

RESIDENTIAL LEASE AGREEMENT AND OPTION TO PURCHASE

BY THIS AGREEMENT made and entered into on June 14, 2005

Between: ANTHONY WILLIAMS (hereinafter referred to as "Landlord")

And: DARLENE JOHNSON (hereinafter referred to as "Tenant")

Landlord leases to the Tenant the premises situated at 107 Baker Avenue, Camden, New Jersey 08004, in the County of Camden, together with all appurtenances, for a term of one (1) year to commence on July 1, 2005 and to end on June 30, 2006.

Rent Payments: Tenant agrees that rent shall be paid in lawful money of the United States by ACH Debit of Tenant's designated bank account at an **annual rent of \$25,879.08, payable in monthly installments of \$2,156.59** without any offsets or deductions of any kind. Rental payments are due and payable on the first day of each month during the term of the lease. Tenant agrees that rent monies will not be considered paid until Landlord or Landlord's agent receives the rent monies via ACH Debit. In the event that the ACH Debit is rejected for any reason, Tenant shall be liable to Landlord for any costs or fees associated with the rejected transaction and recovery of rent due to the Landlord plus a late fee of \$25. If the rent due is not paid in full within 30 days of the due date, the Tenant will be in breach of this lease and will be subject to termination of this lease. *Signed by Tenant*

Security Deposit: Upon execution of this Lease, Tenant shall deposit the sum of \$4,313.18 to be held by Landlord as a security deposit for reasonable cleaning and repair of damage to the premises upon the expiration or termination of this Lease or other reasonable damages resulting from a default by the Tenant. Tenant shall be liable to the Landlord for all damages to the premises upon the termination of this Lease, ordinary wear and tear excepted. Tenant is not entitled to any interest earned on the security deposit. Tenant may not apply the security deposit to any rent due under this Lease. If Landlord sells or assigns the leased premises, Landlord shall have the right to transfer Tenant's security deposit to the new owner or assignee to hold under this Lease, and upon so doing Landlord shall be released from all liability to Tenant for said security deposit.

In compliance with New Jersey Code § 46:8-19 et seq.:

Landlord shall refund a security deposit to the tenant on or before the 30th day after the date the tenant surrenders the premises. Before returning a security deposit, the landlord may deduct from the deposit damages and charges for which the tenant is legally liable under the lease or as a result of breaching the lease. The landlord may not retain any portion of a security deposit under this section, if the landlord retains all or part of a security deposit to cover normal wear and tear. If the landlord retains all or part of a security deposit to cover normal wear and tear, the landlord shall give to the tenant the balance of the security deposit, if any, together with a written description and itemized list of all deductions. The landlord is not required to give the tenant a description and itemized list of deductions if (1) the tenant owes rent when he surrenders possession of the premises and (2) there is no controversy concerning the amount of rent owed.

The landlord is not obligated to return a tenant's security deposit or give the tenant a written description of damages and charges until the tenant gives the landlord a written statement of the tenant's forwarding address for the purpose of refunding the security deposit.

Utilities and Services: The tenant shall continue to pay applicable utilities and services effective with renewal of this agreement. Tenant is responsible for payment of the following utilities and services: heat, air conditioning, electricity and gas.

Repairs and Maintenance: The Tenant shall be responsible for and shall be liable for the cost of repairing all damage caused by the Tenant's act or neglect. This includes damage caused by the Tenant's family, domestic employees and visitors. Tenant shall keep and maintain the premises in neat, clean, safe and sanitary condition. It is further understood that Tenant shall: (a) keep the furnace clean and change the filter in the air conditioner and/or furnace as needed for optimum efficiency and safety; (b) keep the walks and driveway free from dirt, garbage, snow and ice; (c) keep nothing flammable or dangerous on the premises; (d) remove from the premises all garbage and debris and to take to the curb for collection; (e) use all electric, plumbing and other facilities safely; (f) do nothing to cause a cancellation or an increase in the cost of Landlord's fire or liability insurance; (g) use no more electricity than is safely carry; (h) obey any written instructions of the Landlord for the care and use of wiring or feeders to premises can personal property on the premises; (i) do nothing to destroy, deface, damage or remove appliances, equipment and other things; (j) do nothing to destroy the peace and quiet of the Landlord, other Tenants or persons in the neighborhood; (k) be responsible for maintaining the lawn, shrubs, weeding, trees and for removing leaves; (l) be responsible for any repairs and maintenance.

Pets: There shall be no pets on the rented premises except as may be granted by the Landlord, in writing. Landlord grants an allowance for the Tenant's two existing dogs on the rental premises.

Assignment or Subletting: There shall be no assignment or subletting without the Landlord's written consent. The Tenant shall not assign this lease, sublet the rental premises or permit any additional persons to reside on the premises. The Tenant is permitted to have temporary guests.

Illegal Drugs Prohibited: The presence of illegal drugs within the vicinity of the premises is absolutely prohibited. Violating or harboring someone who violates this provision is strictly prohibited and can be cause for eviction.

Fire and Other Casualty: The Tenant is liable for the acts and neglect of the guests, invitees, and pets. The Tenant shall notify the Landlord at once of any fire, flood or other casualty on the premises. The Tenant is not required to pay rent when the premises are unusable. The Tenant's family, domestic employees, part of the premises can be used for living purposes, the Tenant must pay rent pro rata for the usable part. If the fire or other casualty is the result of or is due to the neglect of the Tenant, the Tenant shall pay for repairs and all other damages. If the premises are partially damaged by fire or other casualty without the act or neglect of the Tenant, the Landlord shall repair it as soon as possible.

Smoke Detectors: The Landlord warrants that the rental premises are current in compliance with Smoke Detector Law. It is the responsibility of the Tenant to maintain the smoke detectors in work condition.

Tenant's Insurance: The Tenant will carry insurance to cover personal effects and furnishings. The Landlord will not be responsible for claims against Tenant or any person on property for bodily injury or property damage.

No Alterations: The Tenant will make no alterations, ~~destructions~~ additions or improvements in or to the premises without Landlord's PRIOR written consent. All alterations, additions or improvements upon the premises will become property of the Landlord and will be surrendered with the premises, as part thereof, at the end of the lease. The Tenant shall not change locks unless the Landlord is provided with a key. The Tenant shall not permit any construction or other lien to be filed against the rental premises.

Access to Premises: The Tenant shall permit Landlord, his agents and employees, to enter the premises at all reasonable times for any purpose connected with the repair, improvement, inspection and management of the premises. This shall include the showing of the property to prospective Tenants, buyers, workmen or contractors during the ninety (90) days prior to the termination date of the lease. During this period a sign may be displayed on the premises indicating rental or sale of property.

Consequences of Breach By Tenant: If Tenant, by any act or omission, or by the act or omission of any of Tenant's family or invitees, licensees, and/or guests, violates any of the terms or conditions of this Lease or any other documents made a part hereof by reference or attachment, Tenant shall be considered in breach of this Lease.

In compliance with New Jersey Code §2A:18-53,

In case of such breach, Landlord may deliver a written notice to the Tenant in breach specifying the acts and omissions constituting the breach and that the Lease Agreement will terminate upon a date not less than thirty (30) days after receipt of the notice if the breach is not remedied within a reasonable time not in excess of thirty (30) days; and the Lease Agreement shall terminate and the Tenant shall surrender possession as provided in the notice subject to the following:

- If the breach is remediable by repairs, the payment of damages, or otherwise and the Tenant adequately remedies the breach prior to the date specified in the notice, the Lease Agreement shall not terminate;
- In the absence of a showing of due care by the Tenant, if substantially the same act or omission which constituted a prior noncompliance of which notice was given recurs within six (6) months, the Landlord party may terminate the Lease Agreement upon at least fourteen (14) days written notice specifying the breach and the date of termination of the Lease Agreement;

If the Lease Agreement is terminated, Landlord shall return all prepaid and unearned rent, and any amount of the security deposit recoverable by the Tenant.

However, if the breach by the Tenant is nonpayment of rent, the Landlord shall not be required to deliver thirty (30) days' written notice as provided above. In such event, the Landlord may serve Tenant with a three (3) day written notice of termination, whereupon the Tenant must pay the unpaid rent in full or surrender possession of the premises by the expiration of the three (3) day notice period.

Furthermore, the Tenant may be terminated with three (3) days notice if the Tenant has committed a substantial violation of the Lease Agreement or applicable law that materially affects health and safety, and the violation is not cured prior to the expiration of the three (3) day notice period.

Tenant expressly agrees and understands that upon Landlord's termination of this Lease, the entire remaining balance of unpaid rent for the remaining term of this Lease shall ACCELERATE, whereby the entire sum shall become immediately due, payable, and collectable. Landlord may hold the portion of Tenant's security deposit remaining after reasonable cleaning and repairs as a partial offset to satisfaction of the accelerated rent.

Delivery of Notices: Any giving of notice under this Lease or applicable New Jersey law shall be made by Tenant in writing and delivered to the Landlord's address noted above, either by hand delivery or by mail. Certified or registered mail is recommended. Delivery by mail shall not be considered complete until actually received by Landlord or Landlord's agent.

Any notices from Landlord to Tenant shall be in writing and shall be deemed sufficiently served upon Tenant if when deposited in the mail addressed to the leased premises, or addressed to Tenant's last known post office address, or hand delivered, or placed in Tenant's mailbox.

Tenant is responsible for providing immediate notice to Landlord in the manner stated above related to any changes of contact information or banking information for accounts that are used in the monthly ACH Debit transaction for the payment of rent. Failure to comply with this clause will be deemed a breach of this Lease Agreement.

Property Taxes: Property taxes are included in the monthly rental payment.

Attorney Fees: In the event that Landlord employs an attorney to collect any rents or other charges due hereunder by Tenant to enforce any of Tenant's covenants herein or to protect the interest of the Landlord hereunder, Tenant agrees to pay a reasonable attorney's fee and all expenses and costs incurred thereby.

Option To Purchase: Tenant is hereby given an option to purchase the leased premises at a price equal to the balance of the mortgage on the leased premises at the time of purchase. This option to purchase shall be exercised within twelve (12) months of the execution of this lease. In the event that Tenant is unable to purchase the property within twelve months of the execution of this lease, the Landlord will extend the purchase date to December 1, 2006.

Governing Law: This Lease is governed by the statutory and case law of the State of New Jersey.

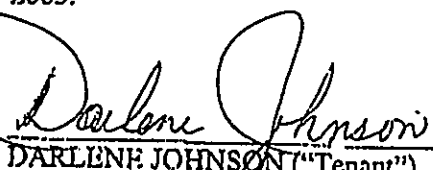
Binding and Full Agreement: This lease is binding on the Landlord and Tenant, their successors and assigns. This lease contains the entire agreement of the Landlord and the Tenant and may not be changed except in writing and signed by all parties.

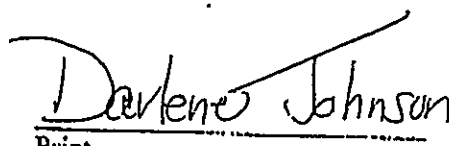
Additional Agreements:

- (1) Property shall be occupied by ^{four} ~~two~~ (4) adults
- (2) Either party may terminate this lease at the expiration of the term by giving 60 days written notice of intention to do so. Tenant further agrees to allow premises to be shown to prospective tenants upon receiving reasonable notice of such appointments (between 1-24 hours notice).

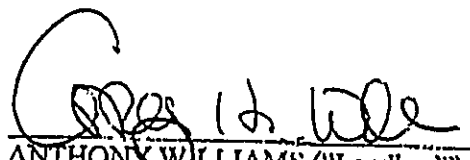
Acknowledgement of Terms:

The Landlord and Tenant agree to the terms of this Lease by signing below. This lease is fully executed on June 14, 2005.


DARLENE JOHNSON ("Tenant")


Print

06-14-05
Date


ANTHONY WILLIAMS ("Landlord")

ANTHONY H. WILLIAMS
Print

6-14-05
Date