

Lease - Rental Agreement

(This lease is a legally binding contract, if not understood, seek competent advice before signing.)

This LEASE, made as of _____, 19____, between Ed and Judy Blonski
(herein called "Lessor"), and Mary E. and Terry C. Smith, (herein called "Lessee"),
represents the following agreement of the parties:

Lessor does hereby let and demise to Lessee and Lessee does hereby lease from Lessor the unfurnished residential property commonly known as:
1423 S. Marion Russell Drive, Gardnerville, NV 89410

equipped with the following chattels: Dishwasher and Electric Stove

to be used as a single family residence for the term beginning on July 15, 1998 and ending on June 30, 1999 at a
monthly rental of \$ 1110.00 due on the first day of each month of the term in advance and payable at the office of Lessor/Lessor's Agent
(hereinafter "Agent") to be determined by Lessor

1 In the event that Lessor/Agent does not receive each monthly rental payment from Lessee when and as due, Lessee's lease shall be in default. If the full monthly rent is not received by Lessor/Agent on or before close of business on the fifth (5th) day of the month, Lessee shall pay an amount equal to the monthly rent plus a late charge equal to five percent (5%) thereof. First and last month's rent shall be payable upon execution of this lease. If term commences prior to the first day of a calendar month, Lessee shall make payments for a full month and Lessee shall pay proportionately for the second month. Payment of the prorated rent shall be due on the first day of the month regardless of the day of initial occupancy. Payment of rents shall be in cash, certified or bank check or money order unless Lessor/Agent shall otherwise determine. Lessor/Agent may accept payment by check for any given month, but shall not be bound to continue such practice if Lessor/Agent determines otherwise. A service charge of \$10.00 shall be due on all returned checks, which shall be in addition to any late charges accruing, if any. Further, if a month-to-month tenancy exists, the monthly rent may be increased at the option of Lessor/Agent with written notice served on Lessee as specified by law. All keys shall be obtained from Lessor/Agent, and all keys shall be returned to Lessor/Agent upon termination of this lease. The Lessee shall not change the locks or install other locks on the doors. Lessee hereby acknowledges receipt of 2 sets of keys and 2 garage door transmitters, and N/A mailbox keys.

1. REAL ESTATE TAXES: In the event Real Estate Taxes increase or decrease during the term of this lease, the monthly rent will be adjusted accordingly as of the effective date of the increase or decrease. Verification of the change in the taxes will be provided to Lessee by Lessor/Agent. This clause does not apply to a month-to-month contract.

2. SECURITY/CLEANING DEPOSIT: On execution of this lease, Lessee shall deposit with Lessor/Agent \$ 1200.00 Security/Cleaning Deposit thereafter "Deposit" receipt of which is acknowledged by Lessor/Agent as security for the faithful performance by the Lessee of the terms hereof, to be returned to Lessee, within the longest time period allowed by law, on the full and faithful performance by him of the provisions hereof. The basis for refunding the Deposit at the termination of this agreement shall be in accordance with applicable statutes and paragraphs 3, 14, 15, 16, 20, 22, 23 and 25 hereof. If Lessee defaults, in addition to cleaning and repair damages, Lessor may use said Deposit to cover unpaid rental, and costs incident to re-rental including but not limited to Agent's fees, advertising, and the like. Such deposit may not be applied to the last month's rental unless Agent approves of same writing in advance. Lessor may use said Deposit during the rental term for Lessor's own purposes without obligation or interest charge (unless required by law) to Lessor/Agent subject only to returning same at the end of the rental term as herein above provided.

3. ADDITIONAL FEES: Lessee agrees to pay Lessor/Agent for a legal notice served for non-payment of rent - \$10.00, or the actual cost of such service whichever is greater. For a second check-out inspection (required if premises did not pass initial check-out inspection) - \$30.00. Any unpaid notice fees, reinspection fees, late fees or returned check fees will be deducted from the Deposit. If Lessee locks himself out of the premises, a copy of the key can be obtained from the Lessor/Agent, a \$10.00 deposit is required with the pickup of the key, refundable upon return of the key to the Lessor/Agent.

4. OCCUPANCY: At no time shall the premises be occupied by more than 2 adults and 1 children.

5. ACCEPTANCE OF PREMISE: Lessee has made an inspection of the property, and Lessee agrees that the property is in a fit and habitable condition except for such damages as have been itemized in writing on a record previously submitted to Lessee by Lessor/Agent. Any discrepancies not made a matter of record herein MUST be made by Lessee in writing and submitted to Lessor/Agent within 48 hours after effective date hereof. Lessee acknowledges receipt of the check-in inspection checklist.

6. USE OF PREMISES: The demised premises shall be used and occupied by Lessee exclusively as a private single family 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. 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, and the sidewalks connected hereto, during the term of this lease.

7. ASSIGNMENT AND SUBLETTING: Without the prior written consent of Lessor/Agent, Lessee shall not assign this lease, or sublet or grant any concessions or license to use the premises or any part thereof. A consent by Lessor/Agent to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting concession, or license without the prior written consent of Lessor/Agent, or an assignment or subletting by operation of law, shall be void and shall, at Lessor/Agent's option, terminate this lease.

8. ALTERATIONS AND IMPROVEMENTS: Lessee shall make no alterations to the buildings on the premises or construct any building or make other improvements on the premises without the prior written consent of Lessor/Agent. All alterations, changes, and improvements build, constructed, or placed on the premises by Lessee, with the exception of fixtures removable without damage to the premises and movable personal property, shall, unless otherwise provided by written agreement between Lessor/Agent and Lessee, be the property of Lessor and remain on the demised premises at the expiration or sooner termination of this lease. Lessor/Agent may require an additional deposit for any approved alterations or improvements of a temporary nature.

9. DAMAGES TO PREMISES: If the 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 premises may have been untenable; but, if the premises should be damaged other than by Lessee's negligence or willful act or that of his employees, 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. APPLIANCES: Clothes washer and dryer, if provided, are accepted in "as is" condition and shall be for Lessee's convenience only and will not be maintained by Lessor. If a refrigerator is provided, it will be maintained by Lessor, however, Lessor assumes no liability for Lessee's perishable items in the event of a mechanical failure.

11. INSURANCE: It is advised that Lessee obtain renter's insurance. Lessor and/or Agent shall not be nor become liable for any damage or loss to Lessee's personal property.

12. DANGEROUS MATERIALS: Lessee shall not keep or have on the premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the premises or that might be considered hazardous by any responsible insurance company.

13. UTILITIES/SERVICES: Utility/Service charges are to be paid as follows: Utilities-water ***ALL BY LESSEE***; oil/gas _____; electric _____; Services-garbage pickup _____; pest control _____; pool service _____; gardening service _____; condominium association dues _____. Maintenance of private patio areas of condominiums shall be the responsibility of Lessee.

14. MAINTENANCE AND REPAIR: Lessee covenants to keep and maintain the premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof. Lessee shall keep the fixtures in the house or on or about the premises in good order and repair at his sole expense, shall make all required repairs to the plumbing, range, heating apparatus, and gas fixtures and swimming pool and associated equipment whenever damage thereto shall have resulted from Lessee's misuse, waste, or neglect or that of his employee, family, agent, or visitor. Notwithstanding the foregoing, Lessee shall be responsible for all drain cleaning (unless required within the 48 hours of initial occupancy), all repairs contracted for by Lessee (unless an emergency exists and work is performed by a contractor approved by Lessor/Agent) and all broken windows. Lessee covenants to maintain lawn and shrubs in good order. Such maintenance to include proper watering, mowing and trimming, and fertilizing (unless a lawn service has been provided by Lessor). Notwithstanding the foregoing, Lessee shall always be responsible for proper watering of the lawn. If lawn and shrubs are not properly maintained, a lawn service will be contracted and the cost thereof added to the monthly rent. Lessee further agrees to change or clean (if permanent type) at his sole expense, air conditioner/heater filters at least every thirty (30) days. If the air conditioning unit freezes up due to dirty or improper thermostat setting by Lessee, Lessee will be charged the actual cost of the repair. Major maintenance and repair of the premises not due to Lessee's misuse, waste, or neglect or that of his employee, agent, or visitor shall be the responsibility of Lessors or their assigns. A repair shall be deemed major if the cost thereof equals or exceeds a \$ 300.00 minor, and the responsibility of Lessee, if less than that. Minor repairs include, but are not limited to replace of faucet washers and sprinkler heads. Minor repairs may not be accumulated so as to make a single service call a major repair. Any of Lessee's obligations under this paragraph that are not paid prior to Lessee vacating the premises will be deducted from the Deposit. Lessee acknowledges receipt of emergency contractor list.

15. ANIMALS: Lessee shall keep only the following listed domestic or other animals on or about the premises without written consent of Lessor/Agent: 2 cats, no other pets. Any such animal(s) shall be in compliance with local zoning and/or City County regulations. Lessee agrees that if any pets are kept on or about the premises during any part of occupancy, Lessee will provide to Lessor/Agent upon vacating the premises, certification of fumigation from a licensed pest control service within 24 hours of checkout. If Lessee fails to provide such a receipt, Lessee authorizes Lessor/Agent to have premises fumigated at Lessee's expense and deduct cost thereof from the Deposit. The actual cost of cleaning repairing carpets, drapes, screens or other property damaged by any pet kept on or about the leased premises shall be deducted from the Deposit.

16. **RIGHT OF INSPECTION:** Lessor/Agent shall have the right at all reasonable times during the term of this lease and any renewal thereof to enter the premises for the purpose of inspecting the premises and all buildings and improvements thereon. Discrepancies found during any inspection will be noted in writing and Lessee will be allowed ten (10) working days to correct said discrepancies. Any unpaid bill for repairs of this nature will be deducted from the Deposit.

17. **DISPLAY OF SIGNS:** During the last 60 days of this lease, Lessor/Agent shall have the privilege of displaying the usual "For Rent" sign on the premises and of showing the property to prospective tenants. If the property is to be sold, Lessor/Agent shall have the privilege of displaying the usual "For Sale" sign on the premises and of showing the property to prospective purchasers during the last ninety (90) days of the lease.

18. **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 premises by Lessor, all advances made under 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.

19. **HOLDOVER BY LESSEE:** In the event Lessor/Agent or Lessee does not serve the required notice of termination on the other party at the expiration date stated above, a new tenancy from month-to-month shall be created between Lessor and Lessee at a monthly rental equal to the current rent plus 10% thereof. Such tenancy shall be subject to all the terms and conditions herein, but shall be terminable on 60 days written notice served by either Lessor/Agent or Lessee on the other party. Lessor reserves the right to waive said 10% rental increase.

20. **TERMINATION:** Termination of this lease shall require written notice 60 days prior to the expiration date stated above, served by either Lessor/Agent or Lessee on the other party. This provision does not authorize premature termination by Lessee prior to the expiration date stated above and any premature termination by Lessee shall be grounds for forfeiture of the Deposit. A written notice of termination served by either party must indicate termination of tenancy as of the last day of a calendar month. No verbal representation of any kind by either party shall be acceptable in lieu of written notice to terminate. Nor shall any verbal representation by Lessor/Agent be acceptable as authorization for premature termination by Lessee.

21. **MILITARY CLAUSE:** In the event the Lessee is a member of the armed forces of the United States, and receives permanent change of station orders or if either Lessee or Lessor is relieved from active duty with the armed forces, then in either of these events such party may terminate this lease upon giving at least _____ days written notice as described above, to the other party, such notice shall have attached a copy of official orders or a letter signed by the party's commanding officer.

22. **SURRENDER OF PREMISES:** Upon termination of Lessee's tenancy, whether by expiration of the term or by termination by Lessor or upon breach by Lessee, the property shall be promptly vacated by Lessee and all of Lessee's personal property shall be removed. All keys shall immediately be returned to Lessor/Agent. In the event all keys are not returned, Lessee will be charged the actual cost to change the locks and/or prorate rent for each day after termination that keys have not been returned. All of Lessor's personal property (as listed in this lease) shall be on the premises and ready for inventory. An item missing/damaged must be replaced/repared at Lessee's expense. All utilities must be on for inspection of the following: lawn freshly mowed and edged, shrubs trimmed, sprinkler system working properly, trash off property, carport/garage clean - no oil deposits on concrete, undamaged screens on all windows, storage shed clean and in good repair, swimming pool/spa filter/cleaning system in good repair, windows clean inside and out, all walls washed, floors waxed, cabinets clean (inside and out), drawers free of debris, counter tops clean, sink clean, refrigerator defrosted and clean, stove and oven clean (exhaust fan free of grease), bathrooms clean (floors and toilets clean, no stains or soap residue on showers, tub enclosures, or sinks, mirrors and vanities clean), all faucets free of leaks/drips carpeting freshly, professionally steam cleaned, lighting fixtures clean, good bulbs in every socket, air conditioner/heater filters new or cleaned (if permanent type). Water softener filled with salt, fireplace cleaned out, washer and dryer clean and in good repair. Walls, doors, counter tops, drapes, rods, and carpets in good condition as reasonable wear and tear will permit. Damage to walls/doors caused by Lessee's willful act, including but not limited to installation of wall anchors, must be patched and painted at Lessee's expense. Any damage to walls/doors caused by Lessee's willful act, including but not limited to installation of wall anchors, must be patched and painted at Lessee's expense. Any damage to the property, not documented in writing during initial check-in, must be repaired at Lessee's expense. All such repairs must be to Lessor's satisfaction. If Lessee fails to so vacate the premises, he will be allowed one opportunity to correct discrepancies. If Lessor must perform any of the cleaning/repairs as stated in this paragraph, the actual cost thereof will be deducted from the deposit. If the deposit is insufficient to cover said costs, Lessor may bring action for damages against Lessee, including reasonable attorney's fees.

23. **REPRESENTATIONS/INDUCEMENTS:** The parties acknowledge that no representation, inducements or promises have been made in order to induce either of them to execute this lease, except the same as set forth within the printed terms hereof, and each of the parties represents and warrants that neither is rely upon any extrinsic fact, promise, representation or other inducement to enter into this Agreement.

24. **DEFAULT:** If any default is made in the payment of rent, or any part thereof, at the times hereinafore 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 the time period specified by law. Lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.

25. **REMEDIES IN DEFAULT:** In the event of a default, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possessions, expenses of re-letting, including necessary renovation and alteration, reasonable attorney fees, real estate or leasing commissions actually paid, required utilities and services not included in the rent, and all lost rent.

26. **ABANDONMENT:** Lessor/Agent shall presume abandonment when Lessee is absent from the premises for a period of time specified by law unless the rent is current or unless the Lessee has, in writing, notified Lessor/Agent of an intended absence, Lessor/Agent may dispose of the personal property abandoned on the premises left by a former Lessee or left on the premises after eviction of Lessee as specified by law.

27. **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.

28. **TIME:** Time is of the essence as to the performance of any promise, act or condition hereof.

29. **WAIVER:** A waiver by the Lessor/Agent of any term or condition thereof shall not constitute a continuing waiver, but on the contrary shall constitute a waiver of only the promise, act or condition specifically thereby waived.

30. **ATTORNEY FEES:** In the event that Lessor shall be required to retain the services of an attorney in order to enforce any right, promise, condition or term hereof including but not limited to collection of rent, unlawful detainer or damages for the breach of any promise, term or condition hereof, Lessee agrees to pay to Lessor reasonable attorney's fees and costs of court hereby incurred.

31. **CONDOMINIUMS:** Lessee is aware the condominium declaration covenant, condition and restriction are an integral part of this lease, and agrees to abide by same. A copy of the CC&R will be provided to Lessee by Lessor/Agent.

32. **HIGH RISE CONDOMINIUMS:** If the leased premises is in a high rise condominium complex: Lessee must register with the front desk immediately upon occupancy; Lessor provides telephone service through condominium switchboard, however, long distance calls will be at Lessee's expense. Lessee is responsible for his own maid service, if applicable.

33. **LESSEE CONSENT:** Lessee grants consent to Lessor/Agent to rate Lessee's performance under the terms of this lease and to report said rating to licensed reporting agencies.

34. **DISTRIBUTION OF MONIES RECEIVED:**

	DUE	RECEIVED
Rent for the period <u>July 15</u> , 19 <u>98</u> to <u>June 30</u> , 19 <u>99</u>	\$ <u>12,765.00</u>	\$ <u>555.00</u>
XXXXXXXXXX <u>Non-refundable deposit listed in "A" below</u>	\$ <u>2,000.00</u>	\$ <u>2,000.00</u>
Security/Cleaning Deposit <u>Refundable pending conditions of #2.</u>	\$ <u>1200.00</u>	\$ <u>1200.00</u>

The balance of \$ _____ shall be paid with the monthly rent as follows: \$ _____ due on or before _____ 19 _____. If the Deposit is paid in installments, all rent payments must be made in cash or certified funds until the Deposit is paid in full.

PRORATION OF SECOND MONTHS' RENT. (All rent figures, including February, are based on a thirty (30) day month)
Rent payable as of _____ 19 _____.
Rent payable as of _____ 19 _____.
Rent payable as of _____ 19 _____.

35. **OTHER TERMS:** A. \$2,000.00 will be released from deposit with Stewart Title to be held by Lessor to keep open an option for Lessee to purchase the said house by June 30, 1999, and retained by Lessor should Lessee fail to purchase the said house. B. Due from Lessee at signing: \$3755.00.

NOTICE: THIS LEASE DETERMINES YOUR LEGAL RIGHTS. Lessee(s) acknowledge that all the foregoing has been read and that Lessee(s) understand all of the terms and conditions contained herein.

IN WITNESS WHEREOF, the parties have executed this lease on the day and year first above written.

LESSOR
Edward Z. Blonski
Edward Z. Blonski
BY *Suey Blonski*
Suey Blonski

Terry C. Smith
LESSEE *Terry C. Smith*
Mary Ellen Smith
LESSEE *Mary Ellen Smith*

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*Addendum to
Lease-Rental Agreement*

This is an Addendum to the Lease-Rental Agreement between Ed and Judy Blonski (Lessor), and Mary E. and Terry C. Smith (Lessee), for 1423 S. Marion Russell Drive, Gardnerville, NV 89410. The provisions listed below are a continuation of paragraph 35 of that Agreement.

35. Other terms continued:

- C. The \$2,000.00 deposit described in item "A" is to be credited towards the purchase price of \$135,950.00 of the said house should Lessee purchase the said house before June 30, 1999. Otherwise, Lessor shall retain the full \$2,000.00 deposit after June 30, 1999.
- D. Lessee is removed of all obligations of this Agreement should Lessee purchase the said house before June 30, 1999.

In witness whereof, the parties have executed this Addendum to said Agreement on the 18th day of June, 1998.

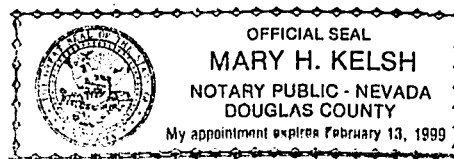
Edward J. Blonski
Edward J. Blonski
 LESSOR EDWARD L. BLONSKI

Terry C. Smith
 LESSEE Terry C. Smith

Judy Blonski
 LESSOR JUDY BLONSKI

Mary Ellen Smith
 LESSEE Mary Ellen Smith

STATE OF Nevada)
) SS.
 COUNTY OF Douglas)



This instrument was acknowledged before me on July 1, 1998
 199___, by Terry C. Smith, Mary Ellen Smith
Judy Blonski

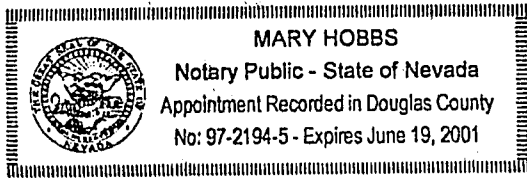
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Mary H. Kelsh
 Notary Public

STATE OF Nevada)
) SS.
COUNTY OF Douglas)

This instrument was acknowledged before me on Edward Blonski
1998, by _____



[Handwritten Signature]
Notary Public

Address as of 7/16/98:
(MAIL TO):

✓ Judy Blonski
813 Ocean View Blvd, Apt. 2
Pacific Grove, CA 93950

REQUESTED BY
Judy Blonski
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'98 JUL -6 A9:19

0443529

BK0798PG0462

LINDA SLATER
RECORDER
\$10.00 PAID KE DEPUTY