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Apartment Lease Agreement Terms and Conditions

This Apartment Lease Agreement ("Lease") is comprised of these Terms and Conditions and the accompanying Declarations Page. This Lease is made between "us," Smith Property Holdings Buchanan House L.L.C., as the Owner named on the Declarations Page, and "you," the Residents named on the Declarations Page jointly and severally, as of the lease date set forth on the Declarations Page. The terms "we," "us," and "our," refer to the Owner listed above and on the Declarations Page. The terms "you," "your," and "yourself" refer to the Residents listed on the Declarations Page. We lease to you, and you rent from us, the apartment unit listed on the Declarations Page ("Premises") in The Buchanan ("Apartment Community") for the Lease Term, subject to the Declarations Page and these Terms and Conditions:

1. **LEASE TERM.** The "Lease Term" begins on the Lease Begin Date, as stated on the Declarations Page, at 12:00 noon, and ends on the earlier of the Lease End Date, as stated on the Declarations Page, at 11:59 a.m., or the termination of this Lease in accordance with the Terms and Conditions of this Lease.

2. **RENT.** All Base Rent (defined on the Declarations Page) and Additional Rent (defined below) are "Rent" under this Lease.

2.1 **Base Rent.** You will pay Base Rent in the monthly amount stated on the Declarations Page beginning on the Lease Begin Date. You will pay Base Rent to us in advance, on or before the first day of each month, at the Apartment Community's management office, or at another location that we designate in writing to you. If the Lease Begin Date is not the first day of the month, then Base Rent for that month will be prorated. You will pay Base Rent by pre-authorized automatic withdrawal or debit, or by personal check, certified check, cashier's check or money order. Base Rent may not be paid with cash or with a two-party check. If there is more than one Resident named on the Declarations Page, we may require you to pay the total amount of Base Rent with a single payment, as opposed to several payments equal to the total amount of Base Rent. If any concessions are stated on the Declarations Page, they will be deducted from Base Rent.

2.2 **Additional Rent.** All fees, charges and other sums you will pay to us under this Lease in addition to Base Rent are "Additional Rent". Additional Rent includes, for example, pet rent, Utilities Charges (defined in Paragraph 3.2), late fees, and Access Device (defined in Exhibit A) fees. You will pay the following components of Additional Rent in advance, on or before the first day of each month in the amounts indicated on the Declarations Page: pet rent; storage unit rent; and parking or garage rent. You will pay Utilities Charges in accordance with Paragraph 3.2. You will pay each other amount of Additional Rent within 15 days after we notify you of the charge.

3. **UTILITIES.**

3.1 **Utilities Described.** "Utilities" are the utilities listed on the Declarations Page.

(a) The following Utilities are "Allocated Utilities": water, sewer, gas and electric. The following Utilities are "Flat-Rate Utilities": trash removal. You agree that it is impractical or extremely difficult to determine the exact amounts of Allocated Utilities and Flat-Rate Utilities furnished to the Premises. Utilities Charges for Allocated Utilities and Flat-Rate Utilities are estimated by the Billing Company (defined in Paragraph 3.3) or us using the methods described in the Bill Calculation Description (defined in Paragraph 3.3). You agree that the methods described in the Bill Calculation Description for the calculation of Utilities Charges are reasonable.

(b) The following Utilities are “Sub-Metered Utilities”: none. We or the Billing Company (and not the utility provider) will read and maintain the sub-meters used to determine the usage of Sub-Metered Utilities. Any disputes relating to the computation of your invoice for Sub-Metered Utilities or the accuracy of any sub-meter will be between you and us. Utilities Charges for Sub-Metered Utilities may be estimated when (1) the sub-meter is broken or does not transmit a meter reading or (2) we have not received bills from Utilities providers in time to prepare your invoice for Utilities Charges or your final statement of account. You agree that it is reasonable for us or the Billing Company to estimate Utilities Charges for Sub-Metered Utilities in these circumstances.

(c) The following Utilities are “Direct Utilities”: none. Direct Utilities also include other services, such as cable TV and telephone services, that are used in the Premises during the Lease Term.

3.2 **Utilities Charges.** We or the Billing Company will send you monthly invoices for Utilities Charges. Each invoice will indicate the applicable billing cycle(s) for the Utilities Charges. You will pay the Utilities Charges shown on each invoice on the same date and at the same place that you pay Base Rent for the next month after the invoice date. “Utilities Charges” include all charges relating to Utilities that are designated as being paid by you on the Declarations Page and that are furnished to the Premises during the Lease Term. Utilities Charges include charges relating to Direct Utilities only to the extent Resident must pay them to Owner under Paragraph 3.4(b). Utilities Charges also include the Administrative Charge (defined in Paragraph 3.3), charges included on our tax bills that relate to Utilities, and all charges contained on the utility bills we receive from the Utilities providers. Utilities Charges do not include charges relating to Utilities that are designated on the Declarations Page as being paid by us. Utilities Charges are Additional Rent under this Lease.

3.3 **Billing Company; Bill Calculation Description.** The “Billing Company” is the service provider who contracts with us to perform allocation, billing and related services for some or all Utilities Charges. The Billing Company is currently *ista* North America, Inc. We reserve the right to change the Billing Company or to perform billing services at any time. We will notify you if we change the Billing Company. The Billing Company prepared the “Bill Calculation Description” which describes how Utilities Charges are calculated and billed to you. The Bill Calculation Description is attached to this Lease as Exhibit B. The “Administrative Charge” is a monthly charge for your share of the fee charged to us by the Billing Company for its services. The Administrative Charge is as stated on the Bill Calculation Description. We may change the Administrative Charge after giving you written notice at least 30 days in advance, but it will not exceed your share of the Billing Company’s fee. An additional charge, if included on the Bill Calculation Description, will be added to your initial statement of account or invoice for Utilities Charges to cover the additional costs of setting up your account for Utilities Charges. An additional charge, if included on the Bill Calculation Description, will be added to your final statement of account or invoice for Utilities Charges to cover the additional costs of off-cycle billing.

3.4 **Direct Utilities.**

(a) **Obligation to Pay Utility Providers.** Each Direct Utility is separately furnished, metered and billed for the Premises by the utility provider. You will contact the Direct Utilities providers and arrange for Direct Utilities to be furnished to the Premises and billed directly to you beginning on the Lease Begin Date and throughout the Lease Term. If you do not make these arrangements, your Direct Utilities may be interrupted and Paragraph 3.4(b) will apply. Any disputes relating to the calculation of your bills for Direct Utilities or the accuracy of any meter for Direct Utilities will be between you and the utility providers

(b) **Obligation to Pay Owner.** If we are billed for any Direct Utilities furnished during the Lease Term, we will send an invoice to you and you will reimburse us for all charges for Direct Utilities incurred by us. You will pay us an additional charge of \$25.00 for each billing cycle of each Direct Utility for which you are not the customer of record with the Direct Utility provider. This additional charge defrays our expenses to communicate with the Direct Utility provider and/or you regarding the Direct Utilities and the lost investment value of funds we advance on your behalf to pay for your Direct Utilities. You agree that these expenses are difficult to quantify with certainty and that the additional charge is a reasonable estimate of their actual amount.

3.5 **Modifications.** We may modify the methods used to furnish Utilities to the Premises or to calculate any Utilities Charges after giving you written notice at least 30 days in advance. For example, if water is an Allocated Utility, we may install a sub-meter for water and, after 30 days notice, begin invoicing you for water charges as a Sub-Metered Utility. We may at any time, to the extent permitted by law, change the utility provider for any Utilities furnished to all or any portion of the Apartment Community.

3.6 **Owner Liability.** We will not be liable for any interruption, outage or fluctuation of any Utilities furnished to the Premises or resulting damages or losses, unless the loss or damage was the direct result of the willful misconduct or gross negligence of us or our employees. You release us and waive all claims against us from all claims arising from or relating to such outages, interruptions or fluctuations.

3.7 **Light Bulbs.** At the beginning of the Lease Term, we will furnish light bulbs and tubes of prescribed wattage for light fixtures in the Premises. During the Lease Term, you will replace light bulbs and tubes for light fixtures in the Premises at your expense.

4. **LATE FEES AND OTHER CHARGES.**

4.1 **Late Fees.** Each component of Rent you do not pay when due is delinquent. If you fail to pay any component of Rent when due, you will pay us a late fee of 5% of your total Rent for the month for which any component of your Rent is delinquent. Late fees will be assessed as of the close of business on the third calendar day after Rent is late.

4.2 **Dishonored Funds Fee.** If your financial institution dishonors any check or automatic withdrawal or debit by which you pay any Rent because of insufficient funds or refuses to pay us for any other reason, you will pay us a fee of \$75.00. If any Rent is delinquent because your financial institution dishonors any check or automatic withdrawal or debit or refuses to pay us for any other reason, you will also pay late fees in accordance with Paragraph 4.1. If your financial institution dishonors more than one check or automatic withdrawal or debit by which you pay any Rent, we may require you to make all future Rent payments by certified check, cashier's check or money order.

4.3 **Owner's Other Remedies.** Your payment of a late fee, in accordance with Paragraph 4.1, or a dishonored funds fee, in accordance with Paragraph 4.2, does not establish a grace period for your payment of Rent, and we, by accepting any late fee or dishonored funds fee, do not waive any of our other remedies regarding delinquent Rent.

5. **PAYMENT OF SUMS DUE.**

5.1 **Independent Covenant.** Your obligation to pay each amount of Rent is an independent covenant of this Lease. We may, without notifying you, apply any payment you make to any Rent that is due and payable, regardless of any notation that accompanies your payment.

5.2 **No Waiver.** We are not obligated to accept payment for any delinquent Rent. Acceptance of delinquent Rent will not be considered a waiver of your obligation to pay each amount of Rent when due.

6. **JOINT AND SEVERAL LIABILITY.**

6.1 **In General.** If more than one person is named as a Resident on the Declarations Page, each person named as a Resident is jointly and severally liable for all of your obligations under this Lease. You are responsible for causing all people named as Occupants on the Declarations Page and who reside in the Premises ("Occupants"), and other people who are present in the Premises or the Apartment Community at your, or your Occupant's, express or implied invitation or request ("Guests") to comply with the Rules and Community Rules. Any violation of the Rules or Community Rules by an Occupant or Guest will be considered a violation by you.

6.2 **Notice.** Any notice we give to any person named as a Resident on the Declarations Page or any Occupant constitutes notice to all persons named as a Resident on the Declarations Page. Any notice given to us by any person named as a Resident on the Declarations Page constitutes notice from all persons named as Residents on the Declarations Page.

6.3 **Suits.** In any legal action, any person named as a Resident on the Declarations Page is considered the agent of all persons named as a Resident on the Declarations Page for service of process.

7. **DELAY OF POSSESSION.**

7.1 **Effects of Delay of Possession.** If we are unable for any reason to deliver possession of the Premises to you on the Lease Begin Date, we will not be liable to you for the delay. During the delay, this Lease will remain in full force and effect, however, (1) Rent relating to your occupancy of the Premises will be abated for each day of delay, and (2) you may terminate this Lease by delivering written notice to us no later than the tenth day after the Lease Begin Date. If you terminate this Lease in accordance with this Paragraph 7.1, we will refund to you any deposits or Rent you paid in advance that we received under this Lease.

7.2 **Delay Due to Repairs or Cleaning.** If we are repairing or cleaning the Premises on the Lease Begin Date in a manner that does not prevent you from occupying the Premises, you will occupy the Premises, Rent will not be abated and you will not have the right to terminate this Lease.

8. **SECURITY DEPOSIT.**

8.1 **Deposit.** On or before the Lease Begin Date, you will deposit the Security Deposit with us in the amount shown on the Declarations Page. If the amount of the Security Deposit, as shown on the Declarations Page, is zero, then you are not required to make a deposit and the provisions of this Paragraph 8 do not apply. The Security Deposit secures your complete performance of your obligations under this Lease. We may deduct unpaid Rent from the Security Deposit if you fail to pay Rent when due. At the end of the Lease Term, we may deduct any Rent then due from the Security Deposit. You may not apply the Security Deposit to Base Rent or any Additional Rent.

8.2 **Return.** We will return the Security Deposit within 45 days of the Lease End Date, and after you vacate the Premises, less any lawful deductions. If there is damage in excess of reasonable wear and tear, we will provide you with an itemized list of damages within 45 days of the Lease End Date and will deduct the cost of repairs from the Security Deposit. Our itemized list of damages will be sworn by us or our representative under the pains and penalties of perjury, itemizing in detail the nature of the

damage and the repairs necessary to correct the damage, including, for example, written evidence such as estimates, bills, invoices, or receipts. Reasonable wear and tear does not include, among other things, missing or burned-out light bulbs, or stickers, scratches, burns or holes on any walls, doors, floors, window treatments, carpets or furniture. You will provide us with a forwarding address so we may forward the Security Deposit or the remaining balance to you. We may disburse Security Deposit refunds by one check, jointly payable to all named as Residents on the Declarations Page or to any named Resident, and may send the Security Deposit refund check, and deduction itemizations, to only one Resident named on the Declarations Page.

8.3 **Appointment.** We may appoint an agent, such as a broker or manager, to hold and disburse the Security Deposit, and you consent to any appointment we make. If we sell the Apartment Community to a new owner, you agree that once the sale has occurred, we will be released from liability related to the Security Deposit and that you will look solely to the successor owner, for satisfaction of claims relating to the Security Deposit.

8.4 **Renewal of Lease.** If this Lease constitutes a renewal and is executed in accordance with Paragraph 26.1, and you previously deposited a security deposit with us in connection with the prior lease between you and us, then you will submit to us only the amount, if any, by which the security deposit shown on the Declarations Page exceeds the amount of the Security Deposit we are already holding.

9. **TERMINATION DURING FIRST 30 DAYS.** If this Lease is your first lease of the Premises, you may terminate this Lease for any reason during the first 30 days of the Lease Term. After the first 30 days of the Lease Term, you may only terminate this Lease in accordance with Paragraph 25. You may only terminate this Lease in accordance with this Paragraph 9 if you (1) give us a written termination notice within the first 30 days of the Lease Term, (2) have paid all Rent that is payable under this Lease as of the date of your notice, and (3) are not in default under this Lease. If you terminate this Lease in accordance with this Paragraph 9, then you must move out of the Premises no later than 30 days after the Lease Begin Date. This Paragraph 9 will not apply if this Lease is a renewal of a prior lease between you and us.

10. **LANDLORD'S COVENANT.** We will not unlawfully remove or exclude you from the Premises or willfully diminish services by interrupting or causing the interruption of gas, water or other essential service to you. This covenant is subject to provisions of law and matters of record to which this Lease is or may become subordinate.

11. **OCCUPANCY AND USE.**

11.1 **Who May Occupy.** Only the Residents and Occupants named on the Declarations Page may occupy the Premises. Other persons occupying the Premises will be considered Guests. Guests may not occupy the Premises in excess of 14 days during any 12 month period. You will not allow more than two Guests to occupy the Premises at any one time, unless we provide you with prior written authorization.

11.2 **Use as Residence.** The Premises will be used exclusively as a residence in accordance with this Paragraph 11.

11.3 **Use as a Home Office.** You may have a home office in order to operate a business on the Premises, if you comply with the following conditions: (1) your home business must comply with all applicable laws; (2) the home business cannot employ anyone besides you; (3) the home business may not require receipt or delivery of merchandise, goods, or equipment by other than passenger motor vehicle or by parcel or letter carrier mail service; (4) the home business may not display stock in trade in the

Premises; (5) the home business must not create a nuisance; (6) the home business must not require outdoor storage; (7) the home business must not require any special permit or license; (8) the home business must not cause additional vehicles to park in the Apartment Community; (9) customers and/or clients of the home business may not come to the Premises to receive goods or services; and (10) you may not display any signage relating to or identifying the home business. A home business permitted by this Paragraph 11.3 includes, for example, an internet-based company, legal service provider, or a consulting service provider, to the extent they are also permitted by applicable law. A business not permitted by this Paragraph 11.3 includes, for example, retail sales or a home day care service.

12. **CONDITION AND CARE OF THE PREMISES.**

12.1 **Condition of Premises.** You accept the Premises in its as-is condition at the time you take possession of the Premises. We will provide the Premises to you unfurnished. The Premises will be considered to be in clean, safe and good working condition at the time you take possession of the Premises unless you notify us otherwise in writing within 72 hours after you take possession of the Premises. You will be liable for injury to any person or damage to the Premises or other property resulting from any defect or damage existing within the Premises and not reported, if you do not report the defects or damages at the time you take possession of the Premises within that 72 hour period.

12.2 **Maintenance of Premises.** You will maintain the Premises in the same condition as when you took possession of the Premises, subject to reasonable wear and tear, and will maintain the Premises and any areas for your private use in a clean and safe condition. You will not commit waste in the Premises or in the Apartment Community.

12.3 **No Alterations.** You will not alter, modify, remove, damage or deface the Premises or any of our property. If you ask us in advance in writing we may consent to a specific Alteration of the Premises by you. Painting and wallpapering (collectively, "Alterations") you undertake within the Premises become part of the Premises unless we otherwise agree in writing.

12.4 **Appliances.** The Premises is equipped with all major appliances that we permit in the Premises. No other appliances except for microwave ovens are allowed in the Premises. For example, washing machines, dryers, and additional dishwashers are not allowed in the Premises.

12.5 **INTENTIONALLY OMITTED.**

12.6 **Lease Begin Date Inspection.** We will inspect the Premises and prepare an inspection report regarding the condition of the Premises on or before the Lease Begin Date.

12.7 **Lease End Date Inspection.** We will inspect the Premises before or within a reasonable time after the Lease End Date and prepare an inspection report regarding the condition of the Premises. We will notify you in advance of the date that we will inspect the Premises before the Lease End Date and you may be present at the inspection. If there is damage to the Premises, other than normal wear and tear, at the end of the Lease Term, you will pay us an amount equal to our reasonable estimate of the costs to repair the damage as a Reimbursable in accordance with Paragraph 16.

13. **PROHIBITED CONDUCT.**

13.1 **In General.** You will not engage in, and you will not permit Occupants or Guests to engage in, the following activities in the Apartment Community: (1) loud or obnoxious conduct; (2) disturbing or threatening the rights, comfort, health, safety, or convenience of others or our employees, agents or vendors; (3) engaging in or threatening violence; (4) marking or defacing any building, structure

or any other property; (5) discharging a firearm; (6) displaying or possessing a gun, knife or other item, which is intended to be used as a weapon; (7) soliciting business or contributions; (8) storing anything that is flammable; (9) tampering with utilities or any sub-meter or other measuring device or system for utilities; (10) possessing or handling hazardous materials; (11) using candles or lamps, which create or contain a flame; (12) disrupting our business operations; and (13) engaging in any other conduct prohibited by the Lease.

13.2 **Conduct of Occupants and Guests**. You covenant to obey, and to cause Occupants and Guests to obey, all laws and ordinances applicable to the Premises and the Apartment Community. You agree, and agree to cause Occupants and Guests, to not engage in any activities of an illegal nature or which create a nuisance.

14. **RULES AND COMMUNITY RULES.**

14.1 **In General**. You and each Occupant and Guest must comply with the Rules and the Community Rules. The “Rules” are the rules attached to this Lease as Exhibit A. The “Community Rules” are additional rules that we have posted on signs in the Apartment Community. The Rules and Community Rules are part of this Lease and enforceable as terms and conditions of this Lease. If you, an Occupant or a Guest violate any of the Rules or Community Rules, the violation will be a default by you under this Lease and we may exercise any and all legal remedies based on the violation.

14.2 **Modification**. You will comply, and you will cause Occupants and Guests to comply, with all Rules and Community Rules and all other community policies applicable to the Apartment Community. In the future, we may make reasonable changes to the Rules or Community Rules if they are distributed to and applicable to all residents in the Apartment Community. All changes to the Rules and Community Rules will be effective 30 days after we notify you of the changes.

14.3 **Community Rules**. You will comply, and you will cause Occupants and Guests to comply, with all posted signs and/or rules when using Apartment Community facilities. Apartment Community facilities include, for example, swimming pools, play areas, saunas, hot tubs, tanning beds, exercise rooms, storerooms, laundry rooms, and similar areas.

15. **RESPONSIBILITY FOR GUESTS.**

15.1 **In General**. You will be responsible for the actions of, and liable for all damage caused by all Occupants and Guests in the Premises and the Apartment Community.

15.2 **Exclusion of Parties**. We may exclude any Guest that we determine to be violating the law, violating the Lease, violating the Rules or Community Rules, or disturbing any other residents, visitors, or our representatives. We may exclude any person who refuses to identify himself or herself as a party related in any way to you from the Premises and/or the Apartment Community.

16. **REIMBURSEMENT FOR DAMAGE.**

16.1 **In General**. You will reimburse us for any property damage, loss, or cost of repairs or service (“Reimbursables”) caused by your or any Occupant’s or Guest’s negligence, improper use of the Premises or common areas of the Apartment Community, or your acts or omissions, or the negligence, improper use of the Premises or common areas, or acts or omissions of any Occupant or Guest in the Premises and in the Apartment Community.

16.2 **When Due.** We may require payment of Reimbursables at any time, and our delay in demanding payment of Reimbursables will not be considered a waiver of our rights set forth in this Paragraph 16. Reimbursables are Additional Rent.

17. **SECURITY; CRIME; EMERGENCY.**

17.1 **No Obligation.** We are under no obligation to furnish security personnel, security lighting, security gates or fences, or other forms of security. We may furnish accompanying instructions with any control or intrusion alarms we provide to you.

17.2 **Notice.** You will promptly notify us of any known malfunction or failure of which you are aware regarding any door locks, window latches, lighting, controlled access gates, intrusion alarms or other security related devices.

17.3 **No Representation or Warranty; Waiver of Valuable Rights.** We make no representations or warranties regarding security in or around the Apartment Community or regarding security devices or services, if any, that we provide. If we utilize any security systems, devices, or services at the Apartment Community, we make no representation or warranty that the systems, devices or services will remain in place or continue for the duration of the Lease Term or that the systems, devices or services will prevent injury, theft or vandalism. We reserve the right to reduce, modify or eliminate any security system, device or service that we utilize at any time and without notifying you. If we reduce, modify or eliminate a security device, system or service, it will not be a breach of any obligation or warranty on our part. We will not be liable to you or any Occupant or Guest for injury, damage or loss to person or property that results from the criminal conduct of other persons. You understand that by signing this Lease you will lose all rights that you have to sue us, our property management company, Archstone, or its directors, members, officers, shareholders, affiliates, representatives, agents, employees, successors or assigns of any of them, because of any injury, illness, death or damage to you, any Occupants or Guests resulting from the criminal acts of residents or third parties. You understand that execution of this Lease involves the waiver and release of valuable legal rights.

17.4 **Indemnification.** You indemnify and hold harmless us, our property management company, Archstone, and its directors, members, officers, shareholders, affiliates, representatives, agents, employees, successors or assigns of any of them, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including attorneys' fees), for injuries to you, or any Occupant or Guest arising from the acts of any third parties, yourself, or any Occupant or Guest.

17.5 **Criminal Background Checks.** We may, but are not required to, obtain a criminal background check on any resident, occupant, or guest in the Apartment Community. If we obtain a criminal background check on a person in the Apartment Community, it does not imply that we will obtain any other background checks on any other people in the Apartment Community. If we obtain a criminal background check on a person in the Apartment Community, we are not obligated to notify you that we obtained a criminal background check or notify you of its contents. We make no representation or warranty, and cannot make any representation or warranty, that any resident, occupant, guest or invitee in the Apartment Community does not have a criminal background.

17.6 **Resident Responsibilities.** If you become aware of any fire, smoke, or suspected criminal activity involving imminent harm in or around the Apartment Community, you will dial 911 or immediately call the local fire, police or Emergency Medical authorities. You will contact us or our representative after contacting the local fire, police or Emergency Medical authorities. If you, an Occupant, or a Guest are affected by a crime, you will file written reports with us and with the appropriate

local law enforcement agency, and upon our request, you will furnish us with a copy of the report with the law enforcement agency's incident-report number.

18. **INSURANCE.** We do not and will not carry insurance to protect against any loss of or damage to personal property owned or kept by you or any Occupants or Guests. You agree that you and the Occupants assume the risk of any loss of or damage to personal property kept in the Premises. You waive and release us from all claims against us that you may have, now or in the future, with respect to any loss of or damage to personal property kept in the Apartment Community. You are not required to maintain insurance for your personal property, but it is available and we recommend that you maintain such insurance in an amount equal to the value of your personal property. You must, at your own expense during the Lease Term and any extension of the Lease Term, maintain renter's liability insurance in the amount of not less than \$100,000.00 ("Required Insurance"). Required Insurance must protect you and all Occupants of the Premises against personal liability for losses incurred by third parties resulting from property damage and injury or death to third persons. Required Insurance must also provide coverage protecting us, as Owner of the Apartment Community, against damage to our property, personal liability for claims of third persons based on damage to their property or injury or death, and our attorneys' fees and costs, resulting from your or any Occupants' negligent acts or omissions in or about the Apartment Community. Required Insurance must be provided by an insurance company authorized or admitted to do business in the state where the Premises is located. You must provide us with evidence of insurance for Required Insurance, issued by your insurance company, before the Lease Begin Date under this Lease and, if you accept a Renewal Offer, before the lease begin date of any new lease. If you fail to provide the required evidence of insurance before the Lease Begin Date, or if Required Insurance lapses or is suspended or cancelled during the Lease Term, such failure, lapse, suspension or cancellation will constitute a default by you pursuant to Paragraph 29, and we may exercise any and all legal remedies, including, but not limited to the remedies contained in Paragraphs 29 and 30. You will, and you will direct your insurance company to, immediately notify us in writing of any cancellation, suspension, or lapse of Required Insurance. Your right to possession of the Premises is contingent upon your obtaining and maintaining Required Insurance and providing us with evidence of insurance as required under this Paragraph 18.

19. **OWNER LIABILITY.**

19.1 **In General.** You waive and we will not be liable to you or any Occupants or Guests for damages and liabilities arising out of personal injury or damage or loss of personal property due to acts of any third party, interruption of services, theft, vandalism, fire, water, rain, storms, smoke, explosions, sonic booms, or other causes, unless caused by our gross negligence or intentional acts.

19.2 **Indemnification.** You agree to indemnify and hold harmless us, our property management company, Archstone, and its directors, members, officers, shareholders, affiliates, representatives, agents, employees, successors or assigns of any of them, from and against any and all claims, demands, actions, liabilities, damages, costs and expenses (including attorneys' fees), for injuries to any persons and damage to or theft or misappropriation or loss of property occurring in or about the Apartment Community and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by you, any Occupant or Guest in or about the Premises or the Apartment Community (including, for example, any alteration you make) or from any breach or default on your part in the performance of any covenant or agreement you are required to perform under this Lease or due to any other of your acts or omissions, or any act or omission of any Occupants, Guests, assignees and subtenants.

19.3 **Owner Alterations.** You acknowledge that during the Lease Term we may perform "Owner Alterations" to the Premises and the Apartment Community. Owner Alterations include, for

example, maintenance, alterations, repairs and improvements. You also acknowledge that you will not be entitled to any abatement of Rent nor will you be deemed constructively or actually evicted from the Premises based on our performing any Owner Alterations to the Premises or the Apartment Community, unless the Premises are untenantable due to the Owner Alterations. You waive any claim or cause of action against us for actual or constructive eviction or for any damages based on Owner Alterations, except to the extent the Premises are rendered untenantable due to the Owner Alterations.

20. **PACKAGE RELEASE.** You release us, our representatives and our insurers from any claims against them arising from their signing for packages for you or any Occupants in accordance with the Rules or Community Rules.

21. **REPAIRS.**

21.1 **Requests for Repairs.** All requests you make for repairs, installations, or services, or security-related matters will be in writing to us, unless you make the request in an emergency situation involving either immediate danger to person or property, or the request is related to fire, gas, smoke, overflowing sewage, uncontrollable running water, electrical shorts, or crime in progress. For purposes of this Paragraph 21.1, requests that you make by electronic means (e.g. e-mail or facsimile) will be considered given in writing. Any of our responses to any unwritten request will not be considered a waiver of this Paragraph.

21.2 **Notice In General.** You promptly will notify us in writing of any condition in or about the Premises that poses a risk of harm to our property or the health or safety of anyone in the Apartment Community, of any malfunction or damage to any utility services or facilities, or of any heating facilities or health-required equipment malfunction. If you do not notify us, you may be liable for damages and/or costs caused by your failure to notify us. Any repair or restoration of any condition, utility service or facility, or heating facilities or health-required equipment may be subject to our receipt of any casualty insurance proceeds.

21.3 **No Warranty.** We make no express or implied warranties related to repairing the Premises. Any repairs we make to the Premises are not an implied warranty to repair.

22. **WHEN OWNER MAY ENTER.**

22.1 **In General.** At any reasonable time, we may enter the Premises to inspect or repair it, to install, read, repair and remove any meters or other facilities relating to Utilities, to show it to a prospective resident, purchaser or lender, or for any other reason permitted by law. The Billing Company and repairmen may enter the Premises without us accompanying them. Prospective residents, prospective purchasers of the Apartment Community and our lenders may enter the Premises if we accompany them.

22.2 **Notice.** We will not abuse the right of entry and, when possible, will give you written notice 24 hours before entering the Premises.

22.3 **When Notice Not Necessary.** In certain situations we will not give notice of our entry to the Premises. For example, we will not notify you when entering because we suspect potential imminent danger to person or property, when entering based on law enforcement's direction (with or without a search or arrest warrant) in hot pursuit, when showing the Premises to prospective residents, when attempting to stop excessive noise or remove health or safety hazards, when preventing waste of property or Utilities, or when documenting damage to the Premises.

23. **CONDEMNATION OR DESTRUCTION.**

23.1 **In General.** If a city, state, or other law enforcement or government agency condemns the Premises, the portion of the Apartment Community where the Premises is located, or any material portion of the Apartment Community, or if any of these areas are destroyed, we may terminate this Lease upon 10 days written notice to you or we may elect to make any necessary repairs to the Premises or portion of the Apartment Community where the Premises is located.

23.2 **Election to Repair.** If we elect to repair the Premises in accordance with this Paragraph 23, Rent will abate during such time period and this Lease will continue in all other respects.

23.3 **Termination of Lease.** If we terminate this Lease in accordance with this Paragraph 23, we will refund previously paid Rent attributable to the period after the damage or destruction occurred.

23.4 **Partial Condemnation or Destruction.** If condemnation or destruction affects only a portion of the Premises, or a portion of the Apartment Community where the Premises is located, and we determine in our sole discretion that the Premises and the Apartment Community are still habitable, then this Lease will continue, we will make all necessary repairs with reasonable promptness, and Rent will not abate.

24. **SALE; RIGHT TO MORTGAGE.**

24.1 **Affect of Sale.** Any sale or conveyance of the Apartment Community or any part thereof will not affect this Lease or any of your obligations under this Lease, but upon a sale or conveyance we will be released from all obligations under this Lease and you will look solely to the new owner of the Apartment Community for the performance of our duties under this Lease from and after the date of the sale or conveyance.

24.2 **Mortgages In General.** We may encumber the Premises and/or the Apartment Community by mortgage(s) and/or deed(s) of trust. Any mortgage(s) or deed(s) of trust that we give will be a lien on the Apartment Community superior to your rights in this Lease.

24.3 **Foreclosure Not Constructive Eviction.** Foreclosure of any mortgage or sale under a deed of trust will not constitute your constructive eviction and you agree to attorn to the purchasers at a foreclosure or sale as if this Lease is by and between you, as lessee, and the eventual purchaser, as lessor.

25. **EARLY TERMINATION.**

25.1 **In General.** You may terminate this Lease before the Lease End Date if you comply with the provisions of this Paragraph 25 and deliver us a written notice of your request to terminate this Lease ("Early Termination Notice") and a payment equal to the amount of Base Rent for two months ("Early Termination Charge"). The Early Termination Charge is not included as part of Base Rent and will not be credited against any Base Rent due under this Lease. The Early Termination Notice must state the date on which you want to terminate this Lease ("Early Termination Date"). You must deliver the Early Termination Notice and Early Termination Charge to us, together at the same time, at least 30 days before the Early Termination Date. You cannot terminate this Lease under this Paragraph 25 and an Early Termination Notice will not be effective if you are in default under this Lease when you deliver us an Early Termination Notice. This Lease will terminate on the Early Termination Date, and the Early Termination Date will become the new Lease End Date if you comply with the provisions of this Paragraph 25 and perform all of your obligations under this Lease up to and including the Early Termination Date. For example, you must pay all Rent accruing up to and including the Early

Termination Date when due and you must vacate the Premises on or before the Early Termination Date. You agree that the Early Termination Charge is a fair and reasonable estimate of our costs resulting from your termination of this Lease under this Paragraph 25.

25.2 **Military.** During the Lease Term, if you (1) enter into "military service" as that term is defined in 50 USCA App. § 511; (2) have received military orders for a change of permanent station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 90 days; (3) have received permanent change of station orders to depart 35 miles or more (radius) from the location of the Premises; (4) have received temporary duty orders in excess of three months' duration to depart 35 miles or more (radius) from the location of the Premises; (5) are discharged or released from active duty with the armed forces of the United States or from your full-time duty or technician status with the National Guard; or (6) are ordered to report to government-supplied quarters resulting in the forfeiture of basic allowance for quarters ("Military Cause"), you may terminate this Lease pursuant to 50 USCA App. § 535 and § 55-248.21:1 of the Virginia Code by complying with this Paragraph 25.2, instead of Paragraph 25.1. To terminate this Lease under this Paragraph 25.2, you must deliver to us, in accordance with Paragraph 25.1, a written termination notice and a copy of the service member's military orders confirming a Military Cause (collectively, the "Military Termination Notice") either by hand delivery, private business carrier or by United States mail to our designated address with sufficient postage and return receipt requested. Upon our receipt of the Military Termination Notice, the Lease will terminate 30 days after the next Base Rent payment is due (the "Military Termination Date") and the Military Termination Date will become the new Lease End Date. You must perform all of your obligations under this Lease through the Military Termination Date. For example, you must pay all Rent accruing or incurred through the Military Termination Date when due and you must vacate the Premises by the Military Termination Date.

26. **RENEWAL LEASE AND END OF LEASE TERM.**

26.1 **Renewal Lease.** We may offer you an opportunity to enter into a new lease for the Premises that begins immediately after the Lease End Date under this Lease ("Renewal Offer") by delivering a Renewal Offer, in writing, to you at least 75 days before the Lease End Date. The Renewal Offer will include the provisions of the proposed new lease and will specify the rent and lease term for the new lease. The Renewal Offer will also specify the new base rent that you will pay if this Lease automatically renews pursuant to Paragraph 26.4. The Renewal Offer may specify rent greater than the Rent under this Lease, may incorporate lease provisions that are different from the provisions of this Lease, and may specify rules that are different from the Rules in effect during the Lease Term. You must either accept or decline the Renewal Offer by delivering us written notice of your decision at least 60 days before the Lease End Date ("Renewal Notice Date"). In addition, in order to accept the Renewal Offer, you must sign a new lease provided by us and incorporating the terms of the Renewal Offer, by the Renewal Notice Date. If you decide not to accept the Renewal Offer and you intend to vacate the Premises on the Lease End Date you must deliver to us a written Notice of Intent to Vacate in accordance with Paragraph 26.3.

26.2 **Owner's Notice of Intent of Non-Renewal.** If we do not deliver a Renewal Offer to you, we will deliver written notice to you that this Lease will terminate on the Lease End Date ("Notice of Non-Renewal"). If the length of your Lease Term is longer than one month, we will deliver a Notice of Non-Renewal to you at least 60 days before the original Lease End Date. If your tenancy is a month-to-month tenancy, we will deliver a Notice of Non-Renewal to you at least 30 days before the Lease End Date. If we deliver to you a Renewal Offer in accordance with Paragraph 26.1 and you do not respond by the Renewal Notice Date, we may withdraw the Renewal Offer and deliver to you a Notice of Non-Renewal. You must vacate and remove all of your possessions from the Premises by the Lease End Date

unless you have accepted a Renewal Offer in accordance with Paragraph 26.1. If you remain in the Premises beyond the Lease End Date after receiving a Notice of Non-Renewal you will be holding over and the terms of Paragraph 27 will apply.

26.3 **Resident's Notice of Intent to Vacate.** If the length of your Lease Term is longer than one month and you intend to vacate the Premises on the Lease End Date you must deliver to us a written Notice of Intent to Vacate at least 60 days before the Lease End Date unless we deliver to you a Notice of Non-Renewal. If your tenancy is a month-to-month tenancy and you intend to vacate the Premises on the Lease End Date, you must deliver to us a written Notice of Intent to vacate at least 30 days before the Lease End Date unless we deliver to you a Notice of Non-Renewal. If you deliver to us a written Notice of Intent to Vacate this Lease will terminate on the Lease End Date, and you must vacate and remove all of your possessions from the Premises by the Lease End Date. If you remain in the Premises beyond the Lease End Date after delivering to us a written Notice of Intent to Vacate you will be holding over and the terms of Paragraph 27 will apply.

26.4 **No Notices Delivered.** If you do not accept a Renewal Offer and you do not deliver a written Notice of Intent to Vacate and we do not deliver a Notice of Non-Renewal, but you remain in the Premises after the Lease End Date, your tenancy will be a 60 day tenancy in accordance with the terms and conditions of this Lease, except that Base Rent will equal the monthly rent that we set forth for a 60-day term in the Renewal Offer. If you do not accept a Renewal Offer and you do not deliver a written Notice of Intent to Vacate and we do not deliver a Notice of Non-Renewal, but you vacate the Premises on or before the Lease End Date, you will owe us a payment equal to the amount of two months Base Rent. You agree that the costs associated with your vacating the Premises on the Lease End Date without delivering to us a written Notice of Intent to Vacate are difficult to ascertain and that the amount of two months Base Rent is a reasonable estimate of our costs.

27. **HOLDOVER.** You will be holding over if you do not vacate the Premises by the Lease End Date and we do not consent in writing that you may continue to occupy the Premises. If you hold over, this Lease and all of its terms (except as otherwise provided in this Paragraph 27) will automatically continue on a month-to-month basis. During the holdover, Base Rent will increase to 200% of the highest Base Rent payable during the Lease Term. You or we may terminate the holdover tenancy by giving at least 30 days prior written notice to the other. You will be liable for all damages and costs we suffer and relating to your holding over, including, for example, the costs of storing an incoming tenant's belongings, the costs of an incoming tenant's interim lodging accommodations, loss of rent from an incoming tenant, and damages we must pay to an incoming tenant during the holdover period. All costs and damages that we incur due to your holdover of the Premises will be considered costs and damages arising from your default under this Lease.

28. **SURRENDER; ABANDONMENT.**

28.1 **Surrender.** The Premises is considered surrendered by you on the date of the later of the following: (1) the Lease End Date has passed or this Lease has been terminated pursuant to its Terms and Conditions and all keys to the Premises have been delivered to the Apartment Community management office, or (2) the Lease End Date has passed or this Lease has been terminated pursuant to its Terms and Conditions and neither you nor any Occupant or Guest is living in the Premises, as we determine in our reasonable judgment. Once you surrender the Premises we may remove any and all clothes, salvageable furniture, and personal belongings that remain in the Premises.

28.2 **Abandonment.** The Premises is considered abandoned by you on the date that you and all Occupants of the Premises appear to have moved out of the Premises, as we determine in our reasonable judgment, and all clothes, salvageable furniture, and personal belongings have been substantially removed from the Premises.

28.3 **Termination of Right of Possession.** When you surrender the Premises your right of possession to the Premises terminates. If you abandon the Premises, your right of possession to the Premises will terminate, and we may exercise any and all legal remedies, without limiting any other right or remedy. Any damages caused by your surrender or abandonment of the Premises will be considered Additional Rent.

29. **DEFAULT BY RESIDENT.** You will be in default under this Lease if: (1) you fail to pay Rent or other amounts when they are due; (2) you or any Occupant or Guest violates any provision of this Lease, any of the Rules or Community Rules, any of the Apartment Community policies, or fire, safety, health or criminal laws, regardless of whether arrest or conviction occurs; (3) you abandon the Premises; (4) you give incorrect or false information in a lease application; (5) you or any Occupant or Guest engages in conduct which is considered prohibited conduct under this Lease; (6) you or any Occupant or Guest are arrested for a felony offense involving actual or potential physical harm to a person, or involving possession, manufacture, or delivery of a controlled substance, marijuana, or drug paraphernalia, as defined under applicable state law; (7) any illegal drugs or paraphernalia are found in the Premises, whether qualifying as a felony or a misdemeanor; (8) you or any Occupant or Guest does not allow us to enter the Premises in accordance with Paragraph 22; or (9) you or any Occupant or Guest intentionally damages property in the Premises or the Apartment Community, or threaten by word or conduct our personal safety or the personal safety of our representatives, or another resident, occupant, guest or invitee.

30. **OWNER REMEDIES.**

30.1 **In General.** If you are in default under this Lease, we may exercise any and all legal remedies, without limiting any other right or remedy, and/or may elect to terminate your right of possession of the Premises or terminate this Lease.

30.2 **Notice to Cure or Quit.** If you are in default under this Lease we will give you notice to cure your violation or vacate the Premises ("**Notice to Cure or Quit**"). If you fail to cure your default within 21 days of receiving the Notice to Cure or Quit, you must vacate the Premises within 30 days of receiving the Notice to Cure or Quit. After we give you a Notice to Cure or Quit, we may still accept Rent or other sums due. We do not waive or diminish our right to evict you or any other rights by accepting any sums from you.

30.3 **Right to Re-Let.** If we deliver a Notice to Vacate to you and you cease occupying the Premises, we may re-let the Premises, without terminating the Lease, for a term, amount of rent, and other terms and conditions which we will determine in our sole discretion. If we re-let the Premises, we may make any alterations and repairs, in our sole discretion, and you will be liable for the cost of all reasonably necessary alterations and repairs, and all other costs we incur in connection with re-letting the Premises and returning the Premises to the same condition as it was on the Lease Begin Date. If we re-let the Premises, all rent and other sums we receive from re-letting the Premises will be applied in the following order: (1) to the payment of Additional Rent you owe us; (2) to the costs and expenses of re-letting the Premises; (3) to your past due Base Rent; and (4) to any of your future Base Rent that becomes due and payable. You have no right to any amount by which base rent we collect pursuant to any re-letting of the Premises exceeds the Base Rent.

30.4 **Termination of Right of Possession**. If we re-enter the Premises or re-let the Premises in accordance with Paragraph 30.3 it will not be an election to terminate this Lease. Even if we re-let the Premises without terminating this Lease, we reserve the right to terminate this Lease for any previous breach.

30.5 **Eviction**. We may file a court action to evict you if you fail to vacate the Premises after receiving a Notice to Vacate. If we evict you, you will remain responsible for all Rent under this Lease, all costs and damages, and any deficiency in Rent that we incur. You will also be liable for all costs and damages resulting from your failure to vacate the Premises after your default. For example, you will be liable for reasonable attorney's fees, collection costs, court costs, and any costs resulting from an incoming resident's inability to enter the Premises.

30.6 **Costs**. If you violate any provision of this Lease, whether you are or are not in default under this Lease, you will pay all resulting costs. For example, you will pay for reasonable attorney's fees, collection costs, and court costs.

31. **DEFAULT BY OWNER.**

31.1 **Responsibilities**. We will act with customary diligence to (1) keep the common areas of the Apartment Community reasonably clean; (2) maintain fixtures, furniture, hot water and heating, as applicable; (3) substantially comply with all applicable federal, state and local laws regarding safety, sanitation and fair housing; and (4) make all reasonable repairs, subject to your obligation to pay for damages for which you are liable.

31.2 **Default**. If we fail to act in accordance with the provisions of Paragraph 31.1, and our failure results in a condition that materially affects the physical health or safety of any Resident, you may claim that we are in default of this Lease. You may not claim that we are in default of this Lease unless, at the time of the claim, you (1) are not in default under this Lease, (2) are current in all Rent payments, and (3) make a written request for repair or remedy of the condition. We will only be in default under this Lease if we fail to repair or remedy the condition in a reasonable amount of time after receiving your written request. Whether our response time is reasonable will be based on the circumstances of the condition to be repaired or remedied, including the availability of materials, labor and utilities.

31.3 **No Default**. We will not be in default under this Lease if we (1) fail to provide or maintain recreational facilities, laundry facilities, or common areas, (2) alter any recreational facilities, laundry facilities, or common areas, or (3) fail to repair the Premises, unless such failure makes the Premises uninhabitable and you vacate the Premises because it is uninhabitable.

32. **ASSIGNMENT**. You will not assign this Lease or sublet the Premises or any part thereof. You will not allow any person to occupy the Premises other than those people specifically listed as Residents on the Declarations Page or as an Occupant or Guest. If we, in our sole discretion, consent to an assignment of the Lease or sublet of the Premises, you will at all times remain fully responsible and liable for the payment of Rent and performance of all of your obligations under this Lease.

33. **RESIDENT INFORMATION**. You represent, warrant and covenant that all information you provided us with, or in connection with, any application to lease the Premises is complete and true and was given voluntarily and knowingly. If the information proves to be false or misleading you will be in default under this Lease, and we may exercise any rights or remedies under this Lease, including terminating this Lease with 30 days written notice to you.

34. **STORAGE UNIT.** If you signed a Storage Unit Addendum as part of this Lease, you may use the storage unit specified in the Storage Unit Addendum subject to the terms and conditions set forth in the Storage Unit Addendum and the terms and conditions of this Lease. If, based on a prior lease with us, you: (1) occupied the Premises before and up to the Lease Begin Date, (2) had the right to use a storage unit under a Storage Unit Addendum that accompanied the prior lease, and (3) received a renewal letter from us and then executed this Lease by electronically signing the online Declarations Page, then you may use the storage unit specified in the Storage Unit Addendum during the Lease Term in accordance with its terms and conditions which, except as otherwise provided in this Lease, will continue in full force and effect during the Lease Term. During the Lease Term this Lease will be the “Lease” to which the Storage Unit Addendum refers. The rent that the Storage Unit Addendum refers to will be the “storage unit rent” specified on the Declarations Page.

35. **PARKING.** If you signed a Garage or Parking Agreement Addendum as part of this Lease, you may use the garage, carport or parking space (each, a “Parking Space”) specified in the Addendum subject to the terms and conditions set forth in the Addendum and the terms and conditions of this Lease. If, based on a prior lease with us, you: (1) occupied the Premises before and up to the Lease Begin Date, (2) had the right to use a Parking Space under an Addendum that accompanied the prior lease, and (3) received a renewal letter from us and then executed this Lease by electronically signing the online Declarations Page, then you may use the Parking Space specified in the Addendum during the Lease Term in accordance with its terms and conditions which, except as otherwise provided in this Lease, will continue in full force and effect during the Lease Term. During the Lease Term this Lease will be the “Lease” to which the Addendum refers. The rent that the Addendum refers to will be the Parking Space rent specified on the Declarations Page.

36. **INTERPRETATION OF LEASE.**

36.1 **Entire Agreement.** Neither us nor any of our representatives have made any promises, representations, or agreements (whether oral or in writing) other than those set forth herein. This Lease is the entire agreement between you and us, and the parties may only amend it in writing. Our representatives cannot waive, amend or terminate this Lease or any part of it. Our representatives cannot impose security duties or other obligations on us or our representatives unless in writing and signed by us.

36.2 **No Waiver.** No action or omission of ours or our representatives will be considered a waiver of any subsequent violation, default, or time or place of performance. If we do not enforce, or belatedly enforce, written notice requirements it will not be considered a waiver under any circumstances. Our exercise of one remedy will not constitute a waiver of other remedies. All of our remedies are cumulative.

36.3 **Limitation of Liability.** No employee, agent or management company will be personally liable for any of our contractual, statutory or other obligations merely by virtue of acting on our behalf.

36.4 **Binding Effect.** This Lease binds any subsequent owner.

36.5 **Extension of Limitation of Liability.** Wherever this Lease expressly provides that we do not have liability or a duty, or that you release us or waive rights or claims against us, that provision also applies equally to, and for the benefit of, our employees, agents, property management company, Archstone, and its directors, members, officers, shareholders, affiliates, representatives, agents, employees, successors or assigns of any of them.

36.6 **Performance of Obligations.** All Lease obligations will be performed in the county where the Apartment Community is located.

36.7 **Meaning of “For Example”.** Wherever the words “for example” are used and are followed by a list, the list is by no means limited to the listed words, is not all-inclusive, and is used in place of the term “including without limitation”.

36.8 **Materiality of Lease Obligations.** All obligations under this Lease are material and we may terminate this Lease if any are violated.

36.9 **Notices.** All notices and documents will be in writing and may be in English or, at our option, in any language that you read or speak.

37. **GENDER.** The terms “you”, “your”, “yourself”, “Occupant”, “Guest”, “we”, “us”, and “our” as used in this Lease, means and includes the singular or plural number, according to the specific context.

38. **WAIVER OF HOMESTEAD RIGHTS.** You waive and renounce for yourself and your family any and all homestead rights and exemption rights you may have under or by virtue of any federal or state constitution, laws or regulations.

39. **NON-DISCRIMINATION.** We are an equal opportunity housing provider and comply with all federal, state and local fair housing laws and regulations. We do not discriminate in any way based upon race, color, creed, religion, sex, national origin, age, elderliness, familial status, handicap, source of income, marital status, ancestry or sexual orientation.

40. **GOVERNING LAW AND SEVERABILITY.** The terms of this Lease will be governed by the law of the state in which the Apartment Community is located. Should a court of competent jurisdiction declare any provision or portion of a provision of this Lease invalid, the remaining provisions of this Lease will remain in full force and effect regardless of such declaration.

41. **TIME IS OF THE ESSENCE.** Time is of the essence of this Lease and each and all of its provisions.

42. **LIQUIDATED DAMAGES.** As provided elsewhere in this Lease, you are obligated to pay us certain fixed amounts as fees or charges that are in the nature of liquidated damages if you fail to perform certain obligations or if we incur costs or other damages as a result of your actions (each, a "Fixed Damages Amount"). A late fee, a dishonored funds fee, a re-keying charge, a charge for an unreturned Access Device and an Early Termination Charge are some examples of a Fixed Damages Amount. You agree that it is impractical or extremely difficult to determine the exact amount of damages that we will sustain in each instance in which you are required to pay us a Fixed Damages Amount. You agree that the Fixed Damages Amount specified in this Lease is a reasonable estimate of, and will be presumed to be, the amount of costs and other damages we will incur in each such instance.

43. **NOTIFICATION OF LEAD-BASED PAINTS AND LEAD-BASED PAINT HAZARDS.** You must also sign a Notification of Lead-Based Paints and Lead-Based Paint Hazards addendum (an “LBP Addendum”) at the time you sign this Lease. If, based on a prior lease with us, you (1) occupied the Premises before and up to the Lease Begin Date, and (2) received a renewal letter from us and then executed this Lease by electronically signing the online Declarations Page, then you acknowledge that you signed an LBP Addendum as part of your prior lease and that the disclosures and representations in that LBP Addendum will continue to apply under this Lease. During the Lease Term this Lease will be the “Lease” to which the Addendum refers.

EXHIBIT A

RULES

GENERAL RULES

1. Do not store items in the common areas.
2. Keep your balcony and patio clean at all times. Do not store, hang or drape any rugs, laundry, clothing or other items on railings or other portions of any balcony or patio. Use of any type of grill or other cooking or heating device on patios and balconies is strictly prohibited. You will only use and keep on your balcony or patio furniture intended for outdoor use.
3. Do not disturb others with loud noises (for example, by the operation of radios, televisions, or musical instruments) at any time.
4. All door-to-door commercial solicitation is prohibited. Do not place materials on or under front doors unless we grant express written permission.
5. Place all litter and trash in an appropriate trash receptacle. Do not place litter or debris on any portion of the common areas.
6. The Apartment Community's common areas and amenities are solely for the use of residents of the Apartment Community and their invited guests.
7. Do not remove or alter the window coverings that we provide in the Premises. Do not install any window coverings that are visible outside of the Premises without our consent in accordance with Paragraph 12.4. Items may not be displayed in the windows of the Premises nor attached to the exterior portion of any building in the Apartment Community.
8. The maximum number of persons that may occupy the Premises is determined by the following formula: maximum number of occupants = (number of bedrooms x 2) + 1.
9. Do not conduct yard sales within the Apartment Community.
10. If you cause the building's fire alarm to go off or the building's fire suppression system to activate without just cause, you will reimburse us for all costs associated with resetting the fire alarm and related building systems, and any resulting damage caused by the fire suppression systems, and the amount of the reimbursement will be Additional Rent.
11. Passageways, sidewalks, steps, entrance halls, walkways and stairs may be used for ingress and egress only. Do not obstruct them for any other purpose.
12. Dispose of all trash at least once a week in appropriate receptacles. Do not place trash outside the Premises door, in the hallway, or on any deck or balcony.
13. Do not create any holes inside or outside of the Premises except for a reasonable number of small nail holes for picture hanging in sheetrock walls and grooves of wood-paneled walls.
14. Water furniture is not permitted in the Premises.

15. You expressly waive any duty we might have to inspect and repair the smoke detector on the Premises unless you give us written notification of a malfunction or make a written request to repair or inspect the smoke detector. You will not disconnect or intentionally damage the smoke detector. We will furnish batteries for the smoke detector. You, at your sole cost and expense, are responsible for replacement of all batteries (at the same voltage) for the remainder of the Lease Term. If you remove the smoke detector battery, you will immediately replace the battery with a working battery.

16. Do not alter or remove any of our property, including, for example, alarm systems, smoke detectors, fire sprinklers or other fire suppression systems, furniture, telephone and cable TV wiring, screens, locks, and security devices.

17. For your convenience, you authorize us to accept at the Apartment Community's management office mail, parcels and other deliveries for you and your Occupants. You agree that you are responsible for mail, parcels and other deliveries for you and your Occupants. You will pick up any mail, parcels and other deliveries for you and your Occupants within three days after they are delivered. If you do not pick them up, we may return them to sender. We are not obligated to accept any mail, parcels or other deliveries that are C.O.D., that contain hazardous materials or perishables, or that, either individually or when stacked together, are larger than 3 feet in any dimension. You release us for any loss or damage to or relating to any mail, parcels and other deliveries that we accept on behalf of you or your Occupants or that we do not accept.

MOISTURE AND MOLD

1. We make no representations about the presence of mold in the Premises or in or around the Apartment Community.

2. You will maintain the Premises in a manner that prevents the growth of mold or mildew. For example, you will: (1) visually inspect the Premises for mold and signs of water damage once each month; (2) use reasonable efforts to prevent rain or outdoor water from entering the Premises; (3) reduce indoor humidity by increasing fresh air ventilation and warming cold surfaces where condensation occurs, using bathroom fans and opening exterior windows while showering or bathing and using exhaust fans while cooking; (4) clean and dry wet interior surfaces and personal property; and (5) avoid bringing personal property that contains mold into the Premises. You will immediately notify us of any mold or signs of water damage, any water intrusion (such as plumbing leaks, drips, or sweating pipes), and any fan or window that is not working properly. We are not responsible for any damage or loss due to mold or water damage resulting from your acts or omissions or your failure to comply with the Rules.

3. If we believe that the Premises may contain mold, we may investigate and, if mold is found, we may remediate the mold. You will cooperate with the investigation and remediation, and you will vacate the Premises if we determine that vacating the Premises is reasonably necessary. If you must vacate the Premises, we will provide you with a substitute premises of similar size; if, however, the mold developed as a result of your negligence, we will not provide you with a substitute premises and you will be responsible for the resulting damage.

PETS

1. No pets may be kept in the Premises unless you receive our express written consent. We will not withhold our consent if you are a disabled person, your pet is a service animal, and you provide us with a written statement from a qualified professional verifying the need for the service animal. If we give our written consent for you to keep a pet in the Premises, the following rules apply:

1.1 You will pay pet rent to us in the amount shown on the Declarations Page as Additional Rent. No pet rent will be due if we consent to your service animal living at the Premises.

1.2 The pet will be an ordinary house pet. Ordinary house pets include cats. All ordinary house pets are permitted, subject to these guidelines. Restricted breeds include aggressive breeds such as Pit Bulls, Dobermans or Rottweilers or any variation. Unusual house pets are not permitted and include without limitation, those animals not generally maintained as pets, such as large reptiles, anthropoids, felines other than cats, canines other than dogs, rodents, mammals, birds, and other creatures other than those listed above, or not maintained in a terrarium or aquarium.

1.3 The maximum number of pets allowed to live in the Premises is two.

1.4 There is no maximum weight of pets allowed to live in the Premises.

1.5 Do not permit the pet to be a nuisance to us, to the Apartment Community, or to any other residents in the Apartment Community or their guests.

1.6 Do not leave pets unattended anywhere in the Apartment Community outside of the Premises.

1.7 Keep pets leashed, on a leash not to exceed six feet in length, or carry them when they are outside of the Premises and in the Apartment Community. Do not leash pets to any stationary object in the Apartment Community.

1.8 Curb pets in areas away from buildings, walkways, patio areas, picnic and play areas, amenities areas, and any other areas defined in the Community Rules. Immediately remove and properly dispose of all pet waste in the Premises or the Apartment Community. Dispose of cat litter and other similar materials in the manner specified in the Community Rules.

1.9 Pets must be properly licensed in accordance with local law.

1.10 Pets are not allowed in pool areas or areas adjacent to pools.

1.11 Commercial breeding of pets is not allowed in the Apartment Community.

1.12 Do not maintain a fish tank with a capacity of over 30 gallons without our approval.

2. In addition to our other remedies under this Lease, we may charge you \$100.00 for each pet kept in the Premises without our written consent and this charge will be Additional Rent. Once we learn that you are keeping a pet in the Premises we can require you to pay pet rent in accordance with this Lease or we can require you to immediately and permanently remove the pet from the Premises. If we determine that a pet kept in the Premises with our written consent is disturbing other residents or damaging property in the Apartment Community, we may direct you by written notice to permanently remove the pet from the Apartment Community. Upon demand, you will permanently remove from the Apartment Community a pet kept in the Premises without our written consent.

3. You are responsible for any property damage, personal injury or disturbances to others caused by any pet you keep in the Premises. Any damage caused by any pet kept in the Premises will not be deemed ordinary wear and tear and will be charged to you as Additional Rent.

4. Upon vacating the Premises, we may inspect the Premises. Any damage attributable to your pet will be charged to you.
5. Cruelty to pets is not allowed in the Apartment Community.

KEYS

1. We will provide you with (a) one key to the Premises for each Resident and Occupant plus one additional key to the Premises; (b) one mailbox key; (c) if applicable, one key for Apartment Community amenities; and (d) if applicable, an access card or key fob access device for access to and within the Apartment Community, a remote garage door opener, or other access devices ("Access Device"). Neither you nor any Occupant or Guest will duplicate or cause to be duplicated any keys or Access Devices. You will not add any additional locks or change any existing locks on any doors or windows.
2. You will immediately notify us in writing if an Access Device or key issued to you or an Occupant is lost. In our sole discretion we may re-key the lock at the Premises if a key to the Premises is lost. If we do not re-key the lock at the Premises, you may make a written request to us that the lock be re-keyed. You will pay us a charge of \$75.00 for the costs of re-keying the lock in either case, and such charge will be Additional Rent.
3. If you are unable to enter the Premises because you have lost a key to the Premises, you may contact our authorized employee at the Apartment Community during the employee's working hours in order to gain entry to the Premises. The employee may, but will have no obligation to, assist you in gaining entry to the Premises during the employee's working hours at the Apartment Community if the employee has authority to permit entry to the Premises and if you present a reasonable form of identification to the employee.
4. You grant us permission to release an Access Device or key to the Occupants listed on the Declarations Page upon request. You will notify Apartment Community management in writing if any person listed on the Declarations Page no longer has your permission to obtain an Access Device or key to the Premises.
5. You will return all Access Devices and keys issued to you and any Occupants by the date you vacate the Premises.
6. We will charge you \$50.00 for each additional Access Device we provide to you or any Occupant when requested, whether it is an additional or a replacement Access Device, and \$50.00 for each Access Device you do not return to us when you vacate the Premises. Both Access Device charges will be considered Additional Rent.

SATELLITE DISHES

1. Pursuant to the Telecommunications Act of 1996, you may install a satellite dish and/or antenna (each, an "Antenna") at the Premises, so long as you comply with the rules set forth below.
2. Before you install any Antenna, you will present us with, and will obtain our written approval of (1) plans and specifications for the installation of the Antenna, (2) a certificate of your renter's insurance policy, and (3) certificates of the insurance maintained by your contractors and sub-contractors. We will not unreasonably withhold our approval.

3. You agree to obtain and provide proof to us of a renter's insurance policy, which lists us as additional insured, that covers damage and/or injuries resulting from the installation and/or operation of the satellite dish. You will cause your contractors and sub-contractors to carry workmen's compensation, general liability, personal and property damage insurance.

4. You are responsible for causing your Antenna to be installed in a good and workmanlike manner and you will pay when due all costs and expenses relating to its installation, maintenance, repair and use.

5. You will not: (1) install any satellite dish that is greater than one meter in diameter; (2) install any Antenna in a manner in which it extends out or protrudes from your area of exclusive use and control; (3) drill any holes in outside walls, roofs, windows or in balcony railings or create any damage to the Premises or Apartment Community beyond ordinary wear and tear; (4) install or operate any Antenna in any location or manner that creates a safety hazard; and (5) install or operate any Antenna in a manner that violates any building code, housing code, any applicable law, or the instructions provided by the manufacturer of the Antenna, or that affects the certificate of occupancy for the Apartment Community or the Premises. The satellite dish must be free-standing.

6. You will discharge, at your sole cost and expense, any mechanics' or other lien filed against the Premises or Apartment Community and relating to your Antenna within 10 days after the lien is filed.

7. Before the Lease End Date, you, at your sole cost and expense, will remove your Antenna and repair and restore the Premises to its condition before installation of the Antenna and repair any damage to the Premises or Apartment Community due to such removal.

PARKING AND VEHICLES

1. All vehicles permitted to park in the Apartment Community must be parked in a designated parking space. All vehicles must fit and be parked inside the defined area of the designated parking space.

2. The following vehicles are prohibited in the Apartment Community and may be towed without notice and at your sole cost and expense: (1) boats; (2) trailers; (3) recreational vehicles; (4) a commercial vehicle or other vehicle not intended for personal use; (5) a vehicle with a flat tire or that is otherwise inoperable; (6) a vehicle leaking an unreasonable amount of fluids; (7) a vehicle which cannot be lawfully operated on public streets for any reason, including an expired license or inspection sticker; (8) a vehicle occupying more than one parking space; (9) any vehicle owned by you or your Occupant if you have abandoned or surrendered the Premises; (10) a vehicle illegally parked in a handicap parking space, or parked in a parking space designated for use by others, or parked anywhere in the Apartment Community that is not designated as a parking space; (11) a vehicle parked in a fire lane or that is parked in a manner that blocks others from using their parking spaces; and (12) a vehicle that is blocking any garage doors or entrances to car ports.

3. You will not wash, maintain or repair vehicles in the Apartment Community.

4. All vehicles will be kept in proper operating condition so as not to be a hazard or a nuisance by reason of noise, exhaust emission, appearance or otherwise.

STORAGE

If you have been assigned a storage unit as part of this Lease, the following rules apply:

1. You will only use the storage unit for the storage of trunks, suitcases, tires, and other personal effects, provided that the storage of these items does not create or cause to create a fire or other type of hazard resulting in danger to the health, safety or well-being of anyone in the Apartment Community.
2. Neither us nor our property management company are responsible for the loss, destruction, theft of or damages to any stored property, unless caused by or resulting from the gross negligence of us or our property management company.
3. If we provide a lock for the storage unit, you may not install any additional locks to the storage unit without our written consent. If we do not provide a lock for the storage unit, you are responsible for providing a lock and you must provide us with a key to your lock. If you install any additional locks without our written consent or if you fail to provide us with a key to your lock, you will be liable for any damages to the storage unit or any portion of the Apartment Community resulting from our inability to gain access to the storage unit. You will also be responsible for the costs of opening or removing your lock, and any costs of related repairs or lock replacement.

ASBESTOS CONTAINING MATERIAL

1. Environmental professionals have surveyed the Apartment Community and determined that asbestos containing construction materials (ACM) are present in various locations in the buildings within the Apartment Community.

It is not unusual for ACM to be present in commercial and residential buildings or private homes. ACM was used in the construction of many buildings built through the early 1980s, as this practice was standard in the building trade. Asbestos is the commercial name for naturally-occurring fibrous minerals which was used in building materials mainly as fire-proofing, reinforcing, and insulating agents. Typical ACM applications include wrapped heating system insulation, structural fire proofing, acoustical ceiling tiles, vinyl-tile flooring and its adhesives, joint compound used in the construction of drywall, and roofing mastic.

Extensive governmental regulation of asbestos now exists, but no federal or state laws require the wholesale removal of asbestos from an occupied building. In fact, the EPA has concluded that “the presence of asbestos in a building does not mean that the health of building occupants is jeopardized if areas containing Asbestos Containing Materials (ACM) is not disturbed, exposure will be negligible.” (*Guidance for Controlling Asbestos-Containing Materials in Buildings [EPA 560/5-85-024 June 1985]*) According to the experts, the health risks associated with asbestos arise only when asbestos fibers are released and become airborne due to material aging, deterioration, damage, or construction/demolition work (i.e., drilling, boring, or otherwise impacting ACM). These health risks are generally associated with long-term exposures, and include: asbestosis, mesothelioma, and lung disease.

It is our practice to check the condition of known ACM in buildings within the Apartment Community, and to conduct thorough studies before embarking on construction or maintenance activities in any area we are not certain is asbestos-free. Whenever we conduct construction and maintenance activities in areas known to contain asbestos, adequate safeguards will be taken when contact or disturbance of ACM is anticipated. Readily visible warning/caution signs will be posted to inform you to stay out of these areas until monitored air concentrations meet or exceed accepted standards.

2. You also bear some responsibility for assuring that ACM is not disturbed. Do not drill holes, hang plants or other objects from walls and ceilings, or engage in other activities which might disturb ACM. Contact the Apartment Community’s management office to request such services in order that

trained personnel can perform the work with proper safeguards. If you observe substances that you believe might be damaged ACM, inform the Apartment Community's management office immediately.

If you have further concerns or questions regarding ACM present in the Apartment Community, please contact management office. You may review existing asbestos reports or related testing results by contacting the Apartment Community's management office.

EXHIBIT B



How is my *ista* Utility Bill Calculated at The Buchanan?

Here's how Utility Billing works:

When it comes to the billing of utility costs, we all want to ensure that energy consumption is measured accurately and fairly. That's why The Buchanan is a direct customer of *ista*, a worldwide leader in utility billing for the water, sewer, electric, gas and trash utilities consumed by our residents. This means that the utility providers send bills to The Buchanan which includes charges for water, sewer, electric, gas and trash that you consume in your apartment. These utility costs are passed on to our residents through *ista*. You will receive a utility bill from *ista* every month.

All monthly charges are due and payable to The Buchanan on the 1st of the month along with your rent. And, if you decide to move out, a final bill will be generated. The amount of money you'll pay each month for water, sewer, electric and gas are based on a Ratio Utility Billing System (RUBS). Here's how it works:

Water Charges

The water charges billed to the residents are based on the monthly utility bills from the local utility provider. To calculate your monthly water bill, *ista* takes the total utility bill amounts for the entire community and subtracts the designated percentage for a common area deduction (20%) used in community common areas (like the leasing office and fitness center). The remaining amount is then spread over each apartment based on the number of occupants. Please note that Archstone absorbs the cost of vacant apartments in addition to the common area deduction. The example below shows exactly how it works:

****This is an example only****

<i>We start with a total water bill for the community:</i>	\$5,000
<i>Then, we subtract 5% for common areas:</i>	$\$5,000 - \$250 = \$4,750$
<i>Total that will be allocated among the apartments:</i>	\$4,750
<i>This amount is divided by the total occupants for the entire community:</i>	$\$4,750 / 500 \text{ occupants} = \9.50
<i>This gives us the cost-per-occupant:</i>	\$9.50 per occupant
<i>If your apartment has 2 occupants, your monthly water bill would be \$19.00:</i>	$\$9.50 \times 2 \text{ occupants} = \19.00

Sewer Charges

The sewer charges billed to the residents are based on the monthly utility bills from the local utility provider. To calculate your monthly sewer bill, *ista* takes the total utility bill amounts for the entire community and subtracts the designated percentage for a common area deduction (20%) used in community common areas (like the leasing office and fitness center). The remaining amount is then spread over each apartment based on the number of occupants. Please note that Archstone absorbs the cost of vacant apartments in addition to the common area deduction. The example below shows exactly how it works:

****This is an example only****

<i>We start with a total sewer bill for the community:</i>	\$8,000
<i>Then, we subtract 5% for common areas:</i>	$\$8,000 - \$400 = \$7,600$
<i>Total that will be allocated among the apartments:</i>	\$7,600
<i>This amount is divided by the total occupants for the entire community:</i>	$\$7,600 / 500 \text{ occupants} = \15.20
<i>This gives us the cost-per-occupant:</i>	\$15.20 per occupant
<i>If your apartment has 2 occupants, your monthly sewer bill would be \$30.40:</i>	$\$15.20 \times 2 \text{ occupants} = \30.40

Electric Charges

The electric charges billed to the residents are based on the monthly utility bills from the local utility provider. To calculate your monthly electric bill, *ista* takes the total utility bill amounts for the entire community and subtracts the designated percentage for a common area deduction (20%) used in community common areas (like the leasing office and fitness center). The remaining amount is then spread over each apartment based on the number of occupants. Please note that Archstone absorbs the cost of vacant apartments in addition to the common area deduction. The example below shows exactly how it works:

****This is an example only****

<i>We start with a total electric bill for the community:</i>	\$20,000
<i>Then, we subtract 5% for common areas:</i>	$\$20,000 - \$1,000 = \$19,000$
<i>Total that will be allocated among the apartments:</i>	\$19,000
<i>This amount is divided by the total occupants for the entire community:</i>	$\$19,000 / 500 \text{ occupants} = \38.00
<i>This gives us the cost-per-occupant:</i>	\$38.00 per occupant
<i>If your apartment has 2 occupants, your monthly electric bill would be \$76.00:</i>	$\$38.00 \times 2 \text{ occupants} = \76.00

Gas Charges

The gas charges billed to the residents are based on the monthly utility bills from the local utility provider. To calculate your monthly gas bill, *ista* takes the total utility bill amounts for the entire community and subtracts the designated percentage for a common area deduction (35%) used in community common areas (like the leasing office and fitness center). The remaining amount is then spread over each apartment based on the total square footage for the entire community. Please note that Archstone absorbs the cost of vacant apartments in addition to the common area deduction. The example below shows exactly how it works:

****This is an example only****

<i>We start with a total gas bill for the community:</i>	\$30,000
<i>Then, we subtract 5% for common areas:</i>	$\$30,000 - \$1,500 = \$28,500$
<i>Total that will be allocated among the apartments:</i>	\$28,500
<i>This amount is divided by the total square footage for the entire community:</i>	$\$28,500 / 368,000 \text{ square feet} = \0.077445
<i>This gives us the cost per square foot:</i>	\$0.077445 per square foot
<i>If your apartment is 800 square feet, your monthly gas bill would be \$61.95:</i>	$\$0.077445 \times 800 = \61.95

Trash Charges

Trash charges are billed to the community by a local provider. Residents currently pay a flat rate of \$11.00 per month for trash; please note that this rate may fluctuate should the provider change its rates. Archstone absorbs the cost for vacant apartments during each billing cycle. Please note this rate is subject to change with a 30 day notice.

Administrative Charges

This fee is charged by *ista* monthly to service and bill your account for water, sewer, electric, gas and trash. Services provided by *ista* include calculating the allocated amounts, maintaining the resident information, and mailing statements for each account. Residents currently pay a flat rate of \$4.70 per month. Archstone has the right to change this amount with a 30 day notice.

Final Bill Fee

This is a one time fee of \$1.95 charged by *ista* at the time of move out. This allows Archstone to receive your final *ista* bill at the time you move out so it can be included with your statement of deposit account.

Questions?

ista provides a resident relations center for customer support and online account history. You may call them at 800-453-6347 or visit them online at www.ista-na.com. Thank you!

Please note the above examples are for informational purposes only. They may not reflect actual charges on your utility statements.