

LEASE OR MONTH-TO-MONTH AGREEMENT TO RENT
(This is a legally binding document. You should read and understand it before signing.)

1. **Parties** : This agreement is made and entered into on _____, 2008_, between owners (as checked):
(X) Stanley M. Sokolow and Sonya Sokolow, Trustees of the Sokolow Trust Agreement Dated 12/31/92,
(X) Susanne Sokolow, et al., Trustees of the Susanne H. Sokolow Living Trust,
(X) Shannon Sokolow, et al., Trustees of the Shannon K. Sokolow Living Trust,
() Hedy H. Baumstein, Trustee of the Hedy H. Baumstein Living Trust,
hereinafter referred to as "Owners", and the following tenant(s):

hereinafter referred to as "Tenant". This agreement (hereinafter "Agreement" or "Lease") shall bind Tenant, and each of them if there are several, jointly and severally. Tenants shall not allow other persons to live at the premises without Owners' consent except as provided herein.

2. **Premises** : Subject to the terms and conditions below, Owners rent to Tenant, and Tenant rents from Owners, for residential purposes only, the premises known as _____ the east side "295e" _____, located at 295 Highvew Ct , Santa Cruz, California, 95060.

3. **Term** : The term of rental shall begin on August 1 , 2008_ , and shall continue (check one of the two following alternatives):

(X) a. . . . until July 31 , 2009_ , at which time this lease shall terminate without further notice. Any holding over thereafter shall result in Tenant being liable to Owner/Agent for daily rental damages equal to then current monthly rental rate of the unit divided by 30. A "month-to-month" tenancy subject to the terms and conditions of this agreement shall be created only if Owner/Agent accepts rent from Tenant thereafter, and if so accepted, tenancy may be terminated by Tenant after service upon the Owner/Agent of a written 30-day Notice of Termination. The month-to-month tenancy created thereafter may be terminated by the Owner/Agent by service upon the Resident of a written 30-day notice of termination of tenancy. If Tenant desires to renew for an additional term, Tenant shall apply in writing to Owners **at least 60 days** prior to this termination date. Renewal shall be at Owners' discretion.

() b. . . . on a month-to-month basis until terminated, either by Owners or by Tenant, by the giving of written notice to the other party **60 days** prior to the end of tenancy.

If the premises are not ready to occupy on the beginning date, the second monthly rent payment shall be prorated.

4. **Rent** : **At the pre-move-in inspection, Tenant shall pay to Owners the sum of \$1115.00 as rent, payable in advance in the form of a cashier's check, or equivalent teller check, or money order, or cash (NOT a personal or business check),** for the period of August 1 , 2008_ , through August 31 , 2008_ . Rent for the period of Sept..1 , 2008_ , through Sept. 30 , 2008_ , shall be due on September 1 , 2008_ , in the amount of **\$1115.00** Thereafter, **Tenant shall pay to Owners a monthly rent of \$1115.00, payable in advance on the first day of each month.** For rent payments other than the first one, payments may be in personal checks. Rent shall be increased as provided in paragraph "Pets" below if a pet is kept.

If this lease is for a period longer than one year, an annual automatic increase in the rent may first occur on the first anniversary of the start of this lease, and annually thereafter on the anniversary of the lease. The automatic increase shall be calculated by multiplying the then current rent by the percentage increase (if any) in the consumer price index (CPI) for the local metropolitan statistical area, for the most recently available reporting date at least 75 days prior to the automatic increase date, compared with the same reporting date one year prior. The CPI used shall be the one reported by the State of California's Division of Labor Statistics and Research, for urban consumers.

Rent checks shall be made payable to the name shown at the end of this agreement and sent to owner's address shown there. Rent payments should be delivered or mailed early enough in advance to be sure the rent payment arrives by the day it is due. Rent payments may be personally delivered to the Owner's Agent, whose address is at the end of this agreement. Tenant will be given a receipt for payments made in cash.

Rent shall be paid in **only one payment each month**, regardless of the number of occupants or sources of rental payments. Payment in more than one check, cash payment, or money order each month shall be subject to a **service charge of \$15 per additional payment**.

5. **Late Charges** : If Tenant fails to pay the rent in full on or before the **third day of the month** for which it is due, Tenant shall pay Owners a late charge of \$ 35 , plus \$ 5 for each additional day that the rent continues to be unpaid. The parties agree that this late fee is presumed to be the amount of damage sustained by late payment of rent, and that it would be impractical or extremely difficult to fix the actual damage. The total late charges for any one month shall not exceed the lesser of **5%** of the rent for that month or the maximum provided by law. This late charge represents a reasonable endeavor by the Owners/Agent to estimate fair average compensation for any loss that may be sustained as a result of late payment of rent. By this provision, Owners do not waive the right to insist on payment of the rent in full on the day it is due, nor shall this provision prevent Owners from exercising any rights or remedies under this Agreement or as provided by law.

6. **Returned-Check Charges** : In the event any check offered by Tenant, or any one of several Tenants, to Owners in payment of rent or any other amount due under this agreement is returned for lack of sufficient funds or a closed or non-existent account, or if Tenant has stopped payment of the check, then Tenant shall pay to Landlord a check-return charge in the amount of \$ 30 as liquidated damages for the administrative costs and bank charges incurred by Owners. After one such returned check, Owners shall have the right to require that payments be made in cash or cash-equivalent, such as cashier's check.

7. **Security Deposit** :

Owner holds and shall continue to hold \$ _____ principal plus \$ _____ accrued interest as of date _____ as and for security as that term is defined by Section 1950.5 of the California Civil Code. Prior to the beginning date of the term defined in paragraph 3 of this Agreement, Tenant shall pay to Owners the additional amount of \$ _____ as additional security.

Upon signing this agreement, Tenant shall pay to Owners the sum of **\$2230.00** as and for security as that term is defined by Section 1950.5 of the California Civil Code. On _____, 20____, Tenant shall pay an additional sum of \$ _____ as additional security. Prior to taking occupancy, Tenant shall pay to Owners the sum of \$ _____ as additional security, completing a total of **\$2230.00** as the security deposit. **All security deposit installments must be paid in the form of a cashier's check or equivalent teller check, or money order, or cash, or some combination thereof, but NOT a personal check or business check. Under no circumstances will Tenant be allowed to take occupancy without payment of the entire security deposit and first month's rent, but in such event, failure to make timely payment shall not defer the starting or ending dates of this lease.**

If Tenant defaults or notifies Owner or Owner's Agent that Tenant will not be complying with the terms or duties of this Agreement for any reason whatsoever beyond the control of Owner (such as Tenant's change of mind, financial problems, or whatever), whether or not Tenant has actually occupied the premises, Owner may withhold from any holding deposit and prepaid rent and security deposit the actual costs plus reasonable time value of the time spent by Owner or Owner's agents in obtaining information on Tenant, verifying Tenant's application information, preparing and processing this Agreement, communicating with Tenant, re-advertising, re-showing the premises to prospective tenants, lost rent if any, and any other time spent or expense as a consequence of Tenant's default or notice of intent to default.

Tenant, or any of them if there are several, may not, without Owners' prior written consent, apply this security deposit to rent or to any other sum due under this agreement. Within 21 days, or such period as allowed by law, after Tenant has vacated the premises, Owners shall furnish Tenant with an itemized written statement of the basis for, and the amount of, any security deposit, and earned interest or dividends thereon, which is retained by Owners. Security deposit shall earn interest at the rate set by local ordinance. Owners may withhold that portion of Tenant's security deposit

necessary (a) to remedy any default by Tenant under this agreement, (b) to repair damages to the premises exclusive of ordinary wear and tear, (c) to clean the premises to the same general level of cleanliness as it was at move-in, if necessary, (d) to pay costs incurred by Owner while enforcing Tenant's compliance with the terms of this agreement, including but not limited to pre-eviction and eviction legal costs, other than attorney fees.

8. **Utilities** : The cost of utilities shall be paid as is checked below:

a. Tenant shall be responsible for direct payment of all utility charges, such as water, gas, electric, spa service (if any), and refuse removal, with the exception of the following, which shall be paid by Owners:

_____ Tenant shall permit the usage of sufficient utilities for exterior irrigation to maintain the health of the landscaping plants and for reasonable maintenance purposes.

b. **This unit shares gas and electric utility meters with other dwellings.** Tenant shall pay (check one) to Owner, or to _____ (or to his/her successor as directed by Owner), a proportionate share of the total cost of gas and electricity utility charges for the shared meters, and Owner/agent shall pay the utility bill. It is agreed that this proportion shall be determined from private meter readings and proportioned by the number of persons residing in 295 Highview Ct (main portion and east unit together). For example, if the total number of persons living at 295 Highview Ct is three and this unit is occupied by one person, then Tenant shall pay 33% of the total billing each billing cycle, prorated if the period of tenancy does not include the full service period of the billing. This share is subject to change if the number of tenants in the dwelling units sharing the meters changes or if other changed conditions require adjustment of the proportions to maintain an equitable split of utility costs. Owner or billing agent, as the case may be, shall present Tenant with a documented bill for the proportionate share and **Tenant shall promptly pay these billings to Owner or agent, as the case may be, within 10 days after presentation of the bill to Tenant.** If Tenant pays late, Tenant shall be responsible for payment of any late charges or penalties that would have been imposed by the utility company for that delinquency. Failure to timely pay utility billings or penalties shall be a default under this agreement, for which Owner may apply funds from the security deposit as necessary. Tenant shall permit the use of sufficient utilities for exterior irrigation to maintain the health of the landscaping plants and for reasonable maintenance purposes.

c. The following utilities shall be at the expense of Owner: **water only.** _____

d. Tenant shall arrange and be responsible for all other utilities and waste disposal.

9. **Use and Occupancy** : The premises are to be used only as a private residence for Tenants listed in paragraph 1 of this agreement, a total of _____ person(s) as occupant(s), and for no other purpose without Owners' prior written consent. **Guests may stay up to 14 days total in any one year period** without prior consent of Owners. Occupancy by guests more than a total of 14 days without Owners' prior written consent is prohibited and shall be considered to be a breach of the assignment and subletting paragraph of this agreement. If guest stays exceed these limits without Owner's prior written consent, Tenant shall be liable for additional rent in the amount of \$ 390 per month, which amount shall be adjusted by the annual cost of living adjustment as described in paragraph 4 above, in addition to any other legal remedies which Owner may employ, including termination of lease for breaching of this agreement.

10. **Condition of Premises** : Tenants agree that they have examined the premises and have found them to be habitable and suitable for their occupancy. Tenants will further examine the premises prior to occupancy, during a walk-through examination with Owner, and shall complete and sign a "Landlord-Tenant Checklist" which summarizes any exceptions to the statement that premises, including any carpets, drapes, appliances, and paint, are in good, safe, fully-functional, clean, and well-repaired condition. Said Checklist shall be deemed to be incorporated into this agreement by this reference. **Tenants agree to** (a) keep the premises in good condition, and, upon termination of tenancy, to return the premises to Owner in a condition equivalent to that which existed when Tenants took occupancy, except for reasonable and normal wear and tear, (b) **immediately notify Owner of any defects, malfunctions, or dangerous conditions in and about the premises, including signs of water leakage such as stains, musty or rank odors, mildew, mold, warping, swelling, curling, or opening of materials near water sources,** and (c) reimburse to Owner, on demand by Owners or their agent, for the cost of any repairs to the premises damaged by Tenants or their guests or invitees. Tenants' negligent failure to notify Owner about obvious or suspected damage which is occurring may result in Tenant being charged for the additional damage which occurs that otherwise could have been avoided by timely notification.

11. **Possession** : The failure of Tenant, or any of them if there are several, to take possession of the premises shall not relieve them of their obligation to pay rent. In the event Owner is unable to deliver possession of the premises to Tenants for any reason not within Owner's control, including but not limited to failure of prior occupants to vacate as agreed or required by law, or partial or complete destruction of the premises, Owner shall not be liable to Tenants, or any of them, except for the return of all sums previously paid hereunder by Tenants to Owner, in the event Tenants choose to terminate this agreement as a result of Owner's inability to deliver lawful possession. The premature abandonment and vacation of premises by Tenants shall not relieve them of their obligation to pay rent as agreed herein.

12. **Assignment, Subletting, and Change of Tenants** : Tenants shall not sublet any part of the premises without the prior written consent of Owner, which consent shall be in Owners' sole discretion. Tenants shall not assign this agreement without the prior written consent of Owner, which consent shall not be unreasonably withheld. If Tenants wish to add, delete, or substitute a person as a tenant, Tenants shall apply to Owners for such a change using Owners' forms and procedures, and shall obtain Owners' written consent to such a change prior to making the change. Owner may charge a reasonable service charge for processing such requests.

13. **Pets** : No animal (including those needed by disabled persons) shall be kept on or about the premises without the prior written consent of Owner. Tenant assumes all risk and financial liability, and hereby holds Owner harmless, for damage or injury caused by Tenants' animal(s) and those of their guests. If Tenant keeps a pet on or about the premises, rent shall be increased by \$30 per pet per month. Owner hereby consents to the following pet(s):

_____. If a pet is kept on the premises, Tenant shall be responsible for the replacement cost of carpet damaged beyond normal wear-and-tear (including but not limited to stains and odors) on a room-by-room basis. Pet damage shall not be considered normal wear-and-tear even if Owner consents to the keeping of a pet.

14. **Access for Inspection and Emergency** : Tenants agree that Owner or Owner's agent shall have the right to enter premises with 24 hours' advanced notice for the purpose of making general inspections for maintenance of the property, not to exceed once per quarter year unless Owner shows good cause. Without limitation, Tenants agree that Owner or Owner's agent may enter the premises in the event of an emergency, or to make repairs or improvements, or to supply agreed services, or to exhibit the premises to prospective purchasers or tenants. Except in case of emergency, Owner shall give Tenants reasonable notice of intent to enter. In order to facilitate Owner's right of access, Tenants (or any of them if there are several) shall not replace, alter, add, or re-key any locks to the premises without Owner's prior written consent. At all times, Owner or Owner's agent shall be provided with a key or keys capable of unlocking all such locks and gaining entry. Tenants further agree to notify Owner or Owner's agent if they install any burglar alarm system and shall instruct him or her on how to disarm it for such access. In the event of non-compliance by Tenant with this paragraph, Tenant agrees to reimburse Owner for the expense of repairing any damage, or for any entry-related expense such as locksmith or false-alarm fees, caused in the process of gaining rightful entry by Owner or his agent. If Owner is providing yard maintenance, Tenant agrees that Owners or Owners' agent shall have the right to access the fenced yards around the premises periodically for landscaping and yard maintenance, with prior notice to Tenant stating the normal day(s) of the week or other interval. Unfenced yards may be accessed for maintenance without further notice to Tenant.

15. **Quiet Enjoyment** : Tenants shall be entitled to quiet enjoyment of the premises. Notwithstanding this statement, after Tenant has given notice to Owner or Owner's Agent of Tenant's intent not to renew this lease or rental agreement or to vacate prior to the expiration of this lease or rental agreement, then Owner and Owner's Agent shall have the right to enter during normal business hours, having given lawful notice pursuant to California Civil Code Section 1954, to show the premises to prospective tenants and to workmen or contractors. Tenants shall not use the premises in such a way as to violate any law or ordinance, commit waste or nuisance, or annoy, disturb, inconvenience, or interfere with the quiet enjoyment of any other tenant or nearby resident. If the Owner is fined by the homeowner's association and/or local government authorities as a result of misconduct by Tenant or arising from any act or negligence of Tenant (such as violation of the CC&Rs or citations for loud parties), Owner may charge Tenant for the fine and Tenant shall promptly pay that amount to Owner.

16. **Repairs, Maintenance, and Alterations** : Except as provided by law or as authorized by the prior written consent of Owner and except as provided in Tenant Rules and Regulations, Tenants shall not make any repairs or alterations to the premises. **Replacement of light bulbs, furnace filters, and smoke detector batteries when needed shall be Tenants' responsibility and expense, and Tenant agrees to replace all burnt-out light bulbs at the end of tenancy with operating bulbs of like kind.** Smoke detectors should be tested on a regular basis by Tenant and battery replacement shall be Tenant's responsibility. Tenant shall promptly report any malfunctioning smoke detectors that are not remedied by battery replacement. Smoke detectors save lives – Tenant should not remove any smoke detector or its battery for any lengthy period of time. Chemicals necessary for maintenance of hot-tub spa (if one is provided on Tenant's premises) and spa cover shall be supplied by Tenant. Tenant agrees to follow Owners' written instructions on proper management of the hot-tub spa, which instructions are deemed to be incorporated into this agreement by this reference. Owners shall have the right of entry to provide repairs and preventive maintenance and to determine the need for repairs and maintenance, with reasonable prior notice to tenant.

17. **Damage to Premises, Non-Habitability, and Financial Responsibility** : In the event the premises are damaged by fire or other casualty, or in the event that the premises are declared by a government authority to be non-habitable as a dwelling or non-habitable by these Tenants, by force of law, Owners shall have the option either (1) to repair and restore the premises or cure such legal impediments, with this agreement continuing in full force and effect, or (2) to give notice to Tenants at any time after such damage or declaration, terminating this agreement with at least 60 days' advanced notice. In the event of the giving of such notice, this agreement shall expire and all rights of Tenants pursuant to this agreement shall terminate on the effective date, except as provided by law. Owner shall not be required to make any repairs or replacements of any property brought onto the premises by Tenants or their guests, nor to pay any relocation expenses of Tenants. Tenants accept financial responsibility for any damage to the premises from fire, smoke, water, or casualty caused by Tenants' negligence. Tenants shall carry a standard renter's insurance policy from a recognized insurance company or as an alternative warrant that they will be personally financially responsible for losses due to Tenants' negligence which are not covered by Owners' rental dwelling insurance policy. Owner shall not be liable for any damage or injury to Tenant, or any other person, or to any property, occurring on premises or any part thereof. Tenant agrees to hold Owner harmless from any claims for damages due to Tenant's act or omission. Damages or repair of plumbing stoppages caused by Tenants' negligence or misuse will be paid by Tenants.

18. **Tenant Rules and Regulations** : Tenants acknowledge receipt of, and have read a copy of, the "Tenant Rules and Regulations", which are hereby incorporated into this agreement by this reference. Owner may terminate this agreement, as provided by law, if any of these Tenant Rules and Regulations are violated. Tenant Rules and Regulations may be changed from time to time by Owner, with adequate written notice to Tenant. Furthermore, Tenant agrees to comply with all covenants, conditions, and restrictions ("CC&R's"), bylaws, rules, regulations, amendments, and decisions, of the homeowners' association governing the premises, if the property belongs to such an association. Tenant acknowledges that a copy of the use restrictions section of the CC&R's is attached to this agreement. The full CC&R's are in the Tenant's Handbook, which will be posted in the garage or other location on the premises. Tenant shall pay any fines or charges imposed by the homeowner's association, or other authorities, due to any violation of CC&R's, or association rules, by Tenant or by the guests or licensees of Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant shall not, disturb, annoy, endanger, or interfere with other tenants of the building or with neighbors, or use the Premises for any unlawful purposes (including, but not limited to, using, manufacturing, growing, selling, storing, or transporting illicit drugs, marijuana, hallucinogenic mushrooms, or other contraband), or violate any law or ordinance, or commit waste or a nuisance upon or about the Premises. Violation of drug laws shall be a violation of this agreement and shall be grounds for immediate eviction.

19. **Security Deposit** : The security deposit shall accrue interest for Tenant at the rate set by law (or in the absence of such law, the actual rate earned if placed in a demand account at a bank or savings institution). Owner may from time to time or as required by law pay out earned interest to Tenant. Owner may, from time to time as needed during tenancy or after termination of tenancy, use all or a portion of the security deposit reasonably necessary to: (a) cure Tenant's default in

payment of rent, late charges, or other sums due under the terms of this Agreement; (b) repair or compensate for damages beyond normal wear-and-tear caused by Tenant or by a guest or a licensee of Tenant; (c) clean the Premises as necessary upon termination of tenancy to the same level of cleanliness as in the beginning of tenancy; and (d) replace, repair, or retrieve Owner's property or appurtenances, excluding ordinary wear and tear. Damage beyond normal wear-and-tear shall be calculated using straight-line proration over the useful life. In lieu of making repairs, Owner may at Owner's sole option charge Tenant for the cost to make repairs as determined by objective written estimates. **If money held in security is used during the tenancy, Tenant agrees to reinstate the total security deposit within five days after written notice delivered to Tenant in person or by mail. After the 5-day grace period, interest on any unpaid amount shall accrue at the rate of 1% per month (12% per annum) until paid.** Within the time period provided by law, after termination of tenancy, the balance of said account including any remaining earned interest shall be paid back to Tenants as provided in this agreement. If paragraph 8(b) has been checked as applicable in this agreement, then Owners may delay the final written statement, and issue a temporary written statement within 21 days, if the final utility bill for the period of occupancy has not been received by that time. In such case, twice the usual proportionate share of utility costs may be retained by owner until final billing is received, and then a final statement shall be issued with the remaining refund to Tenant. If final cost of repairs has not been documented by the time the security deposit refund is due, Owners may withhold up to 200% of the estimated cost of those repairs, and then refund the unused portion of the withheld amount after the repair has been completed and final cost documented, with due diligence.

Unless one of the Tenants is designated as **AGENT FOR RECEIVING THE SECURITY DEPOSIT REFUND** herein, the security deposit refund(s) and any prior interest payouts shall be made by check payable to all of the Tenants names connected with the word "and" or "&". This may require that all Tenants on the check appear at the bank to present their proper identification to cash the check. Use of a single person as an agent will allow the Agent to deposit the refund or interest into his/her own account and then distribute the fair share of the refund to each of the Tenants, as the Tenants may agree. The **TENANT'S AGENT FOR RECEIVING THE SECURITY DEPOSIT REFUND** shall be:
(AGENT'S NAME) _____.

By designating such an Agent, the Tenants hereby release and hold harmless the Owners from any liability for mis-handling or misappropriation of the security deposit refund by said Agent.

If an Agent is named above, any interest earned by the security deposit account shall be reported to taxing authorities using that Agent's social security number (tax i.d. number). If no Agent is named, the interest shall be reported using the social security number of the first Tenant listed at the end of this agreement. Tenants should consult their own tax adviser about the reporting method if they wish to pass the interest income on to the other Tenants for tax reporting purposes when they distribute the interest.

20. **Default** : Any failure by Tenant to pay rent when due or to perform any duty of Tenant under this Agreement shall, at the option of the Owner and to the extent allowed by law, terminate all right of Tenant to further tenancy hereunder. While in default of payment of rent, absence of Tenant from the premises for a period of 14 consecutive days shall, at the option of Owner, be deemed abandonment of the premises and any property left by Tenant shall be stored or disposed of as provided by law. In the event of a default by Tenant, Owner may elect to continue the lease and enforce all his rights and remedies including the right to recover rent as it becomes due, or Owner may elect at any time to terminate all of Tenant's rights under this lease and recover from Tenant all damage incurred by reason of the breach, including cost of recovering premises and other costs in connection with enforcing the terms of this lease. Failure to vacate the premises, after being given written notice by Owner of a termination date, shall be a default by Tenant. The lessor (Owner) has the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has right to sublet or assign, subject only to reasonable limitations). In the event that Tenant breaches this Agreement, Owner/Agent shall be allowed at Owner/Agent's discretion, but not by way of limitation, to exercise any or all remedies provided Owner/Agent by California Civil Code sections 1951.2 and 1951.4. Damages the Owner/Agent may recover include the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award, or for any shorter period of time specified in this Agreement, exceeds the amount of such rental loss for the same period that the Tenant proves could be reasonably avoided. A negative credit report reflecting on your credit history may be submitted to a credit reporting agency if Tenant fails to fulfill the financial terms of this agreement. Tenant expressly authorizes Owner/Agent (including a collection agency) to obtain Tenant's consumer credit report, which Owner/Agent may use if attempting to collect past due amounts owed from

Tenant, both during the term of the Agreement and thereafter. **If any legal action or proceeding is brought by either party to enforce any part of this Agreement, each party shall be responsible for its own attorney's fees.**

21. **Receipt of Legal Documents** : Owner or the person signing this agreement on Owner's behalf, is authorized to manage the said premises and is authorized to act for and on behalf of Owner for the purposes of service of process and for the purpose of receiving all notices and demands at the address indicated below Owner's or Agents signature herein.

22. **Time, Gender, Number** : Time is of the essence of this agreement. Herein, singular and plural number shall be equivalent; male, female, and neuter gender shall be equivalent.

23. **Waiver and Severability**: Waiver or non-enforcement of any provision of this agreement on one occasion shall not imply a waiver on any other occasion or instance. If any portion of this agreement shall be judged to be in conflict with applicable law, then that portion shall be modified as minimally necessary to bring it into compliance, and the remainder of the agreement shall continue in force unchanged.

24. **Keys** : Upon termination of occupancy, Tenant shall return all keys and forfeit to Owner any copies of keys made by Tenant. If keys are not returned, Owner shall have the right to charge against Tenant's security deposit the cost of re-keying the locks and copying new keys. Keys shall be personally returned to Owner or Owner's agent. This includes garage door remote controls, as well.

25. **Cleaning, Pest Control, and Painting** : Under California law, by the end of tenancy, it is a tenant's responsibility to return possession of the premises to the Owner in the same general level of cleanliness as existed when the tenant moved in. Tenant will have the carpets and window coverings cleaned by a professional carpet and window-covering cleaning service at Tenant's expense after Tenant vacates. Owner will provide specifications and a cleaner's report form for the vendor of the cleaning service. Tenant will be charged the actual cost of all cleaning to restore the premises to the original level of cleanliness, if Tenant does not adequately clean the premises upon move-out. The rent shall continue to be charged to Tenant on a per-diem or pro-rated basis if the move-in of the next tenant is delayed due to need for cleaning by Owner's cleaning service or by repairs due to Tenant. Tenant is advised that pet-related stains and odor may require special cleaning procedures to avoid damaging the carpets and/or draperies. Replacement or repair of items suffering damage by pets, including but not limited to stains and odors, will be charged in full to Tenant. If Tenant has had or has allowed a pet on the premises at any time, Owner may provide pest control treatment at Tenant's expense, after Tenant vacates, to ensure that the premises are free of fleas or other such pet-related pests before next tenant moves in. During tenancy, control of pet-related pests shall be responsibility of Tenant if Tenant has or has allowed a pet upon the premises. Painting charges will be charged to Tenant in proportion to length of residency, as follows. Take the number of months that Tenant has occupied premises and divide by forty-eight months. The resulting fraction shall be the Tenant's share of re-painting or paint touch-up expenses at the end of the tenancy. After forty-eight months, there will be no deduction for painting charges. If the unit has been painted during tenancy, the above proration will be calculated from the date of the most recent painting rather than from the start of tenancy.

Tenant shall provide adequate ventilation and appropriate surface cleaning in damp areas, such as bathrooms and kitchens, so that excessive accumulation of molds and mildew does not occur. If Owner discovers that Tenant has failed to do this, and Tenant fails to satisfactorily comply within 7 days after written notice from Owners, then Owners shall have the discretion to perform the necessary cleaning at Tenant's expense, which shall be paid by Tenant to Owners within 7 days after billing.

26. **Insurance** : Tenant is hereby advised that Owners' insurance does not cover Tenant's personal liability nor Tenant's personal property. Owner recommends that Tenant obtain renter's insurance to protect self and personal property.

27. **Gardening Maintenance** : Garden maintenance of front yard shall be at Tenant's / Owners' responsibility and cost. Maintenance of the side and rear yards shall be Tenant's / Owner's responsibility and cost. Tenant may employ others to do the gardening or Tenants may do it themselves.

If the yards are shared with another dwelling unit on the same property, then the tenants of both units shall cooperate in doing their fair share of the maintenance which is a tenant responsibility.

Tenant agrees to cooperate with gardeners and shall avoid actions which are damaging to the landscaping. Tenant agrees to allow normal water usage (at Tenant's expense if Tenant pays for water) for maintenance of the landscaping. If Tenant is responsible for gardening and fails to provide an acceptable level of garden maintenance to keep it reasonably similar to the condition at start of this lease, and Tenant fails to remedy the situation within 7 days after written notice by Owners, then Owners shall have the option to have necessary garden maintenance performed at Tenant's expense, which shall be paid to Owner within 7 days after billing by Owner. Sprinkler system damage caused by Tenant or by Tenant's negligence shall be repaired at Tenant's expense.

28. **Megan's Law Notice**: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

29. **Smoke Detectors**: The premises are equipped with smoke detection devices that are battery operated, and they may be powered by the house electrical system as well. In the event of a fire within the dwelling, the smoke detectors are intended to be an early warning that will awaken sleeping occupants or alert awake occupants to safely vacate. Smoke detectors are routinely tested by Owner or Owner's agent at the pre-move-in inspection of the rental dwelling. Nevertheless, batteries may wear out at any time, so Tenant should perform the manufacturer's recommended test (pushing the test button on each detector momentarily at least once a week to determine if the detectors are operating properly). Smoke detectors are designed to beep every few minutes when the battery is running low on power, so this condition should alert Tenant to change the battery. However, if the Tenant was on vacation when the battery alert began and the battery completely drained by the time Tenant returned, then the detector would be silent. Tenant should test detectors after any vacation period for this reason. Tenant should not remove batteries without immediately replacing them with fresh batteries. Alkaline batteries are recommended due to their long shelf life and power capacity. It is Tenant's responsibility to replace the batteries at Tenant's expense, as needed. If a detector fails a test after the battery is replaced, then Tenant must inform Owner or Owner's agent immediately in writing so the faulty detector can be promptly replaced at Owner's expense. Tenant shall allow Owner or Owner's agent access to the premises for that purpose.

30. **Inspections**: At the end of tenancy, Owner will perform a final inspection after Tenant has removed all personal property from the premises. This shall be conducted in several phases. First, the Owner shall perform one inspection at which the Tenant may be present. Second, Owner may perform supplementary inspections without notice to Tenant. Third, Owner will inspect with new tenant prior to the new one taking occupancy, and new tenant may report additional preexisting conditions discovered within first week of occupancy. Any findings of these inspections may be reasonably used as the basis for determining expenses that Owners may charge against Tenant's security deposit as provided in paragraph "Security Deposits" herein or as otherwise provided by law. From time to time during tenancy, Owner may with adequate notice perform maintenance inspections of the premises to detect conditions requiring service or repairs.

31. **Joint and Several Liability**: The undersigned Tenant(s), whether or not in actual possession of the premises, are jointly and severally liable for all obligations under this Agreement, and shall indemnify Owner/Agent for liability arising prior to the termination of the Agreement to Rent, for personal injuries or property damaged caused by or permitted by Tenant(s), their guests, and invitees. This does not waive "Owner/Agent's duty of care" to prevent personal injury or property damage where that duty is imposed by law.

32: **Appliances and Furnishings:** The following appliances and furnishings have been provided by Owner as amenities included in the rental:

- Refrigerator: Make _____ Model or size _____.
- Stove: Make _____ Model or size _____.
- Clothes washer: Shared use of washer in garage.
- Clothes dryer: Shared use of dryer in garage.
- Fireplace tools (list them): NONE_____.
- Spa & cover & spa tools: _____.
- Counter-top microwave: Make _____ Model or size _____.
- Built-in microwave-hood combination.
- Wardrobe closets: Count: _____
- Television: Make _____ Model or size _____.
- Mattresses: Count: _____
- Other: _____.

33. **Additional Provisions :** (Enter "none" if there are none.) _____ Vertical blinds in the house require special care to avoid breakage. Owner will instruct Tenants on the proper operation of vertical blinds at the pre-move-in inspection.

Tenant should be aware that the City has an ordinance prohibiting loud, large parties, with substantial fines for violation.

34. **Addenda Attached:** (List them.)

- Policies on Landlord/Tenant Expenses.
- Mold Notification Addendum.
- Resident Policies and Rules "House Rules".
- Pet Agreement.
- Spa Instructions.
- To All Residents of Westmont Place Homeowners Association RE: Vandalism & Trespassing at Pool.
- Westmont Place HOA Pool and Park Area Rules and Regulations.
- Westmont Place HOA Resolution #2000-1 Fining Schedule for Violations.
- Article VII of Westmont Place CC&Rs recorded at Vol. 5892 pages 550 through 554, in Santa Cruz County.
- Termination-for-Sale Addendum.**

35. **Sale of Property:** In the event of the sale or refinance of the property: If Owner/Agent presents to Tenant a "Resident's Certification of Terms - Estoppel Certification," or other similar Estoppel Certification form, Tenant agrees to execute and deliver the certificate acknowledging that this Lease Agreement is unmodified and in full force and effect, or in full force and effect as modified with the consent of Owner/Agent, and stating the modifications, within ten (10) days of written notice. Failure to comply shall be deemed Tenant's acknowledgment that the certificate as submitted by Owner/Agent is true and correct and may be relied upon by any lender or purchaser.

36. **Entry:** California law allows Owner/Agent or his/her employee(s) to enter the premises for certain purposes during normal business hours. The Owner/Agent will provide written notice to the Tenant prior to the entry of the dwelling unit whenever required by state law. (Civil Code Section 1954.) Tenant's non-compliance with Owner/Agent's lawful request for entry is a material breach of this Agreement that may be cause for immediate termination as provided herein and by law.

(Tax I.D. # below represents Social Security Number for reporting earned interest to I.R.S. It is required by law, under penalty of perjury, and should be the same as the number used for income tax filing.)

Tenant's Signature(s) 1. _____ Date Signed: _____
2. _____ Date Signed: _____
3. _____ Date Signed: _____
4. _____ Date Signed: _____
5. _____ Date Signed: _____

Tenant's Names (Print) 1. _____ Tax I.D. #: _____
2. _____ Tax I.D. #: _____
3. _____ Tax I.D. #: _____
4. _____ Tax I.D. #: _____
5. _____ Tax I.D. #: _____

Owner or Agent for Owners: _____ Date Signed: _____
Stanley M. Sokolow or Sonya Sokolow

(Please make checks payable to "Sokolow Property Management". If there are several tenants, one tenant should serve as the paymaster for all tenants and pay rent in one check on behalf of all, otherwise a multiple-payment service charge will be applied.)

Unless otherwise notified by Owner in writing, mail or deliver checks and notices to Owner's address:

Sokolow Property Management
301 Highview Court, Santa Cruz, CA 95060.
Owner's phone numbers: Home phone 831-423-1417; Fax 831-423-4840.
Owner's E-mail address: stanley@thesokolows.com

Tenant Rules and Regulations

- 1. NO SMOKING INSIDE THE PREMISES. Violation of this rule may cause permanent damage to the interior, such as stains, burns, or odors, for which Tenant will be held financially liable.
- 2. No water-filled furniture unless tenant complies with state liability laws on water-filled furniture and provides proof of tenant's insurance covering liability for property damage that may be caused by leaking water-filled furniture.
- 3. No loud outdoor music, or playing of loud music indoors with windows open, so loud as to annoy neighbors.
- 4. Tenant should test smoke detectors monthly by pushing the test button and replace batteries at least once per year or when detector is periodically beeping or fails to respond when tested.
- 5. Light bulbs and fluorescent tubes should be replaced with like-kind by tenant or tenant's handyperson when needed.

Cleaning of washable furnace filters or replacement of disposable filters should be done at least once per year by tenant or tenant's handyperson. If tenant can't locate the filters in the system, owner or owner's agent should be consulted.

6. Tenant and tenant's guests shall park only in the areas allowed for this residential unit or on the street where parking is allowed. Tenant shall monitor and regulate the parking of guest vehicles to ensure that they comply. Tenant shall not use the designated parking areas for storage of things other than vehicles, such as boats or barbecues. The side yards and front yards shall be kept clear of Tenant's personal property, vehicles, and trash.

7. Tenant shall promptly report to owner or owner's agent any items of the premises which require maintenance or repair.

8. If Tenant is responsible for garden maintenance, then Tenant shall keep the grass areas cut to a height shorter than 6", trim shrubs enough to keep gates and paths clear for pedestrians, and cut vines and shrubs so they don't encroach upon the roof or gutters or walls or stairs. Walkways and gravel areas shall be kept clear of weeds. Tenant shall also monitor the performance of the sprinkler system and notify Owners if adjustments or repairs are needed. Tenant should take care not to damage the sprinkler and drip irrigation parts.

9. The parking area assigned to this dwelling unit is as follows: **gravel parking area in front of unit.**

10. Tenant shall follow local and state laws regarding disposal of hazardous waste and recycling. In particular, batteries, fluorescent light bulbs, motor oil, and other hazardous items should not be discarded in Tenant's waste container (garbage). Consult the local waste disposal contractor or agency for proper disposal of household waste.

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Policies on Landlord/Tenant Expenses

To avoid misunderstandings, we have set down the following policies regarding expenses that are the responsibility of tenant and those that will be paid by landlord.

1. **Consumable items:** Some items used in a rental dwelling are consumed by the tenant and are therefore at the tenant's expense to maintain and replace. Such items include light bulbs, heat lamps, fluorescent tubes, smoke detector batteries, spa chemicals, and so on. Landlord delivers the premises to the tenant at the beginning of tenancy with light bulbs, fluorescent tubes, and batteries operational but with unknown remaining useful life. It is tenant's responsibility during and at the end of tenancy to replace worn-out or used-up consumables at tenant's expense (materials and labor) so that the premises are returned to landlord in substantially the same condition as at the beginning of tenancy, that is, with batteries, bulbs, lamps, and fluorescent tubes operational.

2. **Pest control:** Landlord will treat the structure in his/her own discretion to control structural pests (termites, dry rot, and other wood-destroying pests) at landlord's expense. Landlord will treat for rodents by setting poison bait in sub-floor area, attic, or outdoors as necessary to keep the premises habitable. Tenant is responsible for treatment of common household pests, such as ants, roaches, silverfish, and fleas, at tenant's expense. Ants and other insects often are only a seasonal problem. Cleanliness and depriving the pests of access to food will minimize the problems of common household pests. The Grant's Ant Control System (Grant's stakes) can be used outside to kill ant colonies that live underground. If chemical insect control is desired inside the premises, landlord suggests the use of a non-toxic citrus-based product called "Concern" or similar brands made with d-Limonene, an extract of orange peels. Follow package instructions and avoid spraying on porous surfaces or carpets or fabrics. Be sure to wipe product off as instructed. The oily residue may stain if left on surface too long. Use at your own risk. This product is available at San Lorenzo Lumber Company's Garden Center, or elsewhere. If these household products don't work and the insect infestation is uncontrollable, consult landlord.

3. **Window cleaning and window-covering cleaning:** This is a normal and routine cleaning procedure that is a tenant expense. Windows at or below the height of 7 feet above the floor level or ground level are reachable without special equipment other than possibly a small household step stool, therefore window cleaning up to 7 foot height is a tenant responsibility. Windows above the 7 foot level will be cleaned at the landlord's discretion and expense.

4. **Ash removal, chimney sweeping, fireplace/woodstove cleaning:** Wood-burning appliances require periodic maintenance to keep them functioning safely. Landlord will have the chimney and wood-stove/fireplace cleaned annually for safety if tenant has used the wood-burning appliance a significant amount. Cleaning of the cosmetic portions of the wood-burning

stove/fireplace, such as cleaning of smoke residues off of glass, are a tenant expense and should only be done with appropriate cleaning materials manufactured for that purpose. Woodstove glass cleaners are sold by *Woodstove and Sun* (on Soquel Avenue in Santa Cruz) and *San Lorenzo Lumber Company* (on River Street), or check a local hardware store. Ordinary glass cleaners are not strong enough to remove smoke residue. Do not use any abrasive materials on the woodstove surfaces, especially not on the gold-plated doors and trim. Disposal of ashes is a tenant responsibility. Be sure they are thoroughly cold and then place them in the garbage container for pickup with your household garbage. Do not scatter ashes on the ground.

5. **Plumbing leaks, drips, stoppages:** Tenants should report to property management any leaky plumbing or faucets that do not shut off completely. This includes any sinks, tubs, or showers where the water-tight seal or caulking around the fixture fails to keep the water contained where it belongs. Leaky fixtures can do extensive damage to the structure of the building if not reported and repaired promptly. Stoppages (that is, stopped-up drains) or slow-running drains are the responsibility of the tenant to correct at tenant expense, unless they are due to structural defects or tree-root ingrowth.

6. **Mold:** Molds (fungi, mildew) are present everywhere, indoors and outdoors. They are most likely to grow where there is dampness, such as in bathrooms or around leaky plumbing. Most household molds are black, brown, or green-black. Certain specific molds have been linked to human illness, therefore health authorities advise that mold should be cleaned as soon as it appears. One method is to use common household bleach diluted in water (1 part bleach to 10 parts water). Do not mix with ammonia. Apply the bleach-water only to surfaces that are not sensitive to bleach damage (for example, don't use on fabrics or carpets). Let bleach-water stand for 15 minutes, then thoroughly rinse and dry the surface. A milder form of bleach is in "X-14 Mildew Stain Remover" available at grocery and drug stores. Tenants should promptly report to property management any mold or surface discoloration that appears to be coming from water leakage or seepage.