

# **AGP PROPERTIES, INC.**

## **SYNOPSIS OF LEASE AGREEMENT**

The following synopsis represents a general overview of our standard lease. In ten to thirteen pages (on letter size) and 32 Covenants, our leases are very detailed and descriptive. Their content revolves around the ensuing principles and regulations. A copy of the lease is provided after the application to rent is approved. The Lease must be completely be read and endorsed by all the tenants involved. Tenants are given plenty of time to understand and feel comfortable with its content. Some provisions (use, parking, pets, guest policy, terms, expiration, etc) are modifiable and may be customized under request.

**1. LEASED PREMISES** Identifies the premises (house or apartment) their legal address, number of unit, and the name of the tenants. Subordinates additional tenants to the Lease Holder, or principal tenant, whom remains responsible for the monies and for the rent payment (which must be made in one check).

**2. TERMS OF LEASE** Establishes the beginning and end date of the Lease, its duration and renewal policy, if applicable. One year is the standard length. Shorter or longer periods may be negotiated.

**3. RENT.** Sets the amount of the Rent, the mode and place of payment, and the person to which rent checks must written out to. AGP Properties has dwellings of exclusive and exceptional quality, and does not offer rent specials or discounts on its rates.

**4. EXTENSION AND RENEWAL OF LEASE TERM** Describes the terms of the Owner's discretion in granting a lease extension or renewal, after a proper, written request. It also states terms of harmony and compatibility of activity and conduct of the Tenant with neighbors and other tenants (the latter, in the case of multiple units).

**5. LEASE ASSUMPTION** Describes the monies exchanged to establish the contract, whether holding funds, security deposits, pet deposits, rent, utility fees (only if required), etc.

**6. EXISTING CONDITIONS** Establishes that a proper Inventory and Inspection List is filed within thirty days from the beginning of the Lease, to assess existing conditions and avoid disputes on accidental damages during and/or at the end of the same.

**7. SECURITY DEPOSIT** States the amount of the security deposit (typically corresponding to one month rent), the account where the deposit is held in escrow, and the tenant's ownership of it. It also states the type of charges that may be applied at the end of the lease (typically, limited to cleaning charges), and any penalties in case of early termination of the lease.

**8. DEPOSIT REFUNDS** Establishes that the balance of all deposits be refunded within thirty days from the date possession is delivered to Owner, with a statement showing any charges made against such deposit. Deposits may be released until all the keys are returned, the premises have been completely vacated, all the service and utility bills and accounts have cleared, the premises have been inspected and, incase of pets, the premises have unequivocally been assessed as pest free.

**9. LATE PAYMENTS AND RETURNED CHECKS** Establishes the day the rent is due (upon the 1<sup>st</sup> of each month) the circumstances and amount of a late fee (typically 10%), and the manner in which a late fee is assessed (after the 3<sup>rd</sup> day of the month). It also establishes the dispossessory procedure that are set if the rent payment is not received by the tenth (10th) day of the month. Repeated delays with the payment of the rent are considered a breaching of AGP Properties Leases and lead to termination of the agreement. Conversely, punctuality is rewarded with great service and assistance.

**10. RENT INCREASE** Established the maximum and minimum amount of rent increase at the date of renewal. AGP Properties rents are modified annually (never before a 12 month period) according to the Consumer Price Index.

**11. LAST MONTH RENT** Setting up a Last Month Rent-fund is not necessary if the application to rent has indicated a good credit and rental history, plus sufficient funds in existence. In the case of incomplete or flawed credit or rental history, AGP properties may require additional funds. Said funds are refundable.

**12. SERVICES AND UTILITIES** Sets the responsibility of tenant for the payment of all the utilities and services, and all the deposits requested by the utility companies, including gas, electrical, telephone, cable, internet connection, and garbage collection. Rents do not include any utility, except water service which may be included in multiple-unit buildings. Tenants living in one family houses are required to set and account with the City of Atlanta Water Bureau within ten days from the commencement of the lease.

**13. USE AND OCCUPANCY** States the maximum occupancy established for certain premises and the guests, relatives and visitor's policy (fifteen days allowance is standard).

**13/a. RESTRICTIONS TO USE** Restricts use of certain parts of the premises such as basements (if in common or if not accessible), crawl spaces, roofs, and parts of the parking or driveways assigned to other tenants. It also assigns specific spots for parking and establishes policy for visitor's parking.

**14. FURNISHINGS AND APPLIANCES** Lists all the furnishings (if any) and appliances provided by the Owner, and the responsibility of the Owner in keeping them running. Laundry facilities and appliances are limited only to the personal use of the Tenant, and are typically provided free from charges in the premises. Some units are equipped with security systems.

**15. PETS AND PEST CONTROL** States whether pets are permitted, if any. AGP Properties are thoroughly treated before the beginning of every lease and are pest-free. During the duration of lease, prevention of common house-pests, such as mice, ants and common roaches, is the responsibility of the tenant and tenants are required periodical preventive treatments, although with common, inexpensive products available at any hardware store.

**15/b. AUTHORIZED PETS** Limits the number and type of permitted pets to those identified and authorized. AGP Properties does not allow dogs over carpet, as well as in multiple unit buildings for the potential of barking disturbances and the risk of spreading parasites to other units. Cats and medium to small dogs may be permitted, depending on the quality of care they receive, in apartments and houses with concrete or hardwood floors. All pets must be on a certified flea program. This covenant controls the additional maintenance and increased responsibility of the tenant(s), due to the pets' presence.

**15/c. PET DEPOSIT** Pet deposits are non refundable. They account for the increased wear and tear on the property. Standard deposits are \$150 for a cat, and \$300.00 for a dog, though may vary according to size. Tenant may be liable for damages or abnormal wear and tear caused by pets to floors, doors, windows, walls, screens, fences, lawn and plants. In the case pets are allowed, complete extermination must occur at the expiration of the lease, before the original Security Deposit can be returned.

**16. CITY RULES AND MUNICIPAL REGULATIONS** Establishes abidance to local and City regulations, with respect to noise, activities, odors, disposal of refuse, pets and pets litter, parking, and use of common areas. It also describes the dates in which recycling and garbage collection occurs, plus what type of materials and recyclables the city accepts.

**16/b. RESTRICTIONS AND ADDITIONAL CONDITIONS** Establishes locks and key policy, controls the storage of combustible materials, limits the use of heavy exercise equipment, waterbeds and aquariums. It describes the type of products recommended to clean the hardwood floors (because waxes are hard and costly to remove), what type of protection is required for plants and heavy furniture (some floors are 100 years old). This covenant limits cigarette smoking to outside and mentions the consequences (upon the lease) of the use of illegal substance.

**16/c. SAFETY RULES** Recommends the careful handling of open flame devices, such as fireplaces and gas stoves. Describes the location of smoke detectors and warns against the deactivation of the same. It also recommends not to obstruct fire exits with bulky furniture or objects. Finally, it sets some rules required by the neighborhood association, regarding mandatory lighted areas at night.

**17. ASSIGNMENT AND SUBLETTING** AGP Properties' premises cannot be sublet, transferred or assigned to third parties.

**18. ORDINANCES AND STATUTES** Describes formal compliance with all statutes, ordinances and requirements of all municipal, state and federal authorities pertaining to the use of residential space.

**19. INTERIOR MAINTENANCE AND CLEANING SERVICES** Tenants shall at their own expense, and at all times, maintain the premises in a clean and sanitary manner including all equipment, appliances, carpet, tiles, floors, windows, walls, furniture, bathroom fixtures and furnishings. It also establishes the condition of delivery of the premises, at the termination of the lease, in as good condition as received, normal wear and tear excepted.

**19/b YARD AND LANDSCAPE MAINTENANCE** Establishes the terms and cost of the maintenance of included gardens and landscape. Occupants of smaller and secondary apartments are dispensed from such responsibility. For larger homes, AGP Properties provides a year-round landscape maintenance for a fraction of the cost a tenant normally incurs into. AGP Properties maintenance of its yards and gardens is very specific and must be handled by professionals only. Said service, mandatory for tenants without extensive landscape experience, is offered at a preferred rate obtained by grouping, and therefore, highly recommended, as the type and value of the plant material in its gardens is high, if at times irreplaceable.

Due to its prohibitive cost, secondary maintenance such as proper watering by tenant, especially during the dry season is still required to the tenants.

**19/c. ALTERATIONS** AGP Properties are historical homes, restored to perfection. Colors and materials are carefully selected in order to match those used during the period of fabrication. Tenants are not allowed therefore to redecorate, change colors, paint walls and make changes to the structure of the Premises. Cable TV and telephone companies are notorious for carelessly boring holes on old floors. Lease provide rules for dealing with alteration or addition to the existing systems, after obtaining proper authorization from AGP Properties and under the supervision of the Owner himself.

**19/d. CLEANING CHARGES** Our premises are offered in spark clean, move-in condition. Cleanness is the trademark and pride of our company, and it begins from precise policy. At the end of the lease, a cleaning charge is applied to the security deposit. Charges vary from \$120 for small studios, to \$300, for very large homes, and they are set for detail cleaning of floors, baseboards, carpet, walls, windows, furnishings, appliances and air grills. Said cleaning charge, standard on all AGP Properties' leases, and are non-negotiable, as they are intended as extraordinary cleaning. Ordinary cleaning is still expected from the tenant. This policy is set for the benefit of the ensuing tenants, you! Tenants may incur in no charges if the premises are left in conditions ready for the next occupant. Conversely, larger charges than the standard cleaning fee may occur, depending on the kind of maintenance tenants have performed or deferred during the Lease Term, and depending on the conditions the Premises have been released.

**19/e. "AS IS"CLAUSE.** States that the premises are leased in the present condition and that no special modifications or improvements are implied during the lease, unless they are reasonable and have been agreed upon in writing at the time of the endorsement. It also states, for peace of mind, that the Tenant has thoroughly inspected the Premises and that tenant is satisfied with the conditions of it.

**19/f. DAMAGES** Establishes the responsibility of the tenant for damages caused by accidental neglect or negligence and that of his family, invitees, guests or pets. It also established terms of notification of existing problems or damages to the premises, further defining the terms of improper or unauthorized repair, such as to appliances and systems (plumbing and electrical). It also describes and sets ordinary wear and tear apart from accidents, abuse, improper action and inattention (which are not covered).

**19/g. REPAIRS CLAUSE** Establishes the obligation of the Owner to warrant that all the systems, including the appliances, and enclosures are kept in working order. It also warrants that all repairs shall be performed in a timely manner, subject to the schedule and availability of the property manager or technician(s). AGP Properties has an excellent response time, due to the proximity of all the properties from its headquarters. Hours of repair are 8:00 a.m. to 6:00 p.m., Mondays through Fridays except holidays. Emergencies may be treated differently, according to the urgency and nature of the repair.

**20. RIGHT OF ENTRY FOR MONTHLY INSPECTION** Establishes that the Owner may enter the property only with prior consent of the Tenant, and for any requested or necessary repairs. Scheduled visits (only at permitted times) may include those to prospective tenants (thirty days prior to the expiration of the lease), mortgageors, lenders, surveyors, appraisers, municipal inspectors, workmen or contractors.

**20/b. TENANT'S DISPLAY PLEDGE** Drawn for the sole purpose of showing the premises to prospective tenants in a proper and decorous manner, it describes the tenant's pledge to keep the Premises free from clutter and boxes, clean, orderly and presentable, inclusive of lawn and shrubbery care (if applicable), during the last thirty days of the Terms.

**21. INSURANCE AND INDEMNIFICATION** AGP Properties are covered by a policy, for residential use only, that protects the tenants against injury caused by faulty structures, such as loose steps, handrails, decks, floors or ceilings. Activities non conforming residential use are not covered. This covenant describes the liability exclusions of the Owner, particularly regarding Tenant's belongings and property, for which the Owner is not an insurer. The structures are covered against burglary and vandalism. Tenants may provide coverage for their personal property with a proper Renter's Insurance Policy – obtainable in most cases for about \$200 a year.

**21/b. DISCONTINUITY OF SERVICES** It establishes that the rent shall remain payable and enforceable and Tenant's obligation to pay rent shall not vary in the case of interruption of service(s) (including water, electrical, gas, telephone and cable TV) by the City, the County, a Service Provider or their subcontractors. Tenant right of termination of the lease is automatic under total destruction of the Premises by serious storm, flood or fire.

**22. POSSESSION AND KEY POLICY** Establishes when the Owner is supposed to deliver possession of the Premises at the commencement of the lease. Possession is not possible until a lease has been signed by all the occupants, all the proper deposits have been established, the rent has been received

and all the utilities have been established in the name of one of the tenants. It also describes the circumstances under which the keys may be duplicated or replaced, if lost, and/or returned at the close.

**23. DEFAULT** It establishes the terms of default under the Lease. Default may be caused by the following: A) failure to pay rent when due; B) habitual delays in the payment of the rent; C) early termination of the Lease; D) abandonment or vacating of the property; E) occupancy by unauthorized tenants; F) unauthorized pets; G) untimely release of the premises; H) inadequate maintenance or abuse of the property; I) Inadequate pest control leading to serious infestation; J) false, fraudulent or misleading information in Tenant's Application to Rent; K) violation of any other provisions or stipulations of the lease subject to default. It also states how to cure a default and avoid termination, and it defines the mutual responsibility of the parties in the unfortunate circumstance of dispossessory warrant and procedures.

**24. TERMINATION** Describes the circumstances of termination of the lease pursuant to default, which default has not been cured within the terms allowed. Under proven, extraordinary circumstances (such as out of state job relocation, marriage, purchase of new home) or under situation of severe distress (such as sudden lay-off, serious financial emergency, bankruptcy, physical disability, serious illness, divorce, etc.) tenants may terminate our Leases, though only at the end of any calendar month, by providing the Owner with a written thirty days (or longer) notice of termination.

**25. REPOSSESSION WAIVER** It establishes, in the unpleasant and extreme case of forced eviction of the tenants by local authorities, civil guidelines to regain possession of the premises and, for the tenants, of their belongings. These are extreme cases, with an insignificant incidence of 0.3% in 17 years.

**26. TERMS AND PROVISIONS WAIVER** Standard part of any legal contract, it states that no failure of the Owner to enforce any terms, stipulations and provisions established by the lease shall be deemed as a waiver.

**27. BINDING ARBITRATION** In the unfortunate event that a serious dispute may arise between the tenants and the Owner, this covenant provides alternatives to litigation through interceded resolution methods, such as mediation and binding arbitration, provided of course that all parties agree to employ such methods. It offers viable alternatives to litigation through dispute resolution methods, such as mediation and binding arbitration, provided that all parties agree in writing to employ such methods. This is no more than a viable alternative, and pledge of Tenants and Owner to cooperate with one another to avoid futile legal expenses and informally resolving disputes and misunderstandings between them. For your peace of mind, it has yet not been necessary to resort to this option.

**28. ATTORNEY'S FEES** It states that the prevailing party shall be entitled to the refund of all settlement costs incurred in connection with any legal action related to the Lease or the Premises. For your record, this provision has never been enforced, since our Company's establishment, 17 years ago.

**29. NOTICES** Establishes the manner in which notices, requests or demands required or permitted under the Lease shall be given to each party. It also expresses the limited validity of faxes and e-mail messages. This provision is designed to prevent misunderstanding and miscommunication over important and relevant issues.

**30. HOLD OVER** Provides that any hold over of the lease, after its expiration, other than a renewal of the Lease, shall be construed, with the consent of Owner, as a temporary, month-to-month tenancy.

**31. SOVEREIGNTY OF WRITTEN REPRESENTATION** It states that no copies or mechanical reproduction of the Lease Agreement which have not been originally completed and signed jointly by the Tenants and the Owner are considered valid. It also states that the written provisions contained on the Lease prevail and supersede any verbal representations, arrangements or agreements conflicting with it.

**31. ORIGINALS AND ENTIRETY OF ENDORSEMENT** Establishes our particular lease (as a document) as the sole property of AGP Properties, Inc. and its Owner, and it prevents copying, reproduction, or utilization in part or in its entirety by anyone other than an agent or employee of AGP Properties.

**32. ENTIRE AGREEMENT** Standard tail-end of any legal contract, it states the previous content as the sole and entire agreement between the Undersigned Parties. It may include Exhibits, such as overriding provision, and special requests by the tenants, which have been made part of the Agreement, and which the Lease is contingent upon and subject to.

Date \_\_\_\_\_ Signatures \_\_\_\_\_

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