

THE CARLYLE
ADDENDUM TO UNIT LEASE

Date: _____

Lessor: _____

Lessee: _____

Other Occupants: _____

Unit No.: _____ Garage Stall No(s): _____

This Addendum is part of a Lease (the "Lease") dated _____ under which the Unit referred to above is being rented from Lessor by Lessee. The Unit is part of The Carlyle Condominium (the "Condominium"), which is governed by The Carlyle Association (the "Association"). The Unit and all persons who occupy or use it, are subject to the Association Documents referred to in Paragraph 1 and the Minnesota Common Interest Ownership Act (the "Act"). Therefore, Lessee represents and agrees as follows:

1. Compliance with Association Documents. Lessee understands and agrees that the Association and the Unit are governed by The Carlyle Declaration, Bylaws and Rules and Regulations (collectively, the "Association Documents"). Lessee acknowledges receipt of a copy of the Association Documents. If there is any conflict between the provisions of the Lease and the Association Documents or the Act, the Association Documents and the Act shall control. Lessee agrees to comply with the Association Documents and the Act, and to cooperate with the officers, directors and manager of the Association ("Association Representatives"). Lessee's failure to comply with the Association Documents or the Act or cooperate with Association Representatives constitutes a default under the Lease, which is cause for Lessee to be evicted from the Unit or denied the use of building recreational and social amenities.
2. Use. The Unit shall be used by the Lessee only for residential purposes as a private dwelling. No business or other non-residential activity may be conducted in the Unit, unless authorized by the Association Documents or the Association. Lessee agrees to care for the Unit so as not to endanger the Unit or any other residents, and shall keep the Unit in clean, safe and sanitary condition, and free of pests and hazardous materials.
3. Subleasing Prohibited. The Unit shall not be subleased, nor shall individual rooms be subleased or otherwise made available for occupancy by persons other than temporary guests, nor shall the Lease be assigned, without prior written consent of the Lessor and the Association.
4. Repairs and Alterations. Lessee shall not make alterations to the Unit without the prior written consent of Lessor and the Association. Lessor shall pay for all breakage or damage done to the Unit or the common areas by Lessee or other occupants of the Unit or their guests. Lessee shall report promptly to the Association any condition or activity in the Unit that may (i) be a danger to the health or safety of any person, (ii) cause damage to the Unit or any other part of the Association property, or (iii) cause waste of utilities provided by the Association. Lessee agrees that the Association is not responsible for the maintenance or repair of the Unit and that all matters regarding maintenance and repair of the Unit must be handled through the Lessor and not through the Association and/or the Association Representatives.
5. Controlled Substances. Lessee shall not use or allow controlled substances, as defined in any state or federal statutes, in the Unit or on any part of the common area, except for personal use as prescribed in writing by a medical doctor licensed by the State of Minnesota. No part of the Unit or common area may be used by Lessee, or others acting under the Lessee's control or with the Lessee's permission, to use,

manufacture, sell, give away, barter, deliver, exchange, distribute, or possess a controlled substance in violation of any criminal provision of Chapter 152 of the Minnesota Statutes or applicable federal law. A breach of this paragraph voids the Lessee's right to possession of the Unit and the use of any part of the Condominium property. All other provision of the Lease, including the Lessee's obligation to pay rent, remain in effect unless Lessor elects to terminate the Lease.

6. Fines are Additional Rent. The Association may fine the Lessor for any violation of the Association Documents or the Act caused by the Lessee or other occupants of the Unit, or their guests. The fine, plus any attorneys' fees and costs of enforcement, shall be additional rent under the Lease and a lien against the Unit. The additional rent is payable by Lessee to Lessor with the next regular rent installment under the Lease.
7. Right of Entry. The officers, directors and manager of the Association shall have the right to enter the Unit at reasonable hours and upon reasonable notice for the purpose of maintenance or repair to the common areas, including common building systems, or to abate any condition or activity within the Unit that may be a threat to the health, safety or quiet enjoyment of other residents of the Condominium. An attempt will be made to give prior notice to Lessee, except that in the case of emergency prior notice need not be given.
8. Representations by Lessee/Background Verification. Lessee represents to Lessor and the Association that, during the past five years: (1) Lessee has not been convicted of any felony involving homicide, rape, criminal sexual conduct, burglary, theft, breaking and entering, vandalism, assault, battery or any other felony involving physical or mental harm to a person or property, and (2) Lessee has not engaged in destructive or disruptive conduct during prior rental residencies. Lessee understands that the accuracy of these representations will be independently verified and is being relied upon by Lessor and the Association in connection with Lessee's rental of the Unit.
9. Background Verification. Lessor shall deliver to the Association, at least 15 days prior to the proposed occupancy of the Unit, a copy of the fully executed Lease and this Addendum, together with a \$75 non-refundable processing fee for each Lessee or other occupant of the Unit. The Association shall, prior to occupancy, verify the statements and representations set forth in the Lease and Addendum and notify the Lessor within said 15 days whether the proposed Lessee's statement have been determined not to be true. If the Association does not so notify the Lessor, then the statements and representations may be regarded as accurate and the occupancy of the Unit by Lessee shall be approved; provided, that if during the course of the occupancy any statement or representation by Lessee is found to be not true, then the occupancy shall be prohibited and the Lease shall be subject to termination by the Lessor and the Lessee and any other occupants shall be subject to eviction and other remedies for a default.
10. Assignment of Rents. The lease is subject to an Assignment of Rents (the "Assignment") between the Lessor and the Association, a copy of which is attached to this Addendum as exhibit A. Lessor and Lessee agree to be bound by the Assignment, and Lessee expressly acknowledges that it is obligated to pay to the Association the rents and other payments due under the Lease upon receipt of notice from the Association that Lessor is past due 30 days or more in the payment of common expense assessments of any type to the Association. Lessee is released from any liability to Lessor for payments made to the Association pursuant to the Assignment, and cannot be evicted by Lessor as a result of making such payments.
11. Default. In addition to other defaults or events of default specified under the Lease, the following are defaults under the Lease: (1) the Lessee's violation of any provision of the Association Documents, (2) any misrepresentation or omission by the Lessee under this Addendum, or (3) the Lessor's failure to comply with the City of Minneapolis landlord registration requirements or related City regulations. If, after a default, Lessee does not cure its default under the Lease or surrender the Unit to Lessor voluntarily on or before the Lease termination date specified for Lessee's default, the Lessor, or an authorized agent, may pursue an eviction action or other legal action in accordance with the Lease and applicable law. If the Lease is terminated by reason of Lessee's default, the Association may deny the Lessee and other occupants of the Unit access to the Condominium's recreational and social amenities. If the Lessee is evicted from the Unit by court order, the Association may deny the Lessee and other occupants of the Unit access to the Condominium building.

12. Consent to Amendments or Extension. The Lease shall not be modified, amended, extended or assigned without the prior written consent of the Lessor, the Lessee and the Association.
13. Notice to Lessee. This Notice is provided in conjunction with your execution of the Lease Addendum and Assignment of Rents relating to your leasing of a unit in The Carlyle Association. The Assignment of Rents prohibits the Owner of the Unit from accepting from you any prepayment of rent for a period of more than one month. Prepayment of rent under the Lease will not discharge your obligations to the Association under the Assignment of Rents and, in the event of default by the Owner under the Agreement, you may still be responsible for payment to the Association.

This Addendum is a part of the Lease. Except as modified by this Addendum, the Lease shall remain in full force and effect.

LESSOR:

(Signature)

(Printed Name)

(Address)

(Address)

LESSEE(S):

(Signature)

(Printed Name)

(Signature)

(Printed Name)

EXHIBIT A TO LEASE ADDENDUM

THE _____

ASSIGNMENT OF RENTS

This Assignment of Rents (the "Assignment") is entered into, effective _____, 20____, between _____ (the "Owner"), _____, (the "Lessee") and The Carlyle Association, a Minnesota nonprofit corporation (the "Association").

Recitals

- A. The Owner is the owner of Unit No. _____ (the "Unit") at The Carlyle (the "Condominium") and has entered into a lease for the Unit dated _____, 20____ (the "Lease"), pursuant to the procedures and requirements set forth in the "Association Documents" as defined in the Lease.
- B. The Association is the owners' association governing the Condominium under the Association Documents.
- C. The Association, the Owner, and other residents of the Condominium, have an interest in assuring that the Unit is occupied by persons who are responsible for their conduct, who are not a physical threat to other condominium Owners and who do not have a history of violent behavior.
- D. The Owner and the lessee of the unit (the "Lessee") have signed an Addendum that is a part of the Lease and that contains certain representations by the Lessee with respect to the Lessee's prior behavior in rental situations and the absence of criminal convictions for certain types of conduct that are a threat to other persons or their property.
- E. It is the obligation of the Owner under the Association Documents to pay to the Association common expense assessments ("Assessments"), without interruption or delay, and notwithstanding the fact that the Unit has been rented and that the Owner may not be occupying the Unit, and that it is appropriate to secure the payment of the Assessments by the Owner with the rental income and other payments due from leasing the Unit.
- F. It is the intent of the Owner and the Association that the Association shall have the right to receive direct payment of the rents and other payments due under the Lease in the event that the Owner is in default (as described hereafter) under its obligation to pay Assessments to the Association.

Therefore, in consideration of the foregoing, the Association's willingness to accept the Lessee as an occupant of the Condominium and for other valuable consideration the receipt of which is hereby acknowledged, the Owner and the Association agree as follows:

Agreement

- 1. Assignment of Rents. The Owner hereby assigns, transfers and conveys to the Association the immediate and continuing right to receive and collect all rents and other income or payments due, or hereafter becoming due, under or by reason of the Lease, to the extent and subject to the requirements contained in this Assignment. In connection with this Assignment, Owner agrees to execute and deliver to the Association, immediately upon the Association's request, such further written assurances and assignments as may be necessary to confirm or further established the Association's rights described in this Assignment. Owner further agrees to provide to any other person, at the request of the Association, confirmation of this Assignment. This Assignment shall be subject to the following conditions:
 - A. This Assignment shall extend only to rents and other payments sufficient to reimburse the Association for any default by the Owner in the payment of Assessments as described in Paragraph 2 below. The Association shall promptly return to the Owner any rents received by the Association in excess of the past-due Assessments.

- B. While it is the intention of Owner and the Association that this Assignment shall be a present assignment, it is expressly understood and agreed that the Association shall not exercise any of its rights or powers conferred upon it by this Assignment unless the Owner is in default in the payment of Assessments as described in Paragraph 2 below.
 - C. The Owner and the Association acknowledge and agree that this Assignment may be enforced by the Association throughout the entire redemption period provided by applicable law following any foreclosure sale of the Unit.
2. Default. The Owner shall be in default (a “default”) with respect to the payment of Assessments if it fails to pay any Assessment due to the Association pursuant to the Association Documents within 30 days of the due date of the Assessment or installment thereof. Assessments include annual, special and limited Assessments, including Assessments the payment of which is accelerated, and late fees, fines, attorney’s fees, interest, and all other costs incurred by the Association in enforcing the Association Documents or the Lease or Assignment provisions that benefit the Association. Upon the occurrence of a default, the Association may, without notice to the Owner, obtain all rents and other payments payable by the Lessee under the Lease by giving notice to the Lessee. Upon receipt of the notice from the Association, the Lessee shall pay to the Association all rents and other payments payable to the Owner under the lease until such time as the Association gives notice to the Lessee that the default has been cured. The Lessee shall be released from any liability to the Owner for payments made to the Association pursuant to this Assignment, and cannot be evicted by the owner as a result of making such payments. The Association shall apply all monies received from Lessee to the past-due Assessments and promptly refund to the Owner any monies in excess of the default amount. By signing this Assignment, the Owner expressly directs the Lessee to comply with the notice sent to Lessee by the Association, and the Lessee acknowledges its obligation under this Assignment to pay the rents and other payments to the Association upon receipt of the notice.
3. Maintenance of Records. The Association shall maintain records of all notices given to Lessee and the receipt of rents and other monies from Lessee in connection with this Assignment, and shall, upon Owner’s request, account to the Owner for all monies received from the Lessee.
4. Representations by Owner. The Owner represents to the Association, and the Association shall be entitled to rely upon, the following:
- A. That no rent or other payments under the Lease have been or will be paid in advance by Lessee to Lessor or to any other person for a period of more than one month and that the payment of rents or other payments under the Lease will not be waived, released, reduced, discounted or otherwise discharged or compromised by the Owner.
 - B. That the Owner waives any right of set-off against Lessee or other person in possession of all or a part of the Unit.
 - C. That the owner has not assigned any of the rents or other payments payable by Lessee under the Lease to any third-party, and that it will not assign or otherwise transfer or encumber any of such rents or payments without the prior written consent of the Association.
 - D. That the Owner has good title to, and authority to rent, the Unit.
5. Indemnification. Nothing in this Assignment shall obligate the Association to perform or discharge any of the Owner’s obligation under the Lease, and the Owner hereby agrees to indemnify and hold the Association, and its officers, directors and managers, harmless from and against any and all liability, loss or damage that it may or might incur under the Lease or other agreement relating to the occupancy of the Unit. Should the Association incur any liability, loss or damage by reason of any claim brought by any Lessee or other person occupying the Unit pursuant to the Lease, the Owner agrees to promptly reimburse the Association for such costs, including but not limited to attorney’s fees and other related fees and costs.

6. Notices. Notices under this Assignment shall be given in writing and delivered or mailed by U.S. mail, postage prepaid, to the address of the Owner, Lessee or Association set forth on the signature page of this Assignment. Notices shall be effective upon delivery if delivered or upon mailing if mailed. The notice address of the Lessee (i.e., the Unit address) shall not be changed. The notice address of the Owner or the Association may be changed by written notice given to all other parties.

7. Interpretation and Binding Effect. This Assignment shall be binding upon the Owner, the Lessee and the Association, and their successors and assigns, and shall be construed in accordance with the laws of the State of Minnesota. The invalidity or enforceability of any provision of this Assignment shall not affect the validity or enforceability of any other provision, and the provision found to be invalid or unenforceable shall be severed from the Assignment unless such severance would defeat the intended purpose of this Assignment. Unless otherwise indicated, capitalized reference terms shall have the meaning ascribed to them in the Lease.

Dated: _____

OWNER:

(Signature)

(Printed Name)

Address: _____

Dated: _____

**ASSOCIATION:
THE CARLYLE ASSOCIATION**

By: _____

Title: _____

Address: c/o Gittleman Management Corporation
1801 American Boulevard East, Suite 21
Bloomington, Minnesota 55425

Lessee hereby acknowledges and agrees to comply with the Lessee's obligations under this Assignment upon receipt of the notice specified herein from the Association.

Dated: _____

LESSEE:

(Signature)

(Printed Name)

Address: Unit No.: _____
Association: The Carlyle
100 3rd Ave South
Minneapolis, MN 55401