valorem property taxes; charges for the electricity, heating fuel, or water consumed at the property; or increases in premiums paid for liability, fire, or worker compensation insurance. Upon giving such notices, this Lease is deemed amended in accord with the terms specified in the notice. If the new rental rate starts other than on the first day of a calendar month, the amount of increase due from the start date to the first of the next calendar month will be pro rated on a thirty-day-month basis and due as part of the rent installment for that next calendar month.

20. CAPTIONS. Paragraph captions are to assist with identification and have no legal significance.

21. WAIVER. Landlord's nonenforcement of a provision of this lease on one (1) or more occasions is not a continuing waiver of Landlord's right to enforce the provision, and its consent to an act of Tenants on one (1) or more occasions (where consent is required) is not a continuing consent to any subsequent similar act by Tenants. No breach is waived by Landlord unless waived in writing.

22. SEVERABILITY. A court ruling that a portion of this lease is invalid or the parties' written agreement not to observe a portion of this Lease shall not invalidate any other clauses of this lease.

23. PETS. Pets are never allowed in the Premises. Guide or leader dogs, hearing dogs, or service dogs of Tenants or their guests or invitees that meet the identification and training verification requirements of Michigan law are not "Pets."

24. BINDING EFFECT. "TENANT" when used in this lease shall be construed to include either singular or plural, masculine or feminine, and "LANDLORD" shall be construed to mean LANDLORD or its duly authorized agents, including Managing Agent. This lease shall be binding jointly and severally upon the parties hereto and their heirs, personal representatives, legal representatives and assigns.

25. USE AND QUIET ENJOYMENT. Tenants shall comply with all applicable laws and ordinances; use the Premises only for strictly residential purposes; and refrain from all conduct that unreasonably disturbs each other, other tenants, occupants, neighbors of the building, or Landlord. No business of any sort shall be located in or conducted from the Premises. Tenants are entitled to quiet enjoyment of the Premises throughout this lease so long as they comply with its covenants.

26. JOINT AND SEVERAL LIABILITY. When there is more than one Tenant on the lease, each tenant is jointly and severally (individually) liable for its full performance.

27. UNTENANTABILITY. If the Premises become wholly untenable because of fire or other casualty, Landlord may terminate this lease by written notice to Tenants, and Tenants shall surrender the Premises to Landlord. If for the same reasons the Premises become partially untenable, or wholly untenable without Landlord's terminating the lease, Landlord shall repair the Premises with reasonable speed. From the date of the casualty until 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 or their family, occupants, employees, guests, invitees, agents, or anyone on the premises by reason of association with any of them, in which case rent shall not abate. Landlord is not liable for failure to repair until Tenants notify Landlord of the need for repair and a reasonable

time to make the repair has passed thereafter. For purposes of Landlord's right to terminate this lease, the Premises are "wholly untenable" if 50 percent or more of the Premises are untenable.

28. ASSIGNMENT, SUBLETTING, AND OCCUPANCY. Tenants may not assign this lease or sublet any of the Premises without Landlord's prior written permission, which shall not be denied unreasonably. Landlord may evaluate proposed assignees and subtenants as it evaluates prospective Tenants, including acceptability to remaining prime Tenants. Unless Landlord authorizes an assignment or sublet, only those listed herein as Tenants/occupants may occupy the Premises.

29. ABANDONMENT. If during the Term Landlord believes that Tenants have abandoned the Premises and current rent is unpaid, Landlord may enter the Premises and remove remaining possessions of Tenants without liability therefor. Abandonment is presumed conclusively if rent is unpaid for fifteen days following the due date and (a) a substantial portion of Tenants' possessions have been removed or (b) acquaintances of Tenants or other reliable sources advise Landlord that Tenants have left without intending to re-occupy the Premises. If Tenants abandon or surrender the Premises at any time and leave personal property there, Landlord may dispose of it however Landlord chooses, and Tenants shall reimburse Landlord for all costs it incurs in that regard.

30. HOLDING OVER. Tenants shall vacate the Premises on or before the expiration date of the lease. If Tenants retain possession thereafter without Landlord's written permission, Landlord has thirty days from the last day of the lease to sue for possession under section 5714(1)(c)(ii) of the Michigan Summary Proceedings Act (holding over after lease expires). If suit is not begun within that time, the tenancy shall continue on a month-to-month basis from the date the lease expires, and all other covenants of this lease shall remain in full force and effect; except that Rent shall increase by fifty percent (50%), beginning on the first day after lease expiration, regardless of whether suit is brought or the tenancy becomes month to month. Landlord's acceptance of money from Tenants during the thirty days following lease expiration does not waive Landlord's right to seek possession as described in this paragraph, and Tenants shall compensate Landlord for all damages caused by their unauthorized holdover.

31. LIMITED CANCELLATION RIGHTS. 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 physician in a notarized statement.

If a Tenant executes this Lease while in Military service, or enters military service after this Lease has been executed by that Tenant (or by someone in his/her behalf), and thereafter receives military orders for a permanent change of station or to deploy with a military unit for a period of not less than 90 days, he/she may terminate this Lease at any time after the tenant's entry into military service or the date of the tenant's military orders described in paragraph (1)(B) or (2)(B) of subsection (b) of Section 305 of the Servicemembers Civil Relief Act, being 50 USC App 535, Sec 305 et seq. (.

Election to cancel under either subsection of this paragraph is limited to the Tenant to whom the foregoing applies, and the lease, including joint and several liability, if any, continues in full force and effect for remaining Tenants.

32. ENTIRE AGREEMENT. This lease is the Parties' entire agreement, and they enter it voluntarily. There are no other agreements that are part of this lease or to which the parties are bound unless specifically enumerated herein. Tenants' application to lease is incorporated herein, and Tenants covenant that the information supplied in that application was and continues to be accurate.

NOTICE: MICHIGAN LAW ESTABLISHES RIGHTS AND OBLIGATIONS FOR PARTIES TO RENTAL AGREEMENTS. THIS AGREEMENT IS REQUIRED TO COMPLY WITH THE TRUTH IN RENTING ACT. IF YOU HAVE A QUESTION ABOUT THE INTERPRETATION OR LEGALITY OF A PROVISION OF THIS AGREEMENT, YOU MAY WANT TO SEEK ASSISTANCE FROM A LAWYER OR OTHER QUALIFIED PERSON.

33. MEDIATION (University of Michigan Student Tenants Only). If communication between Tenants and Landlord breaks down, a mediator can assist the parties in voluntarily reaching a mutually acceptable settlement of the issue(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; and (d) this provision does not preclude other legal rights of parties. The parties agree to keep the mediation proceedings confidential.

34. OTHER.

35. DISCLOSURES. All attached disclosures are incorporated into this lease .

I have read and understand the entire lease. I voluntarily agree to all its terms and conditions.

Dated _____
_____ Managing Agent

Dated _____
_____ Tenant

Dated _____
_____ Tenant

Dated _____
_____ Tenant

(Revised October 2009)