

2006 # 3/4

LEASE #2006#3-090110

GALAXY SYSTEMS, INC.
2004 17TH Street, NW Washington, D.C. 20009

AGREEMENT OF RESIDENTIAL LEASE

THIS LEASE MADE this 1st day of September, 2010 by and between Galaxy Systems Inc., hereinafter called "Landlord," and Frederic Lafleur hereinafter called "Tenant(s).

WITNESS, that for and in consideration of the mutual benefits to be derived hereby, Landlord and Tenant(s) hereinafter covenant and agree as follows:

SECTION I - PREMISES: Landlord does hereby lease and demise to Tenant(s), that real property in the District of Columbia, known as 2006-17th St., NW , Unit #3, Washington, D.C. 20009 hereinafter called the "Premises. "

SECTION 2 - TERM AND RENEWAL: The term of this Lease shall be for one year beginning on the 1st day of September 2010 and ending on the 31st day of August, 2011. Upon expiration of this Lease, this Lease shall automatically renew for successive monthly periods, subject to rent increases as provided by law, unless lease is terminated by either Tenant(s) or Landlord as provided by this Lease.

Termination by Tenant(s): Tenant(s) may, at least thirty (30) days prior to the expiration of this Lease, or any renewal of this Lease, terminate this Lease and have no further liability under this Lease or its renewal, by delivering written notice to the Landlord of the Tenant(s) intention to terminate this Lease and vacate at the expiration of this Lease or any renewal. Any such notice, to be effective, must be received by the Landlord at least thirty (30) days prior to the expiration of this Lease or any renewal.

SECTION 3 - RENT, SECURITY DEPOSIT, & FEES

3.01 - Tenant(s) agrees to pay the Landlord, as rent during the term hereof , the sum of twenty-one thousand one hundred dollars (\$21,000.00), payable without deduction, set-off or demand, in equal monthly installments of \$1750.00, in advance, on the first day of each calendar month during the term of this Agreement. Any installment of rent which is not paid within five (5) days after the due date shall be subject to a late charge equal to five percent of the amount due, which shall be payable as additional rent. Any dishonored check is subject to a \$50.00 NSF fee along

with the late charge for rent. Landlord reserves the right to require future payments be made by money order or cashiers check in the event of more than one dishonored check per year. Failure of Tenant to make payment by money order or cashiers check after notice by Landlord, shall constitute a material breach of this Lease.

3.02 - If the term shall commence on a day other than the first day of a calendar month, rent shall be paid in advance at the rate above specified for the remaining portion of the month in which the term commenced. Tenant(s) will also pay on the first day of the month in which the term of this Lease shall expire, rent for the portion of the calendar month remaining in the term, at the rate specified above.

3.03 - Said payments of rent shall be made to the Landlord, in person or by mail, at Galaxy Systems, Inc. 2004 - 17th St., NW, Washington, D.C., 20009 unless and until Landlord shall otherwise notify Tenant(s), in writing, after which Tenant(s) shall make said payments of rent to such person or corporation and at such place as Landlord may, from time to time, designate. No cash payments will be accepted in payment of said rents; rents must be paid by check or money order.

3.04 - Tenant shall pay Landlord a security deposit of one thousand four hundred (\$1750.00) which does not exceed one month's rent. The security deposit will be maintained by the Landlord in accordance with the Security Deposit Act contained in Sections 309 through 311 of Title 14 of the District of Columbia Municipal Regulations, a copy of which is attached to this Lease (see Attachment B). Tenant agrees to maintain a security deposit with the Landlord equal to one month's rent.

SECTION 4 - AGREEMENTS AND COVENANTS OF LANDLORD:

Landlord hereby covenants and agrees as follows:

4.01 - To permit Tenant(s) quiet enjoyment of possession of the Premises during the term of this Lease, or for so long as Tenant(s) shall pay rent aforesaid and carry out all other obligations herein made binding upon the Tenant(s).

4.02 - To pay all real estate taxes, both general and special, becoming due upon the Premises during the term of this Lease, and to pay water and sewer charges, subject to Tenant(s) compliance with the provisions of paragraph 5.02 of this Agreement.

SECTION 5 - AGREEMENTS AND COVENANTS OF TENANT(S):

Tenant(s) hereby covenants and agrees as follows:

5.01 - Not to use the Premises for any disorderly or unlawful purpose, nor in any manner disturbing to the neighborhood, but solely for residential purposes and that the Premises shall not be occupied by more than three (3) individuals. Also, the Tenant agrees not to cause, or permit to be caused, any dangerous, noisy or offensive, or in any way unreasonably interfere with the right and convenience of neighbors of the Premises.

5.02 - To pay charges for all utilities, including but not limited to, electricity, gas, fuel, and telephone services used on the Premises, as they become due and payable and to transfer all utility accounts to Tenant(s)' name at the outset of the term of this Lease. Tenant(s) further agree to reimburse Landlord on a monthly basis for water and sewer charges (80% of total building assessment) which become due and payable for the period of Tenant(s)' occupancy. Tenant(s) shall pay said charges as additional rent. Payment is due at the time of the next monthly rental payment following notice by the Landlord to Tenant(s) of such charges.

5.03 - To refrain from doing any act or thing which may make void or voidable any insurance which Landlord may elect to carry against fire and explosion, and to conform to all rules and regulations from time to time established by the appropriate insurance rating organization, provided Landlord gives Tenant(s) notice of any restrictions, or rules and regulations pertaining thereto.

5.04 - To make only such alterations, modifications and improvements to the Premises for which Landlord shall first have given written approval of the plans and specifications therefor. Tenant(s) agree not to undertake any alterations, modifications and improvements to the Premises until having first secured all necessary building and other permits. Tenant(s) acknowledge that such alterations, modifications and improvements as are made, shall become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the end of the term of this Lease. Landlord agrees to not unreasonably withhold consent to any such alterations, modifications, additions, installations or improvements. If Tenant(s) should make any thereof without Landlord's consent, Tenant(s) hereby agree to indemnify Landlord from any liability which may devolve upon Landlord as a consequence thereof.

5.05 - To maintain all normal cleaning and household maintenance as necessary to the interior of the Premises. Tenant(s) specifically acknowledge and agree that they have inspected the Premises prior to signing this Agreement and accept and rent the Premises in "as is" condition. Tenant is responsible for reporting any necessary repairs to the Landlord in writing. All necessary repairs which are caused through the neglect or fault of the Tenant(s) are the Tenant(s) responsibility, regardless of the cost or regardless of whether the Landlord or the Tenant(s) make the repairs.

5.06 - To pay all court costs, reasonable legal fees and other expenses incurred by Landlord in effecting the collection of the rents from Tenant(s), the curing of any default on the part of Tenant(s) in performance of any of their obligations hereunder and/or obtaining possession of the Premises.

5.07 - To make no claim against Landlord and to assume the responsibility of defending, at Tenant(s)' expense, any claim which shall be made against Landlord by any agent, employee, licensee or invitee of Tenant(s) or by others claiming the right to be on or about the Premises through or under Tenant(s) for any injury, loss or damage to person or property occurring upon the Premises or the approaches thereto or the parking facilities in or adjacent thereto from any cause other than the negligence of Landlord. Tenant(s) agree to save Landlord harmless and indemnified from all loss, damage to any person or property thereon not caused by the negligence of Landlord, and to be answerable for all nuisances caused or suffered by Tenant(s) thereon.

5.08 - To obtain and pay premiums upon appropriate renter's insurance and to furnish Landlord with evidence thereof.

5.09 - To execute such instruments as may be necessary to subordinate this Lease to any bona fide mortgage or deed of trust encumbrances now or at any time hereafter placed upon the Premises, and Tenant(s) hereby appoint Landlord their attorney-in-fact to execute such instruments on its behalf.

5.10 - To remove from the Premises, at the expiration or other termination of this Lease, all personal property not belonging to Landlord, and to surrender possession of the Premises and all fixtures and furnishings connected therewith in good repair, order and condition in all respects, reasonable wear and use thereof and damage by accidental fire or other unavoidable casualty excepted. If Tenant(s) shall fail to perform any of the foregoing obligations, Landlord is authorized to do so in Tenant(s)' behalf and to sell any property left on the Premises as may be saleable. The proceeds of any such sale shall be applied toward the expenses thus incurred. Tenant(s) shall receive any excess proceeds of such sale.

5.11 - Not to operate any machinery in the Premises which may cause excessive vibration or damage to the Premises; nor to use a loud speaker which can be heard outside the Premises; nor create any nuisance.

5.12 - Not to place any exterior advertising signs or awnings upon the Premises or sidewalk in front of Premises, nor to place any advertising signs or posters on the interior of any windows, without written approval of Landlord.

5.13 - Not to execute any assignment, sub-lease or mortgage of this Lease, or of the Premises, or of any part thereof, without first having obtained the written consent of Landlord. In the event of a sub-lease, Tenant(s) shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease.

5.14 - To permit Landlord to show the Premises to prospective purchasers at all reasonable times and to prospective tenants at all reasonable times within ninety (90) days prior to the expiration of the term of this Lease, and to exhibit notices for lease or sale within sixty (60) days prior to the expiration of the term of the Lease.

5.15 - To keep no animals/pets on Premises without written consent of Landlord.

SECTION 6 - GENERAL PROVISIONS:

6.01 - Condemnation: If the whole or substantial part of the Premises and/or the approaches thereto shall be taken, damaged or destroyed by public authority, this Lease shall terminate as of the date of such taking, damage or destruction; but if the portion of the Premises so taken, damaged or destroyed shall not be so substantial as to render the Premises unfit for the Tenant(s)' continued occupancy for the purpose here before stated, this Lease shall continue in full force and effect, provided that, Landlord shall abate a just and proportionate part of the rent according to the nature and extent of the injury to the Premises and/or approaches. Landlord shall be entitled to the entire condemnation award except for such portion thereof, if any, as may have been made and separately awarded to Tenant(s).

6.02 - Fire Clause: This Lease is made on condition that, if the Premises, or any part thereof, or the approaches thereto, be destroyed or damaged by fire or other unavoidable casualty covered by a standard fire and extended coverage insurance policy, so as to render the Premises and/or approaches unfit for use and occupancy, a just and proportionate part of the rent, according to the nature and extent of the injury to the Premises and/or approaches, shall be suspended and abated until the Premises and approaches shall have been put in as good condition for use and occupancy as at the time of such damage or destruction, or until this Lease shall be cancelled and terminated as next hereinafter provided, as the case may be. It shall be the duty of Landlord to determine and to notify Tenant(s) in writing, within sixty (60) days after such damage or destruction, the date by which the Premises can be fully restored, with reasonable diligence. If the date by which such restoration can be completed, as stated in Landlord's notice, shall be later than six (6) months after such damage, or destruction, then either party hereto shall have the right, to be exercised within thirty (30) days after receipt of such notice from the Landlord, to cancel and terminate this Lease, by giving to the other party a written notice of its desire so to cancel and terminate; but if this Lease shall not be so cancelled, it shall remain when fully restored. However, if the date by which such restoration can be completed, as stated in Landlord's notice, shall be earlier than six (6) months after such damage or destruction, this Lease shall remain in full force and effect, and Tenant(s) shall reoccupy the Premises when fully restored, provided, however that if, at the expiration of a period of six (6) months following such damage or destruction, the Premises shall not have been fully restored, as a result of some cause beyond the Landlord's control, the Landlord shall have the right to complete such restoration, provided that Landlord shall use reasonable diligence in doing so, without thereby affording to Tenant(s) the right to cancel this Lease.

Despite the foregoing provisions, the parties hereto may make such other agreements as they wish in the event of the damage or destruction of the Premises. In case of damage to, or destruction of, the Premises by an uninsured casualty, and if the estimated cost of repair or restoration shall exceed 35 % of the then estimated replacement cost of the Premises, Landlord,

at its option, may cancel and terminate this Lease as of the date of such damage or destruction by giving Tenant(s) a written notice to this effect within thirty (30) days of such damage or destruction; but, if Landlord shall not so elect to terminate, all of the provisions hereinbefore contained respecting an insured casualty shall be equally applicable to such non-insured casualty.

6.03 - Tenant(s)' Default - Landlord Remedies:

(a) It is mutually covenanted and agreed that if Tenant(s) shall fail to keep and perform all of the covenants, conditions and agreements herein made binding upon Tenant(s), if Tenant(s) shall vacate or abandon the Premises, or if the estate hereby created shall be taken on execution or other process of law, or if Tenant(s) shall petition to be declared or shall be declared bankrupt or insolvent according to law, or if a receiver or other similar officer shall be appointed to take charge of all or any part of the property of Tenant(s), or if any assignment shall be made of Tenant(s)' property for the benefit of creditors, then and in each such case, at the sole option of Landlord, Tenant(s) right of possession shall thereupon cease and determine and Landlord shall be entitled to possession of the Premises and to reenter the same without further demand of rent or demand to possess of the Premises, and may, forthwith recover possession thereof by whatever process of law may be available in the jurisdiction in which the Premises may be located, and NOTICE TO QUIT or of intention to re-enter BEING EXPRESSLY WAIVED BY TENANT(S). In the event of such re-entry or re-taking, Tenant(s) shall nevertheless remain liable and answerable for the full rental to the date of re-taking or re-entry, and for damages for the deficiency or loss of rent which Landlord may hereby sustain in respect of the balance of the term, provided that, Landlord attempts diligently to re-let the Premises and otherwise to mitigate damages to the fullest extent possible. Landlord, however, may refrain from terminating Tenant(s)' right of possession, and in such case, may enforce against Tenant(s) the provisions of this Lease for the entire term as provided under governing law. Tenant(s) further agree that if more than one person executes this lease as Tenant(s) then all such signatories are jointly and severally liable for any amounts due under this agreement.

(b) If any person other than Tenant(s) shall initiate the action which shall entitle Landlord to terminate this Lease as aforesaid, it is understood and agreed that Landlord will defer terminating this Lease until the expiration of a period of thirty (30) days after written notice from Landlord to Tenant(s) that such action shall have been taken.

(c) No waiver by Landlord of any breach of any covenant or condition herein contained shall operate as a waiver of the covenant or condition itself or of any subsequent breach thereof; nor shall any such waiver be implied should a compromise between the parties be effected after Landlord shall have initiated any action in regard thereto.

6.04 - It is expressly understood and agreed that no liability shall be imposed upon Landlord because of any injury or damage to person or property, or because of any interference any services and facilities called for under this Agreement, if any, caused by accidents, riots, strikes, or any reason beyond the control of Landlord, and that Landlord shall be under no duty to restore any of such services and facilities for which Landlord is obligated under this Lease, except after

receipt of written notice from Tenant(s) of a need therefore.

6.05 - Force Majeure: Each party shall be excused from performing any obligation or undertakings provided for in this Agreement, (other than the obligations of Tenant(s) to pay any and all items of rent as the same become due under the applicable provisions of this Agreement), for so long as such performance is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, severance any services and facilities called for under this Agreement, if any, caused by accidents, riots, strikes, or any reason beyond the control of Landlord, and that Landlord shall be under no duty to restore any of such services and facilities for which Landlord is obligated under this Lease, except after receipt of written notice from Tenant(s) of a need therefor.

6.06 - Miscellaneous: All notices required or permitted to be given hereunder shall be by registered or certified mail, return receipt requested, and by first class mail. Failure by a party to accept or pick up certified or registered mail shall not invalidate the service of notice hereunder

6.07 Attachments: The following Attachments shall be considered an integral part of this Lease:

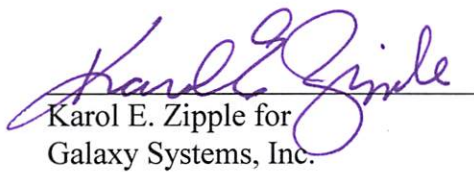
Attachment A: Notification that Property Not Regulated by Rent Stabilization Program

Attachment B: Notice Regarding Repayment of Security Deposits by Tenants

Attachment C: Specific Provisions of Lease Summarized

(Signed)

Landlord


Karol E. Zipple for
Galaxy Systems, Inc.

Date

9/1/20

(Seal)

Tenant:


Frederic Lafleur

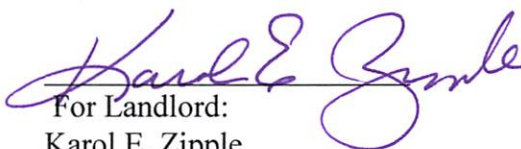
Date

9/1/2010

ADDENDUM A

**NOTIFICATION THAT PROPERTY IS NOT REGULATED
BY THE RENT STABILIZATION PROGRAM**

Pursuant to Section 4106.8 of the Regulations of the District of Columbia Rental Housing Commission, please be advised that the housing accommodation your have proposed to lease a unit or are leasing through the attached Lease is not regulated by the rent Stabilization program in District of Columbia. As a result, rent increases for this housing accommodation are not regulated by the rent stabilization act.




For Landlord:
Karol E. Zipple
Galaxy Systems, Inc.

Date: 9-1-10

I have read and understood the preceding *Notification* prior to the time I have signed a Lease or other rental agreement with the above-named Landlord.

FREDERIC LAFLEUR
Applicant/Tenant



Date: 9/1/2010

ADDENDUM B: ADVISORY: REPAYMENT OF SECURITY DEPOSITS/PER DC HOUSING REGULATIONS

309 REPAYMENT OF SECURITY DEPOSITS TO TENANTS

- 309.2 The owner, within thirty (30) days after notification to the tenant pursuant to the requirement of §309.1(b), shall tender a refund of the balance of the deposit or payment, including interest, not used to defray such expenses, and at the same time give the tenant an itemized statement of the repairs and other uses to which the monies were applied and the cost of each repair or other use.
- 309.3 Failure by the owner to comply with §309.1 and §309.2 of this section shall constitute prima facie evidence that the tenant is entitled to full return, including interest as provided in §311, of any deposit or other payment made by the tenant as security for performance of his or her obligations or as a condition of tenancy, in addition to the stipulated rent.
- 309.4 Failure by the owner to serve the tenant personally or by certified mail, after good faith effort to do so, shall not constitute a failure by the owner to comply with §309.1 and §309.2 of this section.

310 RETURN OF SECURITY DEPOSIT: INSPECTION OF PREMISES

- 310.1 In order to determine the amount of the security deposit or other payment to be returned to the tenant, the owner may inspect the dwelling unit within three (3) days, excluding Saturdays, Sundays, and holidays, before or after the termination of the tenancy.
- 310.2 The owner shall conduct the inspection, if the inspection is to be conducted, at the time and place of which notice is given to the tenant.
- 310.3 The owner shall notify the tenant in writing of the time and date of the inspection.
- 310.4 The notice of inspection shall be delivered to the tenant, or at the dwelling unit in question, at least ten (10) days before the date of the intended inspection.

311 INTEREST ON SECURITY DEPOSIT ESCROW ACCOUNTS

- 311.1 The interest in the escrow account described in §309 on all money paid by the tenant prior to or during the tenancy as a security deposit, decorating fee, or similar deposit or fee, shall commence on the date the money is actually paid by the tenant, or within thirty (30) days after February 20, 1976, whichever is later, and shall accrue at a rate of not less than five percent (5%) per annum simple interest.

- 311.2 Interest on an escrow account shall be due and payable by the owner to the tenant upon termination of any tenancy of a duration of twelve (12) months or more, unless an amount is deducted under procedures set forth in §309.
- 311.3 Except in cases where no interest is paid to the tenant as provided in §311.2, no interest or other consideration shall inure to the benefit of the owner by reason of the owner's control over the escrow account nor shall said account be assigned or used as security for loans.
- 311.4 It is the intent of this section that the account referred to in this section and §309 shall be used solely for the purpose of securing the lessees' performance under the lease.
- 311.5 This section and §309 and §310 shall not be subject to the notice requirements of any other section of this subtitle.

| | | |
|------------------------------------|----------------------------------|-------------------------|
| SECURITY DEPOSIT RECEIVED : | DATE: <u>9-1-10</u> | TOTAL \$ <u>1750.00</u> |
| AMOUNT \$ <u>1750⁰⁰</u> | FROM <u>On account from 9/06</u> | CK# _____ |
| \$ _____ | FROM _____ | CK# _____ |

Karol E. Zipple
 Karol E. Zipple for GALAXY SYSTEMS, INC.

DATE: 9-1-10

I have read and understood the preceding *ADVISORY* prior to or at the time the time I have signed a Lease or other rental agreement with the above-named Landlord.

FREDERIC LAFLEUR
 Applicant/Tenant



Date: 9/1/2010

 Applicant/Tenant

Date: _____

ADDENDUM C SPECIFIC PROVISIONS OF LEASE IN SUMMARY

1. Each tenant whose name appears on the lease is jointly and separately liable for all rents and expenses. Any security deposit refund when one tenant moves out and the other(s) remain will be paid to the departing tenant by the incoming tenant or by the remaining tenant(s) and a revision to the lease/rental contract will be made.
2. No pets are permitted in the unit without specific written permission from the landlord. An additional security deposit may be required if such permission is given.
3. Tenant agrees to pay the first \$75.00 of each service call for repairs not relate to ordinary wear and tear or mechanical failure; that is, repairs that are necessary because of incorrect or improper use of appliances as determined by the serviceman. Repairs to garbage disposals are the sole responsibility of the tenant unless the unit needs to be replaced due to age.
4. Electricity to hallways will be provided by and paid for by the landlord. Semi-annual cleaning and inspection of furnace/ac units will also be the responsibility of the landlord.
5. Tenant agrees to keep the level of all noise, including music, at an appropriate level so as not to disturb other tenants in the building. The "appropriate" level is determined by the landlord. More than two written notices of violation of this provision of the lease can constitute a condition of termination of the lease by the landlord.
6. Tenant agrees to maintain the unit in a clean and orderly manner. This provision includes proper use and maintenance of appliances; regular cleaning of unit; and, if residing for more than one year, an annual commercial cleaning of all carpeting.
7. Water damage as the result tenant carelessness allowing tubs, sinks, washers, etc. to overflow will be charged to the tenant; this applies to incorrect or improper use, not to mechanical failure.
8. Tenants may gain access to their units between 9:00 AM and 5:00 PM Monday-Friday without charge at the office of the landlord at 2004-17th St NW should they forget key; they may also leave key and directions for service personnel if they wish during the same hours. However, weekend and evening access to apartments are not guaranteed and may incur a charge of up to \$50.00 at discretion of landlord.
9. All requests for repairs **MUST BE MADE IN WRITING** and may be faxed to (202) 667-5303 or left at the office at 2004-17th St NW. Please be very specific as to the nature of your request and include a telephone number where the repair person can reach you.
10. All tenants of each building agrees to maintain the security of their building by: (1) being sure the entry door to their building is securely close and locked each time they enter/leave that building; (2) not allowing anyone unknown to them to enter the building; (3) never leaving the entry door to their building and their apartment unlocked or open to allow guests/friends to enter at will. **Deadbolts must be in place at all times!!!!**
11. Tenants may have packages (UPS, FedEx, US Mail) etc. delivered to the offices of the Landlord for their convenience; however landlord is not responsible for these packages and tenant must pick them up at 2004-17th St NW, 2nd floor.

(CONTINUED)

12. All tenants must abide by the following trash and cleanliness guidelines:

(a) No trash, newspapers, other any other items may be stored in entryways or on stairs.

(b) All trash is to be placed in plastic bags and then placed in the large green bins in the parking lot. Be sure bin lids are closed. Cardboard boxes must be flattened or torn up so that they fit into the bins. No trash or items are to be left outside these bins.

(c) There is no smoking permitted in apartments; tenants are responsible for cleaning up after guests whose choose to smoke out in front of buildings.

13. Under no circumstances are tenants or their guests permitted to park in the parking spaces at the rear of building. All spaces are reserved and violators will be ticketed and towed.

14. Rents are to be paid by check or money order only; no cash, credit card or direct deposits accepted.

15. The security deposit may not be used as the last month's rent. (See Attachment B).

Karol E. Zipple for GALAXY SYSTEMS, INC.

DATE: _____

FREDERIC LAFLEUR
Applicant/Tenant



Date: 9/1/2010