

Number of Keys Provided to Tenant _____
Date Tenant to Move in _____
Security Deposit Paid _____
Check # or cash _____
Smoke Detectors/Fire Extinguisher Installed _____
Appliances Installed _____

RENTAL CONTRACT

This contract made this ____ day of _____, 200__ between William G. Talley and wife, Jennifer L. Talley as Landlord and _____, as Tenant(s).

WITNESSETH: Landlord does hereby rent unto Tenant(s), and Tenant(s) does hereby take as Tenant(s) under the Landlord the premises known as and located at: _____

1. **TERMS OF LEASE - ONE (1) YEAR**

2. **TERMS AND CONDITIONS OF CONTRACT** - The Tenant agrees that the rent shall be paid at the office of Owner, and shall be at the rate of \$_____ per month, and on a basis of 1st of each month tenancy BEGINNING _____, 200__, (with payment of \$_____ this date paying rent to _____.)

Failure of the Tenant to pay all rents due by the 1st of the month, the Landlord shall have the option to immediately terminate this contract with Tenant and take possession of premises. If rent is offered after the 1st of the month, it may be accepted at the option of the Landlord. After the 1st day, a late charge of \$25.00 will be added.

3. **GRADUATED LEASE PAYMENTS** – If tenant holds over the 1 year lease period or fails to give proper notice 60 days prior to termination of the lease, this lease will continue in perpetuity until proper notice is given by the Tenant as required by this lease. The lease amount will be adjusted each anniversary by adding to the then prevailing rent an amount of 4% annually as a cost of living adjustment (rounded to the nearest \$5.00). Each succeeding year shall be calculated in a like manner.
4. **SECURITY DEPOSIT** - To deposit \$_____ with the Landlord, as a cleanup fund and as security for performance of all the conditions of this contract which sum, or so much thereof as may be necessary, may be applied by the Landlord toward the remedy of any default by Tenant, and the remainder thereof, if any, shall be refunded as soon as possible after Tenant has vacated the premises and terminated this contract. SECURITY DEPOSIT WILL BE RETAINED AS LIQUIDATED DAMAGES IN THE EVENT OF BREACH OF CONTRACT TERM BY TENANT (see Security Deposit Refund Policy below). Security deposit will also be retained as liquidated damages in the event that Tenant(s) breaches any provision of this lease prior to the expiration of the term of this lease. Deposit is not to be used as part of the last month's rent. Rent will be charged until keys are returned.
5. **DEFAULT** - That the Tenant will, without any previous demand therefore, pay the rent at the times and in the manner above provided, and that the Lessor shall have a lien upon all of the property of the Tenant at any time placed in or being situated within the premises hereby leased and as hereinbefore described for the security of the payment of the said rent as the same shall become due as hereinbefore specified, and that in the event of failure on the part

of the Tenant to pay said rent in accordance with the terms of this Lease and agreement, the Lessor may forthwith take possession of the property hereby leased and foreclose the lien hereby created, as is provided by law for the foreclosure of chattel mortgages or conditional sales of personal property. And it is hereby agreed that the lessor shall have a lien as security for the rent aforesaid upon the following goods and chattels, namely, etc., and also upon all the goods, wares, chattels, implements, fixtures, tools, and other personal property which are or may be put on the said demised premises, and such lien may be enforced on the nonpayment of any rent due as aforesaid by the taking and sale of such property in the same manner as in cases of chattel mortgages on default thereof; said sale to be made on thirty (30) days' notice, posted upon the demised premises, and served upon the Tenant, or left at its registered agent's address.

It is agreed that the Lessor shall have a general lien upon any and all property deposited with it or heretofore or hereafter deposited with it and upon the proceeds from the sale thereof for all charges provided herein, including claims for money advanced, interest, insurance, transportation, labor, wrapping, weighing, coopering, and all other charges and expenses in relation to such property or any part thereof, and also for all reasonable charges and expenses for notice and advertisement of sale and sale of the property where default has been made, also for all costs including court costs and reasonable attorney's fees in collecting charges or enforcing this lien, or defending itself in the event the company is made a party to any litigation concerning the goods stored hereunder, or in filing any actions in interpleader for the determination of ownership of the property deposited with the company. Goods upon which charges remain unpaid for three months may at any time thereafter be sold as provided by law, if in the opinion of the company such action is necessary to protect accrued charges. That if there be any default made in the stipulations, agreements, and covenants herein contained, and if the Tenant fails to comply with all the provisions of this Lease, then it shall be lawful for the Lessor to reenter the premises hereby leased or demised, to repossess and take possession of the same, and to use, enjoy, or relet the same as if this agreement or lease had not been entered into.

6. **DEFAULT NOTICE** - That Lessors shall give Tenant notice of any default by Tenant hereunder. If Tenant fails to pay any rent or other charge due hereunder within fifteen (15) days after written notice of such default shall have been mailed by regular mail to the Tenant at the address of the "Premises" as set forth in this agreement, or if Tenant fails to perform any other term, condition or covenant of this Lease for more than thirty (30) days after written notice of such failure shall have been mailed regular mail to Tenant at said address of the "Premises", unless the cure of such failure requires more than thirty (30) and Tenant is diligently pursuing any right or remedy to which Lessors are entitled, under applicable law or this Lease, for such failure, and shall be allowed a reasonable attorney's fee for all services rendered in enforcing the provisions of this Agreement.
7. **NOTICE TO VACATE** - Tenant agrees to give 60 days advance written notice to vacate premises and further agrees to pay rent to the termination date of this notice. If Tenant should continue in possession of the premises after lease term has expired and does not sign a new lease with Owner/Landlord, then and thereafter the Tenant shall be deemed to be Tenant under a month to month tenancy. Tenant agrees to give a 60 day advance written notice to Owner/Landlord even if lease term has expired and further agrees to pay rent to termination date of this notice. Exact possession date must be given, and any extension shall require

payment of rent for a full additional notice period. Rental period is from the 1st of the month to the end of the month. Tenant agrees to vacate the premises on 30 days notice from the Landlord or his Agent if possession requested for any reason.

8. **REPAIRS** – That the premises have been inspected and have been found to be in good working order and repair. The LANDLORD is responsible for repairs as required by law to provide a habitable dwelling and comply with local housing and building codes (i.e., leaking roof repairs, plumbing repairs not due to negligence, heating and air conditioning, electrical, etc.). Landlord is responsible for providing tenant with working smoke detectors; however, Tenant is responsible for making sure that non-working smoke detectors are reported to Landlord immediately so that they can be repaired or replaced. The TENANT is to maintain the property in as good condition as the Tenant finds it, reasonable wear and tear expected; and will have repaired any damage caused by negligence. TENANT SHALL NOT PUT ANY FOOD OR OTHER WASTE ITEMS IN SINK AND/OR LAVATORY DRAINS, COMMODES AND SEWER LINES (All drains considered to be open and in good working order if not reported within five (5) days.). (All lawn maintenance and general maintenance to structure are to be the obligation of the Tenant from the time that the Tenant takes possession until the fulfillment of this contract.)
9. **HOUSEKEEPING** - Good housekeeping is EXPECTED OF EVERYONE. In addition to keeping the structure in a clean and sanitary condition, Tenant agrees to keep the yards clean and free of rubbish and in a presentable condition at all times, and to comply with all city ordinances concerning garbage collection, waste and other refuse & recycling.
10. **PREMISES USE** - That the property shall not be used for any unlawful or immoral practice or to so occupy the premises as to constitute a nuisance. No disturbances - loud music - parties.
11. **SUBLETTING** - Tenant agrees not to sublet the premises or any part thereof, and that premises shall be occupied by only those parties specified in application or named herein.
12. **HAZARDS** - Tenant is responsible for keeping heat in structure during winter months to protect against frozen pipes. Tenant will be held responsible for damage if heat is turned off. No portable oil or kerosene heaters (or any other heat source that may be considered a fire hazard) are allowed. The fireplace, if any, is not to be used except for the use of gas logs that are to be properly installed.
13. **REGULAR MAINTENANCE** - Tenant is responsible for changing light bulbs, fuses, furnace and a/c filters regularly as needed.
14. **ALTERATIONS** - Tenant shall not make any alterations, additions or improvements in the premises hereby leased and demised without first obtaining from the Lessor its written consent, and that all alterations, additions or improvements made by the Tenant during the course of its occupancy or the term of its lease shall inure to the benefit of and be the property of the Lessor upon the termination and end of this Lease, and such alterations, additions, and improvements shall be surrendered with the premises when the same are surrendered by the Tenant to the Lessor.

15. **DAMAGE AND DESTRUCTION** - If the leased "Premises" be damaged or destroyed in whole or in part at any time during the term of this Lease by fire or other casualty, Lessor will within thirty (30) days of the destruction or damage to the property notify the Tenant in writing whether they elect to restore the property or to terminate the Lease. If the Lessors elect not to restore the demised "Premises, " then this Lease shall thereupon terminate and become void. However, should the Lessors elect to restore the "Premises" to the condition existing before the damage or destruction, then the amount of rent shall be abated according to the amount of square footage available to the Tenant to conduct business in while the repair or restoration takes place.
16. **INSPECTIONS** - The Tenant agrees to allow the Landlord or his legal representatives, at any reasonable hour to enter the said premises for the purposes of inspecting the same, for making repairs that they may deem necessary or desirable; or for showing the premises to any parties after a vacating notice has been given out.
17. **PERSONAL PROPERTY INSURANCE** - All personal property placed in the leased premises or in any other portion of said building or any place appurtenant thereto, shall be at the sole risk of the lessee or the parties owning the same, and the Landlord shall in no event be liable for the loss, destruction, theft or damage to such property. Tenant should carry renters insurance on personal property.
18. **POSSESSION** - If the premises are abandoned or becomes vacant during the term of this contract, or if the Tenant fails to pay rent when due, or violated any other provision of this contract, or becomes insolvent or bankrupt, the Landlord or his Agent shall have the right, without notice or demand, to immediately annul and terminate this contract, re-enter and take possession of the premises, and shall have the right, immediately upon any breach of this contract by the Tenant, to place a "For Rent" sign on the premises.
19. **RIGHT TO TERMINATE** - Withstanding any other provisions of this contract, the Landlord shall have the right and option to terminate this contract without further notice to Tenant after the 10th day of any month for failure to pay rent.
20. **LOCKOUTS** - A service charge of \$25.00 will be charged for opening doors for Tenant after business hours (9 am – 5 pm). Two (2) lockout services will be provided during business hours without charge, additional services will be provided at \$25.00 per incident.
21. **PETS** - Absolutely no pets will be allowed on or about the premises without the express written consent of Lessor. If the Tenant violates this provision, Tenant will automatically forfeit its security deposit. The forfeiture of the security deposit in no way constitutes a waiver by the Lessor for the allowance of pets. Lessor will retain the right to demand that the pet(s) be removed from the premises and/or retain the right to evict Tenant for violation of this provision. **none.**
22. **KEY DEPOSIT** - No copies of keys are to be made without the consent of Landlord. Tenant will receive 2 marked keys - deposit to be refunded if all keys are returned. Under no circumstances should these keys be duplicated. A charge of no less than \$50.00 will be assessed for changing the locks at the subject property if all keys are not returned to Lessor

upon termination of this lease. Tenant shall not disseminate keys and shall be held liable for any damage caused by negligently allowing unauthorized access to the property.

23. **LAWN MAINTENANCE** - All lawn maintenance and general cleaning maintenance to structure are to be the obligation of the Tenant from the time that the Tenant takes possession until the fulfillment of this contract.

24. **ATTORNEY'S OR OTHER FEES AND EXPENSES** - If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under or by virtue of any of the terms or provisions of this lease, then, unless otherwise provided elsewhere in this lease, Lessor may immediately or at any time thereafter and without notice perform the obligation of Tenant thereunder, and if Lessor, in connection therewith or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including but not limited to attorney's fees, in instituting, prosecuting or defending any actions or proceeding, such sums so paid or obligations incurred with interest and costs shall be deemed to be additional rent hereunder and shall be paid by Tenant to Lessor within Ten (10) days of rendition of any bill or statement to Tenant therefor, and if Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Lessor as damages.

25. **ALL CHARGES TO BE CONSIDERED ADDITIONAL RENT** - Tenant covenants to pay to Lessor, as additional rent, all other amounts, liabilities and obligations which Tenant assumes or agrees to pay hereunder (all such other amounts, liabilities and obligations being collectively called "additional rent"), and any failure on the part of the Tenant to pay any item of such additional rent shall be considered a default and substantial breach of this Lease, and thereupon, the Lessor shall have all of the rights, powers and remedies provided for herein or by law, including, but not limited to summary proceedings, whether such proceedings are provided for by laws now existing, or which may be hereinafter enacted. In the event that Lessor incurs any expenditure resulting from Tenant's failure to comply with any provision of this Lease, or if Lessor does anything required to be done by Tenant, with or without notice to Tenant, which results in an expense to Lessor, Tenant shall be obligated to reimburse Lessor, and said sum shall be collectable as additional rent as provided herein.

26. **OCCUPANCY** - Number to occupy the leased premises:

Adults ___ Children _____ Other _____

It will be considered a violation of this lease, if other people move into residence other than those listed in the rental application. If another person spends more than 2 nights/week, they will be considered occupants.

27. **NOTICES** - Notices may be sent by the Tenant to Lessor by delivering the same in person to the Lessor or mailed to the Lessor at the following address:

William & Jennifer L. Talley
PO Box 872
Graham, NC 27253

Notices may be sent by the Lessor to the Tenant by delivering the same in person to the Tenant or mailed to the Tenant at the following address:

28. **MISCELLANEOUS** - This agreement shall be binding upon the parties, their heirs, assigns, personal representatives and successors in interest. This Agreement shall be considered to be the only agreement between the parties hereto pertaining to the demised "Premises. " All negotiations and oral agreements acceptable to both parties are included herein. The laws of the State of North Carolina shall govern the validity, interpretation, performance and enforcement of this Lease Agreement in the event of any dispute. Invalidation of any single clause or paragraph of this Agreement shall not invalidate the remainder of the Agreement, which shall remain in full force and effect therefrom.

The failure of the Lessors to exercise their rights upon the occurrence of any breach of any provision of this Lease shall not constitute a waiver of that right, and the Lessors retain all rights and remedies provided in this Lease unless they are expressly waived in writing.

SECURITY DEPOSIT REFUND POLICY

Refund of security deposit is subject to the following provisions:

1. All provisions of lease agreed to by Tenant(s) are fully executed and performed by Tenant(s)
2. Full term of lease has expired
3. Proper notice given in accordance with lease.
4. No unpaid rents, late fees, etc.
5. To pay all utility services due and have same discontinued.
6. All keys returned.
7. Doors and windows are properly locked or fastened.
8. Entire premises including all fixtures are clean and in good working order.
9. No fixtures, appliances or parts of appliances are to be removed.
10. All debris and rubbish and discards placed in proper containers.
11. No stickers scratches or holes in walls. Small nail holes are permitted.
12. No contact or wallpaper on any walls unless prior written permission received from Landlord.
13. No indentations or scratches in wood or resilient floor caused by furniture.
14. No stains or burns on carpet or damage to blinds, if furnished.
15. Items of personal property left in premises after keys are returned will be considered abandoned.
16. No pets have occupied the premises.
17. Tenant is responsible for changing light bulbs, fuses, furnace and a/c filters

Charges that will be made for the above: labor and material costs for repairs and replacement of missing items.

Complying with above will insure you security refund and expedite processing of same.

Tenant is allowed to have the following pet upon receipt of a non-refundable pet deposit of \$100.00. none

If "none" is written above, separate express permission is required of Landlord(s) and will become an addenda to this agreement.

Tenant authorizes agent to place the security deposit in an interest bearing account.

Security deposit to be held by Landlord: Bank Centura Bank, Graham, NC

Tenant has read and understands the terms and conditions of this rental contract.

Signed this the ____ day of _____, 200__.

Tenant(s) _____ Landlord _____

Witnessed by
