

# STANDARD COMMERCIAL RETAIL LEASE

Date: 7-8-97

ADDRESS: 18350 U.S. Highway 19 North, Clearwater, Florida

LESSEE LEADER'S HOLDING COMPANY INC. A FLORIDA CORP.

LEASED AREA: Units 4, 5, 6, 7, 8

LESSOR: Rite-On Land Trust

TERM OF LEASE: Seven Years (7)

CHECK NO: \_\_\_\_\_

The Lessee agrees to pay a base ~~rent~~ <sup>rental</sup> of \$4,791.67 plus sales tax in advance on the first of each month. A security deposit of \$4,791.67 and the last month's rent will be promptly paid by Lessee in addition to a ~~key deposit of \$25~~. Lessor shall have the right to apply any part of the security deposit to cure any default of the lease, and if the Lessor does so, the Lessee shall upon demand, deposit with Lessor the amount so applied to restore the security to the original sum deposited within five days after receipt of demand therefore. In the event occupancy takes place other than on the first day of the month, base rent for the first and last months of this lease shall be prorated based on the actual days in such month.

The rights of the Lessor under the foregoing shall be cumulative and his failure to promptly exercise any rights given hereunder shall not operate to forfeit any rights. This agreement or any option exercisable hereunder by Lessee may be terminated by Lessor if Lessee fails to make timely payments or fails to promptly abide by a lease provision. Anything in this Agreement to the contrary notwithstanding, Lessor shall not be deemed liable or in default of this Lease if such performance shall be delayed or prevented by strike, construction delay, interruption of utilities, war, act of God, or governmental restriction.

The Lessor may enter the premises to make repairs, or alterations as may be deemed necessary or to exhibit said premises during normal business hours. The Lessee shall promptly comply with all governmental regulations and requirements, including all building and fire codes, and pay any related costs. The prompt payment of the amounts described herein and faithful observance of the rules and regulations printed upon this lease and of such other and further rules or regulations as may be hereafter made by the Lessor, are the conditions upon which the Lease is made and accepted. Each month Lessee shall promptly pay it's pro-rata share of all utilities, trash collection, real estate taxes, maintenance, insurance, assessments and other charges. Lessee agrees to pay all reasonable expenses, costs and attorney fees which are incurred by the Lessor through the appellate level to enforce the terms of the Lease. Any charges against Lessee shall be considered as rent due and shall be included in any lien for rent due and unpaid.

Lessee shall not assign this Lease, nor sublet the premises or any part thereof nor use the same, or any part thereof, nor permit the same or any part thereof, to be used for any other purpose than as stipulated below, without Lessor's consent which should not be unreasonably withheld, nor make any alterations therein, i.e. wall covering, painting, signs, advertising or awnings, etc., or additions thereto without the prior written consent of the Lessor. At Lessor's option, at the termination of this lease, alterations, attached fixtures or improvements made by Lessee will become property of Lessor or Lessee shall reimburse Lessor for the cost of removing any such items. If the premises are damaged to such an extent as to render them wholly unfit for occupancy, then this lease shall be cancelled unless, at the option of Lessor, the premises can be repaired within 120 days from the date of such casualty, then this lease shall not be cancelled and Lessee shall be entitled to a pro-rata reduction of rent. Lessee agrees to deliver to Lessor upon five (5) days written notice, written reports certified by Lessee, showing the amount of gross sales on or from the leased premises. Said reports shall be treated as confidential.

The Lessee covenants and agrees to indemnify and save the Lessor and Lessor's agent harmless from and against any and all claims for damages or injuries to goods, wares merchandise and property and for any personal injury, business loss or loss of life in, upon or about the demised premises. Lessee covenants to provide comprehensive liability insurance coverage with 30 days notice to Lessor of cancellation insuring the Lessor against any liability whatsoever occasioned by accident on or about the demised premises and pay any increase of Lessor's insurance created by his tenancy in Lessor's comprehensive business package insurance policy over basic retail occupancy. Lessor and Lessee shall request their prospective insurers, for all policies applicable to this property, maintained by either of them, at any time, a waiver of all rights of subrogation which the insurer of one party might have against the other party. All personal property placed or moved into the premises shall be at the risk of the Lessee or owner thereof and may be held as security should the Lessee be in default of any of the terms described herein. Lessor's insurance shall not exceed the replacement value of the building.

The interest of Lessor shall not be subject to liens for improvements made by Lessee. Lessee shall notify any contractor making such improvements of this provision. An appropriate notice of this provision may be recorded by Lessor in the Public Records of Panelist County in accordance with said statute, without Lessee's joinder or consent.

Use. The premises are leased to Lessee solely for the following use and no other use can be made of the premises during the terms without the written consent of the Lessor: retail furniture sales. Lessee hereby accepts the premises in the condition they are in at the beginning of this lease and agrees to maintain said premises in like new condition, normal wear and tear accepted, repair and/or replace and to make good to Lessor any damage to any fixtures, appliances or appurtenances of said premises, or of the building and upon termination of the Lease reimburse Lessor the cost of cleaning, replacement of ceiling light bulbs & tubes ~~damaged or worn~~, carpeting and ceilings and for painting the leased premises. Should Lessor ~~deem~~ it necessary, Lessor may enter the premises and perform Lessee's obligations on its behalf, and the cost thereof shall be due and payable as additional ~~rent~~ ~~upon notice from Lessor~~ ~~Lessee agrees to~~ ~~pay~~ ~~the~~ ~~cost~~ ~~thereof~~ ~~as~~ ~~described~~ ~~above~~. ~~larger square footage space provided the rental remains as described above.~~

Lessee shall have the option to vacate the premises at the end of any lease period or renew the lease for one successive seven year period. Lessee shall notify Lessor by certified mail ninety days prior to the expiration of any lease term of Lessee's intention to vacate the premises, otherwise, lease shall be renewed for an additional seven year period subject to the terms described herein. ~~in this event, Lessor may terminate this lease provided he gives Lessee such notice at least thirty days prior to the expiration of the lease period.~~

Upon Lessor's request, Lessee shall within five days notice deliver to Lessor an estoppel certificate certifying this lease is in full force and effect, and unmodified, or if modified, stating the nature of modification and certifying as modified the lease is in full force and effect.

Rent and any additional costs are due and payable on the first of each month. For any month that the Lessee does not pay any portion of any amount due within ten days of the due date, there shall be a late charge of ten percent of total payment due and thereafter a monthly charge of one-half percent of total payment due up to the maximum amount allowed by law until payment is received. Any payments made shall be credited towards the oldest liability of Lessee. Lessee agrees to pay Lessor \$25 for any checks returned for insufficient funds. Monthly rental, security deposit and ~~any other~~ charges described herein will increase annually at the rate of the C.P.I. increases over the prior year. All notices are to be sent to Lessee at the address of the leased premises described herein and to Lessor at the address below unless otherwise requested in writing. The parties acknowledge that First Florida Business Consultants, Inc. is the agent and representative of

LISTED BELOW

the landlord. First Florida Business Consultants, Inc. is authorized to obtain credit information regarding the undersigned. Should this information be unsatisfactory to Lessor, Lessor shall have the right within thirty days of the date above to cancel this agreement which will nullify any and all obligations between the parties. The undersigned parties individually guarantee the performance of the lease regardless of any defense of the primary obligator and all related payments and acknowledge that this is the entire agreement and supersedes all previous agreements between the parties. Lessee represents and warrants it will in no way environmentally impact the property, and shall hold Lessor harmless from any and all environmental conditions. Lessee shall not place any sign on or about the property without Lessor's approval. Lessee signage shall be at lessee's sole cost and expense.

Lessor shall have the right to subordinate this Lease to any future ground lease or any mortgage hereafter placed upon the Building or the Property. Lessee shall, within five days of Lessor's written request, execute and deliver to Lessor such reasonable instruments as may be necessary to confirm the subordination of this Lease.

Lessor covenants that so long as Lessee fulfills the conditions and covenants required of it to be performed as to the lease, Lessee will have peaceful and quiet enjoyment of the premises.

RADON GAS - Notice to Prospective Tenant Pursuant to Section 404.056(8), Florida Statutes: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

1. Lessor shall provide Lessee with a contiguous unit of approximately 115' x 50'. Unit shall be inclusive of HVAC, drywall, drop ceiling (not less than 9 feet in height) glass storefront (per plans) and a back room of approximately 200square feet per Lessee's location.
2. Lessee's extra charges as defined herein shall be pro-rata actual cost capped at \$2.50 per square foot annually. Said \$2.50 cap shall increase at a rate of C.P.I. annually.
3. Lessor shall provide Lessee with the first two months of this lease at no charge.
4. This lease shall begin upon Lessor receiving a certificate of occupancy.
5. Lessee shall receive its pro rata share of Lessor's pole sign. Additionally Lessee shall be entitled to the top portion of the pole sign.
6. Lessee shall have an internal water meter.
7. Lessee shall have its own electric meter.
8. Lessee shall provide for and pay for its own trash services and be excluded from any common trash services and costs.
9. The annual rental increases described above will be based upon the increase in the consumer price index, i.e. "USA All Urban Consumers" for the prior year.
10. Lessee shall sell to Lessor for personal use any products Lessee sells at Leaders Casual Furniture at Lessee's landed cost plus 10%.

All notices shall be sent to: 5040 140th Avenue, North, Clearwater, Florida 33760, Attn: Jerry Newton.  
 12. ALL INTERIOR WALLS TO BE PAINTED BY LESSOR IN SPECIFIED "OFF WHITE" COLOR.  
 WITNESS:

[Signature]  
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[Signature]  
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M.J. Hill  
 Print Name  
 \_\_\_\_\_  
 Toni G. Montgomery  
 Print Name  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Print Name  
 \_\_\_\_\_

LEADERS HOLDING COMPANY  
 LESSOR  
[Signature]  
 BY  
[Signature]  
 PRESIDENT  
 TITLE

[Signature]  
 \_\_\_\_\_  
[Signature]  
 \_\_\_\_\_

ANNE E. JERSEY  
 Print Name  
 \_\_\_\_\_  
 BARBARA NACOC  
 Print Name  
 \_\_\_\_\_

Sunny Sterling, Trustee  
 LESSOR

Make check payable and remit to:

First Florida Business Consultants, Inc.  
 12360 66th Street North, Largo, Florida 33773