

LEASE AGREEMENT

The Landlord and Tenant agree to lease the Premises at the Rent and for the Term stated on these terms:

LANDLORD:

TENANT:

C. DAVID HILL
312 E. Arnold ST
Address for Notices
Cullman, AL 35055

Donna A. Martin
215 Meadowlark DR
Montevallo, AL 35115

Premises: 215 Meadowlark DR Montevallo, AL 35115

Lease date: Aug 1 1997	Term 2 years beginning Aug 1 1997 ending Aug 1 1999	Yearly Rent \$ Monthly Rent \$50.00 Security \$500.00
Broker*		

LOT 8, BLOCK 6 SURVEY 1ST SECTOR MEADOWVIEW

1. Use

The Premises must be used to live in only and for no other reason. Only a party signing this Lease, spouse and children of that party may use the Premises.

2. Failure to give possession

Landlord shall not be liable for failure to give Tenant possession of the Premises on the beginning date of the Term. Rent shall be payable as of the beginning of the Term unless Landlord is unable to give possession. In that case rent shall be payable when possession is available. Landlord will notify Tenant as to the date possession is available. The ending date of the Term will not change.

3. Rent, added rent

The rent payment for each month must be paid on the ^{15th} day of that month at Landlord's Address above. Landlord need not give notice to pay the rent. Rent must be paid in full and no amount subtracted from it. The first month's rent is to be paid when Tenant signs this Lease. Tenant may be required to pay other charges to Landlord under the terms of this Lease. They are to be called "added rent." This added rent is payable as rent, together with the next monthly rent due. If Tenant fails to pay the added rent on time, Landlord shall have the same rights against Tenant as if it were a failure to pay rent.

The whole amount of rent is due and payable when this Lease is effective. Payment of rent in installments is for Tenant's convenience only. If Tenant defaults, Landlord may give notice to Tenant that Tenant may no longer pay rent in installments. The entire rent for the remaining part of the Term will then be due and payable.

4. Notices

Any bill, statement or notice must be in writing and delivered or mailed to the Tenant at the Premises and to the Landlord at the Address for Notices. It will be considered delivered on the day mailed or if not mailed, when left at the proper address. Any notice must be sent by certified mail. Landlord must send Tenant written notice if Landlord changes the Address for Notices.

5. Security

Tenant has given Security to Landlord in the amount stated above. If Tenant fully complies with all the terms of this Lease, Landlord will return the security after the Term ends. If Tenant does not fully comply with the terms of this Lease, Landlord may use the Security to pay amounts owed by Tenant, including damages. If Landlord sells the Premises, Landlord may give the Security to the buyer. Tenant will look only to the buyer for the return of the Security.

6. Utilities and services

Tenant must pay for the following utilities and services when billed: gas, water, electric, fuel, telephone, gardening, exterminating**

Maintenance service contracts shall be maintained, continued and paid for by Tenant. These charges will be added rent.

7. Furnishings unfurnished or AM

If the Premises are furnished, the furniture and other furnishings are accepted "as is." If an inventory is supplied each party shall have a signed copy.

8. Repairs, alterations

Tenant must keep, and at the end of the Term return the Premises and ~~all appliances~~ ^{done by AM} equipment, furniture, furnishings and other personal property clean and in good order and repair. Tenant is not responsible for ordinary wear and damage by the elements. If Tenant defaults, Landlord has the right to make repairs and charge Tenant the cost. The cost will be added rent. Tenant must not alter, decorate, change or add to the Premises.

9. Space "as is"

Tenant has inspected the Premises. Tenant states that they are in good order and repair and takes the Premises "as is."

*If no broker, insert "None."

**Add other utilities and services, if any.

01/28/98 10:27 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MEL 11.00

Inst # 1998-02895

10. Care of Premises, grounds

Tenant shall keep the grounds neat and clean. Vehicles may be driven or parked only in driveways or in the garage.

11. Fire, damage

Tenant must give Landlord immediate notice in case of fire or other damage to the Premises. Landlord will have the right to repair the damage within a reasonable time or cancel this Lease. If Landlord repairs, Tenant shall pay rent only to the date of the fire or damage and shall start to pay rent again when the Premises become usable. Landlord may cancel the Lease by giving Tenant 3 days' written notice. The Term shall be over at the end of the third day and all rent shall be paid to the date of the damage.

12. Liability

Landlord is not liable for loss, expense or damage to any person or property unless it is due to Landlord's negligence. Tenant must pay for damages suffered and money spent by Landlord relating to any claim arising from any act or neglect of Tenant. Tenant is responsible for all acts of Tenant's family, employees, guests and invitees.

13. Landlord's consent

If Tenant requires Landlord's consent to any act and such consent is not given, Tenant's only right is to ask the Court to force Landlord to give consent. Tenant agrees not to make any claim against Landlord for money or subtract any sum from the rent because such consent was not given.

14. Assignment, sublet

Tenant may not sublet all or part of the Premises, or assign this Lease or permit any other person to use the Premises.

15. Landlord may enter, keys, signs

Landlord ^{or} ~~may not~~ at reasonable times, enter the Premises to examine, to make repairs or alterations, and to show it to possible buyers, lenders or tenants. ~~Tenant must give to Landlord keys to all locks.~~ Locks may not be changed or additional locks installed without Landlord's consent. Doors must be locked at all times. Windows must be locked when Tenant is out. Landlord may place the usual "For Rent" or "For Sale" signs upon the Premises.

16. Subordination

This Lease and Tenant's rights are subject and subordinate to all present and future (a) leases for the Premises or the land on which it stands, (b) mortgages on the leases or on the Premises or on the land, (c) agreements securing money paid or to be paid by the lender, under mortgages, and (d) terms, conditions, renewals, changes of any kind in and extensions of the mortgages or leases or Lender agreements. Tenant must promptly execute any certificate(s) that Landlord requests to show that this Lease is subject and subordinate.

17. Condemnation

If all of the Premises is taken or condemned by a legal authority, the Term, and Tenant's rights shall end as of the date the authority takes title to the Premises. If any part of the Premises is taken, Landlord may cancel this Lease on notice to Tenant setting forth a cancellation date not less than 30 days from the date of the notice. If the Lease is cancelled, Tenant must deliver the Premises to Landlord on the cancellation date together with all rent due to that date. The entire award for any taking belongs to Landlord. Tenant gives Landlord any interest Tenant might have to any part of the award and shall make no claim for the value of the remaining part of the Term.

18. Compliance with authorities

Tenant must, at Tenant's cost, promptly comply with all laws, orders, rules and directions of all governmental authorities, property owners associations, insurance carriers or Board of Fire Underwriters or similar group. Tenant may not do anything which may increase Landlord's insurance premiums. If Tenant does Tenant must pay the increase as added rent.

19. Tenant's defaults and Landlord's remedies

A. Landlord may give 5 days written notice to Tenant to correct any of the following defaults:

1. Failure to pay rent or added rent on time.
2. Improper assignment of the Lease, improper subletting all or part of the Premises, or allowing another to use the Premises.
3. Improper conduct by Tenant or other occupant of the Premises.
4. Failure to fully perform any other term in the Lease.

B. If Tenant fails to correct the defaults in section A within the 5 days, Landlord may cancel the Lease by giving Tenant a written 3 day notice stating the date the Term will end. On that date the Term and Tenant's rights in this Lease automatically end and Tenant must leave the Premises and give Landlord the keys. Tenant continues to be responsible for rent, expenses, damages and losses.

C. If the Lease is cancelled, or rent or added rent is not paid on time, or Tenant vacates the Premises, Landlord may in addition to other remedies take any of the following steps:

1. Enter the Premises and remove Tenant and any person or property;
2. Use dispossession, eviction or other lawsuit method to take back the Premises.

D. If the Lease is ended or Landlord takes back the Premises, rent and added rent for the unexpired Term becomes due and payable. Landlord may re-rent the Premises and anything in it for any Term. Landlord may re-rent for a lower rent and give allowances to the new tenant. Tenant shall be responsible for Landlord's cost of re-renting. Landlord's cost shall include the cost of repairs, decorations, broker's fees, attorney's fees, advertising and preparation for renting. Tenant shall continue to be responsible for rent, expenses, damages and losses. Any rent received from the re-renting shall be applied to the reduction of money Tenant owes. Tenant waives all rights to return to the Premises after possession is given to the Landlord by a Court.

20. Bankruptcy

If (1) Tenant assigns property for the benefit of creditors, (2) Tenant files a voluntary petition or an involuntary petition is filed against Tenant under any bankruptcy or insolvency law, or (3) a trustee or receiver of Tenant or Tenant's property is appointed, Landlord may give Tenant 30 days notice of cancellation of the Term of this Lease. If any of the above is not fully dismissed within the 30 days, the Term shall end as of the date stated in the notice. Tenant must continue to pay rent, damages, losses and expenses without offset.

21. Correcting tenant's default

If Tenant fails to correct a default after notice from Landlord, Landlord may correct it for Tenant at Tenant's expense. The sum Tenant must repay to Landlord will be added rent.

22. Waiver of jury, counterclaim, set off

Landlord and Tenant waive trial by a jury in any matter which comes up between the parties under or because of this Lease (except for a personal injury or property damage claim). In a proceeding to get possession of the Premises, Tenant shall not have the right to make a counterclaim or set off.

23. Written instructions

Landlord has given or may give written instructions about the care and use of the appliances, equipment and other personal property on the Premises. Tenant must obey the instructions.

24. Broker

Landlord and Tenant recognize the above Broker as the Broker who brought about this Lease. Landlord is responsible to pay the above Broker's commission.

25. Landlord unable to perform

If due to labor trouble, government order, lack of supply, Tenant's act or neglect, or any other cause not fully within Landlord's reasonable control Landlord is delayed or unable to (a) carry out any of Landlord's promises or agreements, (b) supply any service to be supplied, (c) make any required repair or change in the Apartment or Building, or (d) supply any equipment or appliances, this Lease shall not be ended or Tenant's obligations affected.

26. Illegality

If any part of this Lease is not legal, the rest of the Lease will be unaffected.

27. No waiver

Landlord's failure to enforce any terms of this Lease shall not prevent Landlord from enforcing such terms at a later time.

28. Quiet enjoyment

Landlord agrees that if Tenant pays the rent and is not in default under this Lease, Tenant may peaceably and quietly have, hold and enjoy the Premises for the Term of this Lease.

29. Successors

This Lease is binding on all parties who lawfully succeed to the rights or take the place of the Landlord or Tenant.

30. Representations, changes in Lease

Tenant has read this Lease. All promises made by the Landlord are in this Lease. There are no others. This Lease may be changed only by an agreement in writing signed by and delivered to each party.

31. Paragraph headings

The Paragraph headings are for convenience only.

32. Effective date

This Lease is effective when Landlord delivers to Tenant a copy signed by all parties.

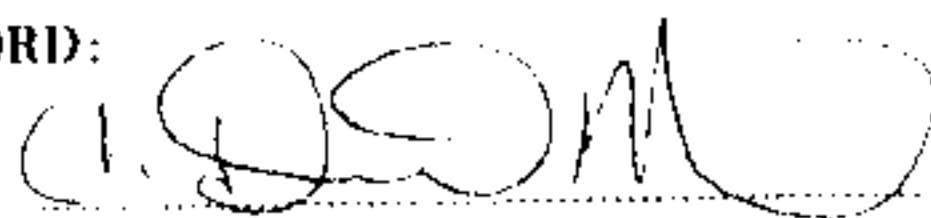
addendums

- AM PM 1. All appliances are the property of Landlord
- AM PM 2. Tenant may make improvements to property and submit receipts for materials/labor which will be applied toward rent at any time.
- AM PM 3. Tenant may terminate lease at any time provided 30 days written notification is given to landlord. In such a case tenant will not have to pay rent for any unused months on this lease.
- AM PM 4. Tenant will be reimbursed for any repairs or maintenance made during the term of the lease that exceeds \$300/month upon termination of the lease by either party.

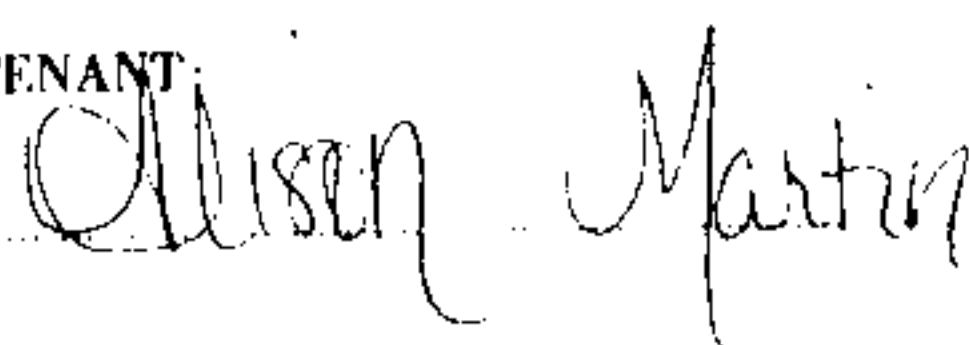
Rider Additional terms onpage(s) initialed at the end by the parties is attached and made a part of this Lease.

Signatures The parties have entered into this Lease on the date first above stated.

LANDLORD:



TENANT:



WITNESS:

GUARANTY OF PAYMENT

Date of Guaranty 19

Guarantor and address

1. Reason for guaranty

I know that the Landlord would not rent the Premises to the Tenant unless I guarantee Tenant's performance. I have also requested the Landlord to enter into the Lease with the Tenant. I have a substantial interest in making sure that the Landlord rents the Premises to the Tenant.

2. Guaranty

The following is my Guaranty:

I guaranty the full performance of the Lease by the Tenant. This Guaranty is absolute and without any condition. It includes, but is not limited to, the payment of rent and other money charges.

3. Changes in Lease have no effect

This Guaranty will not be affected by any change in the Lease, whatsoever. This includes, but is not limited to, any extension of time or renewals. The Guaranty will bind me even if I am not a party to these changes.

4. Waiver of Notice

I do not have to be informed about any default by Tenant. I waive notice of nonpayment or other default.

5. Performance

If the Tenant defaults, the Landlord may require me to perform without first demanding that the Tenant perform.

6. Waiver of jury trial

I give up my right to trial by jury in any claim related to the Lease or this Guaranty.

7. Changes

This Guaranty can be changed only by written agreement signed by all parties to the Lease and this Guaranty.

Signatures

GUARANTOR:

WITNESS:

STATE OF On County of , 19 , before me personally appeared to me known to be the individual described in and who duly acknowledged to me that he executed the same. Inst # 1998-02895

STATE OF On County of , 19 , before me personally appeared to me known, who being by me duly sworn, did depose and say that he is the of the corporation mentioned in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of of said corporation; and that he signed his name thereto by like order.

01/28/1998-02895
01/27 AM CERTIFIED
SHERIFF COUNTY JUDGE OF PROBATE
004 REC-16.00

Landlord.

Tenant.

TO

Lease

Apartment

at

Term Begins

Term Ends

Term rent \$ Monthly rent \$