

RESIDENTIAL LEASE WITH OPTION TO PURCHASE

THIS AGREEMENT made and entered into this 1st day of August, 1998 by and between Lisa H. Inman hereinafter called Lessor and Robert E. (Bob) Belcher and/or assigns, hereinafter called Lessee: The Lessor, for and in consideration of the sum of one hundred dollars in hand paid by the Lessee, receipt of which is hereby acknowledged, hereby leases to the Lessee, his heirs or assignees, the real property situated in the Subdivision of Brook Hollow, City of Pelham, County of Shelby, State of Alabama, legally described as Lot 1, Block, __, Brpok Hollow, Sector One as recorded in Map Book 17, Page 103, in the office of the Judge of Probate in Shelby County, Alabama (Street address: 230 Brook Hollow Drive) and consisting of a building with three bedrooms, two bathrooms, kitchen, great room, two-car garage, security system, in addition to surrounding grounds having dimensions of 68.50 ft. (front), 100.00 ft. (left side, front to back), 40.00 ft. (back), 45.00 ft. and 61.95 ft. (right side, front to back) upon the following TERMS and CONDITIONS:

1. **PERSONAL PROPERTY:** Said lease shall include the following personal property: refrigerator.
2. **TERM:** The term hereof shall commence on September 1, 1998, and continue for a period of twenty-four months thereafter.
3. **RENT:** Rent shall be \$850.00 per month, payable in advance, upon the first day of each calendar month to Lessor or his authorized agent at such places as may be designated by Lessor from time to time. In the event rent is not paid within five (5) days after due date, Lessee agrees to pay a late charge of \$50.00.
4. **EARNEST MONEY:** Lessee shall pay earnest money to Lessor in the amount of \$800.00 on the following dates: March 1, 1999; September 1, 1999; and March 1, 2000.
5. **UTILITIES:** Lessee shall be responsible for the payment of all utilities and services, except taxes and insurance which shall be paid by Lessor.
6. **USE:** The premises shall be used as a residence or residence with home office and for no other purpose, without the prior written consent of the Lessor.
7. **ASSIGNMENT AND SUBLETTING:** Lessee may assign this agreement or sublet any portion of the premises without prior written consent of the Lessor.
8. **MAINTENANCE, REPAIRS OR ALTERATIONS:** Lessee shall maintain the premises in a clean and sanitary manner and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. Lessee shall be responsible for damages caused by his negligence and that of his family or invitees or guests. Lessee shall irrigate and maintain any surrounding grounds, including lawns and shrubbery, and keep the same clear of rubbish and weeds, if such grounds are a part of the premises and are exclusively for the use of the Lessee. Lessee may at his own expense provide improvements such as painting, carpeting, flooring, and landscaping without prior consent of the Lessor.
9. **ENTRY AND INSPECTION:** Lessee shall permit Lessor or Lessor's agents to enter the premises at reasonable times and upon reasonable notice for the purpose of inspecting the premises or for making necessary repairs.
10. **POSSESSION:** If Lessor is unable to deliver possession of the premises at the commencement hereof, Lessor shall not be liable for any damage caused thereby nor shall this agreement be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this agreement if possession is not delivered within ten days of the commencement of the term hereof.

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11. SECURITY: A security deposit in the amount of \$500.00 shall secure the performance of the Lessee's obligations hereunder. Lessor may, but shall not be obligated to, apply all or portions of said deposit on account of Lessee's obligations hereunder. Any balance remaining upon termination shall be returned to Lessee.

12. ATTORNEY FEES: The prevailing party shall be entitled to all costs incurred in connection with any legal action brought by either party to enforce the terms hereof or relating to the demised premises, including reasonable attorney fees.

13. NOTICES: Any notice which either party may or is required to give may be given by mailing the same, postage prepaid, to Lessee or to Lessor at the addresses shown below or at such other places as may be designated by the parties from time to time.

14. HEIRS, ASSIGNS, SUCCESSORS: This lease and option shall include and inure to and bind the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

15. TIME: Time is of the essence of this agreement. This offer shall terminate if not accepted before August 4, 1998.

16. HOLDING OVER: Any holding over after expiration of the term of this lease, with the consent of Lessor, shall be construed as a month-to-month tenancy in accordance with the terms hereof, as applicable. In such case, Lessee shall permit Lessor or Lessor's agents to enter the premises at reasonable times and upon reasonable notice for the purpose of inspecting or showing the premises or for making necessary repairs.

17. DEFAULT: If Lessee shall fail to pay rent or earnest money when due, or perform any term hereof, after not less than five (5) business days written notice of such default given in the manner required by law, the Lessor, at his option, may terminate all rights of Lessee hereunder, unless Lessee, within said time, shall cure such default. If Lessee abandons or vacates the property, while in default of the payment or rent, Lessor may consider any property left on the premises to be abandoned and may dispose of the same in any manner allowed by law. In the event the Lessor reasonably believes that such abandoned property has no value, it may be discarded.

18. OPTION: Lessee shall have the option to purchase the leased premises described herein upon the following **TERMS and CONDITIONS:**

- a.) The total purchase price shall be \$110,000.00. (One hundred ten thousand dollars).
- b.) Lessor shall give Lessee a purchase credit in the amount of the \$500.00 security deposit, plus all earnest money paid to date, in addition to \$200.00 for each month whereby rent was received by Lessor.

19. ENCUMBRANCES: Lessee shall take title to the property subject to: 1.) Real Estate Taxes not yet due and 2.) Covenants, conditions, restrictions, reservations, rights, rights of way and easements or record, if any which do not materially affect the value or intended use of the property.

20. EXAMINATION OF TITLE: Fifteen (15) days from date of exercise of this option are allowed the Lessee to examine the title to the property and to report in writing any valid objections thereto. Any exceptions to the title which would be disclosed by examination of the records shall be deemed to have been accepted unless reported in writing within said 15 days. If Lessee objects to any exceptions to the title, Lessor shall use all due diligence to remove such exceptions at his own expense within 60 days thereafter. If Lessor is unable to convey to Lessee a good and insurable title to the property, the Lessee may elect to: 1.) purchase the property subject to such exceptions; or 2.) provide Lessor with a sixty day notice of vacancy and thereby terminate all rights and obligations hereunder and demand return of the \$500.00 security deposit plus \$300.00 for each month's rent received by Lessor to date.

21. **EVIDENCE OF TITLE:** Lessor shall provide evidence of Title in the form of a policy of title insurance at Lessor's expense.

22. **BILL OF SALE:** The personal property identified in paragraph 1 shall be conveyed by bill of sale.

23. **CLOSING:** Closing shall be within 30 days from exercise of the option unless otherwise extended by other terms of this agreement. Lessor shall pay \$500.00 or 50.0%, whichever is less, of the sum of attorney and recording fees at closing.

24. **PRORATIONS:** Tax and insurance escrow account, if any, to be transferred intact to Lessee with no prorations. Interest and other expenses of the property to be prorated as of the date of closing. Unpaid real estate taxes or advance rentals shall be credited to Lessee.

25. **EXPIRATION OF OPTION:** This option may be exercised at any time prior to its expiration at midnight, August 31, 2000. Upon expiration, Lessor shall be released from all obligations hereunder and all of Lessee's rights hereunder, legal or equitable, shall cease.

26. **EXERCISE OF OPTION:** The option shall be exercised by mailing or delivering written notice to the Lessor prior to the expiration of this option. Notice, if mailed, shall be by certified mail, postage prepaid, to the Lessor at the address set forth below, and shall be deemed to have been given upon the day shown on the postmark of the envelope in which such notice is mailed.

27. **RIGHT TO SELL:** Lessor warrants to Lessee that Lessor is the legal owner of the leased premises and has the legal right to sell leased premises under the terms and conditions of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.


ROBERT E. BELCHER (LESSEE)

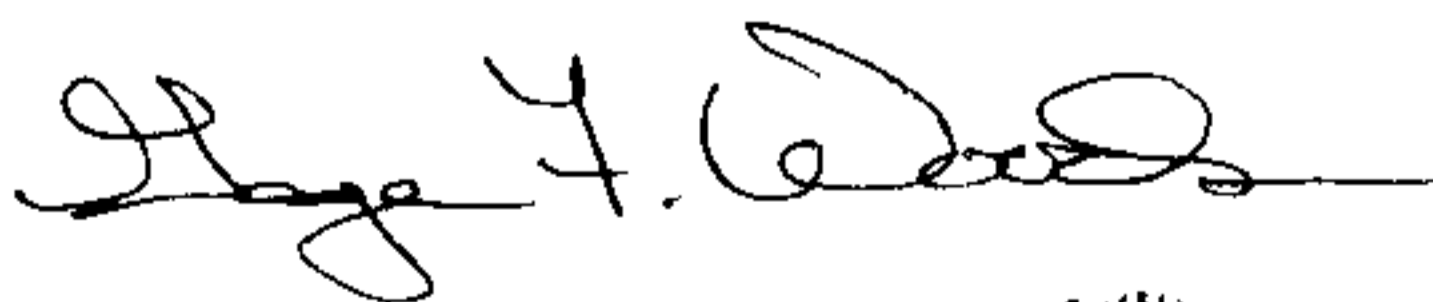
5380 Trussville - Clay Rd.

Trussville, AL 35173


LISA H. INMAN (LESSOR)

230 Brook Hollow Dr.

Pelham, AL 35124



RECORDED IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT
SHELBY COUNTY, ALABAMA
JULY 23, 2000

Inst # 1998-29997

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