

EXHIBIT "A "

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

LEASE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20____, by and between _____, (hereinafter called "Lessor"), and _____, hereinafter called "Lessee");

WITNESSETH

That in consideration of the mutual covenants hereinafter set forth, the parties do hereby covenant and agree as follows:

1. **PREMISES LEASED, TERM OF LEASE, AND OCCUPANCY.** Lessor does hereby rent and lease to Lessee Lot # _____ at _____ in Connestee Falls (hereinafter the "Premises"), for a term of _____ month(s) commencing on _____, 20____, and ending on _____, 20____, midnight. Either Lessor or Lessee may terminate the tenancy at the expiration of the Initial Term by giving written notice to the other at least _____ days prior to the expiration date of the Initial Term. In the event such written notice is not given or if the Lessee holds over beyond the Initial Term, the tenancy shall automatically become a _____ to _____ period period tenancy upon the same terms and conditions contained herein and may thereafter be terminated by either Lessor or Lessee by giving the other days written notice prior to the last day of the then current period of the tenancy.

2. **RENT.** Lessee covenants and agrees to pay to Lessor at _____ a monthly rent equal to \$ _____ promptly on the first day of each rental month in advance during the term of this Lease. 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 _____ and shall constitute payment for the period ending _____ date _____ in the amount of \$ _____ date

3. **LATE PAYMENTS AND RETURNED CHECKS.** Time is of the essence in this Agreement, and if Lessor elects to accept rent after the _____ day of the month, a late charge, upon request of Lessor, of \$ _____ may be charged as additional rent. In the event Lessee's rent check is dishonored by the bank, Lessee agrees to pay Lessor \$ _____ as a handling charge and, if appropriate, the late charge. Returned checks shall be redeemed by cash, a cashier's check, certified check, or money order. If more than two checks are returned, Lessee agrees to pay all future rents and charges in the form of cash, a cashier's check, a certified check, or money order.

4. **SECURITY DEPOSIT.** The Lessee shall deposit with the Lessor the sum of \$ _____ to secure the faithful performance of the Tenant's promises and duties contained herein (the "Security Deposit"). The Lessor will deposit the Security Deposit in a Trust Account with _____ having an address of _____ to secure the performance of the Lessor's obligation to refund the Security Deposit as herein provided.

The Security Deposit shall be held, and upon the termination of the tenancy be returned to Lessee within thirty (30) days after the residence is vacated if:

- (i) The lease term has expired or this Agreement has been terminated by both parties;
- (ii) All monies due Lessor by Lessee have been paid; and
- (iii) The Premises are not damaged and are left in the same condition as exists at the execution of this Lease, normal wear and tear excepted.

The deposit may be applied by Lessor to satisfy all or part of Lessee's obligations, and such application shall not prevent Lessor from claiming damages in excess of the deposit. Lessee agrees not to apply the deposit to any rent payment and also agrees to pay \$ _____ for re-keying locks if all keys are not returned. Lessee acknowledges receipt of _____ keys.

In the event that any part of the deposit has been used by Lessor in accordance with the terms of this Agreement or applicable law, Lessee shall upon demand immediately deposit with Lessor a sum equal to the amount so applied by Lessor so that Lessor shall have the full deposit on hand at all times during the lease term including any extension, renewal or holdover term. In the event of any permitted assignment or sublease of this Agreement by Lessee, the deposit shall be deemed to be held by Lessor as a deposit made by Lessee's assignee and Lessor shall have no further liability to return such deposit to the assignor.

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

5. **ASSOCIATION IS THIRD PARTY BENEFICIARY.** Lessee and Lessor acknowledge that Connestee Falls Property Owners Association, Inc., a North Carolina non-profit corporation, (hereinafter called the "Association") is a third-party beneficiary of the promises made in this Lease Agreement.

6. **COMPLIANCE AND ENFORCEMENT BY ASSOCIATION.** Lessee shall comply strictly with the Third Restatement of Declaration of Restrictive Covenants for Connetsee Falls ("Declaration"), as amended, the By-Laws of the Association (hereinafter the "By-Laws"), and with the Rules and Regulations adopted pursuant thereto, as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct of his or her family and guests in order to assure compliance with the foregoing and shall indemnify and hold Lessor and the Association harmless for any such person's failure to comply. Lessee acknowledges that the violation by Lessee or any occupant or person living with Lessee of any provision of the Declaration, By-Laws, or the Rules and Regulations adopted thereunder shall constitute a default under this Lease.

In order to enforce the provisions of this Lease Agreement, the Association may bring an action against the Lessor or Lessee for damages or injunctive relief or may impose any other sanction authorized by the Declaration or By-Laws or available at law or in equity including, without limitation, all remedies available to a landlord upon breach or default of a lease (including eviction). Failure by the Association to enforce any of its rights shall not be deemed a waiver of the right to do so thereafter.

Lessor hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the Lessee for breaches resulting from the violation of the Declaration, By-Laws, and the Rules and Regulations adopted pursuant thereto, including the power and authority to evict the Lessee on behalf and for the benefit of the Lessor, in accordance with the terms thereof. In the event the Association proceeds to evict the Lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be specially assessed against the lot and the Lessor, such being deemed hereby as an expense which benefits the Lessor.

Lessor hereby represents that Lessee has been given a copy of Declaration, By-laws and the Rules and Regulations of Connetsee Falls Property Owners Association, Inc., ("Association"), that Lessee has read them, and that Lessee is bound by them.

If a Lessee or a person living with the Lessee, violates the Declaration, By-Laws or a Rule or Regulation for which a fine is imposed, such fine may be assessed against the Lessee; provided, however, if the fine is not paid by the Lessee within the time period set by the Board of Directors of the Association, Lessor shall pay the fine upon notice from the Association of Lessee's failure to pay the fine. Unpaid fines shall constitute a lien against Lessor's lot.

7. **PAYMENT OF ASSESSMENTS.** Upon written request by the Association, Lessee shall pay to the Association all unpaid annual assessments and special assessments, as lawfully determined and made payable during and prior to the term of this Agreement and any other period of occupancy by Lessee; provided that Lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Association's request. All payments made under this Paragraph shall reduce, by the same amount, Lessee's obligation to make monthly rental payments. If Lessee fails to comply with the Association's request to pay assessments, Lessee shall pay to the Association all late or delinquent charges, interest, and costs of collection including, but not limited to, reasonable attorney's fees

actually incurred, to the same extent Lessee would be required to make such payments to the Association if Lessee were the owner of the Premises during the term of this Agreement and any other period of occupancy by the Lessee.

8. **POSSESSION.** Lessor shall not be liable for damages to Lessee for failure to deliver possession of the Premises to Lessee at the commencement of the term if such failure is due to no fault of the Lessor. Lessor shall use his or her best efforts to give possession of the Premises to the Lessee at the beginning of Lessee's term.

9. **MAINTENANCE AND INDEMNIFICATION.** Lessee accepts Premises in the condition in which they are now and as suited for the use intended by Lessee. Lessor shall not be required to make any repairs or improvements on the Premises, except that on written notice from the Lessee of any defect rendering the Premises unsafe or untenantable, Lessor shall remedy such defective condition. Lessee shall comply with all notices and other requirements, including the Declaration, By-Laws and Rules and Regulations of the Association concerning maintenance and repair. Lessee shall be liable for and shall indemnify and hold Lessor harmless from any damage or injury to the person or property of Lessee or any other person if such damage or injury be due to the act or neglect of the Lessee or any other person in his control or employ, or if such damage or injury be due to any failure of Lessee to report in writing to Lessor any defective condition which Lessor would be required to repair under the terms hereof on notice from Lessee. Lessee releases Lessor from liability for and agrees to indemnify Lessor against all losses incurred by Lessor as a result of (a) Lessee's failure to fulfill any condition of this Agreement; (b) any damage or injury happening in or about the Premises to Lessee's invitees or licensees or such person's property; (c) Lessee's failure to comply with any requirements imposed by any governmental authority and as provided in Paragraph 6 hereof; and (d) any judgment, lien, or other encumbrance filed against the Premises as a result of Lessee's action. Lessor shall not be liable for damage to Lessee's property of any type for any reason except where such is due to Lessor's negligence.

10. **USE.** Lessee shall not use or allow the Premises to be used for any disorderly or unlawful purposes or in any manner offensive to others, and Lessee shall comply with all applicable laws and ordinances. Lessee shall not remodel or make any structural changes to the Premises, nor shall Lessee remove any fixture therefrom.

Lessor transfers and assigns to Lessee for the term of the lease any and all rights and privileges that Lessor has to use the common elements of the Development, to include, but not be limited to, the use of any and all recreational facilities or other amenities.

11. **UTILITIES.** All utility bills for services separately metered or billed to the Premises during the lease term shall be paid by _____. To avoid any freeze damage, heat must be maintained at not lower than 55 degrees F during the winter.

12. **PETS.** To the extent that Lessor permits Lessee to keep any pets, Lessee shall be permitted to keep only those common household pets which are permitted by the Declaration, By-Laws, and Rules and Regulations of the Association.

13. **VEHICLES; PARKING.** The Lessee agrees to park motor vehicles in the areas designated by the Board of Directors of the Association.

14. **ASSIGNMENT AND SUBLEASING.** Lessee shall not assign this Lease or sublet.

15. **CASUALTY.** If the Premises are rendered untenable by fire, storm, earthquake or other casualty, this Lease shall terminate as of the date of such destruction or damage, and rental shall be accounted as of that date.

16. **ACCESS.** Lessor, his or her agents, and the agents of the Association shall have the right of access to the Premises, upon notice to Lessee, between the hours of 8:00 a.m. and 8:00 p.m., for inspection and maintenance. In case of emergency, such parties may enter at any time to prevent property damage or personal injury.

17. **DISCLOSURE.** The owner of record of the Premises or person authorized to act for and on behalf of the owner for the purpose of service of process and receiving and receipting for demands and notice is:

_____ (owner) (agent)

_____ (address)

The person authorized to manage the Premises is:

_____ (address)

18. **HOLDOVER.** Lessee shall not remain in possession of the within-leased Premises after the expiration of this Lease. Any holding over of the within-leased Premises by Lessee after the expiration of this Lease without a written renewal thereof or written consent from Lessor or Lessor's agents and the Board of Directors of the Association, shall not constitute a tenant-at-will interest on behalf of Lessee, but Lessee shall become a tenant at sufferance. There shall be no renewal whatsoever of this Lease by operation of law.

19. **SURRENDER.** Whenever under the terms hereof Lessor is entitled to possession of Premises, Lessee shall at once surrender same to Lessor in as good condition as at present, natural wear and tear excepted, and Lessee shall remove all of Lessee's effects therefrom. Lessor may forthwith re-enter Premises and repossess himself or herself thereof and remove all persons and

effects therefrom, using such force as may be necessary without being guilty of forcible entry or detainer, trespass, or other tort.

20. **ABANDONMENT.** If Lessee removes or attempts to remove property from the Premises other than in the usual course of continuing occupancy without first having paid Lessor all monies due, the Premises may be considered abandoned, and Lessor shall have the right without notice, to store or dispose of any property left on the Premises by Lessee. Lessor shall also have the right to store or dispose of any of Lessee's property remaining on the Premises after termination of this Agreement. Any such property shall be considered Lessor's property, and title thereto shall rest in Lessor. Lessor shall have the right to re-rent the Premises after Lessee abandons same.

21. **DEFAULT.** Any breach or violation of any provision of this Agreement by Lessee shall give Lessor the right to terminate this Agreement or to take possession and hold Lessee liable for the remainder of the term. Should possession be obtained, Lessor, at Lessor's option, may re-rent the Premises as Lessee's agent at the risk and cost of the defaulting Lessee, whose default shall not relieve him or her of liability for the difference between the rent herein reserved and the rent actually received by Lessor during the term remaining after such default occurs.

22. **CONDEMNATION.** In the event that the Premises or any part thereof (other than common elements, the taking of which does not prevent continued occupancy of the Premises) is taken by any authority exercising the power of eminent domain, this Lease shall terminate as of the date possession shall be taken by the condemnor. Lessee waives all claims against Lessor or any condemning authority by reason of the complete or partial taking of the Premises, and shall not be entitled to receive any part of any award which Lessor may receive, hereby quitclaiming all interest therein to Lessor.

23. **SUBORDINATION OF RIGHTS.** Lessee's and Lessor's rights shall be subject to all rights of the Association and any bona fide mortgage or deed of trust which is now or may hereafter be placed upon the Premises by Lessor.

24. **ENTIRE AGREEMENT AND WAIVER.** This Agreement contains the entire agreement of the parties, and no representation, inducement, promises or agreements not contained herein shall be of any force or effect. ~~No failure of Lessor to exercise any power given Lessor hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's right to demand exact compliance with the terms hereof.~~

25. **REMEDIES CUMULATIVE.** All remedies under this Agreement or by law or equity shall be cumulative. If suit for any breach of this Agreement establishes a breach by either Lessor or Lessee, the party found in breach shall pay to the other party all expenses incurred in connection therewith, including, but not limited to, attorney's fees.

26. **APPROVAL OF BOARD OF DIRECTORS.** This Agreement is subject to the approval of the Board of Directors of the Association and shall become effective only upon such written approval.

27. **ILLEGAL ACTIVITIES.** The conduct of any unlawful activities on the Premises shall constitute a breach of this Agreement.

28. **SUCCESSORS.** This Agreement shall inure to the benefit of and shall bind the heirs, successors, personal representatives and assigns of all parties to this Agreement.

29. **SPECIAL STIPULATIONS.**

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

LESSOR: _____ (signature)

Name: _____ (please print)

LESSEE: _____ (signature)

Name: _____ (please print)

LESSEE: _____ (signature)

Name: _____ (please print)

_____ Approved

_____ Not Approved

This _____ day of _____, 20_____.

By:

For the Board of Directors