

RESIDENTIAL RENTAL CONTRACT

IN CONSIDERATION of the rent described below and the mutual promises made to each other, Ray Hunt's Tax & Acct. Services, Jason Fox Hall ~~Agent~~ "Agent", leases and rents to Ted Kable ("Tenant")

and Tenant does hereby lease and rent from Landlord the Premises more particularly described below in accordance with the following terms and conditions and the ADDITIONAL PROVISIONS on the REVERSE SIDE HEREOF.

1. The Premises: Located in the City of Julian County of Guilford State of North Carolina, being known as and more particularly described as:
 X Street Address: 6319 Liberty Rd. Apartment No. _____
 Apartment Complex _____
 Other Description (Room, portion of above address, etc.) _____

2. Term: The term of this lease shall be for 90 days (duration) commencing 10/21/95 (date) and expiring 1/21/96 (date) (the "Initial Term"). Either Landlord or Tenant may terminate the tenancy at the expiration of the Initial Term by giving written notice to the other at least 30 days prior to the expiration date of the Initial Term. In the event such written notice is not given or if the Tenant holds over beyond the Initial Term, the tenancy shall automatically become a month (period) to death (period) tenancy upon the same terms and conditions contained herein and may thereafter be terminated by either Landlord or Tenant giving the other 30 days written notice prior to the last day of the then current period of the tenancy.

3. Rent: Tenant shall pay, without notice, demand or deduction, to Landlord or as Landlord directs monthly (payment period — for example: weekly, monthly, quarterly, annually) rental payments in the amount of \$ 1200.00. The first rental payment, which shall be prorated if the Initial Term commences on a day other than the first day of the applicable rental payment period, shall be due on 10/24/95 @ 40.00 per day = 322.56 (date) and shall constitute payment for the period ending 10/31/95 (date). Thereafter, all rentals shall be paid in advance on or before the 1st day of each subsequent calendar month (payment period — for example: week, month, quarter, year) for the duration of the tenancy.

4. Tenant Security Deposit: Tenant shall deposit with: (check one)
 Landlord
 Agent
 the sum of \$ 500.00, as a security deposit ("Tenant Security Deposit"), to be administered in accordance with the North Carolina Tenant Security Deposit Act (N.C.G.S. § 42-50 et seq.).

If Landlord holds the Tenant Security Deposit, Landlord will either: (check one)
 Deposit the Tenant Security Deposit in a trust account with _____ (name of bank or savings institution) located at _____ address).

OR
 Furnish a bond from _____ (name of bonding company) located at _____ address).

If Agent holds the Tenant Security Deposit, Agent will deposit it in a trust account with A.T.T. Credit Union (name of bank or savings institution) located at Center St. Greensboro, N.C. address).

The Tenant Security Deposit shall be held and, upon the termination of the tenancy, be applied in the manner and for the purposes set forth in paragraph 3 of the ADDITIONAL PROVISIONS on the REVERSE SIDE HEREOF.

THE TENANT SECURITY DEPOSIT MAY, IN THE DISCRETION OF EITHER THE LANDLORD OR THE AGENT, BE DEPOSITED IN AN INTEREST-BEARING ACCOUNT WITH THE BANK OR SAVINGS INSTITUTION NAMED ABOVE. ANY INTEREST EARNED UPON THE TENANT SECURITY DEPOSIT SHALL ACCRUE FOR THE BENEFIT OF, AND SHALL BE PAID TO, THE LANDLORD, OR AS THE LANDLORD DIRECTS. SUCH INTEREST, IF ANY, MAY BE WITHDRAWN BY LANDLORD OR AGENT FROM SUCH ACCOUNT AS IT ACCRUES AS OFTEN AS IS PERMITTED BY THE TERMS OF THE ACCOUNT.

5. Late Payment Fees and Returned Check Fees: If any rental payment is not received by the sixth (6th) day after it is due, Tenant shall pay a late payment fee of five percent (5%) of the rental payment or fifteen dollars (\$15.00), whichever is greater. This late payment fee shall be due immediately without demand therefor and shall be added to and paid with the late rental payment. Tenant also agrees to pay a fifteen dollar (\$15.00) processing fee for each check of Tenant that is returned by the financial institution because of insufficient funds or because the Tenant did not have an account at the financial institution.

6. Rules and Regulations: The Tenant, his family, servants, guests and agents shall comply with and abide by all the Landlord's existing rules and regulations and such future reasonable rules and regulations as the Landlord may, at Landlord's discretion, from time to time, adopt governing the use and occupancy of the Premises and any common areas used in connection with them (the "Rules and Regulations"). Landlord reserves the right to make changes to the existing Rules and Regulations and to adopt additional reasonable rules and regulations from time to time, provided, however, such changes and additions shall not alter the essential terms of this lease or any substantive rights granted hereunder and shall not become effective until thirty (30) days written notice thereof shall have been furnished to Tenant. A copy of the existing Rules and Regulations is attached hereto and the Tenant acknowledges that he has read them. The Rules and Regulations shall be deemed to be a part of this lease giving to the Landlord all the rights and remedies herein provided.

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A- THIS was the mistake she made. Jennifer told me I hadn't done anything wrong. It was her mistake

B- The cost was \$1200. Jennifer said market value was \$1500

C- The address is wrong. It's 6318 Liberty Rd.

TK wanted to find out what had happened. CONTINUE - TK contacted JH and went over to see her the next day. JH said she had made a miss-take when filling out the papers, by claiming Hunt's Tax Services owned the house. JH said it was her fault and wasn't TK's. TK never seen GR again. The deposition was held not long after.

The reason GR was all over the lease agreement with TK is because TK never stated who owned the house. TK had little to do with the whole transaction. When TK notified GB of finding a house, TK let GB & JH work it out. TK tried to stay out of it. When TK told GB about finding a house, TK stated the address as 6318 Liberty Rd and put JH - (more info on G. Reilly on pages 155-158) ←

GB in touch with one another.

... as an inducement for entering into this Lease and Tenant warrants to Landlord that the facts stated in the Application are true to the best of Tenant's knowledge. If any facts stated in the Rental Application prove to be untrue, the Landlord shall have the right to terminate the tenancy and to collect from Tenant any damages resulting therefrom.

9. Pets:

Tenant shall not keep or harbor in or about the Premises any animals or pets of any kind including, but not limited to, dogs, cats, birds and marine animals.

X Tenant may, upon the payment to Landlord of the sum of \$ 50.00 as a non-refundable pet fee, keep as a pet the following: none at move-in (type of pets permitted). If a pet fee is paid pursuant to this paragraph, Tenant acknowledges that the amount is reasonable and agrees that the Landlord shall not be required to refund the pet fee in whole or in part. In the event that a pet or pets are permitted pursuant to this paragraph, Tenant agrees to reimburse Landlord for any primary or secondary damages caused thereby whether the damage is to the Premises or to any common areas used in conjunction with them, and to indemnify Landlord from any liability to third parties which may result from Tenant's keeping of such pet or pets.

The Tenant shall remove any pet previously permitted under this paragraph within 48 hours of written notification from the Landlord that the pet, in the Landlord's sole judgment, creates a nuisance or disturbance or is, in the Landlord's opinion, undesirable. If the pet is caused to be removed pursuant to this paragraph, the Landlord shall not be required to refund the pet fee, however, the Tenant shall be entitled to acquire and keep another pet of the type previously authorized.

10. Termination: Except as provided in Additional Provision Number 16 on the reverse side hereof, Tenant may not terminate the tenancy during the Initial Term but may terminate the tenancy thereafter as provided in paragraph 2 above.

11. Tenant's Duties Upon Termination: Upon any termination of the Tenancy created hereby, whether by the Landlord or the Tenant and whether for breach or otherwise, the Tenant shall: (1) pay all utility bills due for services to the Premises for which he is responsible and have all such utility services disconnected; (2) sweep and clean the Premises, including plumbing fixtures, refrigerators, stoves and sinks, removing therefrom all rubbish, trash, garbage and refuse; (3) properly sweep and clean the Premises, including plumbing fixtures, refrigerators, stoves and sinks, removing therefrom all rubbish, trash, garbage and refuse; (4) make such repairs and perform such other acts as are necessary to return the Premises, and any appliances or fixtures furnished in connection therewith, in the same condition as when Tenant took possession of the Premises; provided, however, Tenant shall not be responsible for ordinary wear and tear or for repairs required by law or by Additional Provision Number 2 to be performed by Landlord; (5) fasten and lock all doors and windows; (6) return to the Landlord all keys to the Premises and (7) notify the Landlord of the address to which the balance of the Security Deposit may be returned. If the Tenant fails to sweep out and clean the Premises, appliances and fixtures as herein provided, Tenant shall become liable, without notice or demand, to the Landlord for a cleaning fee. Such fee shall: (i) reflect the actual costs of cleaning (over and above ordinary wear and tear) and (ii) be deducted from the Security Deposit as provided in Additional Provision Number 3.

12. Inspection of Premises:

Tenant acknowledges that Tenant has inspected the Premises and completed a Move-in Inspection Form. Landlord has accepted the form as completed.

X Tenant has the right to inspect the Premises and complete the Move-in Inspection Form prior to occupying the Premises.

13. Permitted Occupants: The Tenant shall not allow or permit the Premises to be occupied or used as a residence by any person other than Tenant and the following named persons: Ted H. Holt

14. Other Terms and Conditions:

(a) All the ADDITIONAL PROVISIONS on the REVERSE SIDE HEREOF shall be and are a part of this lease, except the following numbered Additional Provisions shall be deleted: 1, 2

(If this space is left blank, none of the Additional Provisions shall be deemed deleted).

(b) The following additional terms and conditions shall also be a part of this lease:
long distance will be billed to the tenant directly

15. Execution; Counterparts: READ THE ADDITIONAL PROVISIONS ON THE REVERSE SIDE When you sign this lease, you acknowledge you have read and agree to the provisions of this lease, including the Additional Provisions. This lease is executed in Two (number) counterparts with an executed counterpart being retained by each party hereto.

TENANT
[Signature]

LANDLORD
By: [Signature] Ray Huots Tax & Accounting SERGENT
Date: 10/24/95

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