

**English Translation
of Tenancy Agreement
- subject to change -**

**Studierendenwerk Hamburg Tenancy Agreement
Halls of Residence, Hammerbrook**

Excerpt from the Subsidy Regulations issued by Hamburgische Wohnungsbaukreditanstalt (WK), consistent with the notification of subsidy approval issued on 12.09.2011

XI. Designated purpose: Rent commitments / provisions to be incorporated in tenancy agreements

1. Maximum contractual net cold rent / maximum rent increases

The maximum net cold rent, excluding the sum allocated for operating costs (hereinafter: Net Cold Contractual Rent), shall amount to EUR 220.00 per Halls of Residence unit. This shall correspond to EUR 7.51 per m² of space eligible for subsidisation.

Apart from this rent, only those operating costs consistent with §§ 556, 556 a and 560 of the German Civil Code (BGB) may be charged.

The maximum net rent for car parking spaces shall amount to EUR 50.00 for parking spaces in a basement car park and EUR 25.00 for parking spaces on a parking podium. These amounts may be increased by 2% each year.

2. Consistent with the general law governing tenancy, the Net Cold Contractual Rent may be increased – for the first time on the first of the month within the quarter following expiry of two years following the median readiness for occupancy of the subsidised flats specified by WK and, thenceforth, every two years – by up to **EUR 0.20/m²** of living space, respectively, per month; the local rent index may, however, not be exceeded. The tenancy law regulations defined in §§ 557 a and 558-561 of the BGB are to be observed.

3. Modernisation / subsequent structural modifications

Modernisation and subsequent structural modifications effected by you following readiness for occupancy referencing the documents agreed with WK may be carried out solely after obtaining prior consent from WK. In the event that WK should provide consent for modernisation, that party shall be entitled to exclude any increase in rent consistent with § 559 Paragraph 1 of the BGB or to rule that the increase in rent shall be required to remain below the absolute limit as defined in § 559 Paragraph 1 of the BGB. In the event that the rent shall be admissibly increased in accordance with the regulations contained within the notification of subsidisation approval and in accordance with tenancy law, the maximum rent shall increase accordingly.

4. Legal bases for the implementation of rent limits under subsidy law

The implementation of rent limits under subsidy law respective to the Tenant shall be exclusively governed by the tenancy law provisions of the BGB.

5. Additional undertakings of tenants

Financial contributions shall not be permitted to be solicited and accepted by those seeking housing. This shall also apply to all special considerations, in particular advance rental payments, brokerage fees or further sums of money, irrespective of the time at which they are to be remitted. This shall exclude shares in cooperatives (EUR 52.00 per m² of living space *in toto* may not be exceeded) and securities. The covenanting of a security specific to the Tenant shall be admissible insofar as it shall be designated for the purpose of safeguarding claims of the Lessor against the Tenant that shall arise from damage caused to the flat or from cosmetic repairs that shall have remained in abeyance. The security shall not be permitted to exceed two-and-a-half times the monthly net cold rent.

6. You shall be obligated to incorporate the regulations of this Section XI in tenancy agreements. Tenants may invoke the above regulations vis-à-vis the Lessor (cf. § 17 Paragraph 2 of the Hamburg Housing Subsidy Act [HmbWoFG]). WK or a third party identified by that party may instruct tenants in respect of the rights arising from this, insofar as you shall not have provided the relevant requisite information to the tenants.

XII. Substantiation and duration of the designated purpose (housing and rent commitments)

2. Housing and rent commitments shall commence upon initial occupancy and shall conclude upon expiry of 30 years following the median readiness for occupancy specified by WK.
3. Premature complete repayments of the housing loan effected in the absence of legal obligations shall curtail the duration of the designated purpose in accordance with No. 2 above to the expiry of the **tenth calendar year** following the year of repayment, insofar as the agreed duration of the commitment period shall exceed the latter date (**consequential term** upon repayment of the housing loan in the absence of legal obligation).
4. The various statutory regulations in respect of the continued subsistence of the housing and rent commitment specific to the instances identified therein (cf. in this regard §§ 19, 20 and 21 of the HmbWoFG) shall, nevertheless, remain unaffected.
5. **You shall be obligated to incorporate the aforementioned provisions in tenancy agreements under Nos. 2 to 4.** Section XI No. 6 Sentences 2 and 3 shall apply accordingly.