

HIGHLAND MANAGEMENT GROUP, INC.
APARTMENT LEASE
TERMS AND CONDITIONS

1. DEFINITIONS: In the Lease, “Owner” means the Owner of the Apartment Community and anyone working for the Owner or acting on the Owner's behalf. “Resident” means the adult(s) who have signed this Lease. “Apartment” includes the rental premises, whether an Apartment or townhome, and any garages, parking spaces, or storage areas identified on page 1. The term Lease refers to the Data pages of the Lease, these Terms and Conditions, any Addendums to Lease, and the Community Rules, and Apartment Care Guidelines, and all other obligations in any posted rules, or other regulations at the property, will be included as lease obligations. The definition of a “Month-to-Month Lease is a lease where the rent is payable on the first of the month, but either the Resident or Owner can terminate the Lease by giving notice equal to the Notice Period. With the exception of an Employee Lease, or a Lease where the Notice Period expressly set forth on the Data Page of the Lease is different, the Notice Period for any lease with Management is 59-days, with the effective date of a vacate notice being the last calendar date of a month.

2. ACCEPTANCE OF RESIDENT AND POSSESSION: Resident has submitted to Owner a written rental application and Owner has relied upon Resident’s information contained in the application to be true, correct, and complete. If the information is at any time determined to be incorrect, incomplete, misleading, or false, Resident may be evicted (see paragraph 23). If Owner cannot make the Apartment available for move-in on the move-in date on page 1, Resident cannot sue Owner for any resulting expense or inconvenience experienced by Resident. Resident will not have to pay rent for the days the Apartment is not available due to the Owner’s failure to make the Apartment available on the move-in date. If Owner is able to make the Apartment available to Resident within one week from the move-in date, or if Owner can make an alternative apartment available within that time, then this Lease shall remain in full force and effect. If no apartment can be made available within such one-week period, then this Lease shall be terminated and neither party shall have any liability to the other except for Owner’s return of any advance rents or deposits paid.

3. RENTAL OF THE APARTMENT: By this Lease, Resident rents from the Owner the Apartment and other items identified on the Apartment Lease Data Page 1 or Addendums that may be signed from time-to-time. If Resident occupies an apartment different from these, this Lease including any Deposits apply.

4. CONDITION OF THE APARTMENT: It is the responsibility of the Resident to inspect the Apartment prior to move-in. If within 3 days of taking possession, Resident does not provide Owner with a completed and signed Move-In Inspection form disclosing damages or deficiencies, it is agreed that Resident accepts the Apartment in its existing condition with no damages or deficiencies. The approval of any one Resident as to the condition of the Apartment at move-in or move-out will be relied on by the Owner as constituting the approval of all Residents who sign the Lease.

The Owner will keep the Apartment in good repair. The Resident will be responsible for any damages and accidents that are caused by: (a) the Resident; (b) others listed on page 1; (c) Resident’s family members, guests, or other persons coming to the Apartment because of Resident’s occupancy, or (d) pets/animals. This includes damages and accidents caused by personal property owned by the same.

5. PAYMENT OF RENT AND CHECK DISCLOSURE: The Resident must pay the Owner in advance the monthly rent identified on page 1 on or before the first day of each month. This rent is to be paid as identified on page 1 or wherever the Owner directs. Owner's preferred and recommended method of rent payment is for Residents to pay rent online, through the Resident Web Access online portal. A failure to accomplish and complete a payment through the online portal, either through operator/user error, or interruption of the web portal, will not count as timely payment of rent. Personal checks or web payments for rent payment will not be accepted after the seventh day of the month and thereafter rent needs to be paid in the form of a cashier's check or money order. Personal checks may also be refused if Resident has tendered one or more NSF or dishonored checks. If a personal check is dishonored or is not paid for any reason, including any closure of the account, insufficient funds, any stop payment by Resident, or any bank error that might not be the fault of Resident, but results in Owner not receiving timely payment, all applicable late fees and an NSF/service fee, as shown on the first Data Page of the Lease, will be charged and payable. When you provide a check as payment, you authorize us to either use the information from your check to make a one-time electronic funds transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic funds transfer, funds may be withdrawn from your account as soon as the same day you make your payment, and you will not receive your check back from your financial institution. Any Resident who does not wish to have personal checks converted to ACH ARC payments can request information for opt out instructions. However, Residents making an opt out request may be required to pay monthly rent in the form of a third-party money order or cashier's check. The full monthly rent must be paid even if the Resident believes that maintenance work is needed. Acceptance of partial payment of rent, whether current or past due amounts, does not waive Owner's right to start an eviction action or to continue one that has already been started.

6. FEES AND OTHER CHARGES: If the Owner does not receive the rent before the fourth (4th) day of the month, the Owner will charge a late fee as identified on page 1. Resident will also pay a fee as shown on page 1 for each NSF check or the maximum allowed by Minnesota Statute ' 332.50, whichever is lesser. In the case that a legal action (eviction) is necessary in order to recover possession of the premises, Resident(s) shall pay all expenses incurred, including sheriff's fees, court costs, court filing fees, and actual attorneys' fees paid. Resident shall further be responsible for all other court costs and disbursements, and fees or percentages charged and paid to, or deducted from amounts owed and collected, by any collection agency or law firm that is used by Owner or agent to enforce its rights under this Lease. Owner shall be entitled to bill and collect from Resident its actual costs and attorneys' fees paid, whether or not a court case or collection action has been filed. If a court action is brought by either the Owner or Resident to enforce the terms of this Lease, including any eviction action, the prevailing party may recover reasonable attorneys' fees, but only to the extent that such party has actually paid attorneys' fees and is seeking a reimbursement. Notwithstanding the foregoing, the maximum amount of attorney's fees that may be recovered by any party in any legal action shall be capped at \$1,500. Resident shall pay any court costs and other fees owed before paying rent for any given month. If Resident is evicted because Resident violated a term of this Lease, Resident must still pay the full monthly rent until the Apartment is re-rented or the date this Lease ends. Owner may alternatively collect as Liquidated Damages the sum of two months rent. See paragraph 24. All amounts of rent, or other damages or fees, owed by Resident to Owner but not paid when due or on demand shall bear interest at the rate of 8% per annum.

7. EACH RESIDENT RESPONSIBLE: Each Resident who signs this Lease and/or Addendum(s) to Lease is responsible for all of the obligations under this Lease and/or Addendum(s). In other words, each Resident alone may be held responsible for all of the obligations under this Lease.

8. RESIDENT PROMISES: Only the Resident and Other(s) listed on page 1 may live in, use, or regularly stay at the Apartment. Persons not listed as Residents may only live in, use or regularly stay at the Apartment with Owner's prior written consent, which consent may be conditioned on such persons being screened, paying any required fees or lease change fee and signing this Lease (or Addendum to Lease) as additional Residents. Only person(s) identified as Resident on page 1 shall be issued Certificates of Rent Paid by Owner per Minnesota statutes. The Resident agrees:

- a. To use the Apartment only for residential purposes. No business or commercial use is permitted without Owner's prior written consent. Telework that does not bring any customer or business mail or packages to the building is permitted. Babysitting for a family member, friend or relative, without any consideration or payment, on a limited basis is permitted. Any regular childcare for children not on the lease is prohibited.
- b. Not to use the Apartment for any purpose that might threaten the safety of the building or other Resident(s) or any employee or representative of Owner.
- c. To comply with all Apartment Community Rules, including any posted rules, notices or signage of Management.
- d. Not to disturb other Residents, Owner or Owner's agents, or neighbors or businesses adjoining the rental community.
- e. Not to allow dangerous and illegal activities.
- f. To keep the Apartment clean, sanitary, free from excess clutter and personal property, and to timely remove and properly dispose of all trash and recyclables. If, after any inspection by Management or notice from any code enforcement official, lender, insurance agent, or other, Management issues a notice to Resident to remedy any deficiency in the apartment, any garage, or storage area, Resident shall timely remedy and correct such condition.
- g. Not to waste or misuse any utilities, appliances or part of the Apartment or Common Areas.
- h. Not to allow animals in the Apartment or common areas unless Owner's prior written consent is obtained.
- i. To notify Owner in writing of any conditions that may cause injury, require repair, or affect the habitability of the Apartment.
- j. During the term of the Lease and when Resident moves out, to pay for any and all damages other than reasonable wear and tear including but not limited to costs incurred to eliminate odors or staining related to tobacco, smoke, food, cooking, animal or other stubborn and lingering, stains and odors. Actions taken to remove or remediate such staining or odors shall be considered beyond ordinary wear and tear.
- k. Not to have excessive numbers of visitors or frequent visitors. Resident may not allow any person to use, stay at, or share the Apartment whether or not for a fee or other consideration (i.e., home sharing, swapping service arrangements are prohibited). Resident may not allow persons to stay at, "house-sit," or use the premises when Resident is absent.
- l. To not look to Management for any loss, damage, including temporary lodging costs, damage to property or vehicle, loss for interruption of use, claim for any reimbursement or payment for any damages or injury that could have been covered by a renter's insurance policy that would include coverage for damage to personal property or interruption or loss of use of the rental premises due to any accident or casualty at the premises.

- m. To comply with all recycling requirements as they may be set by the Owner, or any trash and rubbish supplier, or by law from time to time throughout the Lease.
- n. To conserve utilities furnished by the Owner. Resident shall promptly pay, and maintain continuous service, for all utilities and services to be paid for by Resident under this Lease. Failure to pay any utility, or a notice of shut off of any utility, is a breach of this Lease and is grounds for an eviction. This obligation shall extend to any garbage collection, recycling, or other monthly service that is Resident's responsibility under the Lease. All utility costs are Resident's responsibility under the Lease for the full term of the Lease. Failure to set up and maintain utilities or services that are resident's responsibility may result in assessment of a charge of \$125.00 in addition to the costs for any utilities or services that need to be paid by Owner or Management that are Resident's responsibility.
- o. To pay for any and all painting, cleaning and shampooing costs if occupancy is less than a six-month period. Payment of the short-term rent/fees does not reduce or eliminate your obligations to pay these charges.
- p. Not to use or store, generate or dispose of on or near the Apartment or any garage or storage locker any flammable, explosive, or environmentally hazardous substance.
- q. In accordance with the Minnesota Clean Indoor Air Act, smoking in any indoor area of the building or under any covered structure, is a violation of law. As of January 1, 2022, smoking is not permitted within 25 feet of a structure at the premises.
- r. Not to interfere in the management and operation of the Apartment community. Any form of harassing, discriminatory, inappropriate, or unreasonably confrontational communications with Management staff, or any service provider or vendor, is considered interference with Management.
- s. Not to keep a waterbed or other water filled furniture in the Apartment without the prior written consent of Owner.
- t. Not to use the Apartment, common areas, or areas surrounding the Apartment to manufacture, sell, give away, barter, deliver, exchange, distribute, or possess any illegal drugs, controlled substances that are not held with a prescription in the name of Resident, or drug paraphernalia.
- u. Not to engage in any nuisance or disturbance activity that could jeopardize, or result in any notice given to Owner, under any local law or rental license ordinance.
- v. Resident acknowledges that any unlawful activity under Minnesota Statute Section 504B.171 will void the Resident's right to possession of the Apartment and is grounds for an automatic eviction.
- w. Not to make or permit any noises, music, or conduct or action of the Resident, Resident's vehicle, children, guests or visitors that will interfere with the peaceful enjoyment of the community, rights, comfort, or convenience of other residents or disturb other residents. Residents shall refrain from loud voices, yelling or using vulgar or offensive language, actions or gestures. Televisions, radios, stereos, surround sound systems, computers, music or game players/systems shall have volume and bass levels adjusted so as not to disturb other residents. Residents may not own or operate exercise equipment or play musical or other rhythm instruments in a way that causes noise or vibration disturbance for other residents in other apartments or common areas of the building.
- x. Resident agrees to read and follow any use, care, maintenance, or cleaning guidelines that are specified in any Resident Handbook or Apartment Care Guidelines or otherwise online and available. Resident's failure to follow instructions and apartment/townhome care

guidelines will result in Resident being responsible for any repairs, replacement, or damages.

- y. Not to store excessive amounts of personal property, or any other materials in the apartment. If in Management's sole discretion, Resident has excessive personal property or other materials in the unit so that space within the unit is unduly cramped and ingress or egress within the unit is restricted in a way that Owner believes could cause health and safety hazards, or inhibit the ability of any heating or air conditioning system to perform with adequate air flow for climate and humidity control, or to allow access for first responders, and maintenance to access all areas of the unit for inspections, repair and maintenance, that could provide a harborage for pests, or create fire safety risks, Management may require Resident to remove such personal property from the unit and/or procure a storage space for the storage of such property at Resident's sole expense.
- z. Resident may not bring any additional appliances to the unit without Management's prior written consent including, but not limited to, any dishwashers, washers, dryers, water filter systems, bidets, freezers, refrigerators, or any water filtration system.
- aa. Not to post any sign or display in any door, window, or other glass that would be visible from the street and could detract from the uniform appearance of the building. No sign or decor may be posted on any external door, or internal hallway door, except as permitted by Management.

Violation of any of the above agreements by Resident, Resident's family members, guests, or any third person at Resident's Apartment or coming to the Apartment because of Resident's tenancy may be grounds for eviction.

9. NO ALTERATIONS PROHIBITED ITEMS: Unless the Resident receives written consent from the Owner, the Resident agrees:

- a. Not to change any part of the Apartment, Building or Common Area.
- b. Not to use, install or store any privately owned washers, dryers, heaters, air conditioning, satellite or antenna system.
- c. Not to paint, wallpaper or alter the Apartment or use any glue or adhesive.
- d. Not to modify or decorate any patio or balcony that may be part of Resident's Apartment.
- e. No electric cords, wires or cables may be run from the Apartment to any outside area.
- f. Not to use or store in the Apartment, or any garage or storage area, any grills, outdoor cookers, propane tanks, camp stoves or similar.
- g. Not to remove or alter any window stop, bar, lock, or similar, that may be in place in any window to prevent a child or animal from opening a window far enough that an accident or from pushing on the screen could result in a fall or other injury. Residents are advised that screens are not intended to protect against any weight or force or to prevent falls.

Any changes that are made by the Resident will become the property of the Owner when the Resident moves out. The owner may, however, direct the Resident to remove them and/or restore the Apartment to its original condition at the Resident's expense.

10. ANTENNAS AND SATELLITE DISHES. Antennas, satellite dishes, and similar reception devices may not be installed on any portion of the Apartment premises, without first obtaining Owner's written consent. To obtain rules regarding the installation of satellite dishes or antennas and requirements for Owner's consent, contact the office. Antennas, satellite dishes, and similar reception

devices may never be installed in or on any Common Area including the roof, grounds, or building walls. In most cases, a wireless method of installation is feasible and will be required. No installation may make holes in any surface or run wires or cords through doors, windows, or walls.

11. FIRE PROTECTION AND DETECTION DEVICES: Each Apartment is equipped with a smoke detector. Some Apartments may be equipped with one or more carbon monoxide detectors. It is the responsibility of the Resident to test the smoke detector and any carbon monoxide detectors to ensure that each detector operates properly. At the time the Apartment is rented, Owner tests each detector. For detectors requiring a battery, periodic testing, inspection, and battery installation is performed by Owner. It is Resident's responsibility to periodically test any battery and replace any battery, or notify Owner's management office, if any detector does not test as working during the term of the Lease or if any detector indicates that battery is low. Owner assumes no responsibility if any detector is not maintained by Resident. It is a lease violation and grounds for eviction if any smoke detector is disconnected, removed, covered, tampered with or otherwise made inoperable by Resident.

12. ACCESS MATERIALS AND LOCKS: Each Resident will be furnished with keys or access materials such as FOBs or access cards to the Apartment, mailboxes, garages (where applicable) and the community. Keys and access materials are for Resident use only. It is a violation of this Lease to give or loan a key to any person that is not an approved resident or authorized occupant under the lease. Resident may not duplicate any key or change the lock(s) without first obtaining the written consent of Owner and must furnish Owner with keys for any changed locks. If Resident requests that the locks be changed due to a lost key or other reason, Resident will be responsible for Owner's cost for the lock change. If a Resident fails to timely return all keys and other access materials upon move-out, the Resident agrees to pay the Owner for replacement or other rekeying/reprogramming expenses. Resident will be charged for any additional keys, replacement keys or any other additional labor costs incurred as a result of Resident's loss of keys or access materials. The Resident is not permitted to change the locks or add any additional locks, chains, alarms, or any home security system without first obtaining the written consent of the Owner. For purposes of fire, safety, and emergency response and repairs, Resident must furnish the Owner with keys, or access codes, for any changed locks or other alarm/security system. If it is necessary for Owner to replace or reprogram locks or access systems, Resident agrees to pay these charges. Resident will pay any fines or charges incurred as a result of any response to any alarm of Resident. Management will not give Resident consent to install any security or alarm system that would bring a third-party to the building. For privacy purposes, Resident may not install any camera or monitoring device that would view any area outside of the apartment, including any outdoor or indoor common area. A camera that strictly views internal areas of the apartment, such as a nanny cam, is permitted without Management's prior consent. If Owner, or other emergency responder, needs to break in to obtain access where Resident has added a lock or chain and not given Owner access, Resident will pay for all repairs. Owner will advise Resident upon request of the current charges for lock replacement and additional keys and/or access materials.

Residents are advised that the screen doors on apartment patios/balconies often do not have a lock or other device for securing the door or preventing entry to the apartment. Resident should never leave the unit without securing and locking the door for any patio/balcony. Resident should use caution for personal and household safety when in the unit with patio/balcony door open. The patio/balcony screen door is only designed to prevent or minimize the entrance into the apartment of birds, animals, and insects. It is not to be used as a secure door. Sliding doors or patio doors on ground floor apartments are not designed and intended to be used as entrance doors. Patio/balcony, sliding doors are to be used exclusively for access to any patio or specific outdoor living area. Residents are also advised that windows

on upper floors, and some unit floor plans, open wide enough that there is a risk of falling or injury if children or animals were to push against a screen or fall. Screens on upper floor windows are not intended to prevent or protect against falling. Any Resident wanting to install a window lock, restriction, bar, or similar to prevent windows or patio door on upper floors, or lower floors, from opening wide enough that a child or animal pushing against a screen could fall or leave the apartment, may request an installation by placing a work/service order.

13. MOLD AND MILDEW PREVENTION AND PRECAUTIONS: Mold, mildew, and fungi are common elements found throughout the indoor and outdoor environment. The presence of these substances in indoor and outdoor air, on the ground, and in soil is common and is not a source of problem or injury to most healthy people. However, certain conditions can permit mold, mildew, and fungi to grow in a way where they could be injurious to individuals or to building materials. It is the responsibility of every resident to maintain the unit so as to provide appropriate climate and humidity control, and cleanliness standards, so as to retard and prevent mold and mildew from accumulating in the unit. Undesirable mold, mildew, and fungi growth is associated with excess water accumulation, dampness, humidity, and impediment to airflow. Resident agrees to clean and dust the unit on a regular basis and to remove visible moisture accumulation on windows, walls, and other surfaces as soon as reasonably possible. Resident agrees not to block or cover any of the heating, ventilation, or air conditioning ducts in the unit. Resident agrees to use the exhaust fan (if provided) when showering. Window coverings should permit ample airflow between the glass and air. Resident agrees to immediately report to Management (i) any evidence of a water leak or excessive moisture in the unit, as well as in any storage room, garage, or other common area; (ii) any evidence of mold or mildew-like growth that cannot be removed by simply applying a common household cleaner and wiping the area; (iii) any failure or malfunction in the heating, ventilation, or air conditioning system in the unit; and (iv) any inoperable doors or windows. Resident will be responsible for any damage to the unit or Resident's property, as well as injury to Resident and members of Resident's household, resulting from a failure to comply with this paragraph.

14. PEST CONTROL: Owner will periodically supply pest inspection, prevention and control efforts in the Apartment. Resident will cooperate with Owner's pest control requirements including following any directions for treatment preparation. This may include, among other things, Resident emptying and cleaning cabinets, drawers and closets, pulling furniture away from walls and allowing exterminators to enter and treat the Apartment. If Owner identifies any materials in Resident's Apartment as a source of a pest problem, Owner may require Resident, to treat, at Resident's expense, cover or dispose of such items as recommended by Owner's exterminators. Resident has a duty to immediately notify Management of any potential or suspected pest problem. Failure to timely report, and fully cooperate with, Owner's pest control efforts is a material violation of the lease and grounds for Owner to charge Resident for repeat calls, treatments, or the costs to treat adjoining unit or common areas. The Apartment Community Rules contain additional and essential requirements about Resident's obligations to assist in Owner's pest control efforts.

15. OWNER'S RIGHT TO ENTER THE APARTMENT: Owner, and its authorized staff, vendors, and agents, may enter the Apartment at any reasonable time to inspect, maintain or repair the Apartment, or to do other necessary work, or to show the Apartment to lenders, insurance companies, to cooperate with law enforcement officials and inspectors, or to potential new residents or buyers. Owner acknowledges Resident's rights under the Tenants Right to Privacy statute which provides Owner shall make a good faith effort to give Resident reasonable advance notice under the circumstances of Owner's intent to enter, subject to the exception set forth in the statute. If Owner enters without prior notice and

when the Resident is not present, Owner shall disclose the entry by placing a written disclosure of the entry in a conspicuous place on the premises. A request by Resident for work, repairs, or service at the Apartment shall constitute notice to Resident that Owner intends to enter the property for purposes of responding to such request.

16. MOVING OUT: Before moving out, the Resident must give the Owner written notice 59 days prior to the Lease expiration date shown on page 1. Provided, however, that written notice may not be given by Resident for a move-out date during the months of November, December, or January. The check-out time for any move-out is on or before 12:00 noon on the last day of the vacate month. Residents are free to move on a date before the last date of the month and may, subject to the availability of Owner's managing agent, request a check-out on an earlier date. However, Resident will be responsible for the full month's rent, and all utilities that are Resident's responsibility until the last date of the month of Residents' proper move out notice. Rent will not be prorated or reimbursed, and Resident is responsible for all utilities for the last full month of rent responsibility, including the no winter move-out months of November through January 31 of any year. Further, Resident is on notice that Management does not process performance/security deposit refunds or notices until a deadline that ends 21-days after the last date of the month of Resident's move-out and rent responsibility month. Resident, and all of Resident's personal property and any garbage or debris, must be removed from the Apartment at that time with keys and all access materials returned to Owner. Failure to complete moving out before 12:00 noon will result in Resident being responsible to pay for hourly late check out charges of \$50.00 an hour for up to twelve hours after a late check-out. Late check-outs create substantial burdens for Owner, Owner's agents, and future approved tenants. After an initial \$600.00 in charges for failure to move at noon on the move-out date, for a twelve-hour period, Resident will be charged hold-over rent of 300 percent of the daily per diem rent that would otherwise be charged to Resident, based on Resident's last lease term rental rate, for each day that Resident fails to move out of the apartment after the move-out date. The Resident agrees to fully cooperate with Owner's efforts to market and show the Apartment to prospective residents. If Resident moves, abandons and/or returns keys to the Apartment before the end of the Lease, or without giving the proper 59 day written notice required or moves during the months of November, December, or January, then Owner may take possession of the Apartment but Resident will owe liquidated damages as provided herein.

17. RENEWAL OF THE LEASE: This Lease may be renewed by written agreement with Owner. If Resident fails to give Owner proper 59 day written notice to terminate the Lease at the end of the Lease term, and Owner has not given Resident notice of lease termination/nonrenewal, then the Lease shall continue as a "month-to-month Lease" but the rent shall increase by the additional month-to-month short-term fee shown on page 1 as the month-to-month fee. This increase shall be over the rent shown on page 1 unless Owner has given notice of a rent adjustment or has offered a lease renewal. In such case, the month-to-month rent shall be the amount of rent in any notice or offer of Owner plus the short-term/month-to-month fee. The month-to-month Lease may be terminated by the Resident or Owner upon 59 days' written notice, with the notice date effective as of noon on the last date of a calendar month. Month-to-month Leases may not be terminated during the months of November, December, or January.

18. DEPOSIT(S): The Resident agrees to pay any and all Deposit(s) as required by the Owner. The Deposit(s) may not be applied to rent, damages or fees during the term of residency. The Deposit(s) plus accrued interest will be refunded in one check payable to all adults listed on the most recent Apartment Lease Data Page 1, provided all terms of the Apartment Lease have been fulfilled. If Resident is transferring to a new unit, any "Last Months' Rent" or "Additional Deposit" that has been required and

paid as a condition for approving Resident will not be refunded but will remain additional conditions of Resident's Lease for the new unit. The original Performance deposit on the original unit will be processed and returned, or subject to deductions for amounts owed, cleaning or damages beyond ordinary wear and tear, on the original Apartment. A new and additional Performance deposit must be paid before Resident may move to the transfer Apartment.

19. RETURN OF DEPOSIT(S): When the Resident moves out, the Deposit(s) will be returned by Owner with interest as specified by Minnesota Statutes providing Resident has:

- a. Given the proper written notice and has performed all the terms of this Lease.
- b. Vacated by 12:00 noon on the last calendar day of the month.
- c. Left the Apartment and Common Areas (and any leased garages or storage lockers) in a clean and undamaged condition, ordinary wear and tear accepted. Extra cleaning, painting or treatments to remove stains or to treat stubborn odors from tobacco, smoke, cooking, animals, or other remaining odors are not considered normal wear and tear and these charges will be deducted from the deposit. If Resident has lived in the Apartment for less than six months, then charges for painting, cleaning, and shampooing will be assessed back to the Resident.
- d. Removed all personal property and garbage from the Apartment and any garages or storage lockers.
- e. Has timely returned all keys, access materials and garage door openers.
- f. Left Resident's forwarding address in writing.
- g. Paid all outstanding amounts due, or coming due, to the Owner and/or any utility company or billing company for charges related to Resident's occupancy through the last month of Resident's rent responsibility under the Lease.

This Lease and Minnesota law provide that Owner may keep all or part of deposits for damage to the Apartment beyond ordinary wear and tear and for other amounts owed to Owner. Owner will send to Resident the deposit, or a written notice explaining amounts deducted from the deposit, within 21 days after the end of Resident's tenancy. If Resident moves before the last date of the month, Resident's tenancy and responsibility for rent, utilities, and the time for the 21-days to start running to process a deposit will not begin until the date following the last date of Resident's rent responsibility under the Lease. Resident's liability for full compliance with this Lease, and for payment of cleaning charges, or damages is not limited to the amount of any Deposits.

20. OWNER NOT RESPONSIBLE: The Owner is not responsible for the actions of, or any damages, injury or harm caused by third parties including but not limited to other Residents, guests, intruders or trespassers. The Owner is not responsible for any damage or injury that is done to the Resident, Resident's household, guests, or Resident's property that was not caused by a willful or negligent act of the Owner.

21. DESTROYED OR UNLIVABLE APARTMENT: If the Apartment is destroyed or damaged so it is unfit to live in, Owner may terminate this Lease immediately with no further obligation. If the destruction or damage was not the fault of, or otherwise caused by Resident, Resident's household members, guests, animal or property, and Owner terminates this Lease, rent will be prorated, and the balance will be refunded to Resident.

22. OWNER'S RESPONSIBILITY: The Owner promises:

- a. That the Apartment and all common areas are fit for use as residential premises.
- b. To keep the Apartment in reasonable repair and make necessary repairs within a reasonable time after written notice by Resident except when damage is caused by the intentional or negligent conduct of the Resident, Resident's household members, guests, or other persons coming to the Apartment because of Resident.
- c. To maintain the Apartment in compliance with applicable health and safety codes except when a violation of the health and safety codes has been caused by the intentional or negligent conduct of the Resident, Resident's children or family members, guests, or persons coming to the Apartment because of Resident.
- d. To keep the common areas clean and in good condition. Owner reserves, however, the right in its sole discretion, to change the hours, features and availability of area amenities. A closure or change in hours or features of any amenity is not a basis for any set-off or reduction in rent.

23. EVICTION: If Resident violates any of the terms of this Lease, or if Owner learns that information provided by Resident on the rental application was incomplete, misleading or false, then Resident may be evicted immediately and without prior notice. If Resident is given notice of grounds for eviction, but does not move out voluntarily, Owner may file an eviction action and may ask the Court for a Writ of Recovery. Under state law, a violation by Resident of any of the statutory covenants not to allow unlawful activities voids the Resident's right to possession and is grounds for an automatic eviction. State law prohibits Resident from allowing any controlled substances anywhere at the rental community, allowing prostitution or prostitution related activities, the unlawful use or possession of firearms, allowing stolen property or property obtained by robbery anywhere on the premises. Further, Owner will comply with any local licensing law or ordinance that requires Owner to take appropriate action to respond if Resident or Resident's household members or guests have engaged in activities that violate any rental licensing ordinance. If Resident violates a term of this Lease but Owner does not sue or evict the Resident, Owner may still sue or evict the Resident for such past violation or a subsequent similar violation of any term of this Lease. Owner's acceptance of Rent from Resident with knowledge of a prior, or existing, lease violation, or after Owner has asked Resident to move, shall not constitute a waiver of Owner's right to re-enter the premises or the right to bring an unlawful detainer/eviction action for breach of lease under this paragraph. Owner shall not be deemed to have waived its rights to bring an eviction or other legal action, or to pursue an existing eviction or other pending legal action, unless such waiver or agreement by Owner is put in writing and signed by Owner.

24. LIQUIDATED DAMAGES FOR LEASE BREAK OR EVICTION: In the event that Resident is given notice of grounds for eviction and moves, is evicted, gives improper or insufficient notice, moves before the end of the lease term, or gives notice and moves in the months of November, December or January, then Owner shall be entitled to collect as Liquidated Damages the amount described below. If Resident has a current or renewal lease term and the first/data page of the lease includes an amount of liquidated damages, the amount Owner shall be entitled to collect as liquidated damages shall be the amount stated on the front page of the lease in the data section. If there is no sum inserted on the data page as a liquidated damages/break lease fee, or if the lease is not a current lease, and/or Resident is holding over under a continuing month-to-month term, or has not signed a new lease but has been given notice of a rent increase for a month-to-month continuing tenancy, the amount of the liquidated damages shall be a sum equal to all rent and monthly charges currently owed under the lease including all unit rent, garage rent, parking, storage charges, pet rent, or other monthly charges relating to utilities or charges that are included in the amount shown as Total Rent). This Liquidated Damages right is in lieu of the right Owner

would otherwise have at law to collect rent for each month of the remaining term of the Lease or to collect costs of re-rental, such as advertising costs, commissions, or other inducements paid to secure a new resident. The parties agree this sum for Liquidated Damages is fair in that the actual amount of damages Owner will sustain in lost rents or re-rental costs when Resident gives insufficient notice, moves out before the end of the term, or is evicted may be difficult to determine. This Liquidated Damages amount is only to compensate Owner for future rental losses. Owner is entitled to collect in addition to these Liquidated Damages all actual amounts of damages incurred by Owner for past due rents and fees, damages beyond ordinary wear and tear, and lease enforcement costs as provided in paragraph 25 herein. For Leases where the Resident has received an incentive, concession, or other inducement to sign a Lease for a specific term, Resident shall be required to pay Owner the amount of any incentive or concession given in the form of free rent, or reduced rent, and/or the fair market value of any other Lease signing incentive given, for Resident's failure to occupy the Apartment and pay rent for the entire Lease term, in addition to the Liquidated Damages. This Liquidated Damages/Lease Break Fee determined, or calculated as described above, solely to compensate Owner for the estimated amount of lost future rents and re-rental expenses suffered due to eviction, moving during the lease term, or giving insufficient notice and does not cover Owner's other damages or unearned incentives or concessions given in reliance on a Resident's promise to fulfill the entire term of the Lease.

25. LEASE ENFORCEMENT AND COLLECTION COSTS: If Owner brings any legal action against Resident to enforce this Lease or is required to defend any action brought by Resident, Resident must pay Owner's actual attorneys' fees as paid by Owner, court costs and related expenses even if rent is paid after a legal action is started. If Owner retains any collection firm or agency, Resident shall be responsible for court costs and additional amounts paid to, or equal to the percentage charged by any collection firm or agency whether paid by Owner, or deducted from proceeds collected on behalf of Owner, to collect amounts owed hereunder. Notwithstanding the foregoing, the amount of attorney's fees that may be recovered by any party to this Lease in a single legal proceeding shall be capped at \$1,500.

26. OWNER'S LEGAL RIGHTS AND REMEDIES: Owner may use its legal rights and remedies in any combination. By using one or more of its rights or remedies, Owner does not give up any other rights or remedies it may have. Acceptance of rent does not waive Owner's right to evict Resident for any past, or existing, violation of any term of this Lease. It is expressly agreed between Owner and Resident that pursuant to Minnesota Statutes Section 504B.291 Subdivision 1 (c) acceptance by Owner of less than the full amount of rent per month due from Resident does not waive Owner's right to recover possession of the rental premises for nonpayment by Resident of the balance of rent per month owed to Owner. No waiver of any right or remedy by Owner shall be found by any court without an express written agreement signed by an authorized representative of Owner.

27. NO ORAL PROMISES: The Resident agrees that the Owner has made no promises or representations that are not stated in writing in this Lease or any Addendums thereto. This Lease and Addendum may only be changed in writing signed by both the Resident and the Owner.

28. SEVERABILITY: The determination by a court that any provision of this Lease, any Addendum or the accompanying Apartment Community Rules is unenforceable shall not affect the enforceability of any other provision of this Lease or Rules.

29. ASSIGNMENT OF LEASE: Subletting or assignment of the lease is not permitted in any circumstance. There is a fee, a prior screening process, and approval process to add, remove or change Resident leaseholders during the term of the Lease. Owner may, in its sole discretion, refuse to allow or

approve any change in Resident leaseholders. Owner may assign this Lease without Resident's written consent. Owner's sole obligation in the event of such an assignment is to comply with Minnesota laws governing Resident's deposit.

30. MORTGAGE HOLDER'S RIGHTS: The Apartment Community may be mortgaged or may be subject to a contract for deed. Resident agrees that the rights of the holder of any present or future mortgage or contract for deed are superior to Resident's rights. For example, if a mortgage on the Apartment Community is foreclosed, the person who forecloses on the Apartment Community may, at their option and subject to any prior notice requirements of Minnesota law, terminate Resident's Lease.

31. APARTMENT COMMUNITY RULES AND ADDENDUMS ARE PART OF LEASE: Any Addendums to this Lease, including the Apartment Community Rules and Care and Maintenance Booklet are a part of this Lease. Owner may make reasonable changes in these Rules from time to time by giving Resident written notice.

32. NOTICES AND COMMUNICATIONS: Resident agrees that notices delivered by Owner to the Apartment are proper notice to all Residents and are effective as soon as delivered to the Apartment. In addition to delivery to the Apartment, Owner may send notice by first class mail, postage prepaid, to the Apartment address, and such notice shall be considered effective on the third mail delivery date after the date it is deposited in the mail. Residents agree and consent to receive notices from Owner and Owner's managing agent by email. It shall be Resident's responsibility to provide Management with a valid, and regularly monitored, email address for each adult Resident named on the Lease. If each adult Resident does not have an email, Residents agree that an email address for one Resident shall be the notice address for all Residents unless the Owner/Managements consents and agrees to a different form for giving notices. Residents are responsible for routinely monitoring emails for notices from Management and to give prompt notice to Management of any change in Resident's email address. Owner may also deliver any notice in person to Resident. The receipt of written notice by one Resident shall be considered proper notice to all Residents. Any notices to be given by Resident to Owner shall be delivered to the address on the first page of this Lease or by mail, postage prepaid, to Highland Management Group, Inc. Mailed notices will be effective on the date received in the office of Owner's managing agent. Notices to Owner may be personally delivered by giving a notice to an office employee at the level of Property Manager, Assistant Manager, or Leasing Agent. Email notice that is properly sent to the email address for the Property Manager or Assistant Manager at Owner's rental communities, that is received during normal business days, will also be accepted as effective notice.

A notice to cancel or terminate a Lease is effective as of noon on the last day of a month. The notice period for purposes of changing any of the terms of a Lease that becomes a month-to-month Lease, including any change in the amount of rent or other terms and conditions, is by giving Resident written notice at least equal to 59 days' notice.

Resident agrees to provide Owner with up-to-date contact information, including a current phone (cell or land line) or other contact information such as email. Resident gives authorization to Owner and its agents to contact Resident at any current or future or phone number provided (cell, land line, etc.).

33. CRIME-FREE/DRUG-FREE OR UNLAWFUL ACTIVITY: In accordance with Owner's participation in state and community activities to promote crime-free and drug-free rental housing, Resident agrees as follows:

- a. Resident, any members of the Resident’s household or a guest or other person under the Resident’s control shall not engage in illegal or unlawful activity, including drug-related illegal activity on or near the said premises. “Drug-related criminal activity” means the illegal manufacture, sale, distribution, purchase, use, or possession with intent to manufacture, sell, distribute, or use of a controlled substance (as defined in Section 102 or the Controlled Substance Act (21 U.S.C. 802) or possession of drug paraphernalia (MN Statute 152.092).
- b. Resident, any member of Resident’s household or a guest or other person under the resident’s control **shall not engage in any act intended to facilitate illegal activity, including drug-related illegal activity, on or near the said premises.**
- c. Resident or members of the household or a guest **will not permit the dwelling to be used for, or to facilitate illegal activity, including drug-related activity, regardless of whether the individual engaging in such activity is a member of the household.**
- d. Resident or members of the household or a guest will not engage in the manufacture, sale or distribution of illegal drugs at any locations, whether **on** or **near** the dwelling unit premises or otherwise.
- e. Resident, any member of the Resident’s household, or a guest or other person under the Resident’s control **shall not engage in acts of violence or threats of violence,** including but not limited to the unlawful discharge of firearms, prostitution, criminal street gang activity, intimidation, or any other breach of the rental agreement that otherwise jeopardizes the health, safety or welfare of the landlord, his/her agent(s) or Residents.
- f. It is Owner’s intention to require all Residents, Resident’s household members, guests, and invitees, to affirmatively take steps to prohibit any unlawful activity at the rental premises, including any activity that would violate a local rental licensing ordinance. It shall not be required for any unlawful conduct to be defined as a crime, under Minnesota statutes, for a violation of this paragraph of the Lease to be found. Any unlawful or illegal activity, whether or not such activity is considered a “crime” or a petty misdemeanor, or other lesser offense, may be found to be a violation of the Lease and this paragraph and grounds for termination of the Lease or eviction.
- g. **VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL VIOLATION OF THE LEASE AND GOOD CAUSE FOR TERMINATION OF TENANCY.** *A single violation of any of the provisions of this paragraph shall be deemed a serious violation and material non-compliance of the Lease.*
- h. It is understood and agreed that a **single violation** shall be good cause for termination of the Lease. Unless otherwise provided by law, **proof of violation shall not require criminal conviction**, but shall be by the preponderance of the evidence.

34. SMOKE-FREE – Effective as of January 2022, all rental sites offered by Management are Smoke-Free and subject to the provisions herein.

- a. **Purpose of No-Smoking Policy.** The parties desire to (i) mitigate the irritation and known adverse health effects of secondhand smoke; (ii) mitigate the increased maintenance, cleaning, and redecorating costs from smoking; (iii) mitigate the increased risk of fire from smoking; (iv) mitigate the higher costs of fire insurance for a non-smoke-free building; and (v) prohibit and prevent currently unknown and uncertain adverse health effects associated with smoking and smoke particles from all sources.

- b. **Smoking.** The term “smoking” refers to any use or possession of a cigar, cigarette, hookah, or similar containing tobacco or a tobacco product while that tobacco product is burning, lighted, or ignited, regardless of whether the person using or possessing the product is inhaling or exhaling the smoke from such a product. Smoking also refers to use or possession of burning, lighted, or ignited non-tobacco products if they are noxious, offensive, or irritating to other persons. Resident acknowledges that many tenants choose a smoke-free building because they are very sensitive to any perceived smoke odors or smoke particles. Whether it is burning incense, or some other item or product, Management need not prove such smoking or burning item is inhaled or is unsafe or unhealthy. If it is a source of smoke or smoking that is perceptible to other tenants or generates smoke odors or smoke particles so that it could be upsetting to persons that have intentionally chosen to live at a “smoke-free” rental property, it is not permitted under this provision of the Lease.
- c. **Smoke-Free Community.** Resident agrees and acknowledges that the premises to be occupied by Resident and members of Resident’s household have been designated as a smoke-free living environment. Smoking is strictly prohibited. Resident and members of Resident’s household shall not smoke anywhere inside the Apartment rented by Resident or the interior of an apartment, including any patios, decks or balconies attached to adjacent to the Premises, or the building where the Resident’s Apartment is located or in any of the common areas including all adjoining grounds, parking areas, green spaces, management leasing office, building interiors and hallways, club house, exercise or spa facility, swimming pools, commercial shops, businesses and spaces, work areas, and outdoor areas of the Apartment Community, nor shall Resident permit any guests or visitors under the control of Resident to do so. Smoking, as defined above, is prohibited in and on all areas of the rental community except in outdoor areas that are 25 feet or more distant from any building structure or amenity. Smoking as broadly defined above is prohibited in any area of the Apartment Community, including smoking in a Resident’s vehicle, except non-amenity outdoor areas 25 feet away from any building or structure.
- d. **Resident to Promote No-Smoking Policy and to Alert Management of Violations.** Resident shall inform Resident’s occupants, guests, family, and invitees of the no-smoking policy and for ensuring compliance. Further, Resident shall promptly give Management a written statement of any incident where smoke is migrating into the Resident’s Apartment from sources outside of the Resident’s Apartment.
- e. **Management Not a Guarantor of Smoke-Free Environment.** Resident acknowledges that Management’s adoption of this Smoke-Free Lease provision, and the efforts to designate the rental community as smoke-free, do not make Owner or any of its managing agents the guarantor of Resident’s health or of the smoke-free condition of the Resident’s Apartment and the common areas. There is no warranty or guaranty of any kind that Resident’s Apartment or the Apartment Community is smoke free. Management is not required to take steps in response to smoking unless Management has actual knowledge of smoking or has been given written, verifiable notice of said smoking.
- f. **Other Residents are Third-Party Beneficiaries of Resident’s Agreement.** Resident agrees that the other Residents at the community are the third-party beneficiaries of Resident’s smoke-free lease agreements with Management. Therefore, Resident’s agreements in this Lease are made to the other Residents as well as to Management. Resident may sue another Resident for an injunction to prohibit smoking or for damages, but Resident does not have the right to evict another resident. Any suit between Residents herein shall not

create a presumption that Management breached this Lease, or any obligation owed to Resident.

- g. **Effect of Breach and Right of Management to Terminate Lease.** Resident agrees and acknowledges that the entire premises to be occupied by Resident and members of Resident's household, and guests, have been designated as smoke-free and that smoking as defined herein, is expressly prohibited by Resident, members of Resident's household, and guests. Resident acknowledges that a breach of this Lease by Resident or Resident's household members or guests, shall be considered a material breach of lease and grounds for termination of Resident's lease agreement or other legal action deemed appropriate by Management. In the event that Management incurs any fees, fines, or other damages as a result of, or in connection with, a violation of this Lease provision by Resident or Resident's household members or guests, and in addition to any other remedies available to Management, and without waiving any rights of Management hereunder, Management may charge Resident for the damages incurred, which damages shall be paid immediately by Resident upon demand by Management, and Management's acceptance of such amount from Resident shall not constitute of waive of such violation. Management shall not be obligated to commence any court action or avail itself of any remedy for immediate relief of any violation of this Lease, and Management's failure to do so shall not constitute a waiver of any breach.
- h. **Resident's Responsibility for Damages and Cleaning.** Resident is responsible for payment of all costs and damages to the Apartment or townhome, other resident's unit, or any other portion of the Apartment Community for repair, replacement, or cleaning due to smoking or smoke related damage caused by Resident, Resident's household members, guests, or invitees. Any costs or damages incurred by Management related to repairs, replacement, and cleaning due to smoking by Resident, Resident's household members, guests, or invitees, or due to violation of the no-smoking provisions of this provision of the Lease by Resident, Resident's household members, guests, or invitees, are in excess of normal wear and tear. Smoke-related damage, including but not limited to, odors, discoloration of walls and carpeting, odors that permeate sheetrock, carpeting, wood, insulation or other components of the rental unit or the Apartment Community is in excess of normal wear and tear. Resident shall be responsible for all costs incurred by Management to restore the unit, or portions of the Apartment Community, to a smoke-free condition, including the costs of repainting and treating any surfaces of the unit and any carpet replacement associated with Resident's violation of this provision.
- i. **Resident's Responsibility for Loss of Rental Income and Economic Damages regarding Other Residents.** Resident is responsible for payment of all lost rental income or other economic and financial damages or loss to Management due to smoking or smoke-related damage caused by Resident, Resident's household members, guests, or invitees, which results in or causes other residents to be constructively evicted or vacate their apartments, results in disruption of other residents' enjoyment, or adversely affects the health, safety, or welfare of other residents. Resident's responsibility for damages, cleaning, loss of rental income, and loss of other economic damages under this provision are in addition to, and not in lieu of, Resident's responsibility for other damages or loss under the lease agreement or any other addendum.
- j. **Lease Termination for Violation.** Management has the right to terminate the Lease and Resident's right to occupancy of the Apartment for any violation of this provision. Any violation of this provision is a material and substantial violation of the Lease and Resident

will be responsible for damages as provided in this lease the Lease. Despite the termination of the Lease or eviction from the premises, Resident will remain liable for the rent through the end of the Lease Term.

- k. **Disclaimer by Management.** Resident acknowledges that Management’s adoption of a smoke-free living environment and the efforts to designate the rental community as smoke-free do not in any way change the standard of care that Owner or its managing agent would have to Resident’s household to render buildings and premises designated as smoke-free any safer, more habitable, or improved in terms of air quality standards than any other rental premises. Management specifically disclaims any implied or express warranties that the building, common areas, or Resident’s premises will have any higher or improved air quality standards than any other rental property. Management cannot and does not warranty or promise that the rental premises or common areas will be free from secondhand smoke, and Management shall not be liable for any personal injuries or property damage caused by secondhand smoke. Resident acknowledges that Management’s ability to police, monitor, or enforce the agreements of this provision is dependent in significant part on voluntary compliance by Resident and Resident’s guests. Residents with respiratory ailments, allergies, or any other physical or mental condition relating to smoke are put on notice that Management does not assume any higher duty of care to enforce this provision of the Lease than any other Management obligation under the Lease.

35. FAIR HOUSING: Owner is committed to being an equal opportunity housing provider. Owner believes all Residents, potential Residents, and applicants should be protected from discrimination in housing on the basis of race, color, ancestry, sex, religion, creed, national origin, marital status, familial status, disability, and affectional preference. Any act or practice believed to constitute discrimination should be reported to Owner. Owner will promptly investigate such reports and will take immediate action to eliminate any act or practice that violates the fair housing laws.

36. ATTORNEY GENERAL’S NOTICE: Upon request, the Minnesota Attorney General’s Office will provide you with a statement and disclosure of the significant legal rights of owners and tenants of rental dwelling units. For further information, call or write Attorney General’s Office – State Capital – St. Paul, MN 55155. Telephone number 651-296-6196.

**Signatures on Page 1
Data Page**