

Twenty-four (24) MONTH LEASE & THEN MONTH-TO-MONTH RENTAL AGREEMENT
Post Office Box 3462, Shell Beach, CA 93448 (Phone: 805/610-3949 or 440-3949)

1. PARTIES: This agreement entered into on this date, _____, between the following parties,
Resident/Tenant(s): _____

and **Owner/Manager:** Richard Harrison and Vicki Close-Harrison

Resident agrees to rent from owner of premises, at following location, subject to terms & conditions of this agreement

Rental Home Address: 2565 Solano Road, Unit # (Shell Beach area) in Pismo Beach, CA 93449

2. MOVE-IN COSTS AMOUNT

a) Rent (Prorated)	\$ <u>1,845</u>	30 — Days/\$1845
b) TUC (Prorated)	\$ <u>50</u>	01 — Adult(s)
c) Extra (Prorated)	\$ <u>00</u>	00 — Days Ahead
d) Processing Fees	\$ <u>33</u>	02 — Adult Fees
e) Security deposit	\$ <u>2,500</u>	(-) \$500.00 — Pre-Paid
Total Due	\$ <u>4,428</u>	(\$4,928) Balance Due

CHARGE/DESCRIPTION

Monthly or Bi-Weekly	(Circle One)
Tenant Usage Charge (TUC or RUC)	(Facility utilities & repairs)
Deluxe Upgrade added to the home	(Special feature items added)
Non-refundable Fees or charges	(See all attached addendum's)
Refundable deposit per Agreement	(Cleaning, keys, storage, etc.)

3. CUSTOM RENTAL HOME: The Resident(s) agree to rent from the Owner(s) the premises located at the above address and the home includes the following furnishings, amenities, and upgrades: Refrigerator/freezer, stove/oven, and other things listed on the Property Condition Check-list (Move-In and Move-Out Inspection).

4. TERMS 3-STAR RESIDENT: The rental will begin on _____ and continue for twenty-four (24) months and then month-to-month basis. Either party may terminate the tenancy or ask to upgrade the terms by giving the other party "30-day" written notice.

5. PAYDAY RENT PAYMENT OPTION: Resident has option to pay Rent & TUC monthly (the old-fashioned way) total amount of rent is \$1,845.00 payable in advance on or before the first day of each month by **5:00 pm**. Or, if Resident prefers and considers it more convenient, Resident may pay rent biweekly (every two weeks to coincide with paychecks), rent of \$922.50 payable in advance on or before "Friday" of every other week.

* Resident chooses to use the "**Old-Fashioned Plan**" or the "**Payday Plan**" (circle one).

6. STANDARD WORRY-FREE PAYMENT METHODS: Residents may select one of the following standard "Worry-Free" payment methods for paying rent during the rental term, so they don't have to worry about late charges every month. Resident(s) agree by signing this agreement to give permission and authorization to arrange for rent collection by the method selected and debit appropriate account(s).

Preferred Method of Payment Selected:

- a) Electronic debit from checking account on following days/dates each month:
- b) Electronic debit from savings account on following days/dates each month:
- c) Payroll deduction sent directly from employer biweekly or monthly.

Electronic payment will be made to Wells Fargo Bank — Acct Number: _____

"Traditional Method" payments, such as checks, cash or money orders (which requires additional handling) will have a fee of \$5.00 per each transaction and additional \$10.00 per transaction for cash. Include fees with all rent payments.

Please write checks with both our names; with the word "**OR**" (i.e.): "**Richard or Vicki Harrison**"

Checks and /or Money Orders must be delivered or mailed to: Post Office Box 3462, Shell Beach, CA 93448

7. EARLY PAYMENT REBATE: Total Rent due date is on the 1st, before 5:00 pm. Rent & TUC is \$ 1,845.00. For total rent paid early, (by the 23rd) which is received at least seven (7) days BEFORE the due date. Resident will be entitled to a \$ 50.00 Rebate mailed back to Resident within 10 days after the next 1st of the month. Please note; Resident(s) must participate in one of the worry-free payment methods and payments; and are automatically debited early (specified number of days prior to the due date), to qualify for the Early Rebate Program.

8. LATE PAYMENT CHARGE: Rent is due on the 1st, before 5:00 pm. Resident(s) agree, if rent is **not received by 5:00 PM** on the due date, Resident shall pay a Late Payment Fee of \$50 & Late Charges of \$50-\$150. Any dishonored check shall be treated as unpaid rent, and will be subject to a handling fee of \$25.00 to \$35.00, and must be made good by cash, money orders, or certified check within 24 hours of notification, with an additional 1 1/2 % Late Charges on unpaid balance (per day) up to a maximum or **\$150.00** (i.e.: after the 8th is \$100; after the 15th is \$150.00).

9. TRADITIONAL DELIVERY OF PAYMENTS: Please be advised that any payments lost in the mail will be treated as if unpaid until received by Management. If a check is returned unpaid for whatever reason, checks will no longer be accepted for at least six months. Resident will be required to pay by certified funds only. To avoid potential problems, we suggest using one of the worry-free payment methods.

10. OCCUPANTS: No more than **“00”** occupants shall occupy premises, and only the following listed resident(s):

- 1) _____ 2) _____
- 3) _____ 4) _____
- 5) _____ 6) _____

11. ADDITIONAL RESIDENTS: Persons other than those specifically listed on the Rental Agreement shall be strictly prohibited from staying in the rental unit for more than 7 (seven) consecutive days, or a total of 20 days in any 12-month period. For purposes of this section, “staying in the rental unit” shall include, but not be limited to, long-term or regular houseguest, live-in babysitters, and visiting relatives. Resident shall notify the Management in writing any time the Resident expects any guest will be staying in excess of the time limits in this paragraph. Additional residents cannot occupy the premises without first being approved by Management and subject to full screening procedures. If additional residents are accepted, this is also subject to additional monthly Tenant Usage Charge (\$50.00 — TUC per person) and security deposit (\$250.00 — per person) being required. Unauthorized residents are a violation of this agreement and are grounds for termination and forfeiting extra rent & TUC for unauthorized person.

12. ASSIGNMENT and SUBLETTING: Resident will not sublet or relet any part of the premises or assign this Agreement without prior consent of the Owner or Management.

13. UTILITIES & TUC: Resident(s) are responsible for Utility Charges; and “Tenant Usage Charge” (TUC/RUC) will be calculated; separately for: (Trash/Recycle, Gas Company, City Water, Sewer & Usage Charges, Maintenance Contractors and any other Misc. Repairs for the Facility. This means; when Tenants use of utilities is excessive (more than set average) Tenant(s) will be responsible to pay the increase on TUC (Tenant Usage Charge) each month.

14. FINANCIAL HARDSHIP: Because unforeseen circumstances may occur during the rental term which may create difficulty for Resident to make timely rent payment, Resident agrees to work with Owner and permit direct contact from Owner with the following individuals, companies, or organizations for assistance in past-due rental payments. Please provide names and phone numbers of individuals who may be able to provide assistance for payment of rent should you need temporary financial assistance.

Emergency Contact #1

Names: _____ Phone: _____

Emergency Contact #2

Names: _____ Phone: _____

Parent or Cosigner

Names: _____ Phone: _____

Church, Non-profit Organization or Agency that may assist Resident

Contact: _____ Phone: _____

15. CONDUCT: Resident, family, and guests shall not make or allow unreasonable noise or sound. Resident and/or guests shall not disturb other Residents' peaceful enjoyment of the premises. Disorderly conduct will result in a notice to vacate the premises and termination of agreement. In addition, Residents are responsible for all actions and damages caused by Resident's guests.

16. NOTICES: Any notice is deemed served on the day on which it is both mailed by first-class mail to the Resident at the premises, and attached in a secure manner to the main entrance of that portion of the premises of which Resident has possession.

17. REMEDIES/ATTORNEY'S FEES: Nothing in this Agreement shall limit the right of the Owner to terminate this Agreement as provided by any provision of the Landlord Resident Act. If civil action is instituted in connection with this Agreement, the prevailing party shall be entitled to recover court costs and any reasonable attorney's fees.

18. MANAGER/AGENT FOR SERVICE: Names, address, & phone number of manager and agent for service is: Richard & Vicki Harrison, Post Office Box 3462, Shell Beach, CA 93448; Phone: 805/610-3949 or 805/440-3949.

19. MAJOR MAINTENANCE GUARANTEE: Residents understand and agree that the following major repairs are the responsibility of the Owners and Managers:

- a) Major Electrical Supply b) Major Plumbing System c) Major Heating Source

The Owners/Managers agree to guarantee that these major repairs will be fixed within 72 hours after notification of the problem to Owner/Manager. Resident understands (to fill out the special form & follow the procedures) that if a major repair is not corrected within 72 hours after notification, Resident will receive free rent on a prorated basis starting the fourth day after the day of notification until the problem is corrected. Residents further understand and agree the 72-hour clock does not start ticking until after the Owner has been directly notified of the problem and provides confirmation of that acknowledgment to Resident. The maintenance guarantee will not be honored if the maintenance problem was caused by the Residents' negligence, abuse, or fault. Resident also agrees that in order for the Owner to honor the guarantee, the Owner or Manager must be given access into the building, with Resident's permission, to correct the problem. Free rent will be awarded in the form of a cash rebate following the next on-time rent received.

20. YARD/GROUNDS: Resident shall properly care for the outside area. If not properly maintained (cigarette butts & debris), Management reserves the right to hire someone to care for and charge the expense to Resident as additional rent, after first advising Resident that they have 72 hours to handle the responsibility. In regard to ground upkeep, Manager is only responsible for what is agreed on a separate disclosure.

21. ABANDONMENT: Any goods, vehicles, or other property left on the premise after termination of the tenancy by any means shall be considered abandoned and disposed of as provided by statute.

22. COMPLIANCE WITH THE LAW: Resident shall not violate any applicable local, state, or federal law or regulation in or about the premises.

23. INSURANCE: Owner and Management are not responsible for any loss or damage to property owned by Resident or guests unless resulting from Management's intentional or negligent acts. It is understood that all residents should carry renter's insurance for fire, extended coverage, and liability to cover accidental injury and damage or loss of personal property due to fire or theft.

24. NON-WAIVER & ACCEPTING PAYMENTS: Should the Owner or Manager accept any partial or late rent payments, this in no way constitutes a waiver of the Owner, nor affects any notice of eviction proceedings previously given. Waiver by either party of strict performance of any provision of this agreement shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or any other provision.

25. NO PETS: Residents and/or guests; shall not maintain any pets upon the premises without prior written consent of Management. No animal, bird, or fish of any kind will be kept on the premises, even temporarily, except properly trained dogs needed by blind, deaf, or disabled persons and only under the following circumstances N/A. If a pet is accepted (not referring to trained dogs for assistance), this is subject to payment of a higher monthly rent and additional deposit. Please refer to Pet Addendum (if applicable).

26. NO SMOKING: Residents and his/her invitees may not smoke cigarettes, cigars, pipes or any similar items; inside any of the premises; including the common area.

27. EXTENDED ABSENCE: Resident will notify Landlord in advance if Resident will be away from the premises for "**07**" or more consecutive days. During such absence, Landlord may enter the premises at times reasonably necessary to maintain the property and inspect for needed repairs.

28. DISCLOSURES: Resident acknowledges that Landlord has made the following disclosures:

- a) Disclosure of information on Lead-Based Paint and/or Lead-Based Paint Hazards
b) other disclosure: None

29. SATISFACTORY INSPECTION: Resident has personally inspected the premises, and finds it satisfactory at the time of execution of this agreement, except as noted on the Property Condition Checklist.

30. REPAIRS/REPORTING: Resident shall notify Manager immediately in writing of all equipment malfunctions, failure to supply services, or repairs needed. Resident shall not tamper with or repair heating, A/C or locks without first obtaining written consent of owner.

31. USE OF PREMISES: The premises shall be used as a dwelling unit and for no other purposes. Resident shall use, in a reasonable manner, all facilities, utilities, and appliances on the premises and shall maintain the premises and facilities in a clean and sanitary condition at all times, and upon termination of the tenancy shall surrender the premises in as good condition and cleaned as when received; ordinary wear and tear by the elements excepted. Resident further agrees to make all utility payments (that are listed in their name) on time during the term of this tenancy and will be considered in breach of this Agreement for nonpayment and will be held liable for any resulting added charges and damages.

32. PLUMBING: Any expense or damage caused by stoppage of waste pipes or overflow of bathtubs, toilets, or washbasins **caused by Resident's conduct shall be Resident's responsibility.** This also means, any and all calcium build-up, soap scum and dirt accumulation must be removed by resident(s). Follow the recommended cleaning process as explained during move-in.

33. ALTERATIONS: Resident shall not tamper with or make alterations (**including ceiling hooks**, nail holes, painting, contact, or wallpaper) to the premises without Manager's prior written consent. All curtains, mini-blinds, fixtures, shelves, and carpet present in the premises before move-in, must remain when resident vacates. In addition, locks may not be changed or added without Owner and/or Manager's prior written permission. And if permission is granted, a copy of any new keys will be given to the management within three days after the change. If Resident is locked out of the premises, there is a charge of **\$15.00** to open the premises between the hours of 10:00am to 5:00pm (Mon - Fri), and a charge of **\$30.00** for opening the premises beyond those hours. Additional charges apply if a key is lost and locks must be changed.

34. VEHICLES: Only authorized vehicles may park on premises. These vehicles include: **See Parking Agreement.** All vehicles kept on the premises must be operational and have current registration, tags, decals, and license required by local and state laws. Any vehicle not meeting these requirements or unauthorized vehicles will be removed at Resident's expense after being given 72-hour notification. Vehicles must park only on paved or **designated areas.** Resident further understands that no repairing, servicing, or painting of the vehicle is permitted on the premises. Resident also agrees never to park or store a recreational vehicle, motor home, or trailer of any type.

35. FREE UPGRADE REFERRAL: The owner agrees to offer a free property upgrade once a year to any Resident who recommends and refers just one qualified prospective resident to one of our rentals during the course of any year. In order for current residents to qualify for the free property upgrade, any referred prospective resident must: 1) Fill out a rental application, 2) Meet the minimum resident criteria, and 3) Either move-in to one of Owner's rentals (paying all required funds) or pay \$100 fee to be placed on the Owner's priority waiting list, which is refundable if Owner does not find housing that matches stated preferences of referred future Resident within a 90-day period.

36. SECURITY DEPOSIT: The sum set forth on this Rental Agreement has been deposited with Manager upon execution of this agreement as a security deposit to be applied to remedy any default by Resident in performance of Resident's obligations under the agreement to repair damages and additional cleaning to original state to the premises caused by Resident, not including ordinary wear and tear. Within **"21-days"** after termination of the agreement and delivery of possession of the rented premises to Manager, Manager shall refund the deposit or shall give Resident an accounting of Manager's claim to the deposit. If costs or repairing damages exceed the amount of the deposit, Resident shall be responsible for all such excess costs. **Resident may not at any time apply the security deposit to be used as last month's rent** or any other sum due under this Agreement.

37. APPLIANCES: Unless otherwise stated as part of the custom rental package, this Rental Agreement does NOT include any appliances. Appliances that are located on the premises are there solely at the convenience of the Owner, who assumes no responsibility for their operation. While on the premises, Residents are free to use them; however, Residents do so at their own risk. In the event appliances fail to function, Residents are liable to repair appliances. Owner is not liable for repair or damages. If Residents wish, at any time they may request appliances be removed.

38. INDEMNIFICATION: Resident shall indemnify, defend, and hold owner harmless from any claim, loss, or liability arising out of or related to any activity on premises of Resident, and any guest. Resident's duty to indemnify shall not apply to or prevent any claim by Resident against Manager for injury or damage to Resident or Resident's property for which Manager may be liable.

39. NO OTHER PROMISES: No promises have been made to Resident; except as contained in this Agreement, and as follows: None.

40. MANAGER'S RIGHT TO ACCESS: Manager shall have the right to enter the premises in order to inspect the premises, make necessary or agreed repairs or improvements, supply necessary or agreed services, or show the premises to prospective residents, purchasers, or contractors. Except in case of emergency, agreement to the contrary by Resident, or unless it is impractical to do so, Manager shall give Resident at least "24-hour" notice of Manager's intent to enter, and may enter only at reasonable times. Manager shall also have the right to enter the premises when Resident has abandoned or surrendered the premises, or during any absence of Resident in excess of "07" days. Resident shall not unreasonably withhold consent for Manager to enter the premises.

41. RESIDENT'S TERMINATION NOTICE: Resident **may not** terminate this Rental Agreement without 30-day written notice, if this is a month-to-month tenancy. Failure of Resident to provide appropriate **written notice** to terminate this tenancy will result in a Resident's continuing obligation under this Agreement for up to thirty (30) days.

42. LIENS: Except with respect to activities for which Manager is responsible, Resident shall pay as due all claims for work done on and for services rendered or material furnished to the premises, and shall keep the premises free from any liens caused by Resident's failure to meet Resident's obligations.

43. DAMAGE & DESTRUCTION: In the event the premises are severely damaged or destroyed by fire or other casualty, either party may terminate the lease. In the event damage was caused by Resident's action or neglect, Resident will be held liable for all damages.

44. BUILD YOUR CREDIT REPUTATION: A review of each Resident's performance is performed every six months and Owner will provide residents with a copy of a GOOD performance report when so earned. Residents who pay on time and follow ALL terms of the Rental Agreement earn good reports. Residents can then give copies of their report to future landlords, loan officers, banks, and mortgage companies. These reports may be beneficial in helping you rent or buy a car or house in the future. Building your credit reputation may also help Residents participating in the Future Homebuyers Program. Please note: a poor payment performance and any judgments are reported to national credit agencies and will be made available to future landlords, banks, and other creditors that residents may want to do business with in the future. Therefore, it is important that Residents understand that the credit they establish with Owner and the reputation they develop through performance reports during the rental term (good or bad) can follow Residents for many years. Because of such importance of performances reported, Resident will always be notified when a nonpayment or rental violation occurs and Resident will be given an opportunity to immediately correct any poor performance before it is reported.

45. JOINT LIABILITY: Each person signing this Agreement, as a Resident is jointly and severally liable for all the terms of this agreement.

46. ADDITIONAL PROVISIONS & MODIFICATIONS TO THIS: Any additions or modifications to this Agreement must be in writing. The following additional provisions are part of this agreement:

47. VALIDITY OF EACH PART: If any portion of this Agreement is held to be invalid, its invalidity will not affect the enforceability of any other provision.

48. GROUNDS FOR TERMINATION: The failure of Resident or guests to comply with any term of this Agreement is grounds for termination, with appropriate notice and procedures required by law.

49. READ THIS ENTIRE AGREEMENT: Resident has read all the stipulations contained in the Rental Agreement, agrees to comply, and has received a copy thereof.

Resident's signature: _____ Date: _____

Resident's signature: _____ Date: _____

Co-Signer (Parent): _____ Date: _____

Owner/Manager/Agent signature: _____ Date: _____