

## LEASE

This lease is made this    day of March, 2011 by and between **Southern Property Management LLC, a Kentucky Corporation**, herein called Landlord, and **Steve Kays**

### W I T N E S S E T H:

Landlord hereby rents, leases and demises to Tenant and Tenant hereby takes, rents and leases from Landlord the demised premises described as follows; Suite 106, 4400 Bishops Lane, Louisville, Kentucky 40218 consisting of approximately **240 square feet** of building area as shown on Exhibit A attached and to have and to hold the same for a term of 12 months, commencing on or before April 1, 2011 and ending on March 31, 2012. Tenant acknowledges that it has inspected the demised premises and conclusively accepts the demised premises, in their present condition as suitable and satisfactory for the purpose for which the demised premises are leased and further acknowledges that no representations as to the condition or repair of the demised premises nor promises to alter, remodel or improve the demised premises that have been made by the Landlord, unless such are expressly set forth in this lease. If this lease is executed before the demised premises become vacant or otherwise available and ready for occupancy, or if any present Tenant or occupant of the demised premises holds over, and Landlord cannot acquire possession of the demised premises prior to the date above recited as the commencement date of this lease, Landlord shall not be deemed to be in default hereunder, and Tenant agrees to accept possession of the demised premises at such time as Landlord is able to tender the same; and Landlord hereby waives payment of rent covering any period prior to the tendering of possession to Tenant hereunder. If Landlord permits Tenant to enter into possession of the demised premises prior to commencement date, all of the terms and conditions of this lease shall apply to such prior period.

**1. A. Rent.** (a) Lessee shall pay a minimum basic monthly rental ("Base Rent") to Lessor during the Term of \$250.00 ~~In addition to the base rental, Tenant shall pay its prorata share of monthly CAM expenses of                      and estimated monthly utility charges of                      as defined in clause 10 for a total monthly rental~~ . This amount to be charged each month during the term of this lease. Upon the execution of this lease, Tenant shall pay the first months rent and the security deposit. All rent payments shall be made to Southern Properties Management, LLC and paid in advance on the first day of each month. Rent payments and all sums hereinafter designated as additional rent shall be mailed to Landlord at the office of 4400 Bishop Lane, suite 200, Louisville, KY 40218, all of which Tenant hereby covenants and agrees to pay without demand or notice.

~~B. The CAM charge of \_\_\_\_\_ as described in paragraph 5 is an estimated cost for CAM that equals approximately \$1.00 per square foot of Demised Premises, divided by twelve. Such CAM charge covers all expenses incurred in operating 4400 Bishops Lane including, but not limited to, common area cleaning, mowing, commonly used dumpster, security, common utilities, landscaping, snow removal, sealing, and striping the parking areas, general repair and maintenance of systems, ad valorem real estate taxes and property insurance. CAM charges shall not include expenditures for capital improvements (i.e. repaving or reroofing) or for property management or leasing fees/commissions. In the event actual costs of such CAM expense exceeds the estimate, an assessment will be levied within sixty days following the year ending December 31; and the estimated fee will be increased accordingly for the succeeding calendar year. Lessor shall provide Lessee with written detail of any such adjustment. Notice will be given at least 30 days in advance of any proposed assessment increase. Any annual increase in excess of 20% (except such increase caused by an increase in ad valorem real estate taxes or insurance coverage) of the preceding annual assessment amount shall require Lessee's written acceptance.~~

~~C. So as to afford Lessor with consistent purchasing power of its Base Rent income during future years of this Lease, the Base Rent of \_\_\_\_\_ described in Section 1(a) shall be subject to adjustment from time to time as provided for herein. Adjustments shall be made annually on the anniversary date of each year during the term of this Lease, and any extensions thereof. These adjustments shall be made by increasing the prior year's Base Rent by four percent (4%). Lessor shall notify Lessee in writing of the amount of the new Base Rent and same shall be due on the first day of the month beginning that same adjustment period and each month thereafter until adjusted again.~~

## **2. Use.**

(a) Tenant shall occupy and use the demised premises for general administrative office user and for no other purpose. Tenant shall at the termination and/or expiration of this lease return said demised premises to Landlord in as good condition as when received, loss by accidental fire or other casualty not occurring through negligence of Tenant and ordinary wear and tear excepted. As a material consideration hereto the Tenant covenants that Tenant shall not permit the demised premises to be occupied by any person, firm or corporation other than the Tenant whose name appears on this lease.

(b) Tenant shall not use or permit upon said demised premises anything that will invalidate any policy of insurance now or hereafter carried on the building or which the demised premises are a part, or that will increase the rate of insurance on said demised premises or on said building; Tenant shall not use or permit upon said demised premises anything that may be dangerous to life or limb; Tenant shall not in any manner deface or injure said building or any part thereof, or overload the floors of said demised premises; Tenant shall not permit any objectionable noise or odor to escape or be emitted from said demised premises or do anything or permit anything to be done upon said demised premises in anyway tending to create a nuisance or tending to disturb any Tenant in said building or the occupants of neighboring properties. The 4400 Building is considered a non-smoking building and Tenants are not permitted to smoke in the building nor at the front entrance. Smoking is permitted at side entrance located at the

Northeast end of the building. Tenant shall not use the parking areas in any manner for the storage of materials, parts supplies, trailers, equipment or machinery, nor shall Tenant use the parking areas in any manner which could obstruct or interface with the rights and safety of other Tenants or persons.

(c) Tenant will maintain a room temperature of not less than 40 degrees Fahrenheit in the warehouse, if applicable and office area of the demised premises to eliminate the threat of the plumbing system freezing.

(d) Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in, upon, or connected with the demised premises, all at Tenant's sole expense.

(e) Tenant shall be solely responsible for all janitorial needs and expenses in connection with the demised premises and shall solely be responsible for all expenses for the collection and removal of refuse. Tenant may dispose of normal office waste in the common dumpster. Should Tenant be an excessive user of the dumpster, (at Landlords discretion) then Tenant will be required to make arrangements for their own waste removal.

**3. Repairs and Maintenance.** Tenant shall keep the demised premises clean and free from all dirt and other refuse; keep all waste and drain pipes open within the demised premises; make all necessary repairs to plumbing and all other utility lines within the demised premises, should damage occur as a result of negligence, or improper maintenance by Tenant. Continuously keep and maintain every part and portion of the demised premises including mechanical equipment (but excluding structural repairs, the roof, gutters, downspouts and exterior walls) in good order and repair. It is understood that exterior walls does not include overhead doors, personal doors or any glass. If applicable, Landlord shall be responsible for repair or replacement costs in excess of \$500.00 per occurrence pertaining to the HVAC equipment as long as Tenant has annually maintained said equipment with a service provider and has not neglected this equipment.

**4. Alterations.** Tenant shall make no alterations in or additions to said demised premises without first obtaining Landlord's written consent. At the termination and or expiration of this lease or any renewal thereof, if Landlord so elects, Tenant shall at Tenant's expense, remove all alterations, additions, improvements and partitions erected by Tenant and restore the demised premises to their original condition; otherwise such improvements shall be delivered up to Landlord with the demised premises, and shall become the absolute property of the Landlord without payment or offset. The Tenant shall, at Tenant's expense, at the termination and or expiration of this lease or any renewal thereof, remove all of Tenant's personal property (and those improvements made by Tenant which have not become the property of the Landlord), including, but not limited to trade fixtures, bins, equipment, machinery and shall repair all

damage done by or in connection with the installation or removal of said personal property and improvements, and restore the demised premises to their original condition. All property of Tenant remaining on the demised premises at the termination and or expiration of this lease shall conclusively be deemed abandoned and may be removed by Landlord and Tenant shall reimburse Landlord for the cost of such removal. Landlord may have any such property stored at Tenant's expense. All such removals and restoration shall be accomplished in a good and workmanlike manner so as not to damage the primary structure or structural qualities and other improvements situated on the demised premises and the building in which the demised premises are located.

**5. Signs.** Tenant shall not be permitted to paint, place, erect or cause to be painted, placed or erected signs on the front, back or side portion of the building or on the grounds of the demised premises without first obtaining written consent from the Landlord. At or prior to the termination and or expiration of this lease, or any renewal thereof, Tenant shall remove any signs so painted, placed or erected, and shall restore the walls and other portions of the demised premises or any building to which any of the said signs were attached to their former condition, ordinary wear and tear excepted.

**6. Inspection.** Landlord and Landlord's agents and representatives shall have the right to enter and inspect the demised premises any time during reasonable business hours, for the purpose of ascertaining the condition of the demised premises or in order to make such repairs as may be required to be made by Landlord under the terms of this lease. During the period that is six months prior to the end of the term hereof, or any renewal hereof, Landlord and Landlord's agents and representatives shall have the right to erect on the demised premises a suitable sign indicating the demised premises are available.

**7. Liens.** If any mechanic's or materialmen's liens or other liens or order for the payment of money shall at any time be filed against the demised premises herein demised, the building or land on which the demised premises are located, or any improvement thereon, or against Landlord as owner thereof, by reason of, or arising out of any labor or materials furnished or alleged to have been furnished or to be furnished to Tenant at Tenant's request at the demised premises, Tenant shall promptly, or in any event within fifteen (15) days after the recording of such lien or the entering of such order, cause the same to be cancelled and discharged of record, by bond or otherwise at the expense of Tenant, and shall also defend on behalf of Landlord, but at Tenant's sole cost and expense, any action, suit or proceedings which may be brought thereon or for the enforcement of such lien, liens or orders, and Tenant hereby agrees to pay any damages and to discharge any judgments entered therein and to save the Landlord harmless from any claims or damages resulting therefrom. Should Tenant fail to bond or otherwise discharge such liens or orders then Landlord reserves the right so to do, and, the cost thereof or any sums that may thereafter become due and payable by the Landlord shall be deemed additional rent.

Provided, however, notwithstanding anything to the contrary herein contained, Landlord and Tenant hereby agree that no such lien or order therein above described shall constitute a claim, lien, or encumbrance on the title of Landlord in and to the demised premises, the building wherein the demised premises are located, and the land upon which said building is erected.

**8. Assignments and Subletting.** Tenant shall not have the right to transfer or assign this lease or to sublet the whole or any part of the demised premises or to mortgage, pledge or otherwise encumber its interest in this lease or its interest, if any, in the demised premises, without the prior written consent of Landlord it being agreed that Tenant has only a usufruct, not subject to levy and sale or otherwise transferable, whether voluntarily or by operation of law, except as otherwise set forth herein. Tenant shall at all times, notwithstanding any permitted transfer, assignment, subletting or encumbrance, and notwithstanding the acceptance of rents by the Landlord from such transferee, assignee, subtenant or mortgagee, remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of Tenant's other obligations under the terms, provisions, and covenants of this lease, nor shall the giving of such consent to a transfer, assignment, subletting or encumbrance be deemed a complete performance of the said covenants contained herein, so as to permit any subsequent transfer, assignment, subletting or encumbrance without like written consent. Any permitted transfer, assignment, subletting or encumbrance shall be subject to all the terms, conditions of this lease or any deed to secure debt on the demised premises, and the term of any such subletting shall expire on or prior to the date of termination of this lease. Upon the occurrence of any "event of default" as hereinafter defined, if the demised premises or any part thereof are then transferred, assigned or sublet, Landlord, in addition to any other remedies herein provided or provided by law, may at its option collect directly from such transferee, assignee or subtenant all rents becoming due to Tenant under such transfer, assignment or sublease and apply such rent against any sums due to Landlord from Tenant hereunder, and no such collection shall be construed to constitute a novation or a release of Tenant from further performance of Tenant's obligations hereunder. Landlord shall have the right to assign any of its rights and obligations under this lease. Landlord shall further have the right at Landlord's option upon an "event of default" to take over any and all subleases or any part thereof and further to succeed to all rights and privileges and any sums held by Tenant of said sublessor such of them as Landlord may elect to take over and assume.

**9. Taxes & Assessments.** Tenant shall pay all other taxes and all ad valorem taxes on inventory, merchandise, fixtures and equipment belonging to Tenant. Provided, however, Landlord shall be paid by Tenant for all special assessments levied, assessed or imposed on the land and improvements of which the Demised Premises are a part as follows as a direct result of Tenant's occupancy.

**10. Utilities.** In addition to base rent and CAM Charges as stated previously, Tenant shall pay to Landlord its prorata share of utility charges incurred which is estimated at        per month. Or should space have separately metered utility services then Tenant shall place utilities in its name and pay directly. Tenant shall be responsible for cost and replacement of all electric light bulbs and tubes. Landlord shall in no event be liable for any interruption or failure of utility services on the demise premises.

**11. Liability.**

(a) Tenant covenants and agrees that it will protect and save and keep the Landlord forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances resulting from the use or occupancy of the demised premises by Tenant or those holding under Tenant, or the employees, guests, licensees or invitees thereof; and that Tenant will at all times protect, indemnify and save and keep harmless the Landlord against and from any and all loss, costs, damage or expense, arising out of or from any accident or other occurrence on or about said demised premises, causing injury to any person or property whomsoever or whatsoever except for such accident or other occurrence directly resulting from a breach by Landlord under this lease and will protect; indemnify and save and keep harmless the Landlord against and from any and all claims and against and from any and all loss, cost, damage or expense arising out of any failure of Tenant in any respect to comply with and perform all the requirements and provisions of this lease.

(b) Landlord shall not be liable for any damage, either to person or property sustained by Tenant or sustained by Tenant's employees, guest, licensees, or invitees, including loss of business, due to the building of which the demised premises are a part, or any part thereof, or any appurtenances thereof, becoming out of repair (except for such repairs, if any, for which Landlord may be responsible hereunder, and the failure of Landlord to effect or to initiate such repairs with a reasonable period of time after Landlord is notified in writing of the need of such repairs) or due to the happenings of any accident in or about said building (other than such accidents directly resulting from the negligence of Landlord), or due to any act or neglect of any Tenant or occupant of said building, or any other person not under the employment or direct control of Landlord. This provision shall apply especially (but not exclusively) to damage caused by water, snow, frost, steam, sewerage, illuminating gas, sewer gas, or odors, or by the bursting or leaking of pipes and shall apply equally whether such damage be caused by the act or neglect of other Tenants or of any other person not in the employ or under the control of Landlord. If such damage shall be caused by the act or neglect of Tenant, Tenant shall repair same at its expense. In the event Tenant fails to repair said damage, Landlord may, at its option, repair such damage whether caused to the building or to a Tenant thereof and Tenant shall be charged as additional rental the total cost of such damage both to the building and to the Tenants thereof. Tenant agrees that all personal property and all alterations, additions and improvements

made by Tenant upon the demised premises shall be there at the risk of Tenant only and that Landlord shall not be liable for any damage thereto or theft thereof (except as hereinabove expressly provided).

## **12. Fire and Casualty Damage.**

(a) If the demised premises should be damaged or destroyed by fire, tornado, or other casualty, Tenant shall give immediate written notice thereof to Landlord.

(b) If the demised premises should be totally destroyed by fire, tornado or other casualty, or if they should be so damaged that rebuilding or repairs cannot be completed within one hundred fifty (150) days after the date upon which Landlord is notified by Tenant of such damage, this lease shall terminate and the rent shall be abated during the unexpired portion of this lease, effective upon the date of the occurrence of such damage.

(c) If the demised premises should be damaged by fire, tornado or other casualty, and such damage being not caused by the negligence or default of the Tenant or the Tenant's agents, servants, employees or visitors, but only to such extent that rebuilding or repairs can be completed within one hundred fifty (150) days after the date upon which Landlord is notified by Tenant of such damage, this lease shall not terminate, but Landlord shall proceed with reasonable diligence to rebuild and repair the demised premises, to substantially the condition in which they existed prior to such damage, except that Landlord shall not be required to rebuild, repair or replace any part of the partitions, fixtures and other improvements which may have been placed on the demised premises by Tenant. If the demised premises are untenable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenable shall be proratably reduced to the extent of the usable square footage of the demised premises. In the event that Landlord should fail to complete such repairs and rebuilding within one hundred fifty (150) days after the date upon which Landlord is notified by Tenant of such damage, Tenant may at its option terminate this lease by delivering written notice of termination to Landlord. This right to terminate shall exist in addition to all other rights afforded by law. (d) Notwithstanding anything herein to the contrary, in the event the holder of any indebtedness secured by a deed to secure debt covering the demised premises requires that any portion of the insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this lease by delivering written notice of termination to Tenant, with all parties preserving all rights afforded by law.

(e) Any insurance which may be carried by Landlord or Tenant against loss or damage to the demised premises and other improvements situated on the demised premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

(f) Each of Landlord and Tenant hereby releases the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or

otherwise for any loss or damage to property caused by fire or any of the extended coverage casualties covered by the insurance maintained hereunder, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such times as the releasor policies shall contain a clause or endorsement to the effect that any release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Each of Landlord and Tenant agrees that it will request its insurance carriers to include in its policies such a clause or endorsement.

(g) Landlord shall maintain standard fire and extended coverage insurance covering the building of which the demised premises are in part in an amount not less than eighty (80%) percent of the replacement cost thereof.

**13. Other Insurance.** The Tenant, during the demised term or any renewal thereof, shall maintain glass insurance and public liability and property damage insurance. The liability policy shall be one that shall afford protection on the minimum sum of (\$500,000.00) in the event of injury or death to a single person and in the minimum sum of (\$500,000.) in the event of any one accident and for property damage in the minimum sum of (\$300,000.00). Tenant shall furnish to Landlord certificates evidencing that such insurance is in effect continuously during the demised term or any renewal thereof. Provided, however, in the event Tenant fails to provide Landlord with a certificate evidencing the existence of glass insurance, Landlord may conclusively presume that Tenant has in fact self-insured itself from any expenses and or liabilities as a result of not maintaining said glass insurance.

**14. Condemnation.** If the whole or part of the demised premises shall be taken under the power of eminent domain, or shall be conveyed to a governmental agency to avoid such taking, and such taking shall cause the remaining portion or the demised premises to be inadequate for use by Tenant for the purpose for which the same are leased, either Landlord or Tenant shall have the option to terminate this lease as of the date Tenant is required to yield possession. If a part of the demised premises shall be so taken that the remaining part of the demised premises shall be adequate for use by Tenant, then this lease shall terminate as to the part so taken or conveyed on the day when Tenant is required to yield possession thereof and Landlord shall make such repairs and alterations as may be necessary in order to restore the part not taken to usable condition and the rental payable hereunder shall be reduced in proportion to the part of the demised premises so taken. All compensation awarded for any taking (or the proceeds of sale under threat thereof) whether for the whole or a part of the demised premises, shall be the property of Landlord, whether such award is compensation for damages to Landlord's or Tenant's interest in the demised premises, and Tenant hereby assigns all of its interest in any such award to Landlord that is afforded by law; provided, however Landlord shall have no interest in any



award made to Tenant for loss of business or for the taking of Tenant's fixtures and personal property within the demised premises, if a separate award for such items is made to Tenant.

**15. Events of Default.** The following events shall be deemed to be events of default by Tenant under this lease:

(a) Tenant fails to pay any installment of the rent hereby reserved when due, or any sum of money due or payable as additional rent under the provisions, of this lease, or any other payment or reimbursement to Landlord required herein, and such failure continues for a period of ten (10) days from the date such installment was due; or

(b) Tenant becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors; or

(c) A petition, voluntary or involuntary (if voluntary, Tenant shall have five (5) days to cure), is filed by or against Tenant under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Tenant is adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder; or

(d) A receiver or trustee is appointed for all or substantially all of the assets of Tenant; or

(e) Tenant abandons or vacates of the demised premises;

(f) Tenant fails to comply with any terms, provisions or covenants of this lease (other than the foregoing in this paragraph 15) and does not cure such failure within 15 days after Landlord's written notice thereof to Tenant; or

(g) Tenant in any way attempts to transfer or other devolution of the interests or any part thereof of the Tenant, or any assignee hereunder, to any other person or corporation either by reason of the several acts and things hereinabove enumerated, or if Tenant, or any assignee be dissolved.

**16. Cumulative Remedies.** Upon the occurrence of any of such events of default described in paragraph 15 hereof, Landlord shall have the option to pursue any one or more of the following remedies with notice, as set forth above.

(a) Terminate this lease, in which event Tenant shall immediately surrender the demised premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the demised premises and expel or remove Tenant or any other person who may be occupying such demised premises or any part thereof, by reasonable force if necessary, without being liable for prosecution or any claims of damages therefore; and Tenant agrees to pay Landlord on demand the amount of any loss and damage which Landlord may suffer by reason of such termination, whether through inability to rent the demised premises on satisfactory terms or otherwise.

(b) Enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying such demised premises or any part thereof, by reasonable force, if necessary, without being liable for prosecution or any claim for damages therefore, and repair, alter and relet the demised premises for the term of the original term or for any part thereof or for a longer period and receive the rent therefore applying the same to the payments of such expenses as the Landlord may be put to by reason thereof including without limitation, to attorney fees and then to the fulfillment of Tenant's covenants and agreements hereunder; and Tenant agrees to pay Landlord on demand any deficiency that may arise by reason of such reletting.

(c) Enter upon the demised premises, by reasonable force if necessary, without being liable for prosecution or any claim for damages therefore, and do whatever Tenant is obligated to do under the terms of this lease; and Tenant agrees to reimburse Landlord on demand for any expenses which may incur in thus effecting compliance with Tenant's obligation under this lease and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from any reasonable action taken in connection therewith.

In the event Tenant fails to pay any installment of rent hereunder or any sum of money due or payable as additional rent as and when such installment is due, Tenant shall pay to Landlord on demand a late charge in an amount equal to five (5%) percent of such installment or \$100.00 whichever amount is greater; and the failure to pay such amount within five (5) days after demand therefore, shall be any event of default hereunder. Tenant shall further pay to Landlord the sum of \$35.00 for any returned checks. The provision for such late charges and returned check charges shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent or additional rent due to Landlord hereunder for the unexpired lease term or any renewal thereof, or of any damages occurring to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by Landlord or its agents in a reasonable manner to discharge the obligations or to exercise the rights of Landlord hereunder during the term hereby granted shall be deemed to absolve or discharge the Tenant from liability hereunder or shall be deemed a termination of this lease or an acceptance of the surrender of the demised premises, and no agreement to terminate this lease or to accept a surrender of said demised premises shall be valid unless in writing and signed by Landlord. No waiver by Landlord of any violation or breach by Tenant of any of the terms provisions and covenants herein contained shall be deemed to constitute waiver of a subsequent breach of any of the terms, provisions or covenants herein

contained. Forbearance by Landlords to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver or such default. All rights of the Landlord hereunder are hereby reserved and conferred upon Landlord as distinct, separate and cumulative remedies. If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay any reasonable attorney's fees so incurred. Tenant shall be given notice of any default. Such notice is given as postmarked and Tenant shall have five (5) days to cure such default.

**17. Holding Over.** Should Tenant, or any of its successors in interest, hold over the demised premises, or any part of thereof, after the expiration of the term of this lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as a tenancy from month to month only, at a rental equal to the rental payable for the last month of the preceding term of this lease plus 25% of such amount. The inclusion of the preceding sentence shall not be construed as Landlord's permission for Tenant to hold over.

**18. Quiet Enjoyment.** Landlord represents and warrants that it has full right and authority to enter into this lease and that Tenant, upon paying the rental herein set forth and performing the other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the demised premises for the term hereof without hindrance or molestation, subject to the terms and provisions of this lease.

**19. Security Deposit.** Upon execution of this lease, Tenant shall pay a sum of **Two Hundred Fifty Dollars (\$250.00)** as security for the performance of Tenant's obligations hereunder. In the event of a default by Tenant, Landlord at its option may apply such part of the deposit as may be necessary to cure the default, and if Landlord does so, Tenant shall upon demand redeposit with Landlord an amount equal to that so applied so that Landlord will have the full security deposit on hand at all times during the term of this lease. Upon the expiration of this lease (provided that Tenant is not in default hereunder), Landlord shall refund to Tenant any then remaining balance of the deposit without interest. In the event of sale of the land and building or leasing of the building, of which the demised premises for a part, Landlord shall have the right to transfer the deposit to the buyer or Tenant and Landlord shall thereupon be released by Tenant from all liability for the return of such deposit and Tenant agrees to look to the new Landlord solely for the return of said deposit; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the deposit to a new Landlord.

**20. Notices.** All notices required herein to be given by Tenant to Landlord shall be given by certified mail and sent to Landlord in care of **Southern Properties Management, LLC 4400 Bishop Lane, Suite 200, Louisville, KY 40218**, or to such other person or places as shall be designated in writing by the Landlord. All notices required herein to be given by Landlord to

Tenant shall be given by certified mail and shall be sent to **Steve Kays, 4400 Bishop Lane, Suite 106, Louisville, KY 40218** or to such other person or places as shall be designated in writing by Tenant.

**21. Sums Expended by Landlord to be Additional Rent.** In the event that Landlord shall pay any sum of money or do any act which will require the expenditures of any sums by reason of the failure of the Tenant to perform any of the covenants, terms or conditions herein contained, the Tenant covenants to repay promptly such sums to the Landlord, together with interest thereon at the rate of (18%) percent per annum. This amount may be added as additional rent to the basic rent becoming due upon the next rent payment date, or any subsequent rent payment day and shall be payable as such. Nothing contained herein shall be construed to postpone the right of the Landlord immediately upon expending such sums with interest by action or otherwise.

**22. Mortgages.** Tenant accepts this lease subject and subordinate to any deed(s) to secure debt now or at any time hereafter constituting a lien or charge upon the demised premises or the land improvements on which the demised premises are situated; provided, however, that in the event of a transfer of title to the demised premises pursuant to the exercise of any right of remedy granted by any such deed to secure debt or similar security instrument, or in lieu thereof, Tenant shall, upon the request of such transferee, attorn to and recognize such transferee as its Landlord hereunder and this lease shall continue in full force and effect as a direct lease between Tenant and such transferee.

**23. Miscellaneous.**

(a) Words or any gender used in this lease shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, unless the context otherwise requires.

(b) The terms, provisions, covenants and conditions contained in this lease shall apply to, inure to the benefit of, and be binding upon, the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns except as otherwise herein expressly provided.

(c) The captions inserted in this lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this lease, or any provision hereof, nor in any way affect the interpretation of his lease.

(d) Tenant agrees, from time to time, within ten days after request of Landlord, to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this lease is in full force and effect, the date to which rent has been paid, the unexpired term of this lease and such other matters pertaining to this lease as may be reasonably requested by Landlord.

(e) This lease may be altered, changed or amended by an instrument in writing signed by both parties hereto.

(f) The invalidity or unenforceability of any provisions of this lease shall have no effect on the validity or enforceability of any other provision of this lease.

(g) Tenant and Landlord each warrant and represent to the other that neither has engaged or dealt with any real estate agent or broker in connection with the transaction contemplated by this Lease other than Hoagland Commercial Realtors. Landlord shall be solely responsible for and shall pay commissions and fees of the gross value of the lease, subsequent renewal options, expansion or renegotiations to Hoagland Commercial Realtors.

IN WITNESS WHEREOF, the parties hereto have executed this lease this \_\_\_\_\_ day of March 2011, each by its authorized officer or agent.

LANDLORD:

WITNESS:

\_\_\_\_\_  
Southern Property Management, LLC

TENANT:

WITNESS:

\_\_\_\_\_  
Steve Kays, Individually

ADDENDUM TO LEASE  
4400 BISHOP LANE  
LOUISVILLE, KY 40218

BUILDING RULES AND REGULATIONS

THE FOLLOWING RULES AND REGULATIONS ARE PRESCRIBED BY LESSOR FOR THE GENERAL SAFETY, SECURITY AND BENEFIT OF ALL OCCUPANTS OF THE BUILDING. LESSOR SHALL AT ALL TIME HAVE THE RIGHT TO CONTROL AND OPERATE THE PUBLIC PORTIONS OF THE BUILDING, AS WELL AS FACILITIES FOR COMMON USE OF OCCUPANTS, IN SUCH MANNER AS LESSOR DEEMS BEST.

1. The sidewalks, entrances, passages, elevator, lobbies, stairways, corridors or halls shall not be obstructed by Lessee or used for any purpose other than ingress and egress to and from Lessee's Premises. Equipment, furniture or supplies to be delivered to the Premises shall be delivered using the elevator and passageways in the manner designated and approved by Lessor and only during hours designated by Lessor.

2. No awnings, antenna or other projections shall be permitted on the outside of the Building and no curtains, blinds, shades, screens or lights shall be attached to or hung in, or used in connection with any window or door of the Premises, without the prior written approval of Lessor.

3. No sign, advertisement, notice or other lettering or object shall be affixed or exhibited or any part of the outside of the Premises, or on the inside thereof so as to be visible from the outside of the Building or visible from the corridors or lobbies adjoining the Premises, without the prior written consent of Lessor. Interior signs on doors shall be inscribed, painted or affixed by Lessee at the expense of Lessee, and shall be of material, size, color and style approved by Lessor.

4. Lessor shall have the right to control and operate the public portions of the Building and the public facilities, as well as facilities furnished for the common use of the occupants, in such manner as Lessor deems best for the benefit of the occupants generally. No Lessee shall invite to the Premises, or permit the visit of, persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevator and facilities of the Building by other occupants. Lessee shall in no way obstruct the sidewalks, entry passages, pedestrian passageways, driveways, entrances and exits.

5. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the windows, corridors, corridor walls or lobbies without the prior written consent of Lessor.

6. Canvassing, soliciting or peddling in the Building is prohibited and each occupant shall cooperate to prevent the same.

7. Lessee shall not advertise the business, profession or activities of Lessee in any manner which violates the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining thereto or use the name of the Building for any purpose other than that of the business address of Lessee.

8. Lessee shall not attach or permit to be attached additional locks or similar devices to any door, transom or window or the Premises; change existing locks or the mechanism thereof; or make or permit to be made any keys for any door thereof other than those provided by Lessor. (If more than two keys for one lock are desired, Lessor will provide them upon payment therefore by

Lessee.) Lessee, on termination of its tenancy, shall deliver to Lessor the keys of offices, rooms and toilet rooms that were furnished to Lessee or that Lessee has had made. In case of loss of any keys furnished by Lessor, Lessee shall pay Lessor for them.

9. Lessee shall not mark, paint, drill into or in any way deface any part of the Premises or the Building including, but not limited to, any walls, partitions, door and windows. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Lessor, and as Lessor may direct.

10. Lessee shall not permit any unusual or objectionable odors or gases to be produced upon or permeate from the Premises.

11. Lessee shall not make, nor permit its employees, agents or invitees to make, any unseemly or disturbing noises or vibrations, nor disturb nor interfere with other occupants of the Building or those having business with other occupants, whether by use of *any* musical instruments, recording device, radio, equipment or in any other way.

12. Lessee agrees that it shall not willfully do or omit to do any act or thing which shall discriminate or segregate upon the basis of race, color, sex, creed or national origin in the use and occupancy of the Premises or the Building.

13. Freight, furniture or bulky matter of any description shall be delivered or removed only during the hours which Lessor may determine from time to time. Lessor reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any Rules and Regulations.

14. Lessor shall have the right to prohibit any advertising by any occupant of the building which, in Lessor's opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and, upon written notice from Lessor, Lessee shall refrain from or discontinue such advertising. Lessee shall not, in its advertising or other publicity, without prior written consent of Lessor, use the name of the Building or use pictures or illustrations of the Building.

15. Lessee shall not carry on or permit to be carried on the Premises, the Building, the Complex, or any part thereof, any immoral or illegal business, gambling, the selling of pools, lotteries or any other business that is prohibited by law.

16. Lessor shall provide Lessee with directory information strips identifying Lessee in the Building directory located on the ground floor of the Building.

17. Lessee and Lessee's authorized representatives or invitees shall not throw cigar or cigarette butts or other substances or litter of any kind in or about the Building or the Complex, except in receptacles placed in them for that purpose.

18. The toilet rooms, toilets, urinals, washbowls, and other apparatus available to Lessee shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind (including sanitary napkins, etc.) shall be thrown into them, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be paid by Lessee (or its authorized representative or invitee) that has caused it.

19. Lessor reserves the right to close and keep locked all entrance and exit doors of the Building on Saturdays, Sundays and legal holidays, and on other days, between the hours of 6:00 P.M. and 7:00 A.M. of the following day, and during such other hours as Lessor deems advisable for the adequate protection of the Building and the property of occupants of the Building. If Lessee uses the Premises when the Building is closed and locked, Lessee shall see that the doors of the Premises and the entry doors of the Building are closed and securely locked before leaving the

Building. Lessee must observe strict care that all water faucets or water apparatus have been entirely shut off before Lessee or Lessee's authorized representatives or invitees leave the Building, and that all electricity has been carefully shut off, so as to prevent waste or damage.

20. Lessor agrees that these Rules and Regulations shall be enforced against all occupants in a non discriminatory manner. Lessee shall be deemed to read these Rules and to have agreed to abide by them as a condition to Lessee's occupancy of the Premises.

21. Utilities, heat and air-conditioning to the space shall be provided subject to the following limitations and those provided elsewhere in this Lease and other Exhibits:

- (a) Waste and unnecessary use of water, electricity and other utilities is prohibited.
- (b) All thermostats shall be set no higher nor lower than that allowed by Federal, State and/or local regulations, and Lessor hereby expressly reserves the right to reasonably require, from time to time, that all thermostats be set at levels other than as specified herein which Lessor, in its judgment, determines to be in keeping with sound energy management and conservation in keeping with any then existing energy policies.
- (c) Lessor reserves the right to cut back the utility, heat and air-conditioning service to the Premises and the Building during non-business hours so as to conserve energy consumption in the Building.

22. Lessor reserves the right, by written notice to Lessee, to rescind, alter or waive any Rule or Regulation at any time prescribed for the Building when, in Lessor's judgment, it is necessary, desirable or proper for the best interest of the Building and occupants of the Building.



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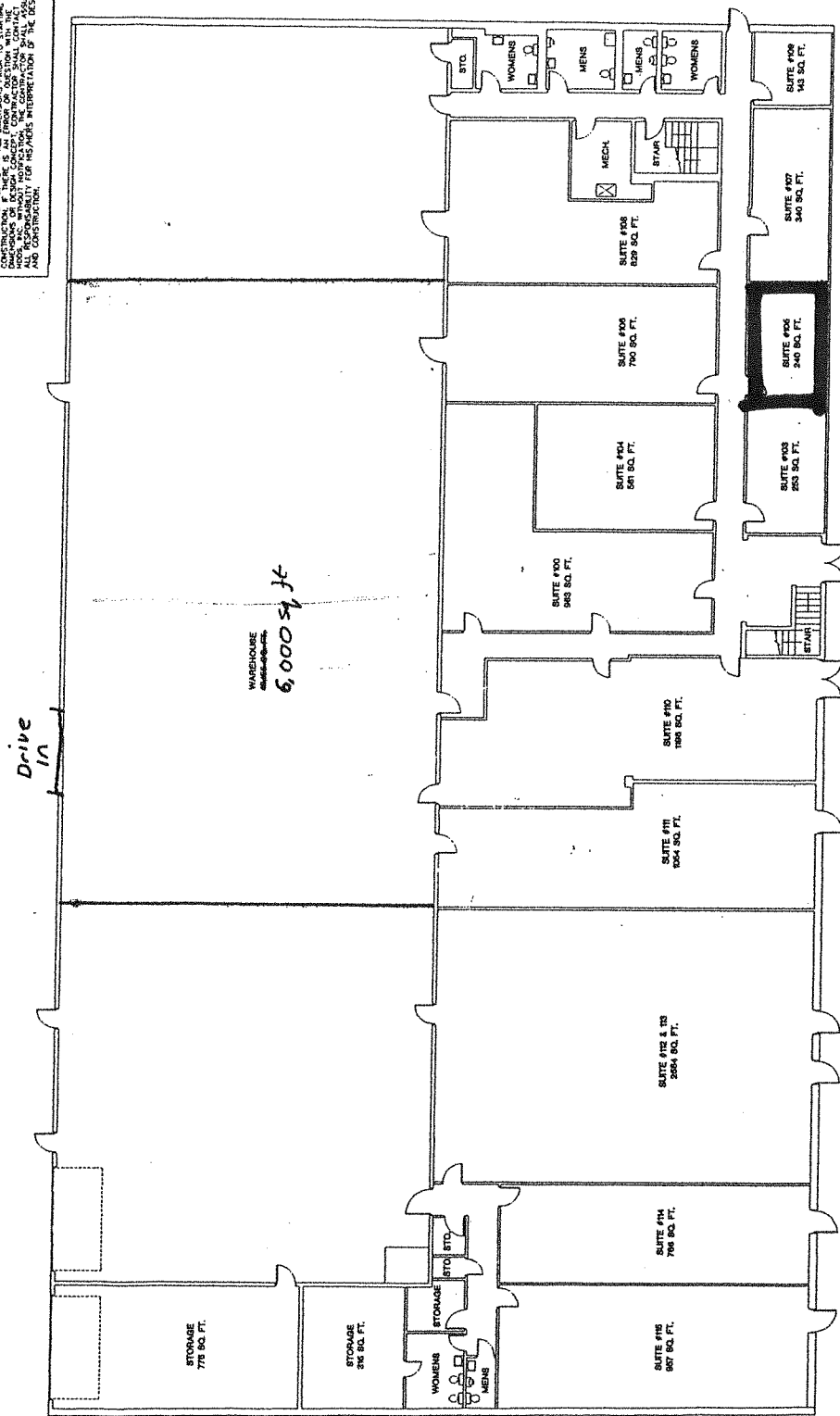
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THESE EXISTING CONDITION DOCUMENTS HAVE BEEN PREPARED IN THE BASIS OF INFORMATION COMPILED FROM AN ON SITE SURVEY AND THE INFORMATION PROVIDED BY THE CLIENT. THE CONTRACTOR SHALL ASSUME THE DRAFTING CONSULTANT SHALL BE RESPONSIBLE FOR ANY HIDDEN ERRORS OR OMISSIONS WHICH MAY HAVE BEEN RESPONSIBLE FOR THIS DOCUMENT AS A RESULT.

CONTRACTOR SHALL VERIFY ALL DIMENSIONS PRIOR TO STARTING CONSTRUCTION. IF THERE IS A DISCREPANCY WITH THE DIMENSIONS OR DESIGN CONCEPT, CONTRACTOR SHALL ASSURE THE CLIENT, IN WRITING, WITHOUT NOTIFICATION, THE CONTRACTOR SHALL ASSUME ALL RESPONSIBILITY FOR HIS/HERS INTERPRETATION OF THE DESIGN AND CONSTRUCTION.



EXISTING FIRST FLOOR PLAN

9/5/7