LEASE RENEWAL & NEW ROOMMATE POLICIES

I. Lease Renewal Policies

It is Premium Properties policy to have all of our units rented on a fixed term basis. In most cases when we rent a unit, the initial lease is for one year. However, in the event there is an off-season vacancy (September through May), we will offer shorter leases that expire on May 31st or July 31st. The expiration date options are different depending on building location and unit type.

Once the initial term of the lease is over, the lease will automatically terminate you will need to vacate. However, you always (assuming they are in good standing) have the option to stay for another year. But, the decision must be made either 60 or 90 days (The notice requirement is stipulated in the original rental agreement) before the lease expires.

Premium Properties sends out its renewal letters at least 21 days before the deadline to renew. The letter will stipulate any changes to the lease and will give you the option to either sign a Lease Renewal, which commits you to another year, or a Notice to Vacate, which confirms to us of your intent to vacate the unit at the end of the lease. The Notice to Vacate also provides information as to where to send you the security deposit.

If we receive a signed Lease Renewal, then the property manager will also sign the agreement and post it to your portal (when applicable) or mail you back a copy. If we receive a Notice to Vacate, we will send you a letter describing our move out procedures and begin marketing your unit.

Keep in mind if we do not receive anything, Termination Letters will be sent out confirming that we have not received a Lease Renewal and that the unit will be vacated at the end of the lease.

We always hope that our residents will choose to renew their lease with us. We value your residency and will do whatever we can to make your stay better. But, unfortunately, we cannot offer any flexibility with respect to our lease renewal policy. We never offer Six Month or Month to Month lease renewals. We apologize for any inconvenience this may cause, but our management contracts do not offer us this option.

FREQUENTLY ASKED QUESTIONS:

What if I can’t make a decision by the deadline?

You should immediately contact Premium Properties if you don’t think you can make a decision during the required deadline. Depending on the property and the time of year we may be able to give you a short extension of a few days or weeks. However, once the Termination Letter is sent we will begin marketing your unit and it is possible that it may be rented to another person. We often have waiting lists for certain buildings.

What if one or more housemates want to stay, while the others want to leave?

Certainly, for a variety of reasons the original group may not want to continue staying together in the rental for another year. This is what we can call a Split Renewal. Again, it is always our preference to have somebody renew the lease. So the procedure is as follows:

1. The housemate(s) who wants to stay should sign the Lease Renewal. (Make Only Original Residents Sign the Agreement)
2. The housemates(s) who want to leave should submit all request and application fees, a fully completed and signed Roommate Replacement Request, along with the application (available online at www.premiumpd.com) for the new incoming resident. Please note that this can occur at any time before the lease expires. In the event the outgoing resident is not be replacement by a new roommate, then a Request to be Removed from Rental Agreement should be submitted instead.
If a roommate decides to move out or not renew their lease, is he or she still responsible for the rental even after the initial term expires?

The answer is YES. All parties to the original lease remain responsible to the agreement until either the unit is completely vacated at the end of the contract or Premium Properties has officially (in writing) released them from the contract. This means that even if one of the members of a group does not sign the renewal he or she is still a party to the lease and all future extensions, until the entire apartment has been vacated.

How can I be officially released from the contract?

In order to be released from the contract you have to either have another qualified roommate take over your position on the lease by completing a Roommate Replacement Request (See Attached Form), which once Approved by Premium Properties, by default releases you from your obligations to the lease (See Below for Roommate Replacement Policies) OR you must make an official Request to be Removed From the Lease (See Attached Form). Once we receive an official request to be removed, then we will grant your request so long as the group has not defaulted on the lease and so long as the remaining roommates still qualify for the unit and meet our tenant screening criteria based on their original application and screening materials.

Under certain circumstances, your group's approval for the rental may have been dependent on the outgoing resident's financial strength. For example, it is possible that the income of the remaining roommates may not equal three times the monthly rent, unless the outgoing roommate's income is included. If the remaining roommates do not qualify based on information found in the original file, they have the option to reapply for the apartment and present us with more current information to meet the required income/savings guidelines. Unfortunately, this will require new application forms and payment of all relevant screening fees.

In the event the remaining roommates still cannot qualify after re-applying then unfortunately the outgoing resident will still remain a party to the contract and still be responsible for the rental. This, of course, is extremely problematic as the outgoing roommate will be responsible for a place that he or she is not living in. Therefore, it is recommended that in this circumstance that the entire group vacates at the end of the term. Unfortunately, due to local ordinances Premium Properties cannot require the other residents to move out due to lack of future qualification, especially if rent has been paid on time and other rules of the lease have been followed. However, the outgoing resident may have some legal recourse to require the roommates to vacate, though.

Will Premium Properties send me back my portion of the security deposit if I decide to move and my roommates decide to stay?

NO. Premium Properties only sends back security deposits, minus any deductions, once the entire unit is vacated, all keys are returned to us and a final inspection is performed. However, typically, as long as the remaining roommates have agreed to allow the departing roommate to move out and be released from the contract, the remaining roommates will return that portion of the deposit to the outgoing roommate. But, Premium Properties cannot enforce this. WARNING: The remaining roommates may be left financially responsible for damages caused by the outgoing roommate. So, it is important that the unit is inspected and appropriate deductions are made to compensate the remaining roommates for damages that might be assessed in the future by Premium Properties.

II. Roommate Replacement Policies

Premium Properties will grant a request to replace an existing roommate with another roommate under the following conditions:

1. The original group of roommates has paid their rent timely and has followed the other terms of the rental agreement. This includes not allowing a new roommate to move in to the unit without receiving approval from us. In others words, the original group will receive a positive tenancy reference from us.
2. We have received a completed “Roommate Replacement Request” signed by all parties (the incoming roommate, the roommate who plans to move out and the roommates who plan on staying) along with the processing fee (See Attached). It is important to note that the outgoing roommate cannot just find anybody to move in; the other housemates have to agree to the switch and all remaining roommates must sign the request form.
3. The prospective new incoming replacement roommate will need to complete a rental application (available online at [www.premiumpd.com](http://www.premiumpd.com)) and submit the appropriate screening fees and screening material with financial documentation. The new roommate must qualify under our Tenant Screening Policy.

4. The new housemate must agree to all of the terms of the existing rental agreement and obtain a copy from an original resident.

5. Upon the new roommate’s approval of their application, Premium Properties will sign the “Approval of New Roommate” and return a copy of the completed and approved Roommate Replacement Request to the outgoing roommate and all remaining roommates, including the replacement.

At no time should the new roommate move in to the apartment until the request has been approved and Premium Properties has returned the request with the “Approval of New Roommate” section signed and dated to the entire group. This is a clear violation of your rental application and you may be subject to eviction proceedings. DON’T DO THIS!!

In Rent Control jurisdictions, such as Berkeley & Oakland, replacement housemates are considered “Substitute Residents.” Once Premium Properties signs the Approval of the request, the Roommate Replacement Request is also considered to be the “Substitute Resident Agreement. This determines the incoming roommate’s occupancy rather than having them sign a new lease. Not only does this request/agreement commit the new housemate to the terms of the lease, it also clarifies his or her status with respect to rent control. Unfortunately, due to certain case law, we cannot accept rent payments from Substitute Residents. All rents must be paid by the remaining original parties to lease.

In the event the Roommate Replacement Request is denied, the $75 processing fee will be applied to any future requests over the next 6 months.

**FREQUENTLY ASKED QUESTIONS:**

*My housemates, who are the original residents on the lease, are out of town and they didn’t leave me a check for the rent, can I bring a check from my account?*

Under no circumstance can we accept rent payments from a Substitute Resident. To avoid late fees, we recommend that the original parties to the lease contact our office to make arrangements to pay the rent on time. One way is to have them use our on-line portal.

*Should the new roommate pay a security deposit? And if so, who should they pay it to?*

Premium Properties will not typically (unless the base occupancy has increased) require an additional security deposit if the request is approved. However, once the new roommate signs the "Substitute Resident Agreement", the new roommate will have equal claim to the security deposit on file for the apartment; and Premium Properties will issue any proceeds from security deposit upon vacating to all the residents including the new roommates in one check. Therefore, it is important that the existing roommates collect from the new roommate the appropriate share of the deposit prior to move-in. Premium Properties will have no way to require payment after move-in.

*What happens when all the original parties to the lease decide to move out?*

Once all original parties to the lease have either provided notices to vacate or have moved out of the rental, Premium Properties will present the Substitute Residents with a new rental agreement. Since prior rent ceilings and other limitations are no longer in effect, Premium Properties will have the option to change the terms of the lease. This includes, but is not limited to, the monthly rent amount and security deposit. Depending on how long it has been since the original parties to the lease moved in, the rent increase may be significant. Unfortunately, rent control ordinances restrict property owners from phasing in rent increases over months or even years. However, once the new rental agreement is signed, all substitute residents will become original parties to the new lease and will have all the rights associated with any applicable rent control ordinances.

*What happens when an Original resident moves out and is replaced but then wants to move back in as a replacement roommate at a later date?*
Once the original party to the lease is removed or replaced by another roommate, they lose their position as an Original roommate and once brought back in the person falls under the “Substitute Resident” category and are no longer an Original party to the lease since was once removed. Again, under no circumstance can we accept rent payments from a Substitute Resident.

III. Roommate Add-On Policies

1. Occasionally, residents in our properties will want to add an additional roommate and thus increase the occupancy beyond the total number of residents who originally occupied the premises. Premium Properties has sole discretion as to whether to allow the increase in occupancy and may deny the request without cause. In addition, Premium Properties may condition the approval by requiring the total rent to be increased by as much as 10% for each additional occupant to the apartment, in order to compensate for increased wear and tear and utility usage or to help bring the unit to the current market rent. We will inform you upon receiving your request and before processing it if additional rent and/or security deposit will be required. In order to add a roommate, the existing group and potential new additional roommate will need to complete a "Roommate Add-On Request " (See Attached) and pay the appropriate fee. In addition, the prospective roommates will need to complete a rental application (available online at www.premiumpd.com) and submit the appropriate screening fees and supporting documentation and qualify based on our Tenant Screening Policy. Once the screening process is completed, Premium Properties will approve or deny the request and return a copy of the completed and approved Roommate Add-On Request to the new group, including the additional roommate.

In the event the Request to Add an Additional Roommate results in a monthly rent and subsequent security deposit increase, the additional funds must be paid in the form of cashier’s check and/or money order prior to Premium Properties approving, signing off and returning the Roommate Add-On Request to the new group and new resident.

At no time should the new additional roommate move in to the apartment until the request has been approved and Premium Properties has returned the request with the “Approval of New Roommate” section signed and dated to the entire group, and any additional funds have been paid (if applicable). This is a clear violation of your rental application and you may be subject to eviction proceedings. DON'T DO THIS!!

In Rent Control jurisdictions, such as Berkeley & Oakland, additional roommates are considered “Additional Substitute Residents.” Once Premium Properties signs the Approval of the request, the Roommate Add-On Request is also considered to be the “Additional Substitute Resident Agreement. This determines the additional roommate’s occupancy rather than having them sign a new lease. Not only does this request/agreement commit the new roommate to the terms of the lease, it also clarifies his or her status with respect to rent control. Unfortunately, due to certain case law, we cannot accept rent payments from Substitute Residents. All rents must be paid by the original parties to lease.

In the event, Premium Properties denies the request to add an additional roommate; the $75 processing fee will be applied to any future requests over the next 6 months.
REQUEST TO BE REMOVED FROM RENTAL AGREEMENT

Dear Premium Properties:

I, _______________________ currently live at _______________________________________(address) and plan on moving out on _______________________ (date). My other roommates plan on remaining at the apartment. Their names are as follows:

■ ____________________________________  ■ ___________________________________

■ ____________________________________  ■ ___________________________________

At this time, my roommates have decided not to have a replacement roommate fulfill my responsibilities to the lease. Furthermore, my roommates and their respective cosigners, if applicable, are willing to release me from my individual responsibility to the apartment and its current and future rental agreements and extensions.

Therefore, I am requesting Premium Properties to officially remove me from the rental agreement and release me from any current and future obligations to the apartment. I understand that if my request is approved, I will waive any and all claims to my rights and interests to the apartment, including the security deposit. It will be my responsibility to receive a refund of my portion of the original security deposit from the remaining roommates; as security deposits are only refunded to the then parties to the lease by the Owner/Agent only when the entire apartment has been completely vacated.

I understand that until the request is approved, I remain responsible to all of the obligations to the apartment.

_________________  _________________________  ________________________
Date    Outgoing Resident’s Name  Signature

_________________  _________________________  ________________________
Date    Remaining Resident’s Name  Signature

_________________  _________________________  ________________________
Date    Remaining Resident’s Name  Signature

_________________  _________________________  ________________________
Date    Remaining Resident’s Name  Signature

Premium Properties approves Outgoing Resident’s request to be released from the rental agreement as of ____________________.

_________________  _________________________
Date    Premium Properties
ROOmmate Replacement Request
($75 per Request + Applicable Screening Fees)

I, _______________________________________________ ("Outgoing Roommate") currently live at ______________________________________________________________ ("Premises") and I will be moving out on ______________ (Date). Upon vacating I agree to waive any and all claims to my rights and interests to the apartment, including the security deposit. However, I understand that until Premium Properties, “Owner/Agent” signs this agreement, that I am still responsible for all responsibilities stipulated in the lease, including rent.

My other roommate(s) “Remaining Roommates” plan on remaining in the Premises after I vacate and request that Owner/Agent allow _______________________________________________("Incoming Roommate") to move-in to the apartment the day after I move out. The current rent on our apartment is $_______________ per month. The Incoming Roommate will be paying $_______________ per month as his/her portion of the rent, which is not more than the proportional share of the total rent. He/she will pay $_______________ towards the Total Security Deposit. I will be responsible for collecting any security deposit owed to me upon vacating directly from either the new Incoming Roommate or the Remaining Roommates. I recognize that Owner/Agent does not issue security deposits until the entire unit has been vacated and shall not be responsible for retuning my portion of the Security Deposit after this agreement is executed by all parties.

In order to be approved, the New Roommate agrees to the following:

1. New Roommate agrees to take over Outgoing Roommates responsibilities the day after the Outgoing Roommate moves out.

2. New Roommate understand that he/she is a “Substitute Resident” as opposed to an “Original Resident” under the rental agreement. Original Residents are those residents that signed the lease when it was originally occupied and have claim to the current rent ceiling. It is possible that not all existing roommate are Original Residents. New Roommate further understands that the future departure of the last remaining Original Resident will be considered a “Vacancy Decontrol Event” under local Rent Control & California’s Costa Hawkins Vacancy Decontrol Act, meaning that Owner/Agent may at that time, regardless of any existing lease extensions, increase the rent to the market rent, change other lease terms and/or require a new rental agreement to be executed. Owner/Agent shall provide at least the minimum required notice for a rent increase per state and local laws. Owner/Agent shall have the option, but not the obligation, to delay the start of the increase until the end of the existing lease extension. Remaining Substitute Residents will have the choice of staying and paying the new rent charged by the owner or providing at least 30 days’ written notice to vacate for the date the new rent will become effective.
3. New Roommate recognizes that although as a Substitute Resident, he/she is not a signatory to the rental agreement, New Roommate agrees to abide by all its terms and conditions, as well as any extensions thereafter signed by the Original Residents, unless he/she is officially released in writing by Owner/Agent. New Roommate acknowledges receipt of a copy of the rental agreement and the most current extension.

4. New Roommate should make arrangements to reimburse any Outgoing or Remaining Roommates for their agreed upon portion of the security deposit already paid. Furthermore, it is understood that any future charges made by Owner/Agent to the security deposit may include reimbursement for damages which occurred prior to the execution of this agreement. A careful inspection of the unit should be made by the New Roommate prior to payment of a security deposit to the Outgoing Roommate in order to be reimbursed in advance for any for any anticipated future charges to the total security deposit.

5. New Roommate understands that in order to avoid any confusion as to which residents are Original or Substitute, Owner/Agent will only accept rent and non-emergency maintenance requests from Original Resident(s). New Roommate agrees to make arrangements to pay his/her portion of the rent to the designated Original Roommate at least 3 days in advance of the 1st of each month.

**Outgoing Roommate**

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**Remaining Roommates**

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New Roommate (Please Submit a Rental Application & Photo ID Online ASAP)

Name ___________________________ Signature ___________________________ Date ____________

PAYMENT INFORMATION

Funds
Roommate Request Fee: $75 + Screening Fees*: $________ = Total: $________

Received: □ Personal Check to Premium Properties  □ Credit/Debit Card (Visa/MC)

Card #: ____________________________ Exp. __________ 3 Digit Code: __________
Card Holder Last Name: ___________________________ Card Billing Zip: __________

Card Holder agrees to have their card charged for the Total listed above.

Card Holder Signature: _____________________________

Please note: Premium Properties will not begin processing Roommate Requests until this Form, all Screening & Processing Fees, the Rental Application, and a Copy of the New Roommate’s Photo Id are received. It takes a week from receipt to process each request. The New Roommate May Only Move-In After Premium Properties Signs this Agreement.

APPROVAL OF NEW ROOMMATE

Owner/Agent agrees to allow ____________________________, New Roommate to occupy the Premises upon the vacating of the Outgoing Roommate. Owner/Agent recognizes the following Remaining Roommate(s) as Original Resident(s), with a claim to the Premises’ rent ceiling:

_____________________________    _____________________________
Name        Name

Upon New Roommate occupying the Premises and paying all the required funds, Owner/Agent agrees to release ____________________________, Outgoing Roommate from his/her responsibility to the rental agreement.

_____________________________    _____________________________
Owner/Agent Signature      Date

*Screening fees are charged to reimburse Owner/Agent for the actual costs related to screening an applicant, which includes obtaining a credit report, unlawful detainer search, and other reports (Cost: $8.95) and for processing and verifying information obtained (Cost: $25). The applicant is entitled to a copy of the credit report upon written request. Premium Properties’ official screening and selection process is available on our website.

California Civil Code Section 1950.6

This applies protection for the applicant for any payment, including but not limited to fees, deposit or charge. The landlord may claim fees, deposit or charge only for those amounts as are reasonably necessary for the purposes specified by the subdivision. Any fees, deposit or charge shall be held by the landlord for the tenant who is party to the lease agreement. For more information about California Civil Code 1950.6 you can go to http://law.onecl.com/california/civil/1950.6.html.
I/we, live at ______________________________________________________ (“Premises”) and request that Premium Properties “Owner/Agent” allow ______________________________ (“Incoming Roommate”) to move-in to the Premises on ____________________ (Date). The current rent on the Premises is $_______________ per month. The Incoming Roommate will be paying $_______________ per month, which is not more than the proportional share of the total rent. He/she shall pay $_______________ towards the total security deposit already paid to Owner/Agent.

In order to be approved, the New Roommate agrees to the following:

2. New Roommate understand that he/she is a “Substitute Resident” as opposed to an “Original Resident” under the rental agreement. Original Residents are those residents that signed the lease when it was originally occupied and have claim to the current rent ceiling. It is possible that not all existing roommate are Original Residents. New Roommate further understands that the future departure of the last remaining Original Resident will be considered a “Vacancy Decontrol Event” under local Rent Control & California’s Costa Hawkins Vacancy Decontrol Act, meaning that Owner/Agent may at that time, regardless of any existing lease extensions, increase the rent to the market rent, change other lease terms and/or require a new rental agreement to be executed. Owner/Agent shall provide at least the minimum required notice for a rent increase per state and local laws. Owner/Agent shall have the option, but not the obligation, to delay the start of the increase until the end of the existing lease extension. Remaining Substitute Residents will have the choice of staying and paying the new rent charged by the owner or providing at least 30 days’ written notice to vacate for the date the new rent will become effective.

3. New Roommate recognizes that although as a Substitute Resident, he/she is not a signatory to the rental agreement, New Roommate agrees to abide by all its terms and conditions, as well as any extensions thereafter signed by the Original Residents, unless he/she is officially released in writing by Owner/Agent. New Roommate acknowledges receipt of a copy of the rental agreement and the most current extension.

4. New Roommate should make arrangements to pay the current residents his/her agreed upon portion of the security deposit prior to move-in. New Roommates recognizes that any future charges made by Owner/Agent to the security deposit may include reimbursement for damages which occurred prior to the New Roommate moving in. A careful inspection of the Premises should be made by the New Roommate prior to payment of a security deposit in order to be reimbursed in advance for any for any anticipated future charges to the total security deposit.
5. New Roommate understands that in order to avoid any confusion as to which residents are Original or Substitute, **Owner/Agent will only accept rent and non-emergency maintenance requests from Original Resident(s).*** New Roommate agrees to make arrangements to pay his/her portion of the rent to the designated Original Roommate at least 3 days in advance of the 1st of each month.

**Current Roommate(s)**

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**New Roommate**

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**PAYMENT INFORMATION**

**Funds**

Roommate Request Fee: $75 + Screening Fees*: $_______ = Total: $_______

**Received:** □ Personal Check to Premium Properties □ Credit/Debit Card (Visa/MC)

Card #: _________________________ Exp. __________ 3 Digit Code: __________

Card Holder Last Name: ______________________ Card Billing Zip: ___________

*Card Holder agrees to have their card charged for the Total listed above.*

Card Holder Signature: _________________________________________________

**Please note:** Premium Properties will not begin processing Roommate Requests until this Form, all Screening & Processing Fees, the Rental Application, and a Copy of the New Roommate’s Photo Id are received. It takes a week from receipt to process each request. **The New Roommate May Only Move-In After Premium Properties Signs this Agreement.**
Owner/Agent recognizes the following Remaining Roommate(s)s as Original Resident(s), with a claim to the Premises’ rent ceiling:

_____________________________    _____________________________
Name        Name

_____________________________    _____________________________
Name        Name

Owner/Agent agrees to allow ___________________________________, New Roommate to occupy the Premises as of ________________

The **Monthly Rent** after this change shall:

☐ Remain the Same. ☐ Increase from $___________ to $___________ ☐ + 1.8% AHTF**.

The **Security Deposit** to be held on file until the entire unit is vacated shall:

☐ Remain the Same. ☐ Increase from $_______________ to $_______________.

_____________________________   _______________________
Owner/Agent Signature      Date

*Screening fees are charged to reimburse Owner/Agent for the actual costs related to screening an applicant, which includes obtaining a credit report, unlawful detainer search, and other reports (Cost: $8.95) and for processing and verifying information obtained (Cost: $25). The applicant is entitled to a copy of the credit report upon written request. Premium Properties’ official screening and selection process is available on our website.

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This applies protection for the applicant for any payment, including but not limited to fees, deposit or charge. The landlord may claim fees, deposit or charge only for those amounts as are reasonably necessary for the purposes specified by the subdivision. Any fees, deposit or charge shall be held by the landlord for the tenant who is party to the lease agreement. For more information about California Civil Code 1950.6 you can go to [http://law.onecle.com/california/civil/1950.6.html](http://law.onecle.com/california/civil/1950.6.html).

*If checked, this property is subject Measure U1, which was adopted by Berkeley voters in 2016. Therefore, the rent, plus any adjustments to the rent like parking, shall be increased by 1.8%, in order to contribute to the Affordable Housing Trust Fund (AHTF).