

STATE OF ALABAMA
SHELBY COUNTY

LEASE AGREEMENT WITH OPTION TO PURCHASE

WITNESS this Lease Agreement with Option to Purchase made and entered into this 27th day of November, 2000, by and between **LILLIAN M. ELLISON, an incapacitated person, by and through her Conservator, June Harris**, hereinafter referred to as "Lessor", and **CITY OF PELHAM, ALABAMA, a municipal corporation**, hereinafter referred to as "Lessee".

1. **LEASED PREMISES:** Lessor does hereby rent and lease unto the Lessee, and Lessee does hereby lease and rent from the Lessor, the following real property located in Shelby County, Alabama, and hereinafter referred to as the "leased premises", to-wit:

PARCEL 1

Commence at the NE corner of the NW 1/4 of the SW 1/4 of Section 19, Township 20 South, Range 2 West and run Southerly along the East line of said 1/4 1/4 section, 507.63 feet; thence run S 89 deg. 04' 41" W, 139.04 feet to the point of beginning; thence continue along last described course, 469.00 feet; thence run S 00 deg. 04' 34" W, 356.64 feet to a point on the Northeasterly right of way of County Road #52; thence run S 53 deg. 10' 49" E along said right of way, 171.24 feet; thence run S 61 deg. 19' 15" E along said right of way, 127.46 feet; thence N 22 deg. 22' 47" E, 238.13 feet; thence run S 63 deg. 38' 08" E, 145.23 feet; thence run N 00 deg. 02' 43" W, 372.28 feet to the point of beginning. Containing 4.43 acres.

PARCEL 3

Commence at the NE corner of the NW 1/4 of the SW 1/4 of Section 19, Township 20 South, Range 2 West and run Southerly along the East line of said 1/4 1/4 Section, 507.63 feet; thence run S 89 deg. 04' 41" W, 608.04 feet to the point of beginning; thence continue along last described course, 40.54 feet to a point on a Judicial Line established per Court Case CV 87-104; thence run S 0 deg. 27' 25" W along said Judicial Line, 322.39 feet to a point on the Northeasterly right of way of County Road #52; thence run S 51 deg. 45' 15" E along said right of way, 54.29 feet; thence run N 00 deg. 04' 34" E, 356.64 feet to the point of beginning. Containing 0.32 acres.

According to survey dated November 6, 1990, of Robert C. Farmer, Ala. Reg. No. 14720.

Also, commence at the NE corner of the NW 1/4 of the SW 1/4 of Section 19, Township 20 South, Range 2 West, and run Southerly along the East line of said 1/4 1/4 Section 507.63 feet; thence run South 89 deg. 04' 41" W, 608.04 feet to the point of beginning; thence continue along last described course, 40.54 feet to a point on a Judicial Line established per Shelby County Court Case CV 87-104; thence run N 0 deg. 27' 25" E, 1,090.61 feet, more or less, to an iron pin, being the north point of the said Judicial line; thence right 89 deg. 36' 14", 33.51 feet; thence South to the point of beginning.

LESS AND EXCEPT:

Commence at the NE corner of the NW 1/4 of the SW 1/4 of Section 19, Township 20 South, Range 2 West; thence S 0 deg. 02' 52" E along the east line of said 1/4 1/4 section a distance of 507.63 feet; thence S 89 deg. 04' 41" W a distance of 30.17 feet; thence S 0 deg. 02' 43" E a distance of 428.01 feet; thence N 63 deg. 38' 8" W a distance of 266.78 feet to the point of beginning; thence N 84 deg. 26' 18" W a distance of 117.31 feet; thence S 26 deg. 43' 16" W a distance of 191.34 feet to a point on the northeasterly right of way line of Shelby County Highway No. 52; thence S 61 deg. 19' 15" E along said right of way line a distance

Inst # 2001-07858

03/06/2001-07858
11:07 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 031 23.00

of 127.46 feet; thence N 22 deg. 22' 47" E and leaving said right of way line a distance of 238.13 feet to the point of beginning. Said parcel contains 0.59 acres, more or less. According to survey dated October 25, 1994, of Robert C. Farmer, Ala. Reg. No. 14720.

Lessor covenants to keep Lessee in possession of the leased premises during the term of this lease agreement provided the Lessee shall substantially comply with all of the terms, conditions, and requirements hereof. Lessor agrees that Lessee shall have thirty (30) days after written notice and demand from Lessor to Lessee to remedy any violations by Lessee of any such terms, conditions and requirements in this Agreement.

2. LEASE TERM AND RENT: The term of this lease shall be for five years commencing on the 29th day of November, 2000, and ending on the 29th day of November, 2005, unless sooner terminated. The Lessee shall also be responsible for payment of any and all fees, taxes, assessments, or otherwise, incurred in connection with use and enjoyment of the premises, including any ad valorem real estate taxes that may be imposed on the leased premises. The Lessor shall have all property rights in the event of condemnation of all or any part of the leased premises, except that Lessee shall have the right to accelerate the option to purchase prior thereto and thus, affirms all property rights therein.

Lessee agrees to pay the Lessor as rent for the leased premises the sum of Fifteen Thousand Dollars (\$15,000.00) per quarter of each year, being due and payable on the 1st day of each month preceding the said quarter. In the event the Lessee becomes more than ten (10) days delinquent in the payment of rent, the Lessee shall pay a late charge equal to five percent (5%) of the delinquent rental amount.

3. PURPOSE OF LEASE: The leased premises are hereby leased unto the Lessee for any such purpose as the Lessee determines appropriate, to the extent lawful. Lessee shall comply with all local, state and federal laws, and shall not permit any violations thereof, and will indemnify and hold harmless the Lessor for any non-compliance. Lessee shall be responsible for maintaining order at all times at said leased premises, and shall be responsible for all the upkeep at said leased premises, including keeping said premises in a reasonable state of cleanliness and in good condition during the term of this lease.

4. OPTION TO PURCHASE: In the event the Lessee has substantially and timely complied with all provisions of this Lease, and made all lease payments when due or within thirty (30) days after receipt of written notice from Lessor that a lease payment is due and unpaid, Lessor does hereby grant to Lessee the option to purchase the leased premises at the end of the lease term upon payment to Lessor of the purchase price amount of Five Hundred Thousand Dollars (\$500,000.00). In the event Lessee exercises this option, all quarterly lease payments made to Lessor shall be credited toward the purchase price. The premises shall be purchased in its "AS IS" physical condition.

In the event the Lessee elects to exercise the option to purchase, the Lessor shall furnish Lessee with a warranty deed, but shall not be responsible for any closing costs, or other costs of Lessor, or payments whatsoever. Lessor shall do nothing to encumber said property or the title thereof, shall not mortgage or convey or enter into any agreement to place any lien or encumber or allow same to be done, and shall promptly at Lessor's expense, remedy any defects in title and/or remove any limitations to Lessor's right to convey property to Lessee upon exercise of the option to purchase.

5. ALTERATIONS, IMPROVEMENTS, OR ADDITIONS, AND RIGHT OF ENTRY: The Lessor shall not be required to make any repairs or do any work on or about the leased premises.

Lessee shall have the right to demolish existing improvements, and grade and change the grade of the property, and make alterations, improvements or additions to any part of the leased premises without the written consent of the Lessor. In the event any alterations, improvements or additions are made to any part of the leased premises, whatsoever, the said alterations, improvements, or additions, shall attach to the leased premises and remain a part thereof. Any alterations, improvements, or additions shall be done with proper permits, and according to local ordinances, or as otherwise required by law. In the event the Lessee does not exercise the Option to Purchase, the Lessee shall return said leased premises in the same, similar, or as good condition as exists at the time of the execution of this lease agreement, reasonable wear and tear excepted. Lessee agrees that the physical condition of the leased premises are acceptable upon execution of this lease agreement.

6. UTILITIES: All applications and connections for necessary utility services of the leased premises shall be made in the name of the Lessee only, and Lessee shall be solely liable for utility charges as they may become due, including those for sewer, water, gas, electricity, telephone services, and otherwise to the extent applicable.

7. NON-LIABILITY OF LESSOR FOR DAMAGES: Lessor shall not be liable for damages or injuries to any persons or property, including that of Lessee, Lessee's invitees, employees, guests, trespassers, the general public, or any other person, firm, corporation, or entity, from any cause relating to the possession, use or occupancy of the leased premises by Lessee. Lessee assumes full and sole responsibility for legal liability to Lessee's employees, guests, invitees, trespassers, the general public, or others, resulting directly from the acts or activities of Lessee, and does hereby release and forever hold harmless Lessor from any such claims or liability for damage or injury. Lessee shall indemnify and hold harmless Lessor from all liability, loss, damages, expense, or other claims or obligations which are the direct result of actions or activity by the City, or for which Lessee is legally responsible, including the defense thereof, and shall be responsible for payment of reasonable attorneys' fees, with the City having the right to select or approve defense counsel.

The leased premises and all buildings, structures and improvements are leased in an "AS IS" condition, with no express or implied warranties of any type, kind or character in connection with either the lease or any exercise of the option to purchase hereunder. The Lessor shall not be liable to the Lessee or to third persons for any damage that may occur on account of any defects in the leased premises, whether such defect exists at the date of this lease agreement or arises subsequently thereto, or whether such defect is known or unknown to the Lessor at this time or at the time of such injury or damage.

8. NO WARRANTY AS TO CONDITION OF RESIDENCE AND PREMISES: Nothing herein contained shall be construed as a warranty that the leased premises or any part thereof or building thereon are in good condition or fit or suitable for the use and purposes for which they are hereby leased.

9. WASTE, ATTORNEY'S FEES, WAIVER OF EXEMPTION: It is agreed that at the expiration of the said term of this lease agreement, Lessee will quit and surrender the leased premises hereby demised in as good a state and condition as received, reasonable wear and tear excepted, unless Lessee shall elect to exercise its option to purchase. It is agreed and understood by and between the parties hereto that the Lessee shall commit no waste, damage, or injury to the leased premises, which decreases the value thereof, although Lessee does, as hereinabove specified, have the right to make changes or additions to the leased premises as it deems appropriate, and upon the expiration or termination of this lease, the Lessee agrees to surrender

quiet and peaceable possession of the leased premises to the Lessor, natural wear and tear excepted, and except for any changes therein which are authorized by the terms of this document.

In the event of the employment of an attorney by the Lessor or Lessee on account of the violation of any part of the conditions of this lease, the Lessee and Lessor hereby agree that the party at fault shall be responsible for payment of a reasonable attorney's fee of the other party.

In the event Lessee violates any of the terms, conditions, or covenants contained in this Lease, including the obligation to make quarterly lease payments when due, and in the event such violation shall continue for more than thirty (30) days after receipt by Lessee of written notice from Lessor, then, the Lessor may, at her option, mature and make due and payable all rent or lease payments reserved and provided for by the Lease. In addition, the Lessor may terminate this Lease, re-enter, take possession of said leased premises and any contents contained therein, and re-let or sell said leased premises and contents contained therein for the sole benefit of the Lessor. In addition, Lessee shall forfeit its right of the option to purchase upon violation of any lease term hereof which shall continue for more than thirty (30) days after actual physical receipt by Lessee of written notice and demand to remedy from Lessor. The receipt by the Lessor of rent or lease payments, regardless of knowledge of the breach of any covenant or term hereof, shall not be deemed a waiver or forfeiture of such breach, and no waiver or forfeiture by the Lessor of any provision hereof shall be deemed to have been made unless expressed in writing by the Lessor. Lessee shall also be liable for any additional damages that may accrue as the result of their immediate failure to vacate upon default.

10. TIME OF ESSENCE: Time is of the essence in all the provisions of this lease agreement.

11. APPLICABLE LAW: This agreement shall be governed by and construed in accordance with the Laws of the State of Alabama. All provisions in this Lease Agreement shall be construed separately and severally, and in the event any one provision is determined not proper, all remaining terms and provisions of the lease shall remain enforceable. This lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors and assigns of the parties.

12. APPROVAL BY COURT: This agreement, and all the terms and provisions hereof, are subject to approval by the Probate Court of Shelby County, Alabama, in Case No. 40-148. Lessor agrees to immediately seek court approval, and take all reasonably necessary measures to obtain such court approval.

IN WITNESS WHEREOF the undersigned Lessor and Lessee hereby execute this lease agreement under seal as of the day and year first above written.

LESSOR: Lillian M. Ellison

Wayne M Ellison
Witness

By Jane Harris
Her Conservator

LESSEE: City of Pelham, Alabama

Greg G. Bates
Witness

By Bobby Hayes
Its Mayor

DEC 21 2000

IN THE PROBATE COURT OF SHELBY COUNTY, ALABAMA

IN THE MATTER OF THE ESTATE)
OF LILLIAN M. ELLISON,) CASE NO. 40-148
an incapacitated person)

ORDER ON PETITION FOR PRIVATE SALE OF REAL PROPERTY

This cause came on to be heard on Petition for Sale of Real Property filed by June Harris, Conservator. Testimony having been given previously and all parties appearing having agreed that the sale of real property was necessary for the benefit of Lillian M. Ellison, the Court entered an Order on November 1, 2000 approving the sale of real property upon conservator submitting a proposed contract for the sale of real property and said contract being in excess of the appraisal amount and in all respects in the best interest of the incapacitated person.

The Court further finds that June Harris is the conservator of Lillian M. Ellison, and that it would be in the best interest of Lillian M. Ellison to allow a sale of her real property as described in her contract.

The Court being satisfied that said property is being sold for an amount not disproportionate to its fair market value and to a party bearing no relation or common interest with Petitioner herein.

It is therefore ORDERED, ADJUDGED and DECREED as follows:

Petitioner's Petition for Sale of Real Property is hereby GRANTED. Petitioner, June Harris, is authorized to lease or sell said real property to the City of Pelham for a purchase price of \$500,000.00, payable at the lease or purchase rate of \$15,000.00 per quarter for a period of five years.. The said June Harris is authorized to execute any and all documents and instruments necessary to effectuate said transaction.

The Court further ORDERS that prior to any acceleration in payment, an additional bond will be required to be posted and an Order approving same will be required from this Court.

Petitioner is ordered to report to the court upon consummation of said sale within thirty (30) days hereof.

DONE and ORDERED this the 19 day of December, 2000.

Handwritten signature of Patricia Yeager Fuhrman, Probate Judge, with stamp 'Postmaster 07858'.

cc: J. Frank Head, Esq.
Joseph E. Walden, Esq.

03/06/2001-07858
11:07 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 CJ1 23.00