

Lease Guidelines

Our Responsibilities

We, as the Lessors, promise to provide a nice well built home, in good condition, with safe working mechanical systems for the full term of the lease agreement.

You, as the Lessee, promise to treat the property with care by maintaining its good condition and paying your rent on time for the full term of the agreement. Most of our tenants are excellent and pay their leases as agreed, maintain their homes and keep the property neat and clean. However, over the years we have seen some unbelievable damage and filthy, unsanitary conditions that have cost us many thousands of dollars. In order to greatly reduce or eliminate these costs in the future, we now require that all tenants read and accept the terms of this policy, so that all tenants have a clear understanding of both our responsibilities and theirs.

Useful Life

- Interior and exterior paint should last 7-10 years. Handprints, scratches, scuffs, smoking stains or discoloration, other stains, marks caused by pens, markers, crayons etc. – anything above and beyond normal wear and tear - are all considered your responsibility. Any damage caused to your home by yourself or others is your responsibility and you must pay for repainting.
- Carpet should last 10 years +. If stained or damaged and it is less than 10 years old, then you are responsible for the cleaning and/or replacement cost of new carpet.
- Windows, doors, light fixtures, cabinets, and plumbing fixtures should last 20- 30 years.

Reasonable Wear and Tear

- **Defined:** Needs replacing or repair because it has been in use longer than its normal life expectancy.
- Nothing has a life span of less than 5 years – except for light bulbs, batteries and furnace filters.
- If all items are in good working order now, then all items should be in good working order in 5 years.
- If you live in a home for less than 5 years, and it needs repairs or cleaning, then you are responsible for these expenses.

Your Responsibilities

While living in a single family home you will be subject to maintenance responsibilities. These help maintain your home's good condition and prevents costly major repairs.

Below is a list of your responsibilities:

- Proper lawn care – your grass should be mowed and your landscaping maintained.
- Clean gutters in Spring and Fall.
- Trim tree limbs to keep them off of your roof.
- **Change furnace filters monthly** – dirty furnace filters can cost you \$100s annually.
- Change **smoke alarm** batteries twice a year.
- **Clogged sinks** –from food that should have been placed in trash.
- **Clogged toilets-** from flushing items other than human waste (pads, toys, excess paper, clothing, or cleaning products).
- **Clogged Sewer Line-** the sewer line worked fine until you put something in the system to clog it up; therefore, you will be responsible for the expenses to clear the line.
- **Leaks-** from shoving items under the sink (this knocks water and drain lines loose).
- **Faucet knobs-** from using too much force, causing broken knobs and leaking faucets.
- **Broken** windows, doors, glass, or locks for any reason.
- **Malfunctioning HVAC:** usually due to failure to keep clean: **Replace Filters Monthly!!**

If repairs are required, please notify us via the Service Request page. We will be happy to recommend repair technicians.

ATTENTION!

Please note that if we see that these responsibilities are not being taken care of or are being neglected we will take care of them at your expense.

If any damage to the property is deemed to be purposeful or malicious, you will be subject to eviction proceedings and more.

Until a Purchase Has Been Finalized

Until you finalize the purchase of your home, please do not make any changes. The home has been designed to be neutral in appearance, so that it will coordinate with

most people's possessions and lifestyles. Anything you do that changes the appearance such as paint, carpet, wallpaper, etc., can incur expense to undo, should you not decide to purchase the home. In those cases, you will be responsible for the cost. **You may only make changes with our written permission.** Remember, until you purchase the home, it is not yours. After you purchase the home, you may change whatever you wish.

Keep It Clean

Also, while we understand that very few people have the time or energy to keep their home spotless, we do expect a reasonable level of cleanliness within your home. Excessive filth and unsanitary conditions will not be permitted at any time and may lead to eviction and fines.

90 Day Inspection

According to your Lease Agreement, we have the right to inspections. Every home will be subject to inspection **every 90 days**. Your home must be properly maintained and have a reasonable state of cleanliness. Any tenant deemed non-compliant (home is excessively dirty or damaged) must have the home cleaned and/or repaired at their expense within 30 days. The home will be inspected again and if the cleaning and repairs are not completed, the eviction process will begin immediately.

No Excuse for Not Paying Rent

This is a business and we take our business very seriously. We cannot tolerate late rents. If you do not pay on time:

- You will cause late charges, attorney fees, and court costs.
- You will cause your credit to be destroyed.
- You will cause your own eviction.
- You will cause a judgment against you and everything you own.
- You will cause your wages to be garnished.
- You will cause yourself to be chased and hassled until paid.
- You will cause **ALL THE BAD STUFF!**

I certify that I have read and understand the above document and that I agree to comply according to the company policies and regulations described therein.

LESSOR: _____ DATE: _____
_____/_____/20____

LESSEE: _____ DATE: _____
_____/_____/20____

LESSEE: _____ DATE: _____
_____/_____/20____

OPTION TO PURCHASE

Property Address: _____

THIS OPTION TO PURCHASE (the Option@) is made and entered into this ____ day of _____, 20__, by and between Denigan _____, LLC (“Denigan”) and _____ and _____ (the Purchaser@).

WITNESSETH:

WHEREAS, “Denigan” is the owner of certain real property situated in _____, _____ County, Kentucky, more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the Property@); and

WHEREAS, “Denigan” desires to grant to the Purchaser, and the Purchaser desires to obtain from the Denigan, an option to purchase the Property;

NOW THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, including the Option Payment set forth below, the receipt and sufficiency of which are hereby acknowledged, “Denigan” and Purchaser hereby agree as follows:

1. Grant of Option. “Denigan”, in consideration of _____ Dollars (\$ _____), duly paid to it by Purchaser, hereby agrees to sell and convey the Property to Purchaser, their heirs and assigns, upon the notice provided in Paragraph 5 herein, at any time before 12:00 noon, on the ____ day of _____, 20__ (Expiration Date@) and payment of the Purchase Price.
2. Purchase Price. If Purchaser elects to exercise this Option to purchase the Property, the Purchase Price shall be the property=s fair market value as of the date of Closing, as determined by an appraiser selected by “Denigan”, or a price agreed to by and between the parties, payable in full, in cash or other immediately available funds on the closing date of the purchase (the Closing@), with all sums paid pursuant to Section 1 hereof to be credited against the Purchase Price, but to be retained by “Denigan” if this transaction shall fail to close. The cost of the appraisal will be born by the Purchasers.
3. Lease. The Purchasers have leased the premises from “Denigan”. This option is contingent upon the Purchasers not being in default under said Lease Agreement, either on the date the Purchasers exercise the purchase option, as well as consummate the same. In the event the Purchasers exercise the option to purchase, any rent payments made under the Lease Agreement entered into by the parties prior to this option, including the unused portions of any security deposit made under the Lease, shall be applied to the purchase price.

This purchase option shall automatically terminate and become null and void upon the earlier to occur:

- (a) The date set forth herein;
- (b) The expiration or termination of the Lease referred to herein;
- (c) The termination of the Purchaser=s right to possession of the premises;
- (d) The attempted assignment of this option by the Purchaser in full or in part;
or
- (e) The failure of the Purchaser to timely or properly exercise the purchase option.

4. Conveyance. Upon the Purchaser=s notice, the “Denigan” shall execute, acknowledge and deliver to the Purchaser, at Closing, a good and sufficient general warranty deed conveying good and marketable fee simple title to the Property, and all buildings and improvements thereon, free and clear of all liens, encumbrances and other defects in title other than as would be insured by a Title Insurance Company. All costs and expenses of curing any defects in the title shall be borne by or at the expense of the “Denigan”; any such costs and expenses, together with all sums required for the satisfaction of taxes, liens or encumbrances may be subtracted from the Purchase Price and applied directly to the curing of such defects, if any, and to the satisfaction and release of such taxes, liens and encumbrances. All taxes for the current tax year shall be prorated between “Denigan” and Purchaser as of the date of Closing in accordance with local custom. Closing shall be at a time and place designated by Purchaser and shall occur within 60 days from the date a purchase price is agreed upon or from the date the appraiser=s report establishing the fair market value of the property is delivered to the Purchasers.
5. Damage to Property. If Purchaser elects to exercise this Option, and if between the date hereof and the date of Closing, any damage occurs to the Property, or any of the buildings or improvements located thereon, which loss is covered by insurance, such insurance proceeds (and the right to pursue recovery thereof) shall inure to the benefit of Purchaser upon exercise of this Option, and “Denigan” hereby assigns all such proceeds and rights to Purchaser (subject to exercise of this Option) and agrees that if “Denigan” collects any damages or insurance proceeds, such sums so collected shall be considered as payment on the Purchase Price. Risk of loss shall remain with the “Denigan” until Closing, but Purchaser shall have an insurable interest in the Property upon exercise of this Option. Prior to the Closing, Purchaser (or any agent of Purchaser) shall have the right to enter upon the Property at all reasonable times for the purpose of making such inspections and investigations as Purchaser deems necessary.
6. Notice of Exercise. If the Purchaser elects to exercise the Option in accordance with the terms hereof, notice of such election shall be deemed sufficient if

personally delivered or sent by registered or certified mail, return receipt requested, to the last known address of “Denigan”, postmarked prior to the Expiration Date, regardless of when such notice is received by “Denigan.”

7. Assignment. Purchaser may not assign this Option.
8. Expenses. Each party hereto shall bear any and all of its own expenses in connection with the negotiations, execution or settlement of this Agreement.
9. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto and no modification or amendment shall be binding upon any party unless made in writing and assigned by each of the parties hereto.
10. Governing Law. This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the Commonwealth of Kentucky.

11. Recording. This Option may not be recorded.

IN TESTIMONY WHEREOF, witness the signatures of “Denigan” and Purchaser as of the date first above written.

DENIGAN _____, LLC:

By and through its Member _____

PURCHASER:

NAME

NAME

Lease Agreement

This agreement, made and executed this ____ day of _____, 20____ by and between Denigan _____ LLC, herinafter referred to as “Lessor” and _____ and _____, Hereinafter referred to as “Lessee(s)”.

1. DESCRIPTION OF PREMISES

Lessor hereby leases to Lessee(s) the premises at _____ to be used and occupied by Lessee(s) as a residence and for no other use of purpose whatsoever.

2. TERM

This lease shall begin at 11:00am EST on _____, _____, 20____ and end at 11:00am EST on _____, _____, 20____.

3. RENTS AND CHARGES

Lessee(s) jointly and severally agree to pay Lessor as rent the sum of \$_____ Dollars per month payable in advance, to be at **Pay Lease (located at www.leasepurchasepros.com or to Pay Lease by Phone at 1-866-729-5327)** by 8pm EST on the first day of the month. Rent payments should be made payable to Lessor, as identified herein. In the event of a default on the tenant's part in paying the rent, Lessee(s) agrees that this will become a Daily Rental until such time rent is brought current and that the full balance due for the lease term may become due immediately at Lessors’ discretion. After proper notices are given by the Lessor, the Lessee(s) agrees that a Daily Rental term would begin immediately following the Lessee(s) failure to cure the default. Lessee(s) agrees to have any arrears up to date by the tenth (10th) day from failure to cure default or Lessee(s) will vacate the premises immediately or be subject to arrest for theft of services and/or trespassing. Each Lessee is responsible for payment of the entire balance of rent due. The rent is considered to be late until the rent due along with any outstanding charges is paid in full by the prescribed time and received by Lessor. A \$100 late fee will be assessed against the Lessee(s) for any rent payment not received on or before the 10th day of the month. An additional Ten (\$10.00) per day late fee will be assessed on any rents or late fees still owed after the 20th day of the month and will continue to be assessed on any outstanding balance until paid in full or expiration of this lease agreement. A service charge of Fifty (\$50.00) Dollars will be assessed for any check returned by the bank for any reason in addition to the above late fee(s). If a personal check for rent is returned by a bank for insufficient funds, then personal checks may no longer be accepted and only money orders or cashiers checks will be accepted as payment of rent if deemed necessary by Lessor. Payments received will be applied in the following order: property damage, bad check charges, late charges, delinquent rent and balance to current rent. **Lessee(s) agree that notice to vacate premises may be given immediately upon nonpayment of rent and accept seven (7) days notice as reasonable.**

4. SECURITY DEPOSIT AND DAMAGES

Lessee(s) agree to pay \$_____ Dollars on deposit, which sum shall be security for the strict performance of all Lessee(s)’s obligations under this lease. The security deposit amount will be maintained in a separate, non-interest bearing account during the term of this lease. The security deposit shall be returned to the Lessee(s) within a reasonable time after the Lessee(s) cease to occupy the premises and all keys have been returned, less any applicable fees or charges as noted in this lease agreement. The security deposit is not to be deducted for the last month’s rent or to be used in lieu of the last month’s rent by the Lessee(s). Lessee(s) shall be immediately liable for any amount in excess of the security deposit should costs to Lessor exceed the security deposit amount. Failure to move in or out of the premises per the dates in Section 2, is cause for immediate forfeit of the entire security deposit. Lessee(s) agree to provide Lessor with accurate forwarding address and phone number.

5. BREAKING THE LEASE

If Lessee(s) move or breach this lease in any way, the Lessee(s) shall be jointly and severally liable for any and all damages stemming from said move or breach. Said damages shall include but are not limited to all rents due and owing on the balance of this lease or until said unit is under a new lease agreement, costs of advertising unit

available, and cost of unit preparation and repair of any and all damages to the premises as well as reasonable Legal Fees. Breach of this lease agreement in any way is cause for automatic forfeiture of the entire security deposit. Early termination of this lease agreement will also impose a termination fee of \$_____. All notice from Lessee(s) to Lessor shall be delivered in person or through the U.S. Postal Service.

6. CONDITIONS OF PREMISES AND INSPECTION

The premises are now in good repair and at termination of this lease; the Lessee(s) shall deliver up and surrender the premises to the Lessor in good repair and in same condition as when premises were made available for this lease agreement, normal wear and tear excepted as determined by Lessor. Lessee(s) along with Lessor will complete the Move-In / Move-Out Inspection sheet at the beginning and end of this lease agreement. Lessee(s) shall give Lessor prompt notice of any defects or breakage in the structure, equipment or fixtures of the premises. Lessor will provide reasonable, prompt attention to deficiencies given proper notice. Emergencies must be reported to Lessor immediately after proper public authorities are notified. Lessor may at all reasonable times, enter upon premises to inspect and care for same, or to make repairs. Lessor will make reasonable effort to notify (usually 48 hours) Lessee(s) in advance of entrance to the unit. Lessor may enter at any time on an emergency basis. Alterations will be made only with written approval of the Lessor. Lessee(s) are solely responsible for any repairs or work done without prior notice to and approval by Lessor. If any unauthorized alterations are made, Lessee(s) agree to return the premises to an acceptable condition as determined at the sole discretion of the Lessor immediately upon notice from the Lessor and at Lessee(s) sole expense. Lessee(s) agree that the unit is "pest" free and will return it in the same condition; Lessee(s) are responsible for all extermination costs or removal and abatement of pests.

Rental units must be kept in a clean and sanitary condition at all times. Garbage and all trash must be placed in proper receptacles. Littering is strictly forbidden. Lessee(s) are solely responsible for any and all snow removal from walks, driveways, or common areas and landscape/lawn maintenance.

Lessee(s) shall comply with all the health and sanitary laws, ordinances, rules, and orders of appropriate governmental authorities and home associations, if any, with respect to the premises. Lessee(s) will promptly pick up and remove any items delivered to premises including periodical subscriptions, packages and / or advertisements.

7. NUMBER OF OCCUPANTS

Lessee(s) agree that premises shall not house or provide residence or address to any person other than those listed above on this lease agreement as Lessee(s). Lessee(s) will be considered in breach of this agreement and are subject to eviction if a "guest" or any person other than Lessee(s) stays on or in the premises for more than three (3) days without prior written approval of the Lessor.

8. SUBLETTING

Lessee(s) may sublet only by obtaining written approval from Lessor thirty (30) days prior to subletting. Approval for subletting will be at the sole discretion of the Lessor and will require a completed Lease Application by subleter. Subletting does not release Lessee(s) from their obligations under this lease agreement; Lessee(s) and approved subleter become jointly and severally liable for all terms set forth in this lease agreement.

9. ANIMALS

No animals, pets or otherwise, are allowed on the premises without written permission of the Lessor and a signed Animal Agreement is in place and attached to this lease agreement. Lessee(s) gives Lessor permission to immediately remove and possibly place into an animal shelter any and all unauthorized animals, pets, mammals, fish, birds, insects, and reptiles discovered on the premises. Lessee(s) is responsible for all costs associated with removal and care. Lessee(s) will not keep, feed, water or care for stray or known animals anywhere on the premises. Lessee(s) will notify Lessor of animals or pests on the premises immediately.

10. MAINTENANCE AND REPAIR

Shower curtains must be used when showering unless a shower stall with doors is in place in each shower or bath area of the premises. Lessee(s) agree to vent the bathroom area with the vent/exhaust fan or by opening the window at all times when showering.

Repairs or service required to the premises and for all fixtures including toilets, sinks, tubs and drain lines will be charged to the Lessee(s). Appliances are delivered in good working order and will remain as such during the term of the lease. Lessee(s) are responsible for all repairs or maintenance to provided appliances.

Lessor reserves the right to apply a Thirty-five (\$35.00) Dollars per hour fee (with minimum of one (1) hour) for labor to repair damages or for the cleaning, preparation and maintenance of premises. Lessee(s) will be charged for any damages caused by tape, nails or any attachment devices used on the walls, doors, ceilings or anywhere on the premises.

When Lessee(s) move out, the premises will be cleaned and repaired to Lessor standards before any or all of the security deposit will be refunded. Carpets must be professionally steam cleaned at the Lessee(s) expense within thirty (30) days prior to breach or end of term of this lease agreement. Should Lessee(s) fail to have the carpets cleaned a charge of Four-Hundred (\$400.00) Dollars will be assessed for carpet cleaning. Receipt for carpet cleaning is required from Lessee(s).

Lessee(s) agree to provide and pay for utility service to the premises during the term set forth above. Lessee(s) agree to maintain acceptable heating temperatures in the unit during winter months. Lessee(s) agree to maintain functional telephone service to the unit at all times and to provide such telephone number to Lessor immediately upon service.

11. USE OF PREMISES

Lessee(s) will not use premises for business or gainful enterprise. Lessee(s) shall not keep or have on or around the premises any article or thing of an illegal, dangerous, inflammable, or explosive character or that might unreasonably increase the danger of fire on or around the premises or that might be considered hazardous. Lessee(s) agree they will NOT overload electrical circuits in any way; only UL approved power strip surge protectors will be utilized.

Lessee(s) will build no fires, light any fireworks or candles, detonate any explosives of any type or produce flames of any kind on the premises. A gas barbeque grill is permitted on the premises if agreed to by Lessor and is kept at least twenty (20) feet from the structure. Lessee(s) agree they will not alter the physical premises in any way or paint any area or surface of the premises. Lessee(s) are responsible for garbage or damage caused by any visitor or other Lessee(s) on the premises. Lessee(s) agree not to occupy or use the roof areas of the premises in any way.

Lessor will assess a Twenty-Five (\$25.00) Dollar charge for each Notice of Lease Violation delivered to Lessee(s).

12. DISPLAY OF SIGNS

During any time under the term of this lease agreement, Lessor or Lessor's agent may display "For Sale", "For Rent", "Vacancy" or similar signs on or about the premises and enter to show the premises to prospective purchasers or tenants.

Lessee(s) agrees not to display signs of any kind on or about the premises.

13. ABANDONMENT

Lessor may dispose of any of Lessee(s) abandoned personal property as Lessor deems appropriate, without liability to Lessee(s). Lessor is entitled to presume that Lessee(s) have abandoned the premises if Lessee(s) remove substantially all of Lessee(s) furnishings from the premises, if the premises are unoccupied for a period of greater than one (1) week without notice to Lessor, or if it would otherwise be reasonable for Lessor to presume under the circumstances that the Lessee(s) have abandoned the premises. All Lessee(s) property is considered

abandoned if left on the premises upon breach or after the end of this lease agreement term. Lessee(s) will forfeit their entire security deposit in the event Notice to Vacate is not properly and timely delivered to Lessor.

14. SECURITY

Locks may not be added or changed except by the Lessor.

Lessor is not responsible for personal items on or in the premises, which are lost, stolen, or damaged. Lessor requires that all tenants obtain renter’s insurance.

Lessee(s) are not allowed at anytime to forcibly enter the premises, entry and exit must be made through the doors only and with use of the existing locks and hardware only. Lessee(s) agree not to make copies of the keys for the unit or premises at any time. Lessee(s) agree not to distribute keys for the unit or premises to any persons. Lessee(s) agree to a charge of One-Hundred-Fifty (\$150.00) Dollars in the event that the locks may be changed or any key provided by Lessor is not returned upon breach, end of lease term, abandonment or move-out of the premises.

Lessee(s) are responsible for replacing the battery in their smoke alarm and all light bulbs in the unit. Lessee(s) agree the smoke detectors are in good working order.

15. INSURANCE

Lessee(s) acknowledges that Lessor will not provide insurance coverage for Lessee(s) or their property, nor shall Lessor be responsible for any loss or damage of Lessee(s) property, whether by theft, fire, acts of God, or otherwise. Lessee(s) agree to hold harmless Lessor for any damages of any kind. Lessee(s) are required to maintain valid renters insurance at all times during the term of this lease.

16. MISC. AGREEMENTS

Lessor will not be bound by any agreements or promises made between Lessor and Lessee(s) unless they are in writing, signed by all parties and attached to this lease agreement.

In any legal action to enforce the terms hereof or relating to the premises, regardless of the outcome, the Lessor shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee. Lessee(s) acknowledges all attorney’s fees shall be classified and billed to Lessee(s) as “added rent.”

Violations of any term will be cause for eviction and considered breach of lease agreement by Lessee(s).

Lessor reserves the right to waive or defer any or all fees. Lessor in no way gives up his right to rescind any exception and demand full payment of all rents, fees or charges due and strict compliance with all conditions of the Lease.

I affirm that I am of legal age to enter into and be bound by the terms of this lease agreement.

I agree that there have been no other agreements, verbal or otherwise made between Lessor and Lessee(s).

I HAVE READ AND FULLY UNDERSTAND THE POLICIES, PROCEDURES AND AGREEMENTS SET FORTH IN THIS LEASE AGREEMENT.

If any part of this lease is deemed unenforceable according to local or federal laws, the remaining terms of the lease will remain in full effect.

X _____ DATE _____

Signature of Lessee, _____

X _____ DATE _____

Signature of Lessee, _____

X _____ DATE _____

Signature of Lessor, Denigan _____ LLC by and through its Member/Manager