

RESIDENTIAL LEASE

NOTICE: MICHIGAN LAW ESTABLISHES RIGHTS AND OBLIGATIONS FOR PARTIES TO RENTAL AGREEMENTS. THIS LEASE 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.

THIS RESIDENTIAL LEASE ("Lease") is entered into as of _____, 2010, between Kash Development, LLC ("Landlord") and _____, _____ ("Tenant"). The performance of all tenants' obligations, duties and responsibilities shall be jointly and severally performed by the Tenants defined hereunder. If one Tenant fails to pay rent, one Tenant or any number of other Tenants may be held liable for that unpaid obligation. The defaulting Tenant may remain liable to the other Tenants for that unpaid obligation. In consideration of the mutual covenants contained herein, Landlord and Tenant agree as follows:

1. Leased Unit. Landlord shall lease to Tenant, and Tenant shall lease from Landlord, on the terms and conditions contained herein, the residential home commonly known as _____, East Lansing, Michigan (sometimes referred to herein as "Home" or "Premises").

2. Term. The term of this Lease (the "Term") is for a period of 1 year commencing on August 20, 2010, and continuing until midnight on August 14, 2011. The month of August, 2011 will be prorated for 26 days.

3. Rent. Tenant shall pay Landlord the sum of _____ (\$_____.00) Dollars per month for the Term. Tenant shall pay each monthly installment, in advance, on or before the 15th day of each calendar month during the Term. All payments shall be made by one check or one money order payable to Kash Development, Inc. and mailed to Landlord at 10055 LaSalle Blvd, Huntington Woods, MI 48070, or at such other place as Landlord may designate. All payments received shall be applied first to returned check charges and late fees due, then to other amounts, excluding rent, due hereunder, then to rent due hereunder. If any of Tenant's checks are returned to Landlord unpaid, Tenant shall pay Landlord a service charge of Fifty (\$50.00) Dollars for each such check. If Landlord must institute legal proceedings against Tenant for a violation of this Lease, Landlord shall be entitled to recover its reasonable costs of enforcement, including attorney's fees and costs, from Tenant.

4. Discount for Prompt Payment. If Tenant makes the full monthly installment of or before the 15th day of each calendar month during the Term, Landlord shall give Tenant a credit for prompt payment of \$100.00.

5. Utilities. Tenant shall be responsible for and pay all utilities and services to the Home, including but not limited to, gas, electric, telephone, cable, rubbish collection and

water/sewer utility bills regarding the Home. Tenant agrees to contact each utility service immediately so as to put the name of all utilities in Tenant's name.

6. **Security Deposit.** Upon execution of this Lease, Tenant shall deposit the sum of _____ (\$ _____ .00) with Landlord, which shall be held by Landlord as security for Tenant's performance of its obligations hereunder. Subject to Landlord's rights under Act 348 of the Public Acts of 1972, this security deposit shall be returned to Tenant upon termination of Tenant's occupancy hereunder, provided that the following conditions have been met: (a) the Term has expired and Tenant has fully performed all of its obligations hereunder; (b) proper notice was given prior to Tenant's terminating occupancy of the Home, and no delinquent rents or other charges are owing under this Lease; (c) there is no damage to the Home, reasonable wear and tear excepted; (d) the Home (including the range, refrigerator, bathroom, closets, cupboards, windows and carpets) is clean and in the condition tendered (reasonable wear and tear excepted), all debris, rubbish and discards are placed in proper rubbish containers; and the refrigerator has been defrosted; (e) all keys have been returned to Landlord; and (f) a forwarding address has been left with Landlord. Michigan law provides that: 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. If all of the foregoing conditions are met, the security deposit shall be returned to Tenant within thirty (30) days after termination of Tenant's occupancy. If not, within thirty (30) days of the termination of Tenant's occupancy, Landlord shall mail Tenant an itemized list of damages claimed, including the basis for the claim and an estimated cost of repair, together with a check or money order for the difference between the amount of damages claimed and the security deposit. IT IS SPECIFICALLY UNDERSTOOD THAT THE SECURITY DEPOSIT IS NOT CONSIDERED PREPAID RENTAL AND SHALL NOT BE APPLIED BY TENANT AGAINST THE LAST MONTH'S RENT.

7. **Cleaning and Garbage Fee.** Upon execution of the Lease, Tenant shall pay Landlord a non-refundable cleaning fee of Five Hundred (\$500) Dollars to be used to clean, sanitize and redecorate the house prior to the Term of Tenant's occupancy. Tenant shall also pay Landlord a non-refundable garbage fee of One Hundred and Twenty-Five (\$125.00) Dollars. The Cleaning Fee and Garbage Fee shall not be refundable under any circumstances and shall not apply as credit against rent, Tenant's security deposit, or payment for any damages caused by Tenant. Payment of the Cleaning Fee and Garbage Fee does not relieve Tenant of the obligation to keep the Home clean and in good repair, as provided herein.

8. **Parking.** Tenant shall not park or drive their vehicles in the yard or be subject to a \$25.00 fine per car per occurrence.

9. **Notices.** Any notice which either party may or is required to give hereunder, or under the Truth-in-Renting Act may be served personally or sent by certified mail, return receipt requested, and postage prepaid, as follows:

- (a) To Tenant at the address listed herein or at the forwarding address Tenant leaves with Landlord pursuant to Section 6 above;

(b) To Landlord at:
Kash Development, LLC
10055 LaSalle Blvd
Huntington Woods, MI 48070

10. Possession. Landlord shall deliver possession of the Home to Tenant on the date of the commencement of the Term; provided, however, that if Landlord is unable to deliver possession of the Home on that date, Landlord shall not be liable for any damages caused thereby, nor shall the Lease be void or voidable, but rent shall abate until possession is delivered. If possession is not delivered within fifteen (15) days of the commencement of the Term, either Landlord or Tenant may terminate this Lease by written notice.

11. Use and Occupancy of the Home and Common Areas. Tenant's use and occupancy of the Home is subject to the following restrictions: (a) Tenant shall occupy and use the Home only as a private dwelling; (b) Tenant shall comply with all public health and police regulations in connection with Tenant's use and occupancy of the Home ; (c) Tenant shall neither cause nor permit any noise or nuisance upon the Home ; (d) the Home shall be occupied only by Tenant. No other person shall occupy the Home.

12. Condition of Home; Alterations; Maintenance; Repair. Landlord agrees to keep the premises in reasonable repair during the term of the lease and to comply with the applicable health and safety laws of Michigan and of the City of East Lansing, except when the disrepair or violation of the applicable health or safety laws has been caused by the Tenants willful or irresponsible conduct or lack of conduct. As long as the premises are habitable and Landlord makes any repair or improvements within a reasonable period of time, any interruption of services or utilities, inconvenience, or discomfort arising from repairs or improvements to the premises shall not affect this lease, reduce the rent, or be construed as an eviction. Landlord does not maintain or repair washers or dryers installed by Tenant.

Tenant agrees as follows: (a) by executing this Lease, Tenant acknowledges that it has inspected the Home and found it to be in good order and repair, except as indicated on the Commencement Inventory Checklist; (b) Tenant shall take good care of the Home and fixtures therein and shall maintain them in good order and condition. Tenant agrees that the bathrooms shall not be used for any purpose other than for those for which they were designed: no tampons, or other improper articles shall be thrown into the toilets. Any damage resulting from misuse of such facilities shall be paid for by the Tenant. Upon termination of this Lease, Tenant shall surrender the Home in as good condition as when received, reasonable wear and tear excepted; (c) without Landlord's prior written consent in each instance, Tenant shall not make any alterations or additions to the Home interior or exterior decorations of any kind, including, but not limited to paint, wallpaper or otherwise redecorate all or any portion of the Home. Tenant agrees to pay for the cost of removing any work done in violation of this provision and/or restoring the Home to their condition prior to such work; (d) Tenant shall be responsible for any damage caused to the Home by Tenant or by Tenant's family members, guests or invitees. Tenant agrees to report promptly to Landlord any damage caused to or discovered in the Home. Landlord may repair, at the expense of the Tenant, all damage to the Home for which Tenant is responsible hereunder; (e) to the extent permitted by law, Landlord's reasonable delay in providing services it is required to provide shall be excused when caused by events beyond Landlord's reasonable control.

13. **Personal Property.** Landlord shall not be responsible for any loss of or damage to any of Tenant's personal property whatsoever located in or about the Home. Tenant is responsible for maintaining Tenant's own personal property insurance. Additionally, Tenant releases Landlord from any and all liability for any loss of or damage to personal property left by Tenant after Tenant vacates the Home.

14. **Legally habitable rooms.** Only legally habitable rooms may be used for sleeping.

15. **Landlord License.** Tenant agrees that if their actions (or the actions of their guests) cause this unit's license to be suspended, revoked, or to have terms and conditions imposed by the city, tenants will move out of the unit and continue to pay full rent until the license is fully restored.

16. **Guaranty of Lease.** Tenant shall return to Landlord, within fourteen (14) days of execution of the Lease, four (4) fully executed Guaranties (one for each Tenant) in the form attached as Exhibit B. Failure to return the Guaranties as proscribed within this provision shall be considered a Default by Tenant.

17. **Waiver of Subrogation.** Tenant hereby releases the Landlord, including its employees, agents, family members, invitees, and guests of the other, from all liability arising from loss, damage or injury caused by fire or other casualty to the extent of any recovery by the injured party under a policy of insurance which permits waiver of liability and waives the insurer's rights of subrogation,

18. **Indemnification.** Landlord shall not be liable for any damage or injury occurring in or about the Home to Tenant, Tenant's personal property, Tenant's family members, guests or invitees, except in the case of Landlord's failure to perform, or negligent performance of a duty imposed by law. Tenant hereby agrees to protect, indemnify and hold Landlord harmless from and against any and all loss, costs, expense (including attorney's fees), damage or liability arising out of any accident or other occurrence on the Home or any part thereof, or in any common area, causing injury to any person or property whomsoever or whatsoever, no matter how caused, except in the case of Landlord's failure to perform or negligent performance of a duty imposed by law.

19. **House Rules.** Tenant and Tenant's family members, guests, and invitees agree to comply strictly with all house rules and regulations concerning the Home, whether promulgated before or after the execution of this Lease, all of which are incorporated herein by reference. By way of example, but not limitation, house rules and regulations may be passed relating to noise, odors, disposal of refuse, parking, and use of common areas. All house rules and regulations shall be conveyed to Tenant by Landlord in writing.

20. **Yard Maintenance.** During the term of this lease, Landlord shall maintain the landscaping, including mowing, raking and removal of leaves. Landlord will be responsible for snow removal from sidewalks conveyed to Tenant by Landlord in writing.

21. **Assignment and subletting.** Tenant shall not assign the Lease in whole or in part or sublet all or any portion of the Home, without first obtaining Landlord's prior written consent.

To the extent permitted by law, upon transferring all of its interest in the real estate of which the Home is a part, Landlord shall be released from all liability hereunder.

22. Pets. Pets are not allowed. Tenant shall pay for all damages caused by pets or the keeping of pets. Violation of this clause shall subject Tenants to termination of their tenancy and to all costs associated with cleaning and repairs of the premises deemed necessary by Landlord.

23. Pest Extermination. If in the first month of occupancy, infestation of insects, rodents or other pests exist in the House, Landlord shall be responsible for extermination. Beginning in the second month of the tenancy, infestation confined to Tenants' premises is presumed to have been caused by Tenants, and Landlord may exterminate any insects, rodents, or other pests infesting the premises and charge Tenants therefor. Tenants are not responsible for extermination of wood eating insects such as termites or carpenter ants.

24. Default. Tenant hereby agrees: (a) Tenant's failure to pay any installment of rent when due, or to perform any of Tenant's obligations hereunder, shall constitute a default. If a default occurs, Landlord may, at its option, terminate this Lease and regain possession of the Home in accordance with applicable law. If Tenant shall be absent from the Home for a period of five consecutive days while in default, Tenant shall, at Landlord's option, be deemed to have abandoned the Home. Recovery of the Home by Landlord shall not relieve Tenant of any obligation hereunder, and upon default, Landlord shall be permitted to accelerate the rent due throughout the Term of this Lease and demand immediate payment thereof (Tenant may not be liable for the total accelerated amount because of the Landlord's obligation to minimize damages and either party may have a court determine the amount owed); (b) Tenant agrees that acceptance of partial rent payments by Landlord after notice of termination or forfeiture will not constitute waiver of the notice of termination or forfeiture unless Landlord agrees to a waiver in writing, nor will such payment affect any legal proceedings taken or to be taken by Landlord except to reduce Tenant's obligation to Landlord by the amount of such partial payment; (c) Landlord shall not be liable for legal costs or attorneys' fees incurred by the Tenant in connection with a dispute arising hereunder, except to the extent that such costs or fees are specifically permitted by statute.

25. Access to Home. Landlord, or its agent, shall have the right to enter the Home at any reasonable time upon reasonable notice for the purpose of inspecting the Home, showing the Home to rental applicants, or for any other reason, such as making necessary repairs or the performance of normal maintenance. In the event of emergency, Landlord shall be permitted to enter the Home without notice for any purpose reasonably connected with the emergency; however, in any case, if Landlord has notified Tenant of its intention to enter the Home and has had no response from Tenant within twelve (12) hours of the notice, Landlord's entry shall be deemed reasonable.

26. Keys; Miscellaneous Items. Tenant acknowledges receipt of 4 door keys for their Home. Tenant agrees to pay Sixty-Five (\$65.00) Dollars for each such item not returned upon the termination of this Lease.

27. **Modification.** This Lease may be modified only by a written instrument signed by both parties; provided, however, that Landlord may make the following modifications without consent of Tenant in the following manner: (a) Landlord may make such changes as may be required by federal, state or local law or rule or regulation; (b) Landlord may adopt and make changes in house rules relating to the Home which are required to protect the physical health, safety or peaceful enjoyment of tenants or guests. Such modifications shall be effected by Landlord's delivering or mailing thirty (30) days' written notice of them.

28. **Waiver; Joint and Several Agreements; Binding Effect; Severability; Entire Agreement.** Landlord's failure to enforce any term of this Lease shall not be deemed a waiver of the enforcement of that or any other term. The receipt by Landlord of rent with knowledge of a breach of any term of this Lease shall not be deemed a waiver of such breach, nor shall partial payment of rent be deemed a waiver of Landlord's right to the full amount thereof. All Tenants and Guarantors are jointly and severally responsible for the payment of rent and all covenants and terms of this Lease. The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the Landlord and the Tenant and their respective heirs, distributes, executors, administrators, successors and assigns. If any provision of this Lease should be or become invalid, such invalidity shall not in any way affect any of the other provisions of this Lease, which shall continue to remain in full force and effect. Tenant acknowledges that Landlord has made no representations or promises with respect to the Home except as herein expressly set forth and that the foregoing constitutes the entire agreement between the parties.

29. **Lease Subordinate.** The Lease is and shall be subject and subordinate to any ground or underlying leases and mortgages now or hereafter affecting the real estate of which the Home is a part, and to all renewals, modifications, replacements and extensions thereof.

30. **Eminent Domain.** Landlord and Tenant agree that if, during the term of this Lease, the Premises shall be taken under the power of eminent domain which shall result in a total or partial eviction, this Lease shall terminate as of the date of taking. Tenant shall have no right to any payment or compensation in connection with any condemnation of the Premises.

31. **No Holding Over.** This Lease shall terminate and Tenant shall vacate the Premises at the time specified herein or upon the date specified by Tenant in any notice of termination delivered to Landlord by Tenants pursuant to the terms hereof, and it is expressly agreed that there shall be no right to hold over without Landlord's permission.

32. **Laws of the State of Michigan.** This Lease shall be governed by and construed in accordance with the laws of the State of Michigan. In the event of litigation between the parties, each party agrees to submit to Michigan jurisdiction. In the event, through no fault of Landlord, Landlord is unable to effect service of process as aforesaid or through any other manner then allowed by law, Tenant hereby agrees that posting at the Leased Premises together with delivery by registered mail to Tenant's last known address shall constitute reasonable effort to give Tenant notice of such proceeding and shall constitute personal service upon Tenant.

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the date first written above.

LANDLORD:

By: _____

TENANT:

EXHIBIT A

NOTICE OF SECURITY DEPOSIT

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.

This notice must be filled out by Landlord and presented to the Tenant(s) within fourteen (14) days from the date a Tenant assumes possession of the rental unit.

NAME(S) OF TENANT(S)

ADDRESS OF RENTAL UNIT

I have received a security deposit of _____ from the above Tenant(s) and understand that it is the property of the Tenant(s). Landlord has deposited this security deposit with a licensed financial institution. The name and address of the licensed financial institution is:

Institution: Chase Bank
City, State: Detroit, **MICHIGAN**

Dated: _____

By: _____

Kash Development, Landlord
Address: 10055 LaSalle Blvd
Huntington Woods, MI 48070

EXHIBIT B

GUARANTY OF LEASE DATED: _____, 2013

LANDLORD: Kash Development, LLC

TENANT: _____

GUARANTOR: _____

FOR VALUE RECEIVED, and in consideration for, and as an inducement to Kash Development, LLC ("Landlord") to enter into the Lease dated _____, 2013 (the "Lease"), with _____, _____, ("Tenant"), the undersigned, _____ ("Guarantor"), hereby absolutely and unconditionally guarantees to Landlord, its successors and assigns, the prompt and full payment of all rent and all other payments to be made by Tenant under the Lease for which the undersigned will be jointly and severally liable with Tenant. The undersigned hereby waives any notice of nonpayment, nonperformance or nonobservance, or proof of notice or demand. The undersigned agrees that in the event of a default by Tenant under the Lease, Landlord may proceed against the undersigned before, after or simultaneously with proceeding against Tenant. This Guaranty shall not be terminated, affected, or impaired in any manner by reason of: (1) the assertion by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease; (2) the commencement of summary or other proceedings against Tenant; (3) the failure of Landlord to enforce any of its rights against Tenant; or (4) the granting by Landlord of any extensions of time to Tenant. The undersigned further covenants and agrees that this Guaranty shall be absolute and unconditional and shall be in full force and effect with respect to any amendment, addition, assignment, sublease, transfer or other modification of the Lease, whether or not the undersigned shall have knowledge or have been notified or agreed or consented thereto. If Landlord at any time is compelled to take action, by legal proceedings or otherwise, to enforce or compel compliance with the terms of this Guaranty, the undersigned shall, in addition to any other rights or remedies to which Lessor may be entitled hereunder, or as a matter of law or in equity, pay to Landlord all costs, including reasonable attorneys' fees, incurred or expended by Landlord in connection therewith. All duties and obligations of the undersigned pursuant to this Guaranty shall be binding upon the successors and assigns of the undersigned. This Guaranty shall be governed by and construed in accordance with the laws of the State of Michigan.

Dated: _____, 2013

GUARANTOR:

By:

Address: