

RESIDENTIAL LEASE AGREEMENT
(With Option to Purchase)

1. **PARTIES:** The parties to this agreement (Lease) are the owners of the Property A.A. Skyy/Andrew Smith (Landlord); and _____ (Tenant).
2. **PROPERTY (Premises):** Landlord leases to Tenant that certain real property known as _____, together with all its improvements (the Property), also described as:
3. **TERM:** This lease commences on _____ and ends on _____.
4. **AUTOMATIC TERMINATION:** This lease will automatically renew on a month-to-month basis unless either party provides the other party written notice of termination at least thirty (30) days before the Termination Date or the end of any renewal period. **VERBAL NOTICE IS NOT SUFFICIENT UNDER ANY CIRCUMSTANCES.** If this Lease is automatically renewed on a month-to-month basis, either party may terminate the renewal of this Lease by providing written notice to the other party and the renewal will terminate on the last day of the month in which the notice is given if notice is given on the first day of the month. If the notice is given on a day other than the first day of the month, the renewal will terminate on the last day of the month following the month in which the notice is given.
Time is of the essence for providing notice of termination (strict compliance with dates by which notice must be provided is required).
5. **RENT:**
 - A. **Monthly Rent:** Tenant will pay monthly rent in the amount of _____. **This includes Monthly Amortization of \$ _____, Monthly taxes of _____, prorated insurance premium of \$ _____, and prorated Homeowners Association Dues of _____.** Future payment may be adjusted as set forth in Item 5E below, for each full month during this Lease. The first full month's rent is due and payable on the first day of _____. Tenant will pay the monthly rent on or before the first day of each month during this Lease. Weekends and holidays do not delay or excuse Tenant's obligation to timely pay rent.
 - B. **Place of Payment:** Tenant will pay all rent to A.A. Skyy LLC/2909 Seargent, Seabrook, TX 77586, or such other place as Landlord may designate from time to time in writing.
 - C. **Method of Payment:** Tenant must pay all rent timely and without demand, deduction, or offset, except as permitted by this Lease. Time is of the essence for the payment of rent (strict compliance with rental due dates is required). Tenant must pay all rent by check, money order, cashier's check, or other means acceptable to Landlord. By providing written notice to Tenant, Landlord may require Tenant to pay the amounts due under this Lease by certified funds.
 - D. **Common Areas:** Landlord is not obligated to pay any mandatory or non-mandatory or user fees for use of any common areas or facilities (such as pool or tennis courts). Tenant is responsible for payment of all mandatory and non-mandatory property association fees and common areas fees.
 - E. **Rent Increases:** Rent may increase at any time by the amount of increase in the real estate taxes and/or insurance for the property which shall be computed by taking the difference between the current taxes and insurance, and the new amounts and then divided by 12. Upon written notice from Landlord of the increase, Tenant shall pay the new amount beginning with the month immediately following the notice.

If this Lease is renewed automatically on a month-to-month basis, Landlord may increase the rent during the renewal period by providing written notice to Tenant that becomes effective the month following the 30th day after the notice is provided.
 - F. Tenant shall also pay without notice, all impositions (as defined in item 5G hereof) which Tenant in any of the provisions of this Lease assumes or agrees to pay (it being understood that Landlord is to have no duty to pay taxes, insurance premiums, the costs of repairs or maintenance or any other costs or expenses relating to the premises, unless specified otherwise in the Lease, as this Lease is to be an "absolutely net" lease). In the event of any nonpayment of impositions, Landlord shall have (in addition to all other rights and remedies) all of the rights and remedies provided for herein or by law as in the case of nonpayment of rent. Additionally, Tenant

shall also be liable for any and all penalties and interest which accrue to a taxing authority as a result of any late payment or nonpayment by tenant of such impositions. Landlords insurance will only cover the building and that tenant is advised to purchase and obtain its own insurance to insure the residence contents.

- G. Tenant shall pay to Landlord, at its sole cost and expense and not at any cost or expense to Landlord, during the entire term herein created and all extensions thereof, in addition to the rental above provided for, all real property taxes, property or homeowner assessments, and all other assessments or levies of every kind and character, whether general, special, ordinary or extraordinary which may be taxed, charged, assessed, levied or imposed upon or against the Property, the leasehold estate hereby created, and upon any building, personalty and/or improvements thereon or additions thereto or which may arise out of the use and operation of the Property, as well as all expenses of repairing and maintaining the Property, including all charges for utilities or services furnished to the Property and all insurance premiums on insurance maintained or to be maintained relating to the Property. If Tenant does not pay a tax timely, Tenant shall pay to Landlord the taxes and any penalty as assessed by the taxing authority. Landlord shall also receive from Tenant its attorney's fees incurred with respect to such matter. Landlord, may, at reasonable times during business hours, without notice to Tenant, enter the Property for the purpose of performing any necessary maintenance or to secure the property or improvements from damage, and Tenant shall reimburse Landlord for any reasonable and necessary expense incurred for same.
6. **LATE CHARGES:** If Tenant fails to timely pay any month's rent, Tenant will pay Landlord an initial late charge of \$50.00 plus additional late charges of \$15.00 per day thereafter until rent is paid in full. Any waiver of late charges under this paragraph will not affect or diminish any other right or remedy Landlord may exercise for Tenant's failure to timely pay rent (including reporting late payments to consumer reporting agencies).
7. **RETURNED CHECKS:** Tenant will pay \$25.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus initial and additional late charges until Landlord has received payment.
8. **APPLICATION OF FUNDS:** Landlord will apply all funds received from Tenant first to any non-rent obligations of Tenant including late charges, returned check charges, charge-backs for repairs, brokerage fees, and periodic utilities, then to rent regardless of any notations on a check.
9. **PETS:** Tenant must comply with all local ordinances regarding pets.
10. **DELAY OF OCCUPANCY:** If Tenant is unable to occupy the Property on the Commencement Date because of construction on the Property or a prior tenant's holding over of the Property, Landlord will not be liable to Tenant for such delay and this Lease will remain enforceable. Landlord will abate rent on a daily basis during any delay. If Tenant is unable to occupy the Property after the third (3rd) day after the Commencement Date because of construction on the Property or a prior tenant's holding over of the Property, Tenant may terminate this Lease by giving written notice to Landlord before the Property becomes available to be occupied by Tenant, and Landlord will refund to Tenant the security deposit and any rent paid. These conditions do not apply to any delay in occupancy caused by cleaning or repairs.
11. **SECURITY DEPOSIT:**
- A. **Security Deposit:** Upon execution of this Lease, Tenant will pay a security deposit to Landlord in the amount of \$0.00. "Security Deposit" has the meaning assigned to that term in §92.102 of the Texas Property Code. No interest will be paid to Tenant on the security deposit. Landlord may place the security deposit in an interest bearing account and any interest earned will be paid to Landlord or Landlord's representative. Notice: §92.108 of the Texas Property Code provides that Tenant may not withhold payment of any portion of the last month's rent on grounds that the security deposit is security for unpaid rent. Bad faith violations of §92.108 may subject Tenant to liability up to three times the rent wrongfully withheld and the Landlord's reasonable attorney's fees.
- B. **Refund:** Subchapter C of Chapter 92 of the Texas Property Code governs the obligations of the parties regarding the security deposit. Tenant must give Landlord at least thirty (30) days written notice of surrender before Landlord is obligated to refund or account for the security deposit. Notice: The Texas Property Code does not obligate Landlord to return or account for the security deposit until 30 days after Tenant surrenders the Property (vacating and returning all keys and access devices) and gives Landlord a written statement of Tenant's forwarding address.
- C. **Deductions:**

- (1) Landlord may deduct reasonable charges from the security deposit for:
 - (a) unpaid or accelerated rent;
 - (b) late charges;
 - (c) unpaid utilities;
 - (d) costs of cleaning, deodorizing, and repairing the Property and its contents for which Tenant is responsible;
 - (e) pet violation charges;
 - (f) replacing unreturned keys, garage door openers or other security devices;
 - (g) the removal of unauthorized locks or fixtures installed by Tenant;
 - (h) insufficient light bulbs;
 - (i) packing, removing, and storing abandoned property;
 - (j) removing abandoned or illegally parked vehicles;
 - (k) costs of re-letting, if Tenant is in default;
 - (l) attorney fees and costs of court incurred in any proceeding against Tenant;
 - (m) any fee due for early removal of an authorized keybox; and
 - (n) other items Tenant is responsible to pay under this Lease.
 - (2) If deductions exceed the security deposit, Tenant will pay to Landlord the excess within ten (10) days after Landlord makes written demand. The security deposit will be applied first to any non-rent items, including late charges, returned check charges, repairs, brokerage fees, and periodic utilities, then to any unpaid rent.
12. **UTILITIES:** Tenant will pay all connection fees, service fees, usage fees, and all other costs and fees for all utilities to the Property (for example, electricity, gas, water, wastewater, garbage, telephone, alarm monitoring systems, and cable television) except the following which will be paid by Landlord: Unless provided by Landlord, Tenant must, at a minimum, keep the following utilities on (if available) at all times this Lease is in effect: gas; electricity; water; wastewater; and garbage services. If Tenant fails to do so, Tenant will be in default.
13. **USE AND OCCUPANCY:**
- A. **Occupant:** Tenant may use the Property as a private dwelling only. If Tenant fails to occupy and take possession of the Property within five (5) days of the Commencement Date, Tenant will be in default. The only persons Tenant may permit to reside in the Property during the term of this Lease will be (*include names of all occupants*): _____ Tenant must promptly inform Landlord of any changes in Tenant's phone numbers (home or work) no later than five (5) days of any change. Tenant must comply with any owners' association rules or restrictive covenants affecting the Property. Tenant will pay any fines or other charges assessed against Tenant or Landlord for violations by Tenant of any owners' association rule or restrictive covenant.
- B. **Prohibitions:** Tenant may not permit any part of the Property to be used for:
- (1) any activity which is a nuisance, offensive, noisy, or dangerous;
 - (2) the repair of any vehicle;
 - (3) any business of any type, including child care;
 - (4) any activity which violates any applicable owners' association rule or restrictive covenant;
 - (5) any illegal or unlawful activity; or
 - (6) other activity which will obstruct, interfere with, or infringe on the rights of other persons near the Property.
- C. **Guests:** Tenant may not permit any guest to stay on or in the Property longer than the lesser of the amount of time permitted by any owners' association rule or restrictive covenant.
14. **VEHICLES:** Tenant may not permit more than 3 vehicles (including but not limited to automobiles, trucks, recreational vehicles, trailers, motorcycles, and boats) on the Property unless authorized by Landlord in writing. Tenant may not park any vehicles in the yard. Tenant may not store any vehicles on or adjacent to the Property or on the street in front of the Property. Landlord may tow, at Tenant's expense, any improperly parked or inoperative vehicle on or adjacent to the Property in accordance with applicable state and local laws.
15. **ACCESS BY LANDLORD:** Landlord is entitled to make inspections of the property, with 24 hours notice. Failure to provide reasonable access shall be deemed a default by tenant. If Tenant fails to permit reasonable access under this

paragraph, Tenant will be in default. Landlord or anyone authorized by Landlord may enter the Property by reasonable means at reasonable times without notice to:

- A. inspect the Property for condition;
- B. make repairs;
- C. show the Property to prospective tenants, prospective purchasers, inspectors, fire marshals, lenders, appraisers, or insurance agents;
- D. exercise a contractual or statutory lien;
- E. leave written notices; or
- F. seize nonexempt property after default.

16. MOVE-IN CONDITION: **Tenant has inspected and accepts the Property AS IS.**

17. MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY: Tenant will surrender the Property in the same condition as when received, normal wear and tear excepted. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse. Tenant will leave the Property in a clean condition free of all trash, debris, and any personal property or belongings. If Tenant leaves any personal property or belongings in the Property after Tenant surrenders possession of the Property, all such personal property or belongings will be forfeited to and become the property of Landlord. "Surrender" means vacating the Property and returning all keys and access devices to Landlord.

18. PROPERTY MAINTENANCE:

A. Tenant's General Responsibilities: Tenant, at Tenant's expense must:

- (1) keep the Property clean and sanitary;
- (2) promptly dispose of all garbage in appropriate receptacles;
- (3) supply and change heating and air conditioning filters at least once a month;
- (4) supply and replace light bulbs and smoke detector batteries;
- (5) promptly eliminate any dangerous condition on the Property caused by Tenant or Tenant's guests;
- (6) take precautions to prevent broken water pipes due to freezing;
- (7) replace any lost or misplaced keys;
- (8) pay any periodic, preventive, or additional extermination costs desired by Tenant; and
- (9) promptly notify Landlord of all needed repairs.
- (10) perform, at Tenant's expense, all repairs and maintenance required at the property.

B. Yard Maintenance: **Tenant** is responsible for all yard maintenance and will use reasonable diligence in maintaining the yard. "Yard" means all lawns, shrubbery, bushes, flowers, gardens, trees, rock or other landscaping, and other foliage on or encroaching on the Property or on any easement appurtenant to the Property, and does not include common areas maintained by an owners' association. "Yard maintenance" means such things as, but is not limited to mowing, fertilizing, trimming, and control of yard pests. Landlord, at Landlord's discretion, will be responsible for treatment for wood-destroying insects, if any. If Landlord maintains the yard, Tenant will permit Landlord and Landlord's contractor's reasonable access to all parts of the yard and will remove any pet from the yard at appropriate times. **Tenant will water the yard at reasonable and appropriate times.**

C. Prohibitions: If Tenant installs any fixtures on the Property, authorized or unauthorized, such as additional smoke detectors, locks, alarm systems, cables, or other fixtures, such fixtures will become the property of the Landlord. Except as otherwise permitted by law, this Lease, or in writing by Landlord, Tenant may NOT:

- (1) remove any part of the Property or any of Landlord's personal property from the Property;
- (2) remove, change, or rekey any lock;
- (3) make holes in the woodwork, floors, or walls, except that a reasonable number of small nails may be used to hang pictures in sheetrock and grooves in paneling;
- (4) permit any water furniture on the Property;
- (5) install new or additional telephone or television cables, outlets, antennas, satellite receivers, or alarm systems;
- (6) replace or remove carpet, paint, or wallpaper;
- (7) install or change any fixture;
- (8) keep or permit any hazardous material on the Property such as flammable or explosive materials which might cause fire or extended insurance coverage to be suspended or cancelled or any premiums to be increased;

- (9) dispose of any environmentally detrimental substance (e.g., motor oil or radiator fluid) on the Property;
- (10) cause or allow any mechanic's or material man's lien to be filed against any portion of the Property or Tenant's interest in this Lease.

D. Prohibitions: If Tenant installs any fixtures on the Property, authorized or unauthorized, such as additional smoke detectors, locks, alarm systems, cables, or other fixtures, such fixtures will become the property of the Landlord. Except as otherwise permitted by law, this Lease, or in writing by Landlord, Tenant may NOT:

- (1) remove any part of the Property or any of Landlord's personal property from the Property;
- (2) remove, change, or rekey any lock;
- (3) make holes in the woodwork, floors, or walls, except that a reasonable number of small nails may be used to hang pictures in sheetrock and grooves in paneling;
- (4) permit any water furniture on the Property;
- (5) install new or additional telephone or television cables, outlets, antennas, satellite receivers, or alarm systems;
- (6) replace or remove carpet, paint, or wallpaper;
- (7) install or change any fixture;
- (8) keep or permit any hazardous material on the Property such as flammable or explosive materials which might cause fire or extended insurance coverage to be suspended or cancelled or any premiums to be increased;
- (9) dispose of any environmentally detrimental substance (e.g., motor oil or radiator fluid) on the Property;
- (10) cause or allow any mechanic's or material man's lien to be filed against any portion of the Property or Tenant's interest in this Lease.

19. REPAIRS:

A. Repairs to be Paid by Tenant: Tenant will pay Landlord or any repairman Landlord directs Tenant to pay the cost to repair:

- (1) a condition caused by Tenant, an occupant, a member of Tenant's family, or a guest or invitee of Tenant;
- (2) damage from wastewater stoppages caused by foreign or improper objects in lines that exclusively service the property;
- (3) damage to doors, windows, or screens; and
- (4) damage from windows or doors left open.
- (5) mold contamination remediation and repair, if any.
- (6) all other repairs.

B. Repairs to be Paid by Landlord: None.

C. All other repairs: Tenant will pay for all repairs.

D. Repair Requests and Completion of Repairs: Subchapter B of Chapter 92 of the Texas Property Code governs the rights and obligations of the parties regarding repairs. All requests for repairs must be in writing and delivered to Landlord. Tenant may not repair or cause to be repaired any condition, regardless of the cause, without Landlord's permission. All decisions regarding repairs, including the completion of any repair, whether to repair or replace the item, and the selection of repairmen, will be at Landlord's sole discretion. Landlord is not obligated to complete a repair on a day other than a business day unless required to do so by the Property Code. Landlord may require advance payment of repairs for which Tenant is liable. If Tenant fails to promptly reimburse Landlord any repair costs that Tenant is obligated to pay, Tenant will be in default. If Tenant is delinquent in rent at the time the repair notices are given, Landlord is not obligated to make the repairs.

E. Trip Charges: If Landlord or a repair person is unable to access the Property after making arrangements with Tenant to complete the repair, Tenant shall pay any trip charges incurred.

20. SECURITY DEVICES AND EXTERIOR DOOR LOCKS:

A. Subchapter D of Chapter 92 of the Texas Property Code requires the Property to be equipped with certain types of locks and security devices and will govern the rights and obligations of the parties regarding security devices.

“Security device” has the meaning assigned to that term in §92.151 of the Texas Property Code. All notices or requests by Tenant for rekeying, changing, installing, repairing, or replacing security devices must be in writing. Installation of additional security devices or additional rekeying or replacement of security devices desired by Tenant will be paid by Tenant in advance and may only be installed by Landlord or Landlord’s contractors after receiving a written request from Tenant.

- B. If required by Subchapter D of Chapter 92 of the Texas Property Code. Landlord has re-keyed the security devices on the Property since the date the last tenant vacated the Property or will rekey the security devices no later than seven (7) days after Tenant moves into the Property.
21. SMOKE DETECTORS: Subchapter F of Chapter 92 of the Texas Property Code requires the Property to be equipped with smoke detectors in certain locations and will govern the rights and obligations of the parties regarding smoke detectors. Requests for additional installation, inspection, or repair of smoke detectors must be in writing. Disconnecting or intentionally damaging a smoke detector or removing a battery without immediately replacing it with a working battery may subject Tenant to civil penalties and liability for damages and attorney fees under §92.2611 of the Texas Property Code.
22. LIABILITY: Unless caused by Landlord’s negligence, Landlord is NOT responsible to Tenant, Tenant’s guests, family, or occupants for any damages, injuries, or losses to person or property caused by fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, condition of the Property, environmental contaminants (e.g., carbon monoxide, asbestos, radon, lead-based paint, etc.), or other occurrences or casualty losses. Tenant will promptly reimburse Landlord for any loss, property damage, or cost of repairs or service to the Property caused by the negligence or by the improper use by Tenant, Tenant’s guests, family, or occupants. **NOTICE: Tenant should secure Tenant’s own insurance coverage for protection against such liabilities and losses.**
23. DEFAULT AND ACCELERATION OF RENTS: If Landlord breaches this Lease, Tenant may seek any relief provided by law, provided that Tenant shall never recover any sums, including attorney’s fees, regardless of the number of claims, in excess of Ten Thousand Dollars (\$10,000.00), with it being understood and agreed that Landlord would not otherwise enter into this lease with Tenant. If Tenant fails to timely pay all rents due under this Lease or otherwise fails to comply with this Lease, for any reason, Tenant will be in default and Landlord may terminate Tenant’s right to occupy the Property by providing Tenant with at least three (3) days written notice. Notice may be by any means permitted by §24.005 of the Texas Property Code (such as mail, personal delivery, affixing notice to main door). If Tenant breaches this Lease, all rents which are payable during the remainder of this Lease or any renewal period will be accelerated without notice or demand. Landlord will attempt to mitigate any damage or loss caused by Tenant’s breach by attempting to re-let the Property to acceptable tenants and reducing Tenant’s liability accordingly. Unpaid rent and unpaid damages are reportable to credit reporting agencies. If Tenant breaches this Lease, Tenant will be liable for:
- A. any lost rent;
 - B. Landlord’s cost of re-letting the Property including brokerage fees, advertising fees, and other fees necessary to re-let the Property;
 - C. repairs to the Property for use beyond normal wear and tear;
 - D. all Landlord’s costs associated with eviction of Tenant, such as attorney’s fees, court costs, and prejudgment interest;
 - E. all Landlord’s costs associated with collection of rent such as collection fees, late charges, and returned check charges; and
 - F. any other recovery to which Landlord may be entitled by law.
24. ABANDONMENT: If Tenant abandons the Property, Tenant will be in default. “Abandon” means Tenant fails to comply with any provision of this Lease and is absent from the Property for five (5) consecutive days.
25. HOLDOVER: If Tenant fails to vacate the Property on or before the Termination Date of this Lease or at the end of any renewal period, Tenant will pay rent for the holdover period and indemnify Landlord and/or prospective tenants for damages, including lost rent, lodging expenses, and attorneys’ fees. In the event of holdover, Landlord at Landlord’s option may extend this Lease up to one month by notifying Tenant, in writing. Rent for any holdover period will be at the monthly rent herein, calculated on a daily basis and will be immediately due and payable daily without notice or demand.
26. RESIDENTIAL LANDLORD’S LIEN: Landlord will have a lien for unpaid rent against all of Tenant’s nonexempt personal property that is in the Property and may seize such nonexempt property if Tenant fails to pay rent.

Subchapter C of Chapter 54 of the Property Code governs the rights and obligations of the parties regarding Landlord's lien. Landlord may collect a charge for packing, removing, or storing property seized in addition to any other amounts Landlord is entitled to receive. Landlord may sell or dispose of any seized property in accordance with the provisions of §54.045 of the Texas Property Code.

27. ASSIGNMENT AND SUB-LETTING: Tenant may not assign or sublet the Property without Landlord's written consent. An assignment or subletting of the Property without Landlord's written consent is voidable by Landlord. Under no circumstances will Tenant be released from Tenant's obligations in this Lease by virtue of an assignment or sublease.
28. SUBORDINATION: This Lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
 - A. Landlord's purchase money mortgage, which Landlord shall timely pay and perform.
29. CASUALTY LOSS OR CONDEMNATION: Section 92.054 of the Texas Property Code governs the rights and obligations of the parties regarding any casualty loss to the Property. Any proceeds, payment for damages, settlements, awards, or other sums paid because of a casualty loss to the Property will be the sole property of Landlord. For the purpose of this Lease, any condemnation of all or a part of the Property is a casualty loss.
30. MILITARY: If Tenant is or becomes a member of the Armed Forces on active duty and receives change of station orders to leave the county in which the Property is located and Tenant is not in default of this Lease, Tenant may terminate this Lease by giving Landlord thirty (30) days written notice and a certified copy of the military orders. Military orders authorizing base housing do not constitute grounds for termination unless specifically waived.
31. **OPTION TO PURCHASE:**

1. For and in consideration of \$ _____ (Non-Refundable "Deposit" payable _____ already received and balance of _____), the receipt of which is hereby acknowledged, Landlord grants to Tenant the exclusive right to purchase the property for the amount identified in accordance with the schedule on Exhibit "A".

Commencing on the first day of the 37th month and at any time on or before last day of the 120th lease month and provided that, this lease agreement has not been terminated, that the tenant has paid all sums due under the lease, including rents, taxes, insurance premiums, etc., and Tenant having substantially complied with all covenants and conditions herein, all of the foregoing requirements being conditions precedent, then, and only then, tenant shall have this option to purchase .

2. The terms of the purchase shall be a closing at a title company designated by Landlord, which closing shall occur on or before forty five (45) days from the date Tenant provides notice of his exercise of his option. Tenant shall pay the following costs with respect to such closing, including, but not limited to the following:

- a. **The amount identified in the schedule reflected in Exhibit "A".**
- b. **The cost of all expenses associated with lien releases, deeds of trust, deeds, notes, escrow fees, messenger fees, tax certificates, title policy insurance premiums, and related fees, and all other related cost, including attorney's fees for document preparation.**
- c. **All of Tenant's lender required fees. At closing, Tenant shall assume all taxes with a credit for any amounts escrowed with Landlord as of the date of closing. At closing, Landlord shall execute a general warranty deed with vendor's lien in favor of Tenant's lender, as prepared by Tenant or Tenant's lender, with the only exceptions to title being outstanding mineral interest of record, subdivision easements, homeowners association's covenants and conditions, subdivision plats, easements and restrictions, and government restrictions and regulations affect the use of the property. Landlord shall also sign all closing documents prepared by the designated title company, including, but not limited to closing statements, affidavit of liens and debts, disbursement orders, hold harmless and indemnification agreements in favor of the title company, as such title company routinely provides to its other customers at such time, IRS information return, including providing the title company with Landlord's social security numbers, driver's license information, etc., and all other documents reasonably requested by the title company and/or Tenant's lenders to be executed by Landlord.**
- d. **If Tenant fails to exercise this option before its expiration, the deposit fee, other consideration paid**

- e. **and all rentals shall be retained by Landlord.**
In order to exercise the option, Tenant must deliver notice to Landlord, in writing, no earlier than the first day of the 37th month after this lease begins, or no later than the last day of the 120th month after this lease begins, unless Tenant is in default or the lease was terminated, and in such case, the option will have terminated and would no longer be in effect..
- f. **TIME IS OF THE ABSOLUTE ESSENCE for all terms of the option and this lease.**
- g. **The option fee is non-refundable.**

3. LANDLORD HEREBY EXPRESSLY DISCLAIMS ANY WARRANTIES OF HABITABILITY, EXPRESS, IMPLIED OR STATUTORY TO THE FULL EXTENT ALLOWED BY LAW.

Tenant/Buyer agrees that Landlord/Seller shall not be obligated to any warranties or repairs. Tenant/Buyer accepts the home and property AS-IS AND WHERE-IS.

THIS HOUSE IS SOLD TO BUYER "AS-IS", WHERE-IS" WITH ALL FAULTS, KNOWN AND UNKNOWN. ALL EXPRESS AND IMPLIED WARRANTIES ARE EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER.

32. ATTORNEY'S FEES: Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this Lease is entitled to recover prejudgment interest, attorney's fees, and all other costs of litigation from the non prevailing party.
33. REPRESENTATIONS: Tenant's statements in this Lease and any Application for Rental are material representations relied upon by Landlord. Each party signing this Lease states that he or she is of legal age to enter into a binding contract. If Tenant makes any misrepresentation in this Lease or in any Application for Rental, Tenant is in default.
34. AGREEMENT OF PARTIES:
- A. Entire Agreement: This Lease contains the entire agreement between Landlord and tenant and may not be changed except by written agreement.
- B. Binding Effect: This Lease is binding upon and inures to the benefit of the parties to this Lease and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this Lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this Lease, its renewal, or its termination is binding on all Tenants executing this Lease.
- D. Controlling Law: The laws of the State of Texas govern the interpretation, validity, performance, and enforcement of this Lease.
- E. Severable Clauses: Should any clause in this Lease be found invalid or unenforceable by a court of law, the remainder of this Lease will not be affected and all other provisions of this Lease will remain valid and enforceable.
- F. Waiver: Landlord's past delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed to be a waiver of any other breach by Tenant or any other term, condition, or covenant in this Lease.
35. NOTICES: All notices under this Lease must be delivered to Tenant at the Property address and to Landlord or Landlord's representative at the address specified in paragraph 5(c);

The terms of this Lease are negotiable among the parties. This is intended to be a legal agreement binding upon final acceptance. READ IT CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

LANDLORD:

Date

TENANT:

Date

EXHIBIT "A"

Purchase Price Schedule

SEE ATTACHED AMORTIZATION SCHEDULE