

CITY OF ANN ARBOR
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REAL ESTATE & SPACE INFORMATION
326 East Hoover, Mail Stop B
Ann Arbor, MI 48109-1002
Phone: 734-615-9023
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September 15, 2008

Mr. Charles M. Harris
Senior Vice President
Allen & O'Hara Development Co., LLC
530 Oak Court Drive, Ste 300
Memphis, TN 38117-3726

RE: Student occupancy at the Courtyards, located at Broadway Street and
Plymouth Road, Ann Arbor, Michigan

Dear Mr. Harris:

The University is delighted that rental activities have now commenced for the Courtyards.

This is probably a good point in time to review the student occupancy requirements of our easement agreement, so I enclose the relevant paragraph for your ease of reference. When you compile a list of the current rent roll and your calculation of student occupancy, which is to be provided to the University by September 30, it would be appreciated if you could include each student's University identification number, if you have the identification numbers. This will help us as we check compliance with the 70% requirement. We request that you not include social security numbers, due to privacy considerations.

We look forward to the receipt of this information, which should be sent to my attention.

Sincerely,

Mark M. Eboch
Manager for Real Estate and Space Information

Encl.

cc: City Clerk, City of Ann Arbor
City Attorney, City of Ann Arbor
Henry Baier, Associate Vice President for Facilities and Operations
Sue Gott, University Planner
James Kosteva, Director of Community Relations -Office of Vice President for
Government Relations
Cynthia Wilbanks, Vice President for Government Relations

II. Student Occupancy in the PUD

1. A principal condition of the University executing this Agreement is the Developer's representation and commitment in good faith that the PUD is being constructed primarily to provide housing to University of Michigan students. Student occupancy affects, among other things, the PUD's impact on traffic at the University. Accordingly, the parties agree that, upon the Developer's receipt of its certificate of occupancy from the City of Ann Arbor, those who reside at the PUD will at all times consist of a minimum of 70% then enrolled University of Michigan students who are currently taking two or more courses at the University of Michigan or are currently enrolled graduate or professional school students at the University of Michigan. This 70% figure is to be based on actual occupancy, not potential occupancy, and is to be calculated after first deducting any federally mandated set asides required by federal law. By September 30th of each year, the Developer will give the University a list of the current rent roll for the PUD and its best faith calculation of the percentage of occupants who are enrolled University of Michigan students. The University may, but is not required to, check compliance with this 70% requirement during the fall semester of each academic year. If it determines this 70% requirement is not satisfied the University may terminate certain aspects of this Agreement pursuant to Section VI., below, which includes an opportunity to cure.