

CONTRACT FOR THE LEASE AND PURCHASE OF REAL ESTATE AND BUSINESS

This CONTRACT FOR THE LEASE AND PURCHASE OF REAL ESTATE AND BUSINESS (hereinafter the "Agreement") entered into this the 1st day of June, 2004 by and between Louise V. Hildebrand (hereinafter "Seller") and Paula Armstrong (hereinafter "Purchaser").

NOW, THEREFORE, FOR AND IN CONSIDERATION OF mutual covenants and agreements contained herein, and other good and valuable considerations the receipt and sufficiency of all of which is hereby acknowledged the parties hereto do hereby covenant, contract and agree as follows, to-wit:

SECTION 1. LEASE OF REAL PROPERTY AND PURCHASE AND SALE OF BUSINESS

1.1 **LEASE.** Seller hereby demises and leases, with the intent to sell, to Purchaser and Purchaser hereby takes and rents, with the intent to buy, from Seller that certain real property located in Shelby County, Alabama, being more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, together with the business currently operated as "Hildebrand's Hidden Acres" (hereinafter "Hidden Acres") on that real property, together with all goodwill associated therewith and any improvements now situated thereon, and all easements, rights, licenses and appurtenances used in connection therewith or belonging thereto (hereinafter the "Property").

Purchaser shall keep Hidden Acres in good and licensed condition according to those standards defined by the laws and regulations of the state of Alabama that pertain to assisted living facilities. Purchaser shall also use her best efforts to maximize the operating capacity of Hidden Acres.

1.2 **TERM.** The initial term of the Lease shall begin on the 1st day of June, 2004.

1.3 **PURCHASE PRICE.** Purchaser agrees to pay Seller and Seller agrees to accept as total consideration for the purchase and sale of said property and business, the total sum of One Million Three Hundred and Fifty Thousand dollars (\$1,350,000.00), (the "Purchase Price"). Total amount due Seller shall be Eight Hundred and Three Thousand Dollars (\$803,000). The remainder shall be deducted from Purchaser mortgage and loan payments, as specified in Section 1.4 herein. If Purchaser has failed to make all said rental payments or if other amounts shall be due Seller hereunder, and Seller has not terminated this Agreement, then the balance of the Purchase Price shall be modified to reflect such additional amounts due.

1.4 **LOAN PAYMENTS AND RENTAL.** Beginning on July 15th, 2004, Purchaser shall pay unto Seller the sum of Six Thousand Dollars (\$6000.00) per month as rent for the Property and Business. Purchaser shall also be responsible for the monthly payments of the total amount due on the mortgage on the Property. The total amount due on the



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mortgage is Four Hundred Fifty One Thousand Dollars (\$451,000.00). Purchaser shall pay unto Seller's bank, Three Thousand and Five Hundred dollars (\$3500.00) per month, no later than the 10th of each and every month. Purchaser shall also be responsible for paying the monthly payments for the total amount due on the equity loan on the Property. The total amount due on the equity loan is Ninety Six Thousand Dollars (\$96,000). Purchaser shall pay unto Seller's bank Fifteen Hundred Dollars (\$1500.00) per month, no later than the 10th of each and every month.

- 1.5 **USE OF PREMISES.** The Property and improvements thereon are hereby leased for commercial, residential and related use. Purchaser agrees not to use or permit the use of the Property for illegal purposes. An auction, fire or going out of business or bankruptcy sale, may not be conducted in the Property without prior written consent of Seller.
- 1.6 **UTILITIES.** Purchaser agrees to maintain, repair, and pay for all water, fuel, gas, oil, heat, electricity, power, materials and services which may be furnished to it or used by it in or about the Property.
- 1.7 **TAXES.** Purchaser shall pay all real property taxes levied on the Property during the term of this Lease.
- 1.8 **ALTERATIONS, TRADE FIXTURES, FINANCING.** Purchaser shall have the right to make such alterations and improvements to the Property as it deems necessary or desirable upon giving written notice of same to Seller. Such alterations and improvements shall comply with all applicable construction laws and regulations and shall conform generally with any existing improvements on the Property. The Purchaser shall keep the Property free from any and all liens arising out of the work performed or materials furnished in making such improvements.
- 1.9 **ASSIGNMENT AND SUBLEASING.** Purchaser shall not have the right to assign this Lease nor sublet the Property in whole or in part without first procuring the written consent of the Seller. After any consent to assignment or sublease, Purchaser shall remain fully liable for payment of rent and other covenants and obligations of the Purchaser herein contained.
- 1.10 **NUISANCES.** Purchaser shall promptly comply with all ordinances of any governmental body applicable for said premises and to all ordinances and requirements enforced by the state board of health, and applicable sanitary, fire or police departments for the correction, prevention and abatement of nuisances in and about or connected with the Property because of Purchaser's use thereof during the term of this Agreement, all at Purchaser's expense. Purchaser shall provide for the removal of its own trash, waste paper, boxes and cartons and shall not permit any accumulation of such materials. Purchaser shall not engage in any act which shall constitute a nuisance.
- 1.11 **ENTRY AND INSPECTION.** Purchaser shall permit Seller and her agents to enter the Property at all reasonable times for any of the following purposes to inspect the same: (i) to maintain the Property, (ii) to make repairs to the Property as the Seller is obligated


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or may elect to make, and (iii) to post notices of non-responsibility for alterations or additions or repairs.

- SECTION 2. DEFAULT.** If either party defaults in compliance with any term, covenant, representation or warranty on their part herein contained, the non-defaulting party shall give the defaulting party ten (10) days written notice to cure the default. If the defaulting party, prior to the expiration date of the notice, has neither cured the default nor given the non-defaulting party adequate security for the remedy thereof, then the non-defaulting party may, at its option, terminate this Agreement and take any other such action available in law or equity and as the non-defaulting party deems appropriate to remedy or compensate it for the defaulting party's breach or default. Purchaser agrees that her/ their default hereunder, and in particular, default in the mandatory purchase obligation, will result in irreparable harm to Seller and Seller shall be entitled to specific performance of this agreement.
- SECTION 3. INDEMNITY.** Purchaser shall indemnify and save harmless the Seller from any and all losses, fines, suits, damages, expenses, claims, demands and actions of any kind resulting from her negligence, breach, or violation or non-performance of any condition hereof. The parties agree to seek recovery under this Section 4(A) only if the losses suffered are not covered by the policies of insurance provided in 4(B) below and payment is not made under said policies.
- SECTION 4. CONDEMNATION.** If, during the term of this Agreement, the Property shall be taken or condemned, either in whole or part, by competent authorities for public or quasi-public use, Seller shall have the option to terminate this Agreement as of the date of taking. If Seller elects not to terminate this Agreement, then this Agreement shall continue in full force and effect.
- SECTION 5. REMOVAL OF TIMBER OR MINERALS.** Purchaser agrees and covenants that no timber or minerals shall be cut, mined or otherwise removed from the Property without the prior written consent of Seller. In the event Purchaser desires to remove any such timber or minerals from the Property and Seller consents, Purchaser agrees and covenants that all proceeds, payments or other money received therefrom shall be paid to Seller to be applied against Purchasers purchase obligations hereunder until such time as Purchaser shall paid all amounts due pursuant to this agreement or any subsequent promissory note.
- SECTION 6. RELATIONSHIP OF PARTIES.** It is understood and agreed that the relationship of the parties hereto is strictly that of Seller and Purchaser and that the Seller has no ownership in the Purchaser's enterprise and the Agreement shall not be construed as a joint venture or partnership. The Purchaser is not and shall not be deemed to be an agent or representative of the Seller.

SECTION 7. AGREEMENT BINDING ON ASSIGNS. All covenants, conditions and agreements and undertakings contained in this Agreement shall extend to and be binding on the respective heirs, successors and assigns of the respective parties hereto the same as if they were in every case named and expressed.

SECTION 8. NOTICES. Until further written notice to Purchaser, all rent checks and all notices from Purchaser to Seller shall be served or sent to:

Louise Hildebrand
PMB 168
1545 Gulf Shores Parkway
Gulf Shores, Alabama 36542-3455

Until further written notice to Seller, all notices from Seller to Purchaser shall be served or sent to Purchaser at the following address:

Paula Armstrong
1221 County Road 69
Chelsea, Alabama 35043

All notices to be given under this Agreement shall be in writing and shall be served personally or sent by United States certified or registered mail.

SECTION 9. ENTIRE AGREEMENT. This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner other than by agreement in writing signed by all parties hereto or their respective successors in interest.

SECTION 10. PARTIAL INVALIDITY. If any section, paragraph, sentence or portion of this Agreement or the application thereof to any party or circumstance shall, to any extent, be or become invalid or illegal, such provision is and shall be null and void, but, to the extent that said null and void provisions do not materially change the overall agreement and intent of this entire agreement, the remainder of this Agreement shall not be affected thereby and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent provided by law.


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SECTION 11. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

WITNESS THE SIGNATURES of the parties hereto on this the ____ day of _____, 20__.

SELLER:

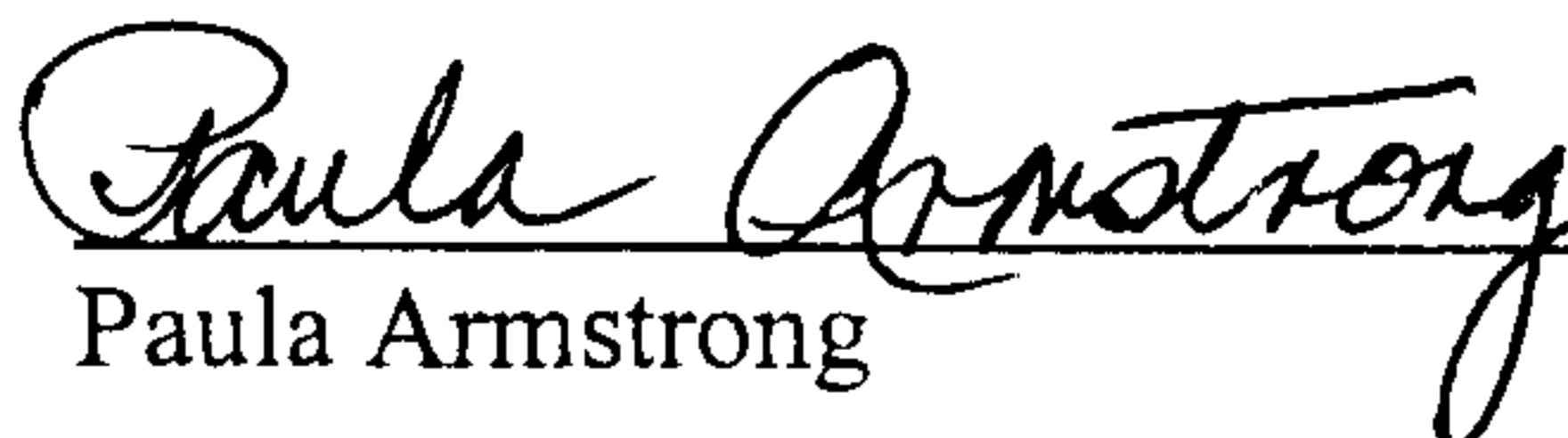


Louise V. Hildebrand

Date:

5-25-04

PURCHASER:



Paula Armstrong

SS#

[REDACTED]

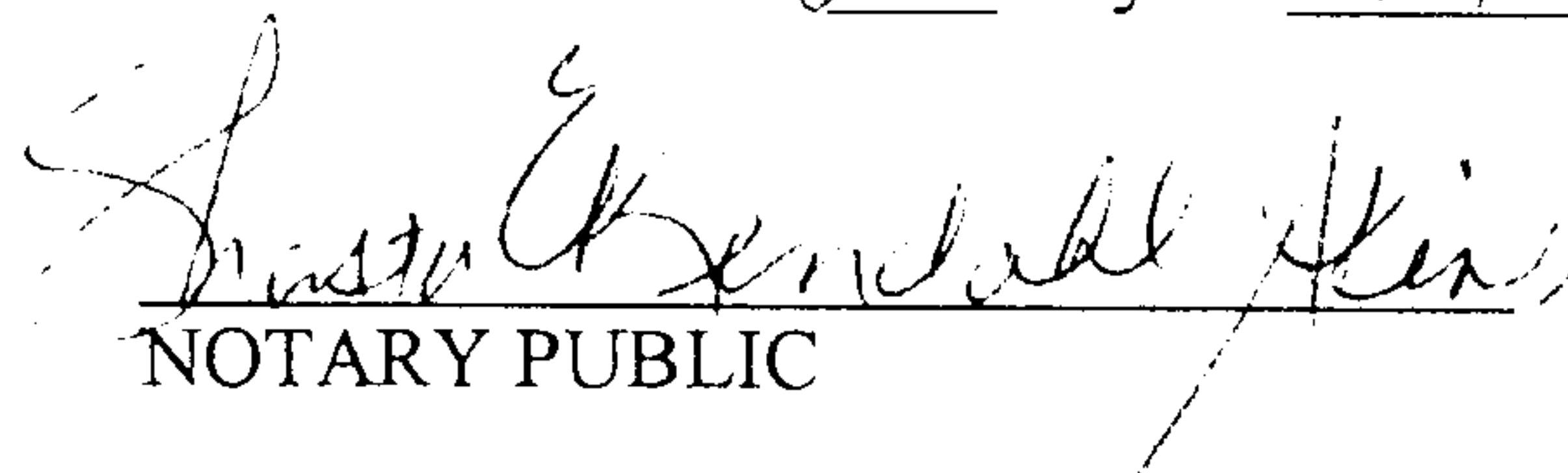
Date:

5/28/04

STATE OF ALABAMA
COUNTY OF BALDWIN

Personally appeared before me, the undersigned authority in and for said county and state, on this 25th day of MAY, 2004, within my jurisdiction, the within named Louise V. Hildebrand, who acknowledged that she is Owner of Hildebrand's Hidden Acres, and that she executed the above and foregoing instrument.

2004 GIVEN under my hand and official seal of office on this the 25th day of MAY,


NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Jul 27, 2005
BONDED TIRU NOTARY PUBLIC UNDERWRITERS


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STATE OF Alabama
COUNTY OF Shelby

Personally appeared before me, the undersigned authority in and for said county and state, on this 28th day of May, 2004, within my jurisdiction, the within named Paula Armstrong, who acknowledged that she executed the above and foregoing instrument.

2004 GIVEN under my hand and official seal of office on this the 28th day of May,

Lynnda J. Freeman
NOTARY PUBLIC

My Commission Expires:

July 5, 2005


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DON ARMSTRONG
PROPERTY TAX COMMISSIONER
ASSESSMENT RECORD - 2012

P. O. BOX 1269
COLUMBIANA, ALABAMA 35051
Tel: (205) 670-6900
Printed On: 6/20/2012

PARCEL: 15 5 21 0 000 005.000
CORPORATION: I
OWNER: HILDEBRAND LOUISE V

LAND VALUE 10% \$0
LAND VALUE 20% \$169,000
CURRENT USE VALUE \$0

ADDRESS: 28250 CANAL RD UNIT #1106
ORANGE BEACH, AL 36561

EXEMPT CODE:
OVER 65 CODE:
PROPERTY CLASS: 02
OVR ASD VALUE:
DISABILITY CODE:
SCHOOL DIST: 2
MUN CODE: 17 CHELSEA
EXM OVERRIDE AMT: \$0
HS YEAR: 0

CLASS 2
BARN SHED B-21 B21ALL1 \$780
BARN SHED B-23 B23ALL3 \$10,860
BLDG 1 Card 3 656 \$640,300
BLDG 1 Card 2 111 \$77,800
OTHER BLDG \$405,500

CLASS USE SEE LETTER IN DOC BEFORE ADD CHNG
FOREST ACRES: 0 TAX SALE:
PREV. YEAR VALUE: \$1,315,970 ASSMT. FEE:
PARENT PARCEL: BOE VALUE:
REMARKS: DB 273 P 806;RB 149 PG 130;RB 125 PG 541;
Last Modified: 8/2/2011 3:07:45 AM
Property Address:
Contiguous Parcels:

CLASS 3
TOTAL MARKET VALUE: \$1,304,240

ASSESSMENT/TAX

	CLASS	MUNCODE	ASSD. VALUE	TAX	EXEMPTION	TAX EXEMPTION	TOTAL TAX
STATE	2	17	\$260,860	\$1,695.59	\$0	\$0.00	\$1,695.59
COUNTY	2	17	\$260,860	\$1,956.45	\$0	\$0.00	\$1,956.45
SCHOOL	2	17	\$260,860	\$4,173.76	\$0	\$0.00	\$4,173.76
DIST SCHOOL	2	17	\$260,860	\$3,652.04	\$0	\$0.00	\$3,652.04
CITY	2	17	\$260,860	\$0.00	\$0	\$0.00	\$0.00
FOREST	02	17	\$0	\$0.00	\$0	\$0.00	\$0.00

ASSD. VALUE: \$260,860.00
Shelby Tax

\$11,477.84

GRAND TOTAL: \$11,477.84

INSTRUMENTS

INST NUMBER DATE

SALES INFORMATION

SALE DATE SALE PRICE SALE TYPE RATIOABLE
No Sales Information on Record

LEGAL DESCRIPTION

MAP NUMBER: 15 5 00 0 000 CODE1: 00 CODE2: 00
SUB DIVISON1:
SUB DIVISON2:

MAP BOOK: 00 PAGE: 000
MAP BOOK: 00 PAGE: 000

PRIMARY LOT: PRIMARYBLOCK: 000
SECONDARY LOT: SECONDARYBLOCK: 000

SECTION1 21 TOWNSHIP1 20S
SECTION2 00 TOWNSHIP2 00
SECTION3 00 TOWNSHIP3 00
SECTION4 00 TOWNSHIP4
LOT DIM1 0.00 LOT DIM2 0.00

RANGE1 01W
RANGE2 00
RANGE3 00
RANGE4
ACRES 26.000 SQ FT 1,132,560.000

METES AND BOUNDS:
REMARKS:

N 1707' OF W1/2 OF E1/2 NE1/4 SEC21 T20S R1W
2007 ANNEX ORD X 04 12 07 265

TAX SALE

6/20/2012 SOLD 2007

SOLD 5/1/2008 FOR 2007 TAXES FROM: HILDEBRAND LOUISE V TO: PLYMOUTH PARK TAX SERVICES
LLC -- DOC #48-361
Oct 30 2008 12:00AMREDEEMED 2007 TAXES CERT #38948

11/3/2008 REDEEMED 2009 HILDEBRAND
LOUISE V

Tax Year	Entity Name.
2012	HILDEBRAND LOUISE V
2011	HILDEBRAND LOUISE V
2010	HILDEBRAND LOUISE V
2009	HILDEBRAND LOUISE V
2008	PLYMOUTH PARK TAX SERVICES LLC
2007	HILDEBRAND LOUISE V
2006	HILDEBRAND LOUISE V
2005	HILDEBRAND LOUISE V
2004	HILDEBRAND LOUISE V
2003	HILDEBRAND LOUISE V

Mailing Address
28250 CANAL RD UNIT #1106, ORANGE BEACH AL - 36561
28250 CANAL RD UNIT #1106, ORANGE BEACH AL - 36561
28250 CANAL RD UNIT #1106, ORANGE BEACH AL - 36561
28250 CANAL RD UNIT #1106, ORANGE BEACH AL - 36561
P O BOX 2288, MORRISTOWN NJ - 07962-2288
1221 HWY 69, CHELSEA AL - 35043
1221 HWY 69, CHELSEA AL - 35043
1221 HWY 69, CHELSEA AL - 35043
1221 HWY 69, CHELSEA AL - 35043
1221 HWY 69, CHELSEA AL - 35043



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June 20, 2012

RE: Paula Armstrong
Lease Agreement

To Whom It May Concern:

This letter is to certify that Brooke Stewart has been making payments on M & F Bank loan number [REDACTED] since Lease Agreement dated May 28, 2004. This loan is secured by a mortgage dated October 22, 1991, in the amount of \$100,000.00 recorded in Book 370 Page 160.

If you have any questions please call me at (205)669-3161.

Sincerely,

Carl Orso
Branch Manager
M & F Bank

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106 East College Street
P.O. Box 977
Columbiana, Alabama 35051
Phone 205-669-3161
Fax 205-669-4408
www.mfbank.com



June 20, 2012

RE: Paula Armstrong
Lease Agreement

To Whom It May Concern:

This letter is to certify that Brooke Stewart has been making payments on M & F Bank loan number [REDACTED] since Lease Agreement dated May 28, 2004. This loan is secured by a mortgage dated May 12, 1998, in the amount of \$475,000.00 recorded as instrument number 1998-17631.

If you have any questions please call me at (205)669-3161.

Sincerely,

Carl Orso
Branch Manager
M & F Bank

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106 East College Street
P.O. Box 977
Columbiana, Alabama 35051
Phone 205-669-3161
Fax 205-669-4408
www.mfbank.com

**M&F BANK
NAME AFFIDAVIT**

**STATE OF MISSISSIPPI
COUNTY OF ATTALA**

Personally came and appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the undersigned, affiant, M&F Bank, PO Box 520, Kosciusko, MS 39090, who, after first being duly sworn on oath, states that M&F Bank is one and the same entity as First National Bank of Shelby County as set forth in all documents related to the bank at the following locations:

**106 East College Street, Columbiana, AL 35051
16623 Hwy 280, Chelsea, AL 35043
107 Inverness Corners, Birmingham, AL 35242
3513 Pelham Parkway, Pelham, AL 35124
101 Riverchase Pkwy E, Birmingham, AL 35244
9833 North Main Street, Wilsonville, AL 35186**

Witness my signature this 3rd **day of** August, 2006.

Kay Maddox AFP
Affiant

Sworn to and subscribed before me this the 3rd **day of**
August, 2006.

Lanita R. Malone
Notary Public

My Commission Expires: _____ **My Commission Expires Dec. 12, 2007**


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This document was prepared by Shelly Elizabeth Hildebrand on or about May 25, 2004. Ms. Hildebrand is licensed to practice law in the state of Georgia. Her contact information is as follows:

Office of Legal Affairs
400 Tenth Street, Room 282
Atlanta, GA 30332
Office: 404-894-4812

Georgia Institute of Technology
220 Ferst Dr NW
Atlanta, GA 30318-5616

