

**LEASE SALE AGREEMENT**

**STATE OF ALABAMA :  
SHELBY COUNTY:**

This Agreement made this 3rd day of July, 1997, by an between Mary A.Reed, a married person, hereinafter the "Seller" and Allen Reed, hereinafter, the "Purchaser."

WITNESSETH, That Seller does hereby rent and lease unto the Purchaser the following premises located in Shelby County, Alabama at Cahaba Valley Office Park, Birmingham, Alabama 35242, and is legally described as, to-wit:

**Lot 4, according to the Survey of Cahaba Valley Office Park, as recorded in Map Book 10, Page 80, in the Probate Office of Shelby County, Alabama.**

for construction of an office building and not otherwise, for and during the term of Sixty (60) Months, To-Wit: From the 3rd Day of July, 1997 to the 3rd Day of June, 2002.

IN CONSIDERATION WHEREOF, The Purchaser agrees to pay the Seller the sum of One Hundred Sixteen Thousand Six Hundred Forty and 00/100 (\$116,640.00) Dollars to be paid as follows:

1. Five Hundred and 00/100 (\$500.00) Dollars upon taking possession of the premises.
2. The balance of One Hundred Sixteen Thousand One Hundred Forty and 00/100 (\$116,140.00) Dollars is to be divided into twelve (12) payments of interest only at a rate of 6.0% per annum said amount being Five Hundred Eighty and 70/100 (\$580.70) Dollars beginning July 3, 1998; thirty-five (35) payments of principal and interest at a rate of 6.0% per annum, said amount being One Thousand Two Hundred Eighty Nine and 39/100 (\$1,289.39) Dollars beginning July 3, 1999; and one (1) payment of Eighty Nine Thousand Five Hundred Fifty Two and 30/100 (\$89,552.30) Dollars, the last payment being due and payable on the day following t2vsb3T

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3. Seller agrees that Purchaser may make additional payment of principal, said payments to be evidenced by receipts from Seller given to Purchaser at the time payment is made, and such payments thereby reducing the final sales price of the property.
6. Seller hereby agrees that at the end of the term hereof she will hold a first mortgage on the premises in the amount of the balance then owing on the sales price as determined by the final payment of \$89,552.30 less any and all additional payments of principal having been made by Purchaser during the term, said loan bearing interest of Nine and 00/100 (9.00%) percent per annum for a term not to exceed Five (5) years.

**ADDITIONAL TERMS AND CONDITIONS:**

**A. LATE FEES:** A late fee of Five (5%) per cent shall be assessed for each payment received after the tenth (10th) day of the month.

**B. DEFAULT:** It is understood and agreed that if the Purchaser fails to pay the rents or payments as herein provided, and should become as much as two (2) months in arrears on either rents or other payments, or should fail to comply with any condition or requirement herein, then on the happening of any such event the Purchaser shall be in default of this Agreement.

**C. REMEDIES:**

1. Should the Purchaser fail to pay the rents as they become due, fail to pay the payments set out in the aforementioned items 1, and 2 or be in default of any other term or condition of this Lease, the Seller shall then have the right to re-enter the premises and terminate this lease, **the Purchaser thereby forfeiting all rent moneys and their initial consideration heretofore paid by them whether under this instrument or any preceding instrument, and forfeiting any rights to the premises whatsoever. Any moneys paid under the terms of Paragraph 5 above shall be refunded to Purchaser by Seller upon**

**the closing of the final sale of the premises.**

2. In order to entitle the Seller to re-enter, it shall not be necessary to give notice of the rents or payments being due and unpaid, or to make demands for the same, the execution of this Lease signed by the parties, which execution is hereby acknowledged, being sufficient notice of the rents and payments being due and the demand for the same, and shall be so construed, any law, usage or custom to the contrary notwithstanding.
3. In the event this Lease is terminated, Purchaser agrees to surrender quiet and peaceable possession of said premises in like good order as at the commencement of said term, natural wear and tear excepted.
4. In the event the employment of an attorney by and on the behalf of the Seller on account of the violation of any condition of this Lease by the Purchaser, the Purchaser hereby agree that they shall be taxed with the attorney's fee.
5. Purchaser's default as set out above shall operate as a forfeit their rights to a conveyance of said property, and all moneys paid by the Purchaser under this Agreement, **except** those payments made under Paragraph 5 hereinabove, shall be taken and held as payment of rent for said property, and the Purchaser shall be liable to the Seller as a tenant for the full term of said Lease, and the provisions herein, "that the rents paid under this lease, as limited by Paragraph 3 and 4 above, shall be considered a payment for said property herein described above, and the Seller shall make and execute a deed conveying said property to the Purchaser" shall be a nullity with no force or effect; and the failure of the Purchaser to comply with any of the conditions of this instrument shall ipso facto render the said provisions a nullity, and make the said Purchaser a lessee under this instrument, without any rights whatever except the rights of lessee without notice or action whatever against the Seller.

**D. NUISANCE; WASTE; SUBLETTING AND ASSIGNMENT:** Purchaser agree to comply with all the laws in regard to nuisance in so far as premises hereby leased is concerned, and

by no act render the Seller liable therefore, and to commit no waste of the property, or allow the same to be done, but to take good care of the same; nor to sublease said property nor transfer this Lease without the written consent of the Seller hereon endorsed,

**E. WAIVER:** As a consideration of this Lease, and for the purpose of securing the Seller prompt payment of said rents and payments stipulated herein, or any damage that the Seller may suffer, either by failure to surrender quiet and peaceable possession of the premises as aforesaid, or for any damage whatever may be awarded said Seller under this contract, the Purchaser hereby waive all right which they may have under the Constitution and Laws of the State of Alabama, to have any of the personal property of the Purchaser exempted from levy and sale, or other legal process.

**F. CONVEYANCE AT END OF TERM:** It is understood and agreed that at the end of said term if the Purchaser have complied with each and all conditions of this Lease, then the Seller agree that the rents paid under this lease, as limited by Paragraph 3 and 4 above, shall be considered a payment for said property herein described above, and the Seller shall make and execute a deed conveying said property to the Purchaser.

**G. MAINTENANCE; RISK OF LOSS:** Purchaser' shall have the full responsibility for the premises herein, **RISK OF LOSS** of the premises passing to the Purchaser upon occupancy of the premises. Therefore, Purchaser shall provide evidence to the Seller of a policy of hazard insurance on the premises providing replacement cost coverage in a amount not less than \$269,900.00. Failure to obtain such coverage before occupancy or the loss of coverage during the term hereof shall be a material breach of this Agreement and default hereunder.

**H. INSPECTION OF PREMISES:** It is further understood and agreed that the Seller shall have the right to enter the premises at reasonable times for the purpose of inspection thereof and optional maintenance thereto, notice to the parties of the second having been given 48 hours in advance.

**J. SUBORDINATION TO MORTGAGE OF FIRST COMMERCIAL BANK.** Seller agrees and hereby subordinates her security herein to that of the Mortgage of First Commercial Bank, recorded in Instrument No.1997-\_\_\_\_\_ in the Probate Office of Shelby County, Alabama.

**IN WITNESS WHEREOF**, we have hereunto set our hands and seals in duplicate this the 3rd day of July, 1997.

\_\_\_\_\_  
WITNESS

Mary A. Reed  
Mary A. Reed, Seller

\_\_\_\_\_  
WITNESS

Allen Reed  
Allen Reed, Purchaser

STATE OF ALABAMA  
COUNTY OF SHELBY

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that **Mary A. Reed, a married person**, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 3rd day of July, 1997.

W. A. Seal  
Notary Public  
My commission expires: 09/21/98

STATE OF ALABAMA  
COUNTY OF SHELBY

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that **Allen Reed**, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 3rd day of July, 1997.

W. A. Seal  
Notary Public  
My commission expires: 9/21/98

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