

RESIDENTIAL LEASE
JOE SMITH
305-C LINDEN AVE
JULY 13, 2016
page 1

RESIDENTIAL LEASE

BY THIS AGREEMENT made and entered into on JULY 13, 2016 between [Insert LLC name or ALA Properties] herein referred to as Lessor, and Joe Smith, herein referred to as Lessee, Lessor leases to Lessee the premises situated at 305-C LINDEN AVE, in the City of Raleigh, County of Wake, State of North Carolina, and more particularly described as follows: One bedroom, one bath, apartment of approx. 700 square feet, together with all appurtenances, for a term of ONE YEAR, to commence on AUGUST 1, 2016, and to end on JULY 31, 2017, at 12 noon.

1. RENT. Lessee agrees to pay, without demand to Lessor as rent for the demised premises the sum of NINE HUNDRED AND FIFTY DOLLARS (\$950.00), in advance on the first day of each calendar month beginning AUGUST 1, 2016, at Rent box at entry of the building, mial to 1714 Park Drive, City of Raleigh, State of North Carolina 27605, or at such other place as Lessor may designate. If rent is not received by the 5th of the month a late fee of 5% of monthly rent due, OR \$47.50 will be assessed. Lessee also agrees to pay a thirty-five dollar (\$35.00) processing fee for each check of Lessee that is returned by the financial institution because of insufficient funds or because the Lessee did not have an account at the financial institution. Lessee is required to pay the late fee in addition to any returned check processing fee in the event that the Lessee's check is returned by the financial institution for insufficient funds.
2. SECURITY DEPOSIT. On execution of this lease, Lessee deposits with Lessor NINE HUNDRED FIFTY DOLLARS (\$950.00), receipt of which is acknowledged as security for the faithful performance by Lessee of the terms hereof, to be returned to Lessee, without interest, on the full and faithful performance by Lessee of the provisions hereof.
3. QUIET ENJOYMENT. Lessor covenants that on paying the rent and performing the covenants herein contained, Lessee shall peacefully and quietly have, hold and enjoy the demised premises for the agreed term.
4. USE OF PREMISES. The demised premises shall be used and occupied by the Lessee exclusively as a private residence, and neither the premises nor any part thereof shall be used at any time during the term of this lease by Lessee for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as a private residence. Lessee shall comply with all the sanitary laws, ordinances, rules, and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the demised premises, the sidewalks and drives connected thereto, during the term of this lease.
5. NUMBER OF OCCUPANTS. Lessee agrees that the demised premises shall be occupied by no more than two persons, consisting of two adults, without the written consent of Lessor.

6. **CONDITION OF PREMISES.** Lessee stipulates that he/she has examined the demised premises (upon date of occupancy), including the grounds and all buildings and improvements, and that they are, at the time of this lease, in good order, repair, and a safe, clean, and tenantable condition.
7. **ASSIGNMENT AND SUBLETTING.** Without the prior written consent of Lessor, Lessee shall not assign this lease, or sublet, or short-term bookings (such as or similar to Airbnb, Homeaway or VRBO) may be prohibited altogether short-term bookings may be prohibited altogether or grant any concession or license to use the premises or any part thereof. A consent; by Lessor to one assignment, subletting, concessions or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, short-term bookings, concession, or license without the prior written consent of Lessor, or an assignment or subletting by operation of law, shall be void and shall, at Lessor's option, terminate this lease.
8. **ALTERATIONS AND IMPROVEMENTS.** Lessee shall make no alterations to the buildings on the demised premises or construct any buildings or make other improvements on the demised premises without the prior written consent of Lessor. All alterations, changes, and improvements built, constructed, or placed on the demised premises by Lessee, with the exception of fixtures removable without damage to the premises and moveable personal property, shall, unless otherwise provided by written agreement between Lessor and Lessee, be the property of Lessor and remain on the demised premises at the expiration or sooner termination of this lease.
9. **DAMAGE TO PREMISES.** If the demised premises, or any part thereof, shall be partially damaged by fire or other casualty not due to Lessee's negligence or willful act or that of his employee, family, agent, or visitor, the premises shall be promptly repaired by Lessor and there shall be an abatement of rent corresponding with the time during which, and the extent to which, the leased premises may have been untenable; but, if the leased premises should be damaged other than by Lessee's negligence or willful act or that of his employee, family, agent, or visitor to the extent that Lessor shall decide not to rebuild or repair, the term of this lease shall end and the rent shall be prorated up to the time of the damage.
10. **DANGEROUS MATERIALS.** Lessee shall not keep or have on the leased premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the leased premises or that might be considered hazardous or extra hazardous by any responsible insurance company.
11. **UTILITIES.** Lessee shall be responsible for arranging for and paying for all utility services required on the premises (Gas and Electric), except that water and sewerage shall be provided by Lessor.

12. MAINTENANCE AND REPAIR. Lessee will, at Lessee's sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof. In particular, Lessee shall keep the fixtures in the house or on or about the leased premises in good order and repair; keep the walks and drives free from dirt and debris; and, at Lessee's sole expense, shall make all required repairs to the plumbing, range, heating and cooling apparatus, and electric and gas fixtures whenever damage thereto shall have resulted from Lessee's misuse, waste, or neglect or that of Lessee's employee, family, agent, or visitor. Major maintenance and repair of the leased premises, not due to Lessee's misuse, waste, or neglect or that of his employee, family, agent, or visitor, shall be the responsibility of Lessor or his assigns.

Lessee agrees that no signs shall be placed or painting done on or about the leased premises by Lessee or at his direction without the prior written consent of Lessor.

13. Should the lessee accidentally, purposefully or otherwise lock himself out of the premises, he must call ONLY Busse's Lock Service at (919) 828-9605 or dispatch@busseslocks.com. Busse's Lock Service is the only authorized locksmith allowed to work on the premises' locks. All service calls and keying costs shall be borne by the lessee and at the lessee's own and sole expense.

14. ANIMALS. Lessee may keep no pets without prior permission of the Lessor and payment of a two hundred dollar (\$200.00) per pet, non-refundable pet fee. The presence of unauthorized animals found in or about the demised premises will, at Lessors option, result in termination of this lease agreement.

15. RIGHT OF INSPECTION. Lessor and his agents shall have the right at all reasonable times during the term of this lease and any renewal thereof to enter the demised premises for the purpose of inspecting the premises and all building and improvements thereon.

16. DISPLAY OF SIGNS. During the last 30 days of this lease, Lessor or his agent shall have the privilege of displaying the usual "For Sale" or "For Rent" or "Vacancy" signs on the demised premises and of showing the property to prospective purchasers or tenants.

17. SUBORDINATION OF LEASE. This lease and Lessee's leasehold interest hereunder are and shall be subject, subordinate, and inferior to any liens or encumbrances now or hereafter placed on the demised premises by Lessor, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions of such liens or encumbrances.

18. HOLDOVER BY LESSEE. Should Lessee remain in possession of the demised premises with the consent of Lessor after the natural expiration of this lease, a new month-to-month tenancy shall be created between Lessor and Lessee which shall be subject to all the terms and conditions hereof but shall be terminated on 30 days' written notice served by either Lessor or Lessee on the other party.

19. SURRENDER OF PREMISES. At the expiration of the lease term, Lessee shall quit and surrender the premises hereby demised in as good state and condition as they were at the commencement of this lease, reasonable use and wear thereof and damages by the elements excepted.
20. DEFAULT. If any default is made in the payment of rent, or any part thereof, at the times hereinbefore specified, or if any default is made in the performance of or compliance with any other term or condition hereof, the lease, at the option of Lessor, shall terminate and be forfeited, and Lessor may re-enter the premises and remove all persons therefrom. Lessee shall be given written notice of any default or breach, and termination and forfeiture of the lease shall not result if, within 3 days of receipt of such notice, Lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.
21. ABANDONMENT. If at any time during the term of this lease Lessee abandons the demised premises or any part thereof, Lessor may, at his option, enter the demised premises by any means without being liable for any prosecution therefor, and without becoming liable to Lessee for damages or for any payment of any kind whatever, and may, at his discretion, as agent for Lessee, relet the demised premises, or and part thereof, for the whole or any part to the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at Lessor's option, hold Lessee liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired this lease had continued in force, and the net rent for such period realized by Lessor by means of such reletting. If Lessor's right of re-entry is exercised following abandonment of the premises by Lessee, then Lessor may consider any personal property belonging to Lessee and left on premises to also have been abandoned, in which case Lessor may dispose of all such personal property in any manner Lessor shall deem proper and is hereby relieved of all liability for doing so.
22. NOTIFICATION OF PRESENCE OF LEAD BASED PAINTS. In accordance with Federal Law, Lessee is hereby notified that lead based paints may be present on interior and exterior finished surfaces of the premises.
23. BINDING EFFECT. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, and assigns of the parties hereto, and all covenants are to be construed as conditions of this lease.
24. OTHER TERMS (HOUSE RULES)
 - 1) Lawn mowing and yard maintenance is the responsibility of the Lessor.
 - 2) Driveway is to remain unobstructed at all times with no parked or unattended vehicles present. All common doorways and passageways are not to be obstructed or left unsecured.

- 3) Maintenance of pets (if permitted under terms of this lease) by the lessee (both inside and outside the premises) is to be done with consideration for other tenants privacy and quiet use of the premises. No outside pens or structures are permitted.
- 4) Storage of lessee personal property on common porches, hallways or yard is not permitted without consent of lessor.
- 5) Grilling or other outdoor cooking is not permitted on covered porches. The use of outdoor grilles must be done at least 10 feet from the perimeter of the house.
- 6) Lessee acknowledges that other tenants sharing the premises have rights to privacy and quite enjoyment of the premises and will conduct their activities with due respect and consideration of these other tenants as well as adjoining neighbors.
- 7) Common hallway doors are to remain closed in a latched (locked) position after use.
- 8) Holes made in the walls for the purpose of hanging pictures, shelves or other supports should be made by DRILLING ONLY. NO NAILS MAY BE DRIVEN INTO WALL OR CEILING SURFACES AND ATTEMPTS TO DO SO WILL EXTENSIVELY DAMAGE PLASTER AND IT'S UNDER SUPPORT. Lessee is responsible for repair to all holes prior to vacating the premises.
- 9) Upon vacating premises Lessee is to remove all trash and debris, clean appliances, clean bathroom fixtures, and sweep or vacuum all floors and carpets. A walk through inspection will be held to check any damage before Lessee security deposit is returned.
- 10) Lessee is responsible for placing and retrieving trash receptacles and recycle bin after scheduled pickups.
- 11) Lessee is responsible to change return air filter on Heating and Cooling system every three months. Filters are provided by Lessor.
- 12) NO ELECTRIC, KEROSENE, OR OTHER TYPE OF PORTABLE SPACE HEATERS ARE TO BE USED FOR PRIMARY OR SECONDARY SOURCES OF HEAT UNLESS APPROVED BY THE LESSOR.
- 13) No smoking is permitted inside the unit or in hallways and common porches or decks. Cleaning costs or damage resulting from this activity will be deducted from lessees security deposit.

25. Lessee agrees to the terms of and must sign the "Raleigh PROP Addendum" (attached).

IN WITNESS WHEREOF, the parties have executed this lease as dated below:

Lessor

Date: _____

Lessee 1

Date: _____

Lessee 2

Date: _____

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page 6

STATEMENT OF LEASE ACCOUNT

SECURITY DEPOSIT (due at lease signing)	\$ 950.00
RENT DUE AUGUST 1	\$ 950.00

Raleigh PROP Addendum

1. **ADDENDUM.** For mutual and proper consideration, the receipt of which is acknowledged by all of the undersigned parties to this document, this document shall serve as an addendum ("the Addendum") to the residential lease contract (the "Lease") between

_____ as Lessor (hereinafter referred to as "We" or "Us" or in similar possessive forms) and

_____ as Lessee(s)
(hereinafter referred to as "You" or in similar possessive forms) for the real property located at an address of

_____ (referred to as either "the Home" or "the Premises"). Where the terms of the Lease and this Addendum may conflict, the terms of this Addendum shall control.

2. **THE PROP ORDINANCE.** In 2003, the City of Raleigh passed the Probationary Rental Occupancy Permit Ordinance (Raleigh Code of Ordinances § 12-2162 *et seq.*, hereinafter generally referred to as the "PROP" ordinance). The PROP ordinance regulates the activities of rental residents in residential rental property, and it lays out several punishments related to such activity.

3. **RENTAL REGISTRATION REQUIREMENT.** As part of the PROP ordinance, the City of Raleigh also enacted a Rental Registration Law. As part of that law, the City assesses an annual registration fee ("registration fee") of \$10.00 per unit (or whatever amount is in effect at the time) for the Premises. In consideration for Us agreeing to lease the Premises to You, You agree to pay Us the value of the registration fee immediately upon signing this Addendum, or check which of the following is applicable:

- Your rent shall increase to \$_____ per month; or
- The registration fee shall be included as part of your monthly rent payment required by the Lease.

4. **REGULATED ACTIVITIES.** The Raleigh PROP ordinance states that We and the Premises shall receive a "strike" for the following offenses (generally referred to as "regulated activities") as defined in § 12-2163(l) of the PROP ordinance:

- a. Civil and criminal violations of the "nuisance party" ordinance § 13-3017;
- b. Civil and criminal violations of the "prohibited noise" ordinance § 12-5007;
- c. Violation of the occupancy restrictions set forth in § 10-2151;
- d. The possession of an unlicensed, uninspected or inoperable vehicle on the property;
- e. Causing a nuisance as defined in § 12-6002 on the premises; or
- f. Criminal activity, such as prostitution, unlawful quantities of alcohol, gaming, possession of stolen property, disorderly conduct, or unlawful weapons possession.

5. **DEFINITION OF "STRIKE."** For the purposes of this lease, the term "strike" shall mean the determination by the City of Raleigh that a regulated activity occurred at the Premises (see § 12-2163(m)). Each regulated activity has a different number of occurrences which are allowed before a property is placed on probationary status.

6. **DEFINITION OF PROBATIONARY STATUS.** The Premises is placed on probationary status if it has exceeded the number of occurrences of regulated activities permitted by § 12-2163(l). You understand and agree that probationary status causes great financial hardship on Us, and that Our damages from such probationary status may be substantial in nature.

7. **OCCURRENCE OF ANY REGULATED ACTIVITY A DEFAULT OF LEASE.** You shall be in default (and in *material noncompliance* should the Lease use such a term) of the Lease if You are charged, either as a civil or a criminal violation, for any regulated activity. In the event of any default of the Lease, We shall have any and all legal remedies against You under the Lease and the applicable law including, but not limited to (i) the immediate right to re-enter and re-take possession of the Premises without notice to You of any kind and (ii) to file a summary ejectment

lawsuit against You immediately upon Your default. A conviction or admission of liability is not required for Us to prevail in any summary ejectment lawsuit filed against You; rather, We only need to show, by a preponderance of the evidence, that You engaged in a regulated activity. Additionally, it shall be also considered a default if You engage in any conduct that a reasonable person would conclude is a regulated activity or activity that otherwise causes a nuisance or disturbance to any third party or violates any City of Raleigh code provision, regardless of whether Your conduct results in a citation, arrest or conviction. Also, You shall be deemed to have engaged in a regulated activity in the event You or any household member engages in criminal activity anywhere and at any time during the term of the Lease.

8. **NON-WAIVER.** We shall not be deemed to have waived the right to evict for a breach under this Addendum, and We may collect rent with full knowledge of any breach of this Addendum without waiving Our right to enforce any remedy described herein, unless We have provided You with a signed writing that explicitly and with particularity waives Our right to evict for the breach.

9. **ANY "STRIKE" A DEFAULT.** Any action or inaction or omission by You or any guest or visitor or occupant that causes a "strike" to be placed on any property owned or managed by Us shall be a default of the Lease.

10. **COMPUTATION OF DAMAGES.** If You or your guests or visitors or occupants, by action or inaction or omission, cause any property owned or managed by Us to be issued a strike or otherwise cause Us or the Premises or any property owned or managed by Us to be placed on probationary status with the City of Raleigh, You shall be liable to Us for any and all damages which may incur as a result of the strike or the probationary status, including but not limited to any of the following: (i) lost rents, (ii) daily fines and other related fines, (iii) penalty or enrollment fees paid to the City of Raleigh, and (iv) attorney's fees. In addition, if the Premises or the property on which the Premises is located is currently being marketed for sale, You shall be liable to Us for any diminution in property value related to a strike or probationary status that We incurred due to Your action or inaction or omission resulting in the strike or probationary status.

11. **INDEMNIFICATION.** You shall indemnify us and hold Us harmless from any and all costs, rents, fines, fees, attorney's fees, and any other monetary damage We may incur that is related to the any action or inaction or omission by You or your guests or visitors or occupants causing any property owned or managed by Us to be issued a strike or to cause Us or the Premises or any property owned or managed by Us to be placed on probationary status with the City of Raleigh.

12. **DUTY TO INFORM.** You understand and agree that in the event You or any occupant or guest or visitor receives any citation or warning from a law enforcement officer or government official related to any regulated activity, You shall provide Us written notice within twenty-four (24) hours of the citation.

13. **SEVERABILITY.** Should any court of law consider any provision of this Addendum to be unenforceable, then that provision shall be considered severed from this Addendum and the remainder of this Addendum shall continue in full force and effect. If required, the parties agree that a court of law shall construe the remaining non-severed provisions in a context consistent with the Addendum as a whole.

Signed this the _____ day of _____, 20____.

LESSOR (Us):

BY: _____ (SEAL)

LESSEE(S) (You):

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

