

## RESIDENTIAL LEASE AGREEMENT WITH OPTION TO PURCHASE

### ARTICLE 1.00 BASIC LEASE TERMS

1.01 PARTIES. This lease agreement ("Lease") is entered into by and between the following Lessor and Lessee:

**George Roddy** ("Lessor")

**Billy Jackson & Ruth Jackson** ("Lessee")

1.02 LEASED PREMISES. In consideration of the rents, terms, provisions and covenants of this Lease, Lessor hereby leases, lets and demises to Lessee the following described premises ("Leased Premises"): **2872** (Approximate sq. ft.)

LOCATION: **5505 Overland Dr.  
Plano, Texas, 75023 (Collin County)**

1.03 TERM. Subject to and upon the conditions set forth herein, the term of this Lease shall commence on **December 1, 2001** (the "Commencement Date") and shall terminate **12** months thereafter on **December 31, 2002**.

1.04 BASE RENT AND SECURITY DEPOSIT. Base rent is **\$2500** per month. Security deposit is **\$2500**.

1.05 ADDRESSES.

Lessor's Address:

**George Roddy**  
2001 Birchbrook Dr.  
Dallas, TX 75206

Lessee's Address:

**Billy Jackson & Ruth Jackson**  
5505 Overland Dr.  
Plano, TX 75023

### ARTICLE 2.00 RENT

2.01 BASE RENT. Lessee agrees to pay monthly as base rent during the term of this Lease the sum of money set forth in section 1.04 of this Lease, which amount shall be payable to Lessor at the address shown above. One monthly installment of rent shall be due and payable on the date of execution of this Lease by Lessee for the first month's rent and a like monthly installment shall be due and payable on or before the first day of each calendar month succeeding the commencement date or completion date during the term of this Lease; provided, if the commencement date or the completion date should be a date other than the first day of a calendar month, the monthly rental set forth above shall be prorated to the end of that calendar month, and all succeeding installments of rent shall be payable on or before the first day of each succeeding calendar month during the term of this Lease. Lessee shall pay, as additional rent, all other sums due under this Lease.

2.02 LATE PAYMENT CHARGE. Other remedies for nonpayment notwithstanding, if the monthly rental payment is not received by Lessor on or before the fifth (5th) day of the month for which rent is due, or if any other payment due Lessor by Lessee is not received by Lessor on or before the fifth (5th) day of the month next following the month in which such payment is due, a late payment charge of five percent (5%) plus ten dollars (\$10) per day for every day thereafter until such amount is paid in full, of such past due amount shall become due and payable in addition to such amounts owed under this Lease.

2.03 REPAIRS, MAINTENANCE, AND UTILITIES. Lessee shall be responsible for all costs associated with the ongoing costs to operate and maintain the Leased Premises including, but not limited to utilities (water, electricity, phone service, gas, cable television, etc.), lawn maintenance, and any other expense common to normal and customary up keep and maintenance of the Leased Premises. It is expressly understood and agreed

that Lessee's rent shall include taxes, insurance for fire and casualty and home owners' dues which are associated with the Leased Premises, and that Lessor shall not be responsible for any other services.

2.04 SECURITY DEPOSIT. The security deposit set forth above shall be held by Lessor for the performance of Lessee's covenants and obligations under this Lease, it being expressly understood that the deposit shall not be considered an advance payment of rental or a measure of Lessor's damage in case of default by Lessee. Upon the occurrence of any event of default by Lessee or breach by Lessee of Lessee's covenants under this Lease, Lessor may, from time to time, without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrears of rent, or to repair any damage or injury, or pay any expense or liability incurred by Lessor as a result of the event of default or breach of covenant, and any remaining balance of the security deposit shall be returned by Lessor to Lessee upon termination of this Lease. If any portion of the security deposit is so used or applied, Lessee shall upon ten (10) days written notice from Lessor, deposit with Lessor by cash or cashier's check an amount sufficient to restore the security deposit to its original amount.

### **ARTICLE 3.00 OCCUPANCY AND USE**

3.01 WARRANTY OF POSSESSION. Lessor warrants that it has the right and authority to execute this Lease, and Lessee, upon payment of the required rents and subject to the terms, conditions, covenants and agreements contained in this Lease, shall have possession of the Leased Premises during the full term of this Lease as well as any extension or renewal thereof. Lessor shall not be responsible for the acts or omissions of any other lessee or third party that may interfere with Lessee's use and enjoyment of the Leased Premises.

3.02 Lessee will not conduct or permit to be conducted any activity, or place any equipment in or about the Leased Premises, which will, in any way, increase the rate of fire insurance or other insurance on the Building; and if any increase in the rate of fire insurance or other insurance is stated by any insurance company or by the applicable Insurance Rating Bureau to be due to any activity or equipment in or about the Leased Premises, such shall be conclusive evidence that the increase in such rate is due to any such activity or equipment, and, as a result thereof, Lessee shall be liable for such increase and shall reimburse Lessor thereafter.

### **ARTICLE 4.00 ALTERATIONS AND IMPROVEMENTS**

4.01 LESSEE IMPROVEMENTS. Lessee shall not make or allow to be made any alterations or physical additions in or to the Leased Premises without first obtaining the written consent of Lessor, which consent may in the sole and absolute discretion of Lessor be denied. Any alterations, physical additions or improvements to the Leased Premises made by Lessee shall at once become the property of Lessor and shall be surrendered to Lessor upon the termination of this Lease; provided, however, Lessor, at its option, may require Lessee to remove any physical additions and/or repair any alterations in order to restore the Leased Premises to the condition existing at the time Lessee took possession, all costs of removal and/or alterations to be borne by Lessee. This clause shall not apply to moveable equipment or furniture owned by Lessee, which may be removed by Lessee at the end of the term of this Lease if Lessee is not then in default and if such equipment and furniture are not then subject to any other rights, liens and interest of Lessor.

4.02 MECHANICS LIEN. Lessee will not permit any mechanic's or materialman's lien's or other lien to be placed upon the Leased Premises or the building and nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to any person for the performance of any labor or the furnishing of any materials to the Leased Premises, or any part thereof, nor as giving Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to any mechanic's, materialman's or other lien against the Leased Premises. In the event any such lien is attached to the Leased Premises, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, obtain the release of or otherwise discharge the same. Any amount paid by Lessor for any of the aforesaid purposes shall be paid by Lessee to Lessor on demand as additional rent.

### **ARTICLE 5.00 OPTION TO PURCHASE**

5.01 As of the commencement of this Lease it is determined that the purchase price of **5505 Overland Dr.** to be **\$218,000**. At the end of the lease term, Lessee shall have the option to purchase the Leased Premises. Twenty five percent (25%) of Lessee's rent payments shall be applied to reduce the purchase price by seven thousand, five hundred dollars (**\$7,500**). At the termination of this lease (12/31/02), and if Lessee is not in default and is current with payments for all sums due, Lessee shall have the option to purchase the Leased Premises for **\$210,500**.

## ARTICLE 6.00 MISCELLANEOUS

6.01 WAIVER. Failure of Lessor to declare an event of default immediately upon its occurrence, or delay in taking action in connection with an event of default, shall not constitute a waiver of default, but Lessor shall have the right to declare the default at any time and take such action as is lawful or authorized under this Lease. Pursuit of any one or more of the remedies set forth in article 11.00 above shall not preclude pursuit of any one or more of the other remedies provided elsewhere in this Lease or provided by law, nor shall pursuit of any remedy constitute forfeiture or waiver of any rent or damages accruing to Lessor by reason of the violation of any of the terms, provisions or covenants of this Lease. Failure by Lessor to enforce one or more of the remedies provided upon an event of default shall not be deemed or construed to constitute a waiver of the default or of any other violation or breach of any of the terms, provisions and covenants contained in this Lease.

6.02 ACT OF GOD. Lessor shall not be required to perform any covenant or obligation in this Lease, or be liable in damages to Lessee, so long as the performance or non-performance of the covenant or obligation is delayed, caused or prevented by an act of God, force majeure or by Lessee.

6.03 ATTORNEY'S FEES. In the event Lessee defaults in the performance of any of the terms, covenants, agreements or conditions contained in this Lease and Lessor places in the hands of an attorney the enforcement of all or any part of this Lease, the collection of any rent due or to become due or recovery of the possession of the Leased Premises, Lessee agrees to pay Lessor's cost of collection, including reasonable attorney's fees for the services of the attorney, whether suit is actually filed or not.

6.04 SUCCESSORS. This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective heirs, personal representatives, successors and assigns. It is hereby covenanted and agreed that should Lessor's interest in the Leased Premises cease to exist for any reason during the term of this Lease, then notwithstanding the happening of such event this Lease nevertheless shall remain unimpaired and in full force and effect, and Lessee hereunder agrees to attorn to the then owner of the Leased Premises.

6.05 CAPTIONS. The captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of any section.

6.06 NOTICE. All rent and other payments required to be made by Lessee shall be payable to Lessor at the address set forth in section 1.05. All payments required to be made by Lessor to Lessee shall be payable to Lessee at the address set forth in section 1.05, or at any other address within the United State as Lessee may specify from time to time by written notice. Any notice or document required or permitted to be delivered by the terms of this Lease shall be deemed to be delivered (whether or not actually received) when deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the parties at the respective addresses set forth in section 1.05.

6.07 SEVERABILITY. If any provision of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

6.08 INDEMNITY. Lessor agrees to indemnify and hold harmless Lessee from and against any liability or claim, whether meritorious or not, arising with respect to any broker whose claim arises by through or on behalf of Lessor. Lessee agrees to indemnify and hold harmless Lessor from and against any liability or claim, whether meritorious or not, arising with respect to any broker whose claim arises by, through or on behalf of Lessee.

**ARTICLE 7.00 AMENDMENT AND LIMITATION OF WARRANTIES**

7.01 ENTIRE AGREEMENT. IT IS EXPRESSLY AGREED BY LESSEE, AS A MATERIAL CONSIDERATION FOR THE EXECUTION OF THIS LEASE, THAT THIS LEASE, WITH THE SPECIFIC REFERENCES TO WRITTEN EXTRINSIC DOCUMENTS, IS THE ENTIRE AGREEMENT OF THE PARTIES: THAT THERE ARE, AND WERE, NO VERBAL REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES PERTAINING TO THIS LEASE OR TO THE EXPRESSLY MENTIONED WRITTEN EXTRINSIC DOCUMENTS NOT INCORPORATED IN WRITING IN THIS LEASE.

7.02 AMENDMENT. THIS LEASE MAY NOT BE ALTERED, WAIVED, AMENDED OR EXTENDED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY LESSOR AND LESSEE.

**ARTICLE 8.00 SIGNATURES**

SIGNED at Dallas, Texas this 12th day of, November 2001.

LESSOR:  
**George Roddy**

LESSEE:  
**Billy Jackson & Ruth Jackson**

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_