

REAL ESTATE LEASE

This Lease Agreement (this "Lease") is made effective as of August 15, 1996, by and between MICHAEL D DAVISON ("Landlord"), and HOWARD & ANGIE SHEPHERD ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant 3 BEDROOM BRICK / DUNWAR ESTATES (the "Premises") located at 91 DUNWAR DR., CALERA, ALABAMA 35040.

TERM. The lease term will begin on August 15, 1996 and will terminate on August 15, 2016.

LEASE PAYMENTS. Tenant shall pay to Landlord a total annual lease payment of \$6,375.72, payable in advance, in installments of \$531.31 per month on the twenty-sixth day of each month. Lease payments shall be made to the Landlord at 6550 COUNTY ROAD 151, CALERA, AL. 35040, as may be changed from time to time by Landlord.

LATE PAYMENTS. Tenant shall pay a late charge equal to \$20.00 for each payment that is not paid within 10 day(s) after the due date for such late payment.

NON-SUFFICIENT FUNDS. Tenant shall be charged \$25.00 for each check that is returned to Landlord for lack of sufficient funds.

SECURITY DEPOSIT. At the time of the signing of this Lease, Tenant shall pay to Landlord, in trust, a security deposit of \$2,000.00 to be held and disbursed for Tenant damages to the Premises (if any) as provided by law.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

USE OF PREMISES/ABSENCES. Tenant shall occupy and use the Premises as a dwelling unit. Tenant shall notify Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

MAINTENANCE. Tenant shall have the responsibility to maintain the Premises in good repair at all times.

ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the unit to prospective buyers, mortgagees, tenants or workers. As provided by law, in the case of an emergency, Landlord may enter the Premises without Tenant's consent.

UTILITIES AND SERVICES. Tenant shall be responsible for all utilities and services in connection with the Premises.

PROPERTY INSURANCE. Tenant shall maintain casualty insurance on the

91 Dunwar Dr.
Calera, AL
35040

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Premises in an amount equal to \$70,000.00. Landlord shall be named as an insured in such policies. Tenant shall deliver appropriate evidence to Landlord as proof that adequate insurance is in force. Landlord shall have the right to require that the Landlord receive notice of any termination of such insurance policies. Tenant shall also maintain any other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises.

DANGEROUS MATERIALS. Tenant shall not keep or have on the Premises any article or thing of a dangerous, inflammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of Landlord is obtained and proof of adequate insurance protection is provided by Tenant to Landlord.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Real Estate Taxes - Tenant shall pay all real estate taxes and assessments for the Premises.

Personal Taxes - Tenant shall pay all personal taxes and any other charges which may be levied against the Premises and which are attributable to Tenant's use of the Premises.

DEFAULTS. Tenant shall be in default of this Lease, if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provisions of law to the contrary, if Tenant fails to cure any financial obligation within 60 day(s) (or any other obligation within 60 day(s)) after written notice of such default is provided by Landlord to Tenant, Landlord may take possession of the Premises without further notice, and without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default and the cost of such action shall be added to Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages, and expenses suffered by Landlord by reason of Tenant's defaults.

HABITABILITY. Tenant has inspected the Premises and fixtures (or has had the Premises inspected on behalf of Tenant), and acknowledges that the Premises are in a reasonable and acceptable condition of habitability for their intended use, and the agreed lease payments are fair and reasonable. If the condition changes so that, in Tenant's opinion, the habitability and rental value of the Premises are adversely affected, Tenant shall promptly provide reasonable notice to Landlord.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

Landlord:

MICHAEL D DAVISON
6550 COUNTY ROAD 151
CALERA, AL. 35040

Tenant:

HOWARD & ANGIE SHEPHERD
91 DUNAWR DR.
CALERA, ALABAMA 35040

Such addresses may be changed from time to time by either party by providing notice as set forth above.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are cumulative, and shall not be construed as exclusive unless otherwise required by law.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the state of ALABAMA.

SUBORDINATION OF LEASE. This Lease is subordinate to any mortgage that now exists, or may be given later by Landlord, with respect to the Premises.

ADDITIONAL PROVISIONS: ~~TWO THOUSAND DOWN~~ / AND ADDITIONAL ~~2000.00~~ / BY MARCH 15 TH 1997. ~~2000.00~~ BEING LAST PART OF DOWN PAYMENT & PAYING FOR 1995 SEVILLE HOT TUB FOR 1 DOLLAR AT THE END OF THIS LEASE PURCHASE, THE DEED TO PROPERTY WILL BE DELIVERED TO THE SHEPHERDS. HOWARD M SHEPHERD/DL-5560797/SS 416-19-9180 ANGIE M SHEPHERD/DL-5956120/SS 420-

✓ MD
AS.
-3-

96-2049

LANDLORD:

MICHAEL D DAVISON

Michael D. Davison
MICHAEL D DAVISON
OWNER

TENANT:

HOWARD & ANGIE SHEPHERD

Howard M. Shepherd *Angie Shepherd*
HOWARD & ANGIE SHEPHERD
LEASE PURCHASERS

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Jan. 27, 1997.
FORGED THRU NOTARY PUBLIC UNDERWRITERS.

Sam L. Davison Jr.

This Summary is not an official part of your document. It contains highlights of the important information that has been entered into the document.

**SUMMARY
of the
RESIDENTIAL LEASE**

LANDLORD(S)
MICHAEL D DAVISON

TENANT(S)
HOWARD & ANGIE SHEPHERD

ADDRESS OF PREMISES
91 DUNWAR DR.
CALERA, ALABAMA 35040

TERM OF LEASE
Beginning date: August 15, 1996
Ending date: August 15, 2016

LEASE PAYMENTS
Payment terms.
Annual lease payment: \$6,375.72
Monthly installment: \$531.31
Payment due on the twenty-sixth day of each month.

SECURITY DEPOSIT

~~\$2,000.00~~
1600.00
MD LD

A.S.

A.S.
\$64,500 total purchase price

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