

STATE OF ALABAMA)

SHELBY COUNTY)

1028

LEASE AGREEMENT

This lease made the 26th day of August, 1988, between John Tamburello, d/b/a KTAV Properties herein referred to as "Lessor", and S. Phillip Bahakel, herein referred to as "Lessee".

Lessor is the owner of the premises described below, and is the individual authorized to negotiate and sign lease agreements for the below property.

Lessee proposes to lease office space located at 2166 Highway 31 South, Suite #3, Pelham, Alabama 35124.

The parties desire to enter a lease agreement defining their rights, duties, and liabilities relating to the premises.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION I

Lessor hereby leases to the Lessee office space in a building located in Shelby County, Alabama, with said location more particularly described as follows:

2166 Highway 31 South
Pelham, Alabama 35124
Suite # 3

SECTION II

Lessor leases the above office space which is the subject of this lease for a term of Two years, commencing

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the first day of September, 1988, and terminating on the thirty-first day of August, 1990 at 12:00 p.m., or sooner as provided herein, at the Two year rental rate of Seven Thousand Eighty Dollars payable at the rate of Two Hundred Ninety Five Dollars (\$295.00) per month for the lease period. Said monthly rental payments are due and payable by the first day of each month for that month's rental, during the term of the lease. All rental payments not paid by the eight (8th) day of the month will be considered delinquent and subject to a delinquent charge of twenty-five dollars (\$25.00). All rental payments shall be made to the Lessor at 2166 Highway 31 South, Pelham, Alabama 35124.

SECTION III

Should the expenses for maintaining and operating the building during the calendar year beginning two years from the date of execution of this lease, or during any calendar year after the term of the lease exceed the expenses for maintaining and operating the building during the term of the lease, beginning on the date this lease is executed, then the Lessee shall pay to the Lessor as additional rent the portion of such excess attributable to the premises subject to this lease. The phrase "maintaining and operating" shall be deemed to refer to cost of utilities and taxes. Should any such additional rent be necessary, it shall be paid in twelve (12) equal monthly installments as part of the regular monthly rent. In no case shall such additional rent exceed fifteen per cent (15%) of the monthly rent payment during the previous calendar year.

SECTION IV

All alterations, additions, and improvements on or in the demised premises at the commencement of the term, and that may be erected or installed during the term, shall become part of the leased premises and the sole property of the Lessor, except that all movable trade fixtures installed by Lessee shall be and remain the property of the Lessee.

No alterations which would materially alter the structure of the building, or weaken its foundations, or any of its walls, or fixtures, are to be made without the express written permission of Lessor. No alterations which would materially alter the existing Suite leased by Lessee shall be made without the express written permission of Lessee. No alteration exceeding a cost of Five Hundred Dollars (\$500.00) or more, shall be made without written approval of the Lessor prior to the commencing of work.

SECTION V

Lessor shall be responsible for all property taxes on the leased premises.

SECTION VI

Lessor shall pay the cost of all utilities associated with the leased premises.

SECTION VII

Lessor warrants that the Lessee shall be granted peaceable and quiet enjoyment of the leased premises free from any eviction or any interference by Lessor if Lessee pays the rent and other charges provided herein, and otherwise fully and punctually performs the terms and conditions imposed on Lessee.

SECTION VIII

Lessee agrees to indemnify Lessor for any damage or harm caused through the action of Lessee, or any agent of Lessee, to the property of the Lessor, or to any individual legally upon said property. This section in no way shall apply only to acts of commission, but shall apply as well to any and all acts of omission on the part of Lessee, or any agent of Lessee.

SECTION IX

Following the completion of the term of this lease, Lessee shall have the right of renewal for two additional terms at a rate to be determined by Lessor and Lessee at said renewal date. Lessee shall notify Lessor in writing sixty days (60) prior to the expiration of said lease of the intent to exercise this provision of the lease. Lessor agrees to enter into a lease with Lessee prior to the expiration of this lease and agrees that Lessee may exercise this option for any available vacancy at 2166 Highway 31 South, Pelham, Alabama 35124. If this option is not exercised, Lessee shall be entitled to occupy the premises which are the subject of this lease on a month to month basis. This month to month may be cancelled at any time upon sixty (60) days written notice by either party.

SECTION X

This lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of both parties.

SECTION XI

This agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

SECTION XII

Time is of the essence in all provisions of this lease.

SECTION XIII

Lessor may terminate this lease in the event of non payment by Lessee of any installment of rent or of any other payments herein required, in accordance with the provisions of this lease, or if the demised premises are abandoned or vacated by Lessee during the term of this lease. Lessor may, at its option, relet the premises as agent of Lessee, Lessee remaining liable for loss or damage resulting from the abandonment. Lessee hereby waives all rights of notice to quit or intention to re-enter the premises under the provisions of any statute of the State of Alabama, or of this lease, in the event of any abandonment of the premises. Lessee further agrees to pay the costs of collection upon default and any expenses incurred in the repossession, reletting of the premises or collecting the same, including a reasonable attorney's fee.

SECTION XIV

Any signs placed on the leased property after the execution of this lease must have prior approval of Lessor. Lessor agrees to allow Lessee to retain the sign currently above

Lessee's door. Lessor further agrees that Lessee shall have a share of the space allocated by Lessor for signs on the primary building sign.

IN WITNESS WHEREOF, the parties have executed this lease at Pelham, Alabama, the day and year first written above.

KTAV PROPERTIES

by: [Signature]
John Tamburello, Lessor

Sworn to and subscribed before me this 26 day of Aug., 1988.

SEAL

[Signature]
NOTARY PUBLIC

[Signature]
S. Phillip Bahakel

Sworn to and subscribed before me this 26 day of Aug., 1988.

SEAL

[Signature]
NOTARY PUBLIC

STATE OF ALA. SHELBY COUNTY NOTARY PUBLIC
I CERTIFY THIS INSTRUMENT WAS FILED

88 SEP 14 PM 3:32

[Signature]
JUDGE OF PROBATE

- 1. Deed Tax \$ 6.50
- 2. Mtg Tax _____
- 3. Recording Fee 12.50
- 4. Indexing Fee 1.00
- TOTAL 20.00

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