

APN 001-193-13

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### Lease with Option to Purchase

#### Title of Document

#### Affirmation Statement

I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording **does not contain** the social security number, driver's license or identification card number, or any "Personal Information" (as defined by NRS 603A.040) of any person or persons. (Per NRS 239B.030)

\_\_\_\_\_ I, the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording **does contain** the social security number, driver's license or identification card number, or any "Personal Information" (as defined by NRS 603A.040) of a person or persons as required by law: \_\_\_\_\_

(State specific law)

Signature

Attorney

Title

Zachary T. Ball

Print

July 1, 2013

Date

#### Grantees address and mail tax statement:

Barbra and Gary Nelson

11249 Rockhole Bridge Road.

Floral, Alabama 36442



## RESIDENTIAL LEASE WITH OPTION TO PURCHASE

THIS AGREEMENT is made this 16 day of May, 2013, by and between Gary Nelson and Barbara Nelson (jointly referred to as "Owner") and Derek Ernst and Lisa Ernst a/k/a Lisa Riley (jointly referred to as "Tenant"). Owner and Tenant are jointly referred to as the "Parties". This agreement is referred to as the "Agreement".

1. PREMISES: Tenant hereby offers to lease ("Lease") from Owner the premises located at 655 Free Road, Pioche, Nevada ("Premises") upon the following terms and conditions:

2. TERM: The term hereof commenced on November 1, 2011, and will continue through June 31, 2014.

3. RENT: Monthly rent for the Premises shall be Six Hundred Dollars and 00/100 (\$600.00) per month, payable in advance, upon the 1<sup>st</sup> day of each calendar month to Owner or its authorized agent at the following address: 11249 Rockhole Bridge Road, Florala, Alabama 36442 (or at such other places as may be designated by Owner from time to time). Payment, if mailed to Owner at the address set forth in this paragraph, shall be deemed to have been given upon the following day shown on the postmark of the envelope in which payment is mailed.

4. UTILITIES AND SERVICES: Tenant shall be responsible for the payment of all utilities and services.

5. USE: The Premises shall be used as a residence and for no other purpose, without the prior written consent of Owner.

6. ASSIGNMENT AND SUBLETTING: Tenant shall not assign this Agreement or sublet any portion of the Premises without prior written consent of Owner.

7. MAINTENANCE, REPAIRS OR ALTERATIONS: Tenant acknowledges that the Premises is in good order and repair, unless otherwise indicated herein. Owner may at any time give Tenant a written inventory of furniture and furnishings on the Premises and Tenant shall be deemed to have possession of all said furniture and furnishings in good condition and repair, unless it objects thereto in writing within five days after receipt of such inventory. Tenant shall, at its own expense, and at all times, maintain the Premises in a clean and sanitary manner including all equipment, air conditioning and heating units and systems, appliances, furniture and furnishings therein and shall surrender the same, at termination thereof, in as good condition as received, normal wear and tear excepted. Tenant shall be responsible for all repaired required plumbing or electrical wiring and for damages caused by negligence and that of its family or invitees or guests. Tenants shall not paint, paper or otherwise redecorate or make alterations to the Premises without the prior written consent of Owner. Tenant shall irrigate and maintain any surrounding grounds, including lawns and shrubbery, and keep the same clear of rubbish or weeds, if such grounds are a part of the Premises and are exclusively for the use of Tenant.

a. The Parties agree that Owner will contribute up to \$6,000.00 in repairs to the damaged portion of the Premises' ceiling. Owner is not responsible for any monies for repairs in excess of \$6,000.00. Tenant is responsible for all other needed actions to repair the Premises' ceiling.

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Owners Tenants



8. ENTRY AND INSPECTION: Tenant shall permit Owner or Owner's agents to enter the Premises at reasonable times and upon reasonable notice for the purpose of inspecting the Premises or showing the same to prospective tenants or purchasers, or for making necessary repairs.

9. INDEMNIFICATION: Owner shall not be liable for any damage or injury to Tenant, or any part hereof, or in common areas thereof, and Tenant agrees to hold Owner harmless from any claims for damages no matter how caused.

10. DEFAULT: Any failure by Tenant to pay rent when due, or perform any term hereof, shall, at the option of Owner, terminate all rights of Tenant hereunder. In the event that Tenant shall be absent from the Premises for a period of 5 consecutive days, while in default, Tenant shall, at the option of Owner, be deemed to have abandoned the Premises and any property left on the Premises shall be considered abandoned and may be disposed of by Owner as it shall see fit. All property on the Premises is hereby subject to a lien in favor of Owner, for payment of all sums due hereunder, to the maximum extent allowed by law.

a. Recovery of the Premises by Owner shall not relieve Tenant of any obligation hereunder, and Owner may let the Premises to others upon such terms and conditions as it deems proper, and recover from Tenant sums due hereunder, less any consideration received from others for the use of the Premises, for the remaining term hereof, after paying expenses.

11. COSTS AND ATTORNEY'S FEES: In the event that Owner or Tenant shall prevail in any legal action brought by either party to enforce the terms hereof or relating to the demised Premises, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.

12. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to principals of conflicts of law.

13. WAIVER: No failure of Owner to enforce any term hereof shall be deemed a waiver of Owner's right to the full amount thereof.

14. NOTICES: Any notice which either party may or is required to give, may be given by mailing the same, postage prepaid, to Tenant at the Premises or to Owner at the address stated in paragraph 3 or at such other places as may be designated by the parties from time to time.

15. HEIRS, ASSIGNS, SUCCESSORS: This Lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

16. TIME: Time is of the essence of this Agreement.

17. HOLDING OVER: Any holding over after expiration hereof, with the consent of Owner, shall be construed as a month-to-month tenancy in accordance with the terms hereof, as applicable.

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18. OPTION: So long as tenant is not in default in the payment of the rent provided for or in default of any other obligation stated in this Agreement or otherwise provided by law, Tenant shall have the option ("Option") to purchase the Premises for purchase price of ONE HUNDRED, EIGHTY-TWO THOUSAND TWO HUNDRED DOLLARS AND 00/100 (\$182,200.00), upon the following terms and conditions.

19. TIMING OF EXERCISE AND EXPIRATION OF OPTION: This Option may be exercised at any time after February 1, 2014, and shall expire at midnight May 31, 2014, unless exercised prior thereto. Upon expiration, Owner shall be released from all obligations hereunder and all of Tenant's rights hereunder, legal or equitable, shall cease.

20. METHOD OF EXERCISE OF OPTION: The Option shall be exercised by mailing or delivering written notice to Owner prior to the expiration of this Option and by an additional payment, to be credited against the purchase price, in the amount of Twenty-Five Hundred Dollars and 00/100 (\$2,500.00) or account of Owner to the authorized escrow holder referred to above, prior to the expiration of the Option. Notice, if mailed, shall be by certified mail, postage prepaid, to Owner at the address set forth below, and shall be deemed to have been given upon the following day shown on the postmark of the envelope in which such notice is mailed.

21. NON-ASSIGNMENT OF OPTION: Tenant shall not assign this Option, and/or the rights hereunder, without the previous written consent of Landlord.

22. PURCHASE AND SALE AGREEMENT, ESCROW AND TITLE: Within 10 days of Tenant's timely and proper exercise of the Option, the Parties agree to execute a Purchase and Sale Agreement of the Premises. The Parties additionally agree to utilize an authorized escrow holder to facilitate the transfer of the Premises, which escrow holder is to be chosen by Owner within 10 days of Tenant's timely and proper exercise of the Option. The Parties further agree that the evidence of title to the Premises shall be in the form of a policy of title insurance, which provider of policy of title insurance is to be chosen by Owner within 10 days of Tenant's timely and proper exercise of the Option for by Tenant and to be paid for by Tenant.

23. ENCUMBRANCES: In addition to any encumbrance referenced above, Tenant shall take title to the Premises subject to:

- a) Real estate taxes not yet due; and
- b) Covenant conditions, restrictions, reservations, rights, rights of way and easements of record, if any, which do not materially affect the value or intended use of the Premises.

On or before the close of escrow, Owner agrees to pay those liens and encumbrances incurred by it, excluding (a) and (b) stated above. These encumbrances include a loan secured by an Adjustable Rate Home Equity Conversion Deed of Trust recorded on September 24, 2007 with the Lincoln County, Nevada Recorder's Office as instrument number 0129948.

24. CLOSE OF ESCROW: Within 60 days from exercise of the Option, the Parties shall deposit with the escrow holder all funds and instruments necessary to complete the sale in accordance with the terms and conditions hereof.

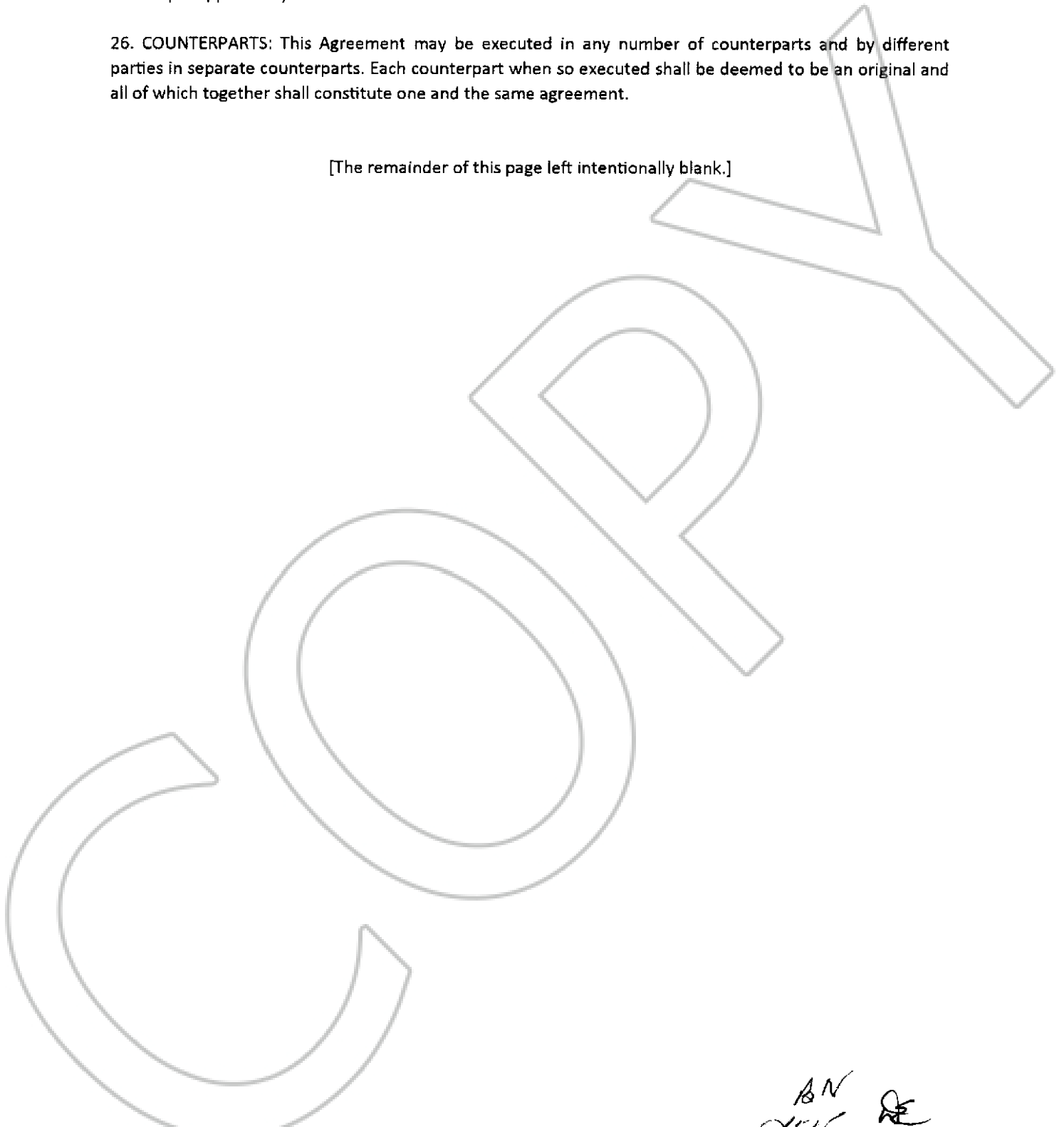
25. LEGALLY BINDING CONTRACT: Tenant recognizes that this Agreement is a legally binding contract and agrees and acknowledges that it has read and understands this Agreement completely, is entering into it



freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

26. COUNTERPARTS: This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

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Owners Tenants



27. ENTIRE AGREEMENT: This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter and supersedes all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the parties with respect hereto. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.

Signed this 16 day of May, 2013.

Signed this \_\_\_ day of May, 2013.

Gary Nelson  
Gary Nelson

Derek Ernst  
Derek Ernst

Subscribed and Sworn to before me this 16 day of May, 2013.

Subscribed and Sworn to before me this 10th day of June, 2013.

Mary B Powell  
NOTARY PUBLIC in and for the County of Covington, State of Alabama

Shannon M. Simpson  
NOTARY PUBLIC in and for the County of Lincoln, State of Nevada



Signed this 16 day of May, 2013.

Signed this 10 day of June, 2013.

Barbara Nelson  
Barbara Nelson

Lisa Ernst a/k/a Lisa Riley  
Lisa Ernst a/k/a Lisa Riley

Subscribed and Sworn to before me this 16 day of May, 2013.

Subscribed and Sworn to before me this 10th day of June, 2013.

Mary B Powell  
NOTARY PUBLIC in and for the County of Covington, State of Alabama

Shannon M. Simpson  
NOTARY PUBLIC in and for the County of Lincoln, State of Nevada

