



STATE OF ALABAMA  
SHELBY COUNTY

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this the 30<sup>th</sup> day of April, 2003, by and between MOIZ FOULAD, (hereinafter referred to as the "Landlord") whose address is 2057 Valleydale Road, Hoover, AL 35244 and FREELAND, FLINDERS & ASSOCIATES, L.L.C. D/B/A FOUNDATION MORTGAGE GROUP, (hereinafter referred to as the "Tenant").

WITNESSETH, that:

LOCATION, TERM, DELAYED OCCUPANCY:

1. The Landlord hereby leases to the Tenant and the Tenant hereby rents from Landlord the improvements situated at 2200 Valleydale Road, Hoover, Alabama 35244, as shown on the diagram attached hereto as Exhibit A (hereinafter referred to as the "Premises") for a term of 5 years, 0 months, and 0 days beginning on the 1st day of June, 2003, and ending the 31st day of May, 2008, (hereinafter referred to as the "Lease Term"). If the Tenant shall be unable to occupy the Premises at the time above provided, by reason of the Premises not being ready for occupancy or by reason of the holding over of any previous occupant or as a result of any cause or reason beyond the control of the Landlord, the Landlord shall not be liable for damages to the Tenant therefore, but during the period that the Tenant shall be unable to occupy the premises as herein provided, the rental therefore shall be abated, the Landlord shall determine when the Premises are ready for occupancy, subject to the other terms and conditions of this Lease. Should Premises be completed and turned over to Tenant after June 1, 2003, then rent shall be prorated for the fractional month and Tenant shall be subject to all the terms and conditions of this Lease.

RENT:

2. The Tenant shall pay to the Landlord as Base Rental for the Lease Term monthly installments in advance as follows:
- (a) a. 12 equal monthly installments of \$16,041.67 each payable on or before the first day of each month during the period beginning June 1, 2003, and ending May 31, 2004.
  - b. 12 equal monthly installments of \$16,041.67 each payable on or before the first day of each month during the period beginning June 1, 2004, and ending May 31, 2005.
  - c. 12 equal monthly installments of \$16,041.67 each payable on or before the first day of each month during the period beginning June 1, 2005, and ending May 31, 2006.
  - d. 12 equal monthly installments of \$16,041.67 each payable on or before the first day of each month during the period beginning June 1, 2006, and ending May 31, 2007.
  - e. 12 equal monthly installments of \$16,041.67 each payable on or before the first day of each month during the period beginning June 1, 2007, and ending May 31, 2008.
- (b) In return for the agreed upon rental structure for the entire five (5) year Lease Term, Landlord agrees to absorb all reasonable Operating Costs. (See Section 8 - SERVICES.)
  - (c) Landlord shall operate the Premises in a reasonable and efficient manner consistent with maintaining the standards for services established under this Lease.

USE:

3. Tenant agrees to use the Premises to be occupied by the Tenant for general office space as is normally required in the business of general office, as well as for purposes ancillary to its activities as a mortgage lender and broker, and for no other or different use or purpose and that the Premises shall be used and occupied in a careful, safe, proper and lawful manner and that no use of the Premises shall be made tending to create a nuisance or to disturb any other Tenant in said building or the occupancy of any neighboring property, or to injure the reputation of the building; and that no waste shall be committed or permitted upon the Premises nor shall any damage be done to the Premises; and Tenant will, at its own expense, during the continuance of this Lease, and any renewal hereof, keep the Premises and every part thereof in good repair, and at the expiration of the Lease term, yield and deliver up the Premises in like condition as when leased, reasonable wear and tear alone excepted.

UNLAWFUL USE:

4. The Tenant shall not conduct or permit to be conducted on the Premises any business or activity which is contrary to or in violation of the laws of the United States of America or the State of Alabama or of the ordinances of Shelby County, Alabama, nor of the laws, rules and regulations of any governmental authority; nor will the Tenant store or sell or permit to be sold or stored therein any form of alcohol (except for personal use liquor) or narcotic drug, and the Tenant agrees that in the use and occupancy of the Premises Tenant will comply with all the provisions of the building codes and ordinances of all governmental authorities, and the laws of the State of Alabama, pertaining to such use and occupancy. If the Landlord shall elect (and it is expressly given the right to do so) to declare a forfeiture of this Lease by reason of a default on the part of the Tenant in any of the Tenant's covenants in this paragraph, the Tenant agrees to indemnify and

save harmless the Landlord and the Premises against all costs, damages and expenses, including all loss of rental or other loss suffered by the Landlord on account thereof and incurred in connection with the defense of any suits or actions arising directly or indirectly from any violation of said laws or ordinances now in force or hereinafter enacted.

**PREPARATION FOR OCCUPANCY:**

5. Prior to the commencement of the Lease Term, the Landlord, at its own expense and cost and to the Tenant's reasonable satisfaction, shall, unless otherwise agreed to, alter and fix up the Premises for occupancy by the Tenant in accordance with the plans and specifications which have been furnished by Landlord to Tenant and initialed by each. The Landlord shall notify the Tenant when the Landlord's alteration and construction work in the Premises has advanced sufficiently to permit the Tenant to install its equipment and furnishings and to commence such other work therein which Tenant desires. The Tenant's obligation to pay rent shall not commence until substantially all work to be done by the Landlord as set forth in the aforesaid plans and specifications are substantially completed. (See Addendum Section 2)

**QUIET ENJOYMENT:**

6. The Landlord covenants to keep the Tenant in possession of the Premises during the Lease Term, but shall not be liable for the loss of the use of Premises by eminent domain nor the failure or inability of the Tenant to obtain possession thereof, provided the Landlord shall exercise due diligence and effort to place the Tenant in possession at the required time. Nothing herein shall be construed as a warranty that the Premises are in fit or suitable condition for use by the Tenant.

Landlord shall not be liable for damages by abatement of rent, or otherwise, for failure to furnish heat, air conditioning, electric current, janitor service or water to the extent such failure to furnish or delay in furnishing is occasioned in whole or in part by any strike, lockout, or other labor controversy, or by any accident or casualty whatsoever (except as otherwise provided herein), or by the act of default of the Tenant, or by any cause or causes beyond the reasonable control of the Landlord. Landlord shall use its reasonable best efforts to restore any lost services in a timely manner.

**CONDITION OF PREMISES:**

7. The Landlord has not made any representations or promises with respect to the Premises except as are herein expressly set forth. The Tenant has examined the Premises and accepts the same in the physical condition in which the same now exist, except as otherwise expressly provided herein. The Landlord will, prior to the commencement of the Lease Term, put the Premises, building, and all building service lines and equipment, including without limitation, plumbing, electrical, heating, ventilation and air conditioning, in good repair and condition; and during the Lease Term shall keep in good order and repair the Premises, building, building service lines and equipment, parking areas, walks, drives and landscaping. The Landlord shall keep the sidewalks, corridors and all other means of ingress and egress for the Premises and all public portions of the Premises in reasonably good repair and in a clean condition.

**SERVICES:**

8. The Landlord agrees to furnish the Premises with electricity, including lighting tubes or bulbs, heating and air conditioning for the comfortable use and occupancy of the Premises, (between the normal operating hours of 7:00 a.m. and 6:00 p.m. Mondays through Fridays and 9:00 a.m. and 1:00 p.m. on Saturdays, except major holidays), janitorial service and trash removal from the Premises ( 5 days per week) and to furnish, supply and maintain the Premises common areas and restroom facilities, including furnishing hot and cold water and sewage disposal in the building located on the Premises, all at Landlord's expense, unless otherwise agreed to in this Lease. Landlord shall provide Tenant with the exclusive use of all parking spaces situated on the Premises, which parking shall be for Tenant and Tenant's employees and visitors. Automobiles must be removed from the parking area during the non-working hours unless otherwise agree to. If the Tenant shall require electrical current or install electrical equipment which uses current in excess of 110 volts which is furnished and which will in any way increase the amount of electricity usually furnished for use in general office space, the Tenant will obtain prior written approval from the Landlord for said installation and Tenant shall pay periodically for any additional direct expense involved, including any installation cost thereof and any increased electricity use.

**LANDLORD'S REPAIRS:**

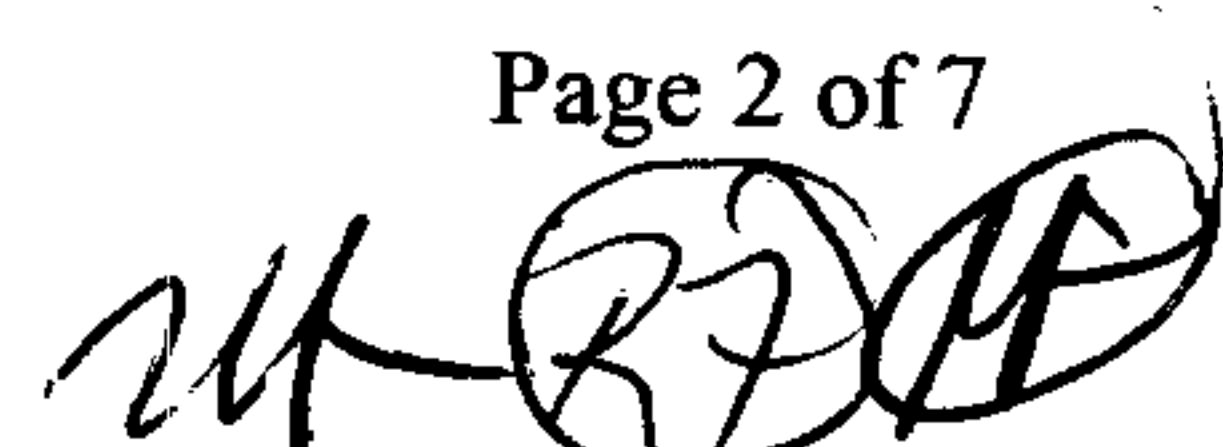
9. The Landlord shall not be obligated or required to make any other repairs or to do any other work in the Premises or any part thereof unless and only to the extent herein agreed. However, the Landlord reserves the right to enter upon the Premises, at reasonable times with reasonable advance notice, to make inspections and to make such repairs and to do such work on or about the Premises as the Landlord may deem necessary or proper, or that Landlord may lawfully be required to make.

**INSPECTION; SHOWING**

10. Landlord reserves the right to visit and inspect said premises at all reasonable times with reasonable advance notice and the right to show said Premises to prospective Tenants and purchasers, and the right to display "For Sale" and "For Rent" signs on or about the Premises six (6) months prior to Lease expiration.

**IMPROVEMENTS AND ALTERATIONS:**

11. The Tenant shall make no substantial improvements or alterations or additions to the Premises without first obtaining the written consent of the Landlord and all such additions, alterations, or improvements made by the Tenant, which are

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attached in any way to the Premises (except only movable office furniture and fixtures), shall become the property of the Landlord on the termination of this Lease or the Tenant's occupancy of the Premises.

**POSSESSION UPON TERMINATION:**

12. At the expiration of the Lease Term, the Tenant will remove its goods and effects (except as elsewhere provided herein) and will peaceably yield the Premises to the Landlord in as good order and condition as when delivered to it, excepting ordinary wear and tear, and excepting repairs required to be made by the Landlord as a result of damage by fire, the elements or casualty loss. The Tenant will repair all damage or injury to the Premises, fixtures, appurtenance and equipment or the building caused by the Tenant in installing or removing furniture or other personal property or resulting from the negligence or tortuous conduct of the Tenant, its agents, servants, employees or visitors. Should the Tenant fail to make the repairs agreed to by him under this Lease, the Landlord may enter the Premises and make such repairs and collect the cost thereof from the Tenant as additional rent. Except as herein specifically provided, the Tenant will not make or permit to be made any alterations, additions, improvements or changes in the Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

**SIGNS:**

13. Tenant, at its expense, shall be allowed to install a sign on the building and the monument sign subject to Landlord's approval which shall not be unreasonable withheld. Landlord, at its expense, shall enlarge the existing monument sign to approximately ten (10) feet in height.

**SUBORDINATION:**

14. Upon reasonable request from Landlord, the Tenant shall promptly execute and deliver to the Landlord such certificate or certificates as the Landlord may request showing the subordination of this Lease to any mortgage or mortgages encumbering the Premises and in default of the Tenant's so doing, the Landlord shall be and is hereby authorized and empowered to execute such certificate in the name of and as the act and deed of the Tenant, this authority being hereby declared to be coupled with an interest and to be irrevocable.

**ABANDONMENT; DEFAULT:**

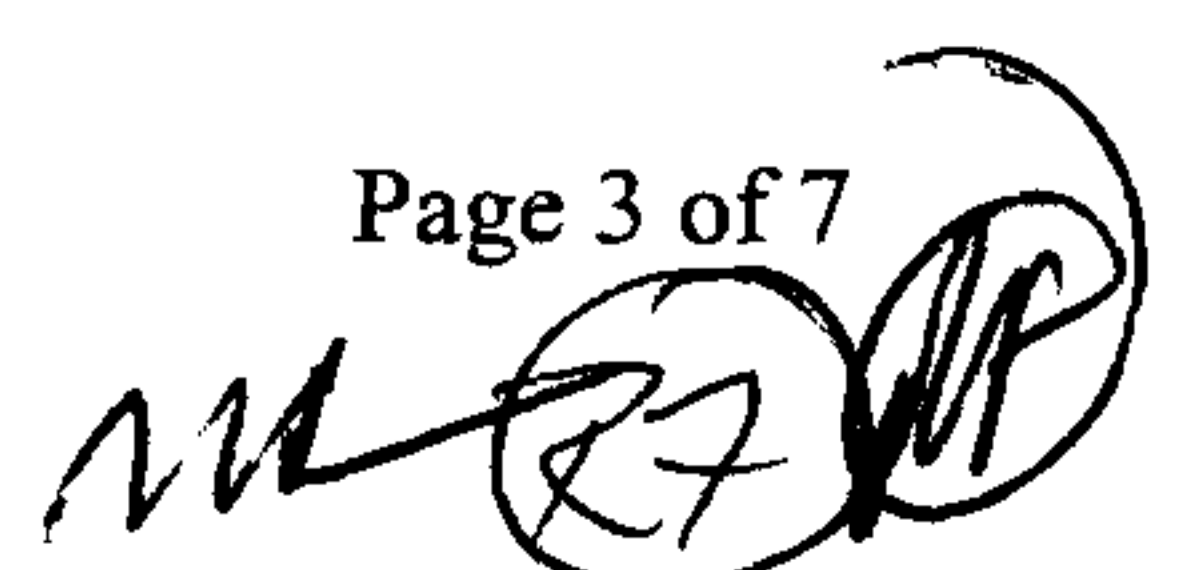
15. If default shall be made by the Tenant in the payment of said rent or in any installment or part thereof, or if the Tenant shall fail to observe or perform any of the Tenant's agreements made in this Lease, then the Landlord shall have the right, at the option of the Landlord, to either annul and terminate this Lease upon the giving of five (5) days written notice to the Tenant and thereupon re-enter and take possession of the Premises, or to relet the Premises as agent of the Tenant; and such re-entry or reletting or both shall not discharge the Tenant from any liability or obligation hereunder, except that rents collected as a result of such reletting shall be credited to the Tenant's liability up to the amount due under the terms of this Lease and the balance, if any, credited to the Landlord. The Tenant shall be responsible each month for the difference, if any, between the net rents obtained from such reletting the monthly rents reserved hereunder and said difference shall be payable to the Landlord on the first day of each month for the residue of the term hereunder. Nothing herein however shall be construed to require the Landlord to re-enter and re-let the Premises, nor shall anything herein be construed to postpone the right of Landlord to sue for rents, whether matured by acceleration or otherwise, but, on the contrary, the Landlord is hereby given the right to sue therefore at any time after default. Other defaults hereunder shall be as follow: the removal, the attempt to remove or permitting to be removed from the Premises, except in the usual course of trade, the goods, furniture, effects or other property of the Tenant or any assignee or subtenant of the Tenant; the levy of an execution or other legal process upon the goods, furniture, effects or property of the Tenant brought on the Premises; the filing of a petition in bankruptcy, or a petition for arrangement or reorganization or of any insolvency proceedings by or against the Tenant; the appointment of a receiver or trustee or other court officer to supervise the assets of the Tenant; the execution of an assignment for the benefit of creditors of the Tenant; the vacation or abandonment of the Premises by the Tenant or the use thereof for any purpose other than the purposes for which the same are hereby let; the assignment or subletting of the Premises by the Tenant, or any part thereof, without the prior written consent of the Landlord; the violation by the Tenant of any of the terms, conditions or covenants on the part of the Tenant herein contained. Notwithstanding the forgoing, Tenant shall have thirty (30) days in which to cure any such non-monetary default.

**ACCELERATION OF RENT:**

16. Upon the termination of this Lease by the Landlord or upon re-entry upon the Premises for any one or more of the causes set forth in the prior paragraph, or upon any termination of this Lease or any re-entry upon the Premises, the rents provided for in this Lease for the balance of the original Lease Term and all other indebtedness to the Landlord owed by the Tenant shall be and become immediately due and payable at the option of the Landlord and without regard to whether or not possession of the Premises shall have been surrendered to or taken by the Landlord.

**ATTORNEY'S FEES & COSTS:**

17. The Tenant will pay the Landlord a reasonable attorney's fee in the event the Landlord employs an attorney to collect any rents due hereunder by the Tenant, or to protect the interest of the Landlord in the event of default or in the event that the Tenant is adjudicated bankrupt, or legal process is levied upon the goods, furniture, effects or personal property of the Tenant upon the Premises, or upon the interest of the Tenant in this Lease or in the Premises, or in the event the Tenant violates any of the terms, conditions or covenants on the part of the Tenant herein contained. In order to further secure the prompt payment of said rents, as and when the same mature, and the faithful performance by the Tenant of the terms, conditions and covenants on the part of the Tenant herein contained, and all damages and costs that the



Landlord may sustain by reason of the violation of said terms, conditions and covenants, or any of them, the Tenant does hereby waive any and all rights to claim personal property as exempt from levy and sale under the laws of the State of Alabama or the laws of the United States of America.

**CASUALTY LOSS:**

18. In the event that the Premises shall be so damaged by fire or other casualty (not caused by the negligent or intentional act of the Tenant or any of its servants, agents, employees or visitors) as to be rendered untenantable, and same shall not be repaired by the Landlord and put in tenantable condition within one hundred twenty (120) days from the time the Tenant gives the Landlord full and complete possession of the Premises so damaged for the purpose of make such repairs, it shall be optional with either party to terminate this Lease by a written notice to the other at the end of such 120-day period. If this Lease is terminated, the Tenant shall owe rent to the Landlord only through the date the Tenant relinquishes full and complete possession of the Premises to the Landlord. In case such damage is repaired and the Premises made tenantable within such one hundred twenty (120) days provided herein, no right to terminate the Lease for such cause shall exist. If the Premises are rendered wholly untenantable, the Tenant shall not be responsible for rental payments during the period it is untenantable and if the Premises are rendered partially untenantable, Tenant shall only be responsible for the pro rata share of rent for the tenantable portion.

**ALTERATION REQUIRED BY AUTHORITY:**

19. If the Landlord shall be required by the order or decree of any court or of any other governmental authority or any other reason, to repair, alter, remove, reconstruct or improve any part of the Premises, then such work may be done by and at the expense of the Landlord, and the Tenant hereby waives any and all claims for damages because of such work.

**CONDEMNATION AND EMINENT DOMAIN:**

20. In the event the whole of the Premises is taken by condemnation or eminent domain or for any public or quasi public use or purpose, this Lease shall terminate and expire on the date that possession is taken by the condemning authority, and the rent shall be prorated to such date and all prepaid rents shall be forthwith repaid to the Tenant. If only a part of the Premises shall be taken and if in the Tenant's opinion the remaining portion of the Premises shall be inadequate or unsuitable for use by it for its business purposes, then, at the Tenant's option, to be exercised by written notice given to Landlord not later than sixty (60) days prior to the intended date of termination, this Lease may be terminated, with an equitable adjustment of rent for the period between the taking and the effective date of termination; provided, however, that if such option shall not be exercised this Lease shall continue in full force and effect except that the rent herein provided shall be diminished by an equitable amount based upon the relative portion of the floor area of the Premises taken. In the case of a partial taking after which this Lease continues, the Landlord shall, at its own expense, as speedily as circumstances permit, repair and restore the Premises and its improvements as a complete architectural unit of substantially the same proportionate usefulness, design and construction as before the taking. In the case of any eminent domain or condemnation taking hereunder it is understood and agreed the Tenant shall have no right to any of the proceeds of such taking, except as to that portion which is allocated to the Tenant's personal property and relocation expenses.

**WITHHOLDING PREMISES:**

21. If the Tenant withholds from the Landlord possession of the Premises at the termination of this Lease for any reason, and after a twenty-four (24) hour written notice to vacate the Premises has been given to the Tenant by the Landlord, the damages for which the Tenant shall be liable for such detention shall be and are hereby liquidated at a sum equal to 150% of the rate of rentals provided herein and in effect as the date of said termination, the same to be due for the entire period of such holding over or detention; or, if the Tenant remains in the Premises after the termination of this Lease, then in that event, the Landlord may elect, without notice to the Tenant, to constitute such withholding of the Premises as a hold over under the Lease and such tenancy shall be considered a tenancy at sufferance and in no event shall it be considered a tenancy from month to month or from year to year, and the rental rates shall be double the amount of the rent provided herein and in effect as of the date of said termination, if the parties cannot agree otherwise, or if the parties can agree otherwise it shall be whatever amount the parties hereto agree on.

**DAMAGE TO TENANT'S PROPERTY:**

22. All personal property of any kind or description whatsoever upon or in the Premises shall be at the Tenant's sole risk and the Landlord shall not be liable for any damage to any person or property sustained by the Tenant, Tenant's agents, servants, employees or visitors, or damage or loss suffered by the business or occupation of the Tenant due to the Premises, or any part thereof, becoming out of repair or arising from any acts of neglect of other Tenants, Tenants or visitors in the building or of other persons, or from bursting overflowing or leaking of water, sewer or steam pipes, or from the heating, air conditioning or plumbing fixtures, or from electric wires, or from gas or odors, or caused in any other manner whatsoever.

**REMOVAL OF GOODS:**

23. If the Tenant shall fail to remove all effects from said Premises upon the termination of the Lease, for any cause whatsoever, the Landlord may, at its option, remove the same in any manner that the Landlord shall choose, and may store said effects without liability to the Tenant for the effects and the Tenant agrees to pay the Landlord on demand any and all expenses incurred in such removal, including court costs and attorney's fees and storage charges on such effects for any length of time the same shall be in the Landlord's possession or the Landlord may, at its option, without notice, sell said effects, or any of the same, at private sale without legal process, for such prices as the Landlord may

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obtain, and apply the proceeds of such sale to any amounts due under this Lease from the Tenant to the Landlord and to the expenses incident to the removal and sale of said effects.

**NON-WAIVER:**

24. The failure of the Landlord to insist, in any one or more instances, upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver, or a relinquishment for the future, of such covenant or option, but the same shall continue and remain in full force and effect.

**NOTICES:**

25. Any notice or demand by the Tenant to the Landlord shall be served on the Landlord by registered mail addressed to the Landlord at its address listed on page 1 hereof, until the Tenant is otherwise directed in writing by the Landlord. Any notice or demand by the Landlord to the Tenant shall be served either personally on the Tenant at the Premises or by registered mail addressed to the Tenant at the address listed on page 1 hereof, until Landlord is otherwise directed in writing by the Tenant.

**BINDING AGREEMENT; NO ASSIGNMENT OR SUBLETTING:**

- 26.(a) This Lease shall bind and inure to the benefit of the parties hereto and their respective heirs, representative, successors and assigns. This Lease contains the entire agreement of the parties and may not be modified except by an instrument in writing signed by the Landlord and the Tenant. If any legal interpretation of this instrument is necessary said interpretation will be made in accordance with the laws of the State of Alabama and said laws shall govern all interpretations of this Lease.
- (b) Tenant shall not without the express prior written consent of Landlord, which shall not be unreasonably withheld or delayed beyond thirty (30) days after receipt of Tenant's request, assign, mortgage or otherwise encumber or transfer this Lease or sublease, or permit any other person to use or occupy, all or any part of the Premises. The consent by Landlord to any assignment, mortgage, encumbrance, other transfer, sublease or use or occupancy by others shall not relieve Tenant of the necessity of obtaining the express prior written consent of Landlord to any other or further assignment, any assignment, mortgage, encumbrance, transfer, sublease, or use of occupancy by others with or without consent of Landlord, shall not release Tenant from Tenant's primary liability for performance of all of Tenant's obligations and agreements under this Lease.
- (c) If this Lease is assigned or otherwise transferred, whether or not in violation of the provisions of this Lease, Landlord may collect rent from the assignee or other transferee. If the Premises or any part thereof be sublet or used or occupied by anyone other than Tenant, whether or not in violation of the provisions of this Lease, Landlord may, after default by Tenant and expiration of Tenant's time to cure such default, collect rent from the subtenant or occupant. In either event, Landlord may apply the net amount collected to the rents herein reserved, but no such collection shall be deemed a waiver of any of the provisions of Paragraph 26(a) hereof, or the acceptance by Landlord of the assignee, other transferee, subtenant, or a release of Tenant from the further performance by Tenant of Tenant's obligations under this Lease

**LIEN ON TENANT'S PROPERTY:**

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**RULES, REGULATIONS, LAWS AND ORDINANCES:**

28. The Tenant shall conform to and observe all of the laws ordinances and governmental regulations and orders applicable to the Premises which may be in force during the Lease Term.

**NON-LIABILITY AND INDEMNIFICATION'S:**

29. (a) Neither Landlord nor any agent or employee of Landlord shall be liable for death or any injury or damage to Tenant or any other person or for any damage to, or loss (by theft or otherwise) of, any property of Tenant or of any other person, irrespective of the cause of such death, injury, damage or loss, unless caused by or due to the negligence of Landlord, its agents or employees without contributory negligence on the part of Tenant or such other person.
- (b) The Tenant agrees to indemnify and hold the Landlord harmless from any injury, expense, damages or claims, whether due to damage to the Premises, claims for injuries to the person or property of any other Tenant of the the Premises are located, or of any other person rightfully in or about said building for any purpose whatsoever, or administrative or criminal action by a governmental authority, where such injury, expense, damages or claims are the result of (i) the negligent or intentional act of the Tenant, its agents, servants or employees, or of any other persons entering upon the Premises under expressed or implied invitation of the Tenant, or (ii) the violation by any of said persons of any laws or ordinances or governmental regulations of any kind, or of any of the rules or regulations provided in Paragraph 28 above. The Tenant further agrees to reimburse the Landlord for any costs or expenses, including attorney's fees, which the Landlord may incur in investigating, handling, or litigating any such claim by a third person or any action by a governmental authority. In furtherance thereof, Tenant, at its cost and expense, agrees to carry and maintain during the Lease Term, public liability insurance covering the Premises, insuring Landlord and Tenant in the amount of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to injuries to any one person, and in an amount not less than One Million dollars (\$1,000,000.00) in respect

to any one accident, and in an amount of not less than Fifty Thousand Dollars (\$50,000.00) for property damage. Tenant agrees to deliver to Landlord a copy of such insurance policy, or if the same is carried under a blanket policy, a proper certificate of such insurance, signed by the insurer.

**DISTURBANCE BY THIRD PERSONS:**

30. The Landlord agrees to make reasonable efforts to protect the Tenant from interference or disturbances by third persons; however, the Landlord shall not be liable for any such interference or disturbance, whether caused by other Tenants of the Landlord or other persons, nor shall the Tenant be released from any of the obligations of this Lease because of such interference or disturbances.

**AMENDMENT OF LEASE:**

31. In the event the Landlord's mortgages shall reasonably require any changes in or additions to this Lease, Tenant hereby agrees to amend this Lease to effect such changes or additions and the Landlord shall bear the full expense of the preparation and recording of the necessary written instruments; provided, however, nothing in this Paragraph shall obligate the Tenant to agree to any change in the amount of annual rental required of the Tenant hereunder, or to any change in the Lease Term.

**EXCULPATION:**

32. The Tenant agrees that the Tenant shall look solely to the Landlord's interest in the Premises for the satisfaction of any claim, judgment or decree requiring the payment of money by the Landlord based upon any default hereunder, and no other property or assets of Landlord, its heirs, successors or assigns, shall be subject to levy, execution or other enforcement procedure for the satisfaction of any such claim, judgment, injunction or decree.
33. No shade, drapes, blind or covering of any nature shall be applied to any window opening without the Landlord's prior approval.

**SECURITY DEPOSIT AND ADVANCED RENT**

- 34 (a) The Tenant shall deposit with the Landlord the sum of \$10,000.00 (hereinafter referred to as the "Security Deposit") which shall be held by the Landlord without liability for interest and as security for the performance by the Tenant of the Tenant's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of the Landlord's damages in case of default by the Tenant. If the Tenant is not in default at the termination of this lease, the balance of the Security Deposit remaining after any such application shall be returned by the Landlord to the Tenant, without interest.
- (b) The Tenant shall also deposit with Landlord the sum of N/A, an amount equal to the first month's Rent ("Advanced Rent") which shall be considered an advance of rent and applicable to the first rental payment?

**LATE CHARGE:**

35. In the event payments herein provided for by the Tenant to the Landlord shall become overdue for a period in excess of **ten (10)** business days, then a "late charge" of 5% of such payment shall become immediately due and owing to Landlord, as additional rent, by failure of Tenant to make prompt payment.

**IMPROVEMENTS:**

36. Landlord agrees to provide improvements to the Premises, which is attached and made a part of this Lease, at a cost not to exceed N/A. Any changes or alterations to the Premises are to be directed by Tenant with approval by Landlord. (See Addendum Section 2.)

**AFTER HOURS HVAC:**

37. Usage of After Hours HVAC shall be billed to Tenant at a rate of \$15.00 per hour.

**INSURANCE:**

38. The Landlord shall insure the Premises are located against damage by fire, including extended coverage, in any amount the Landlord, in his sole discretion, shall deem adequate, and shall maintain such insurance throughout the Lease Term. During the Lease Term, the Tenant shall fully and completely insure all of its property owned or leased, in the Premises against damage by fire, extended coverage, vandalism, water damage and sprinkler leakage in an amount selected by the Tenant which shall, in any event, be adequate to satisfy any co-insurance requirements of the policies providing such insurance. The Tenant shall maintain the insurance coverage required in Paragraph 29 and in this Paragraph with a company or companies acceptable to the Landlord. The comprehensive public liability insurance shall include the Landlord as an additional names insured. The Tenant shall deliver certificates of insurance indicating the above specified coverage to the Landlord upon the commencement of this Lease.

BROKERAGE:

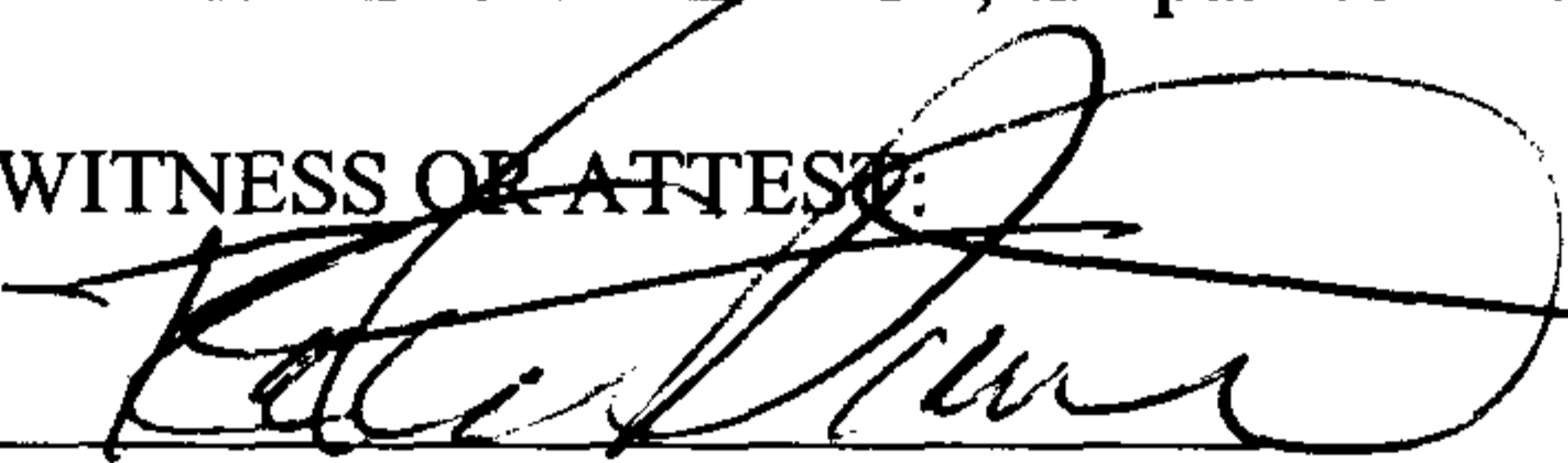
39. See Addendum Section 6

ADDENDUM:

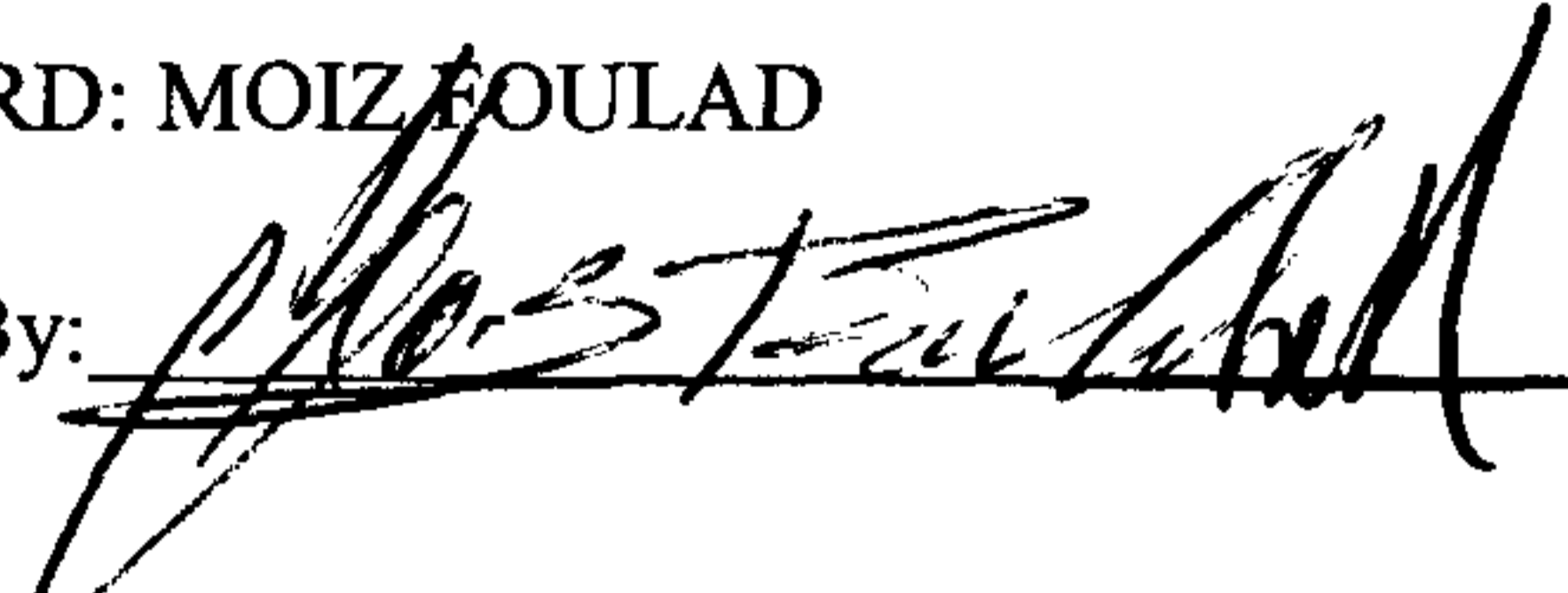
40. See Addendum to Lease attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

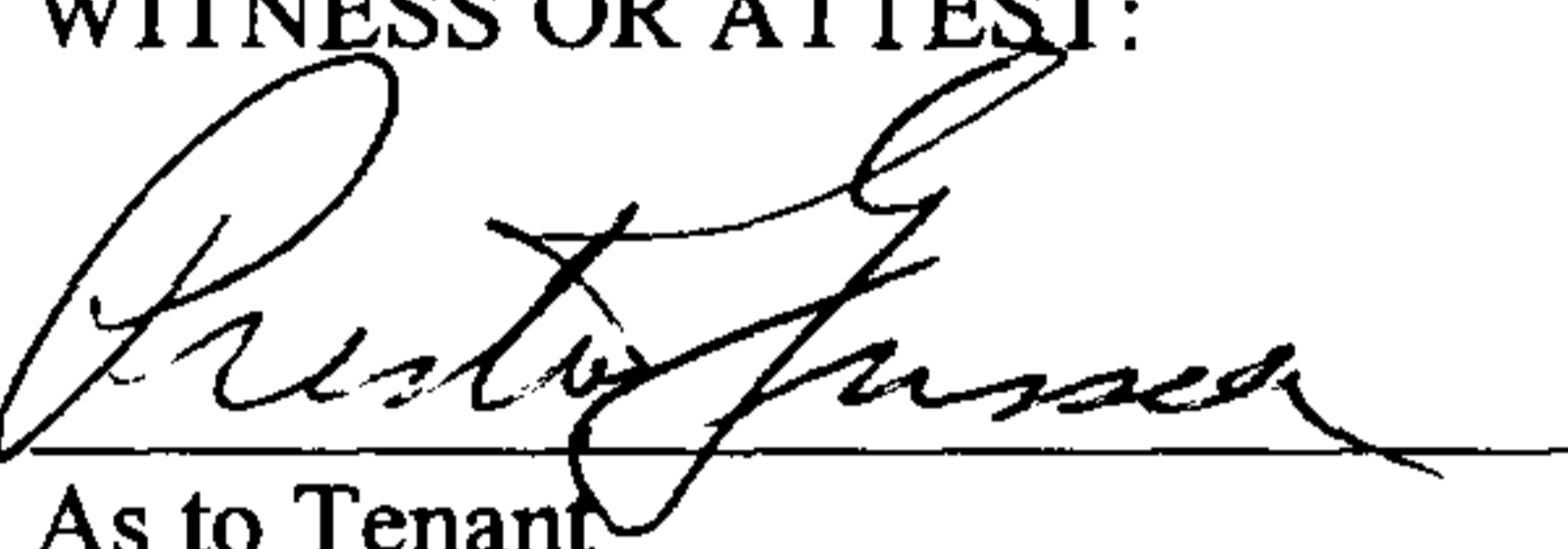
WITNESS OR ATTEST:

  
As to Landlord

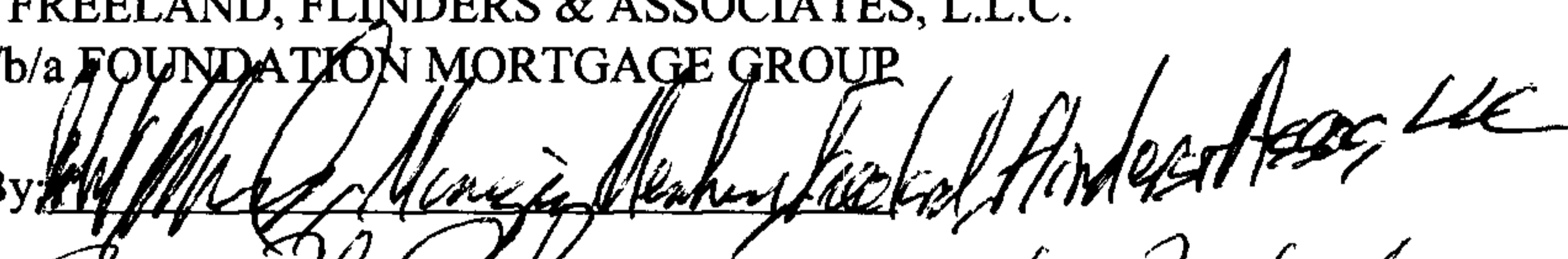
LANDLORD: MOIZ FOULAD

By: 

WITNESS OR ATTEST:

  
As to Tenant

TENANT: FREELAND, FLINDERS & ASSOCIATES, L.L.C.  
d/b/a FOUNDATION MORTGAGE GROUP

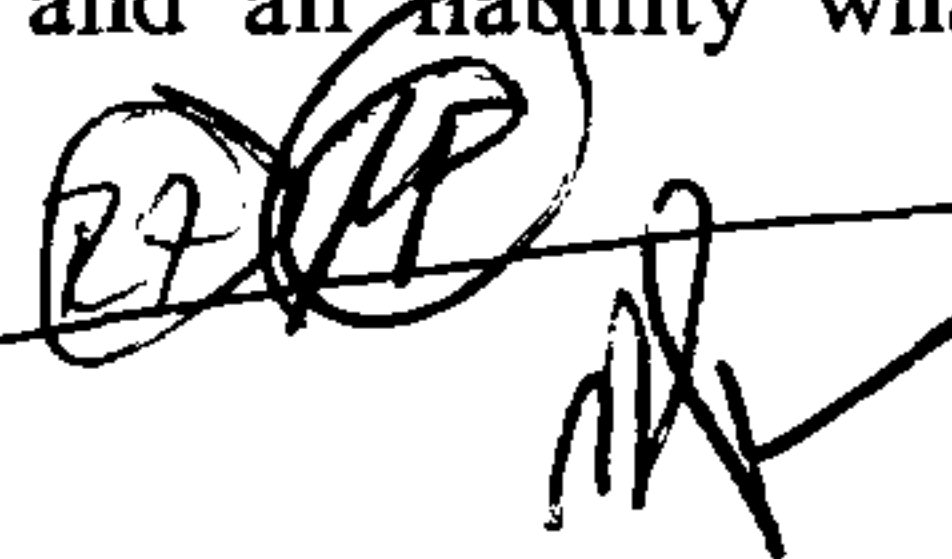
By:   
By: *Freeland, managing member, Freeland, Flinders Assoc LLC*  
Its: *Managing Members* *Flinders Assoc LLC*

**ADDENDUM**  
**2200 Valleydale Road**

This Addendum to Lease is entered into by MOIZ FOULAD, and FREELAND, FLINDERS & ASSOCIATES, L.L.C., D/B/A FOUNDATION MORTGAGE GROUP. In the event the terms of this Addendum differ from the terms of the Lease the terms of this Addendum shall prevail and take precedence.


**1. Lease Assumption:**

As additional consideration to Tenant and as a material inducement to Tenant to enter into the Lease, effective June 1, 2003, Landlord agrees to assume Tenant's existing Lease for the premises located at 300 Shadow Wood Park, Suite 100 in Shelby County, Alabama, and all of Tenant's obligations thereunder, provided Tenant is not in default, Tenant agrees to execute and deliver a lease assignment and assumption agreement in form and content reasonably satisfactory to Landlord and Tenant. Landlord shall fully indemnify and hold Tenant harmless from and against any and all liability whatsoever arising thereunder subsequent to ~~the date of this Lease.~~

June 1, 2003 

**2. Tenant Improvements:**

Tenant has viewed the Premises and agrees to lease said space in its "as is" condition.

Notwithstanding the foregoing, Landlord, at its expense, shall make improvements and refurbishments to the Premises as may be required or requested by Tenant, in a manner mutually agreed upon and initialed between Tenant and Landlord ("Landlord's Work"). [See attached Exhibit ~~A~~ A-B 

**3. Renewal Option:**

Provided Tenant is not in default of this Lease, Tenant shall have the right to renew this Lease for one (1), five (5) year period at the then prevailing market rental rate with six (6) months advance written notice to Landlord.

**4. Purchase Option:**

Tenant shall have a one (1) time option to purchase the Building after the end of thirty-six (36) months of occupancy for \$1,800,000.00 by giving Landlord at least six (6) months advance written notice of its intent to purchase the Building. In the event Tenant elects to purchase the Property pursuant to this Section 4, such sale shall close within ten (10) days following the end of Tenant's thirty-sixth month of occupancy.

**5. Right of First Refusal to Purchase:**

Tenant shall have the "right of first refusal" to purchase the Building during the initial Lease Term, so long as Tenant is in occupancy and is not in default. If during the first three (3) years of the Lease, Landlord receives a contract to purchase the Building acceptable to Landlord from a Third Party, Landlord shall notify Tenant in writing and Tenant shall have ten (10) days after such notice to agree to purchase the Building for \$1,800,000.00 and close within 60 days, thereafter. Furthermore, in the event Tenant does not purchase the Building under the terms of Section 4 "Purchase Option" above, then in the event during the fourth or fifth year of the Lease, Landlord receives a contract to purchase the Building acceptable to Landlord from a Third Party, Landlord shall notify Tenant in writing and Tenant shall have ten (10) days after such notice to accept the price and terms of the Third Party. In the event Tenant elects not to purchase the Building under this right this clause shall become null and void and of no further force or effect. In the event Tenant elects to purchase the Property, under either the terms of Section 4 "Purchase Option" or this Section 5, Landlord agrees to convey to Tenant fee simple marketable title to the Property, free and clear from all encumbrances, by general warranty deed.

**6. Brokerage:**

Each party hereto represents that no agent negotiated or arranged this Lease, other than Levine Diamond & Associates, L.L.C. ("Landlord's Broker") and Southlake Realty ("Tenant's Broker"), and that no fees or commissions are due anyone for the procurement hereof, other than Landlord's Broker and Tenant's Broker, in the following amounts:

Upon Execution and Delivery of the Lease:  
Landlord's Broker: \$5,000  
Tenant's Broker: \$5,000



All fees and commissions owed to Landlord's Broker and to Tenant's Broker shall be paid entirely by Landlord. Each party hereto agrees to indemnify and hold the other harmless from and against any claims, judgments, suits, costs, attorney's fees and other expenses which the party so indemnified may incur by reason of claims of any person, firm or corporation claiming any brokerage commission, finder's fee or similar compensation based upon any alleged negotiations or dealings with such indemnifying party, contrary to the foregoing representation.

**7. Tenant's Obligation to Pay Rent.**


In the event Landlord is unable to place Tenant in possession of the Premises because Landlord shall not have completed the Landlord's Work, Tenant's obligation to pay rent shall be abated for the period beginning on June 1, 2003, and ending on the date that Tenant actually occupies the Premises. The Rent paid by Tenant during Tenant's first month of actual occupancy of the Premises shall be prorated so that Tenant shall only be obligated to pay rent for the actual number of days Tenant occupies the Premises during such month.

**8. Landlord's Additional Representations and Warranties.**

As a material inducement to the execution of this Lease, Landlord represents and warrants unto Tenant as follows:

- (1) Landlord hereby represents and warrants to Tenant that Landlord has good and marketable fee simple title to the Premises free from ground leases or other encumbrances. Landlord shall keep the Tenant in possession of the Premises during the each term hereof.
- (2) Notwithstanding and provision to the contrary set forth herein, the improvements comprising a part of the Premises shall be in good order and repair as of the date in which Landlord delivers the Premises to Tenant with Landlord's Work completed and Landlord warrants that (i) it has obtained or will obtain prior to the date in which Landlord delivers the Premises with Landlord's Work completed all necessary approvals and permits from the appropriate governmental authorities for the construction and occupancy of the Premises, (ii) the Premises comply with all laws, rules, regulations and ordinances, (iii) the Premises have not been used in violation of any law or regulation regulating Hazardous Substances (as defined below) nor has there been a release of any Hazardous Substance on the Premises in violation of any environmental law or regulation (except as disclosed to Tenant in writing), (iv) that, at the time of delivery of the Premises, all electrical, mechanical, plumbing and HVAC and other systems serving the Premises shall be in good working order, and (v) that all of Landlord's Work shall be substantially completed in accordance with plans and specifications approved by Tenant and Landlord.
- (3) Landlord has no knowledge of any action or proceeding pending, threatened or instituted for condemnation of any part of the Premises by friendly acquisition or statutory proceeding, and Landlord has no knowledge of any other action, suit or litigation pending, threatened or instituted or filed against Landlord or the Premises. Landlord agrees to give Tenant immediate written notice of any such action or proceeding. Upon such notification, Tenant shall have the right, to be exercised within thirty (30) days of receipt of the notice to rescind this Lease after thirty (30) days' written notice, and Landlord shall reimburse Tenant for the unamortized cost of any improvements made by Tenant during the term of this Lease.
- (4) Landlord has no information or knowledge of any change or contemplated change in any applicable laws, ordinances, or restrictions or any judicial or administrative action, or any action by adjacent landowners, or natural or artificial conditions upon the Premises, or any other material information which would prevent, limit, impede, or render more costly Tenant's operations on the Premises. In the event Landlord gains any information or knowledge to the contrary, Landlord shall give Tenant written notice thereof.



- to the best of its knowledge* 
- (5) Landlord<sup>^</sup> has complied with all applicable laws, ordinances, regulations, statutes, rules, and restrictions and all building regulations and applicable zoning requirements and all private covenants pertaining to and affecting the Premises.
  - (6) The Premises is accessible to and from a public road and there is adequate vehicular ingress and egress to and from said road for Tenant's operations on the Premises. The Premises is not served by any easements, rights or privileges for said road access that have not been disclosed to Tenant in writing.
  - (7) From and after the date in which Landlord delivers the Premises with Landlord's Work completed, Landlord will refrain from: (i) performing any grading or excavation, construction or removal of any improvements, or making any other change or improvement upon or about the Premises, unless required in order for Landlord to comply with its obligations hereunder or unless required to comply with applicable laws, rules, regulations, ordinances or orders, and (ii) committing any nuisance upon the Premises.
  - (8) The provisions set forth in this section shall be continuing and shall be true and correct as of the effective date of this Lease and during each lease term. In the event that Tenant learns the untruth of any of the foregoing, and such untruth materially and adversely affects the operation of Tenant's business in the Premises as reasonably demonstrated by Tenant to Landlord, Tenant shall be entitled to terminate this Lease upon thirty (30) days' written notice to Landlord and opportunity to cure; provided, however, if the matter can not be reasonably cured within thirty (30) days, Landlord shall have such longer period as is reasonable under the circumstances provided that Tenant shall receive a proportionate abatement in rent during any notice and cure period equal to the affect on the operation of Tenant's business as demonstrated by Tenant.

**9. Landlord's Obligations Regarding Maintenance and Repair.**

- (a) Landlord agrees, at its expense without reimbursement or contribution by Tenant, (unless such repair is necessary as a result of Tenant's, its customers, agents, employees, invitees or contractors negligent use or damage thereof), to keep in good order and repair and to maintain and replace, if necessary, all interior and exterior parts of the Premises, improvements, building service lines and equipment, parking areas, walks, drives and landscaping, including, but not limited to, all utility lines and connections to the building from the utility mains or poles, the sprinkler mains (if any), structural systems, including the roof, roof membrane and roof covering (including interior ceilings), walls, floor slabs, flooring, fixtures, hardware and appliances.
- (b) The Landlord shall keep the driveways, sidewalks, corridors and all other means of ingress and egress for the Premises and all public portions of the improvements situated thereon in reasonably good repair and in a clean and safe condition.
- (c) In the case of an emergency (such as, without limitation, a leaky roof), Tenant shall have the right to immediately prosecute any and all necessary repairs and shall deliver contemporaneous notification to Landlord of the emergency and related repairs, provided further that if contemporaneous notice is not practicable, then Tenant shall provide such notice as soon thereafter as reasonably practicable and Landlord shall reimburse Tenant for the cost it incurs within ten (10) days of demand therefor.
- (d) The Landlord reserves the right to enter upon the Premises, at reasonable times with reasonable advance notice, to make inspections and to make such repairs and to do such work on or about the Premises as the Landlord may deem necessary or proper, or that Landlord may lawfully be required to make.

**10. Defaults By Landlord.**

If Landlord should be in default in the performance of any of its material obligations under this Lease, which default continues for a period of more than thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and Landlord has not undertaken procedures to cure the default within such thirty (30) day period and diligently pursued such efforts to complete such cure), Tenant may, (but is not obligated to) in addition to any other remedy available

at law or in equity at its option, upon written notice, incur any expense necessary to perform the obligation of Landlord specified in such notice and be entitled to reimbursement from Landlord upon demand for all cost of performing such cure, plus interest at the prime rate of interest published in the *Wall Street Journal* plus two percent (2%); provided, however, if the failure to cure such default materially interferes with the operation of Tenant's business and such default is not cured within ninety (90) days after Tenant's notice to Landlord, then Tenant may terminate this Lease by written notice to Landlord. During the period Landlord or Tenant is curing a Landlord's default, Tenant shall receive an equitable abatement in rent equal to the interference in the operation of Tenant's business as reasonably demonstrated by Tenant. Notwithstanding the foregoing, in the event of an emergency, Tenant shall be permitted to immediately cure a default by Landlord after whatever notice, if any, is reasonable under the circumstances.

**11. Landlord's Liens On Tenant's Property.**

The Landlord hereby agrees to and does waive any and all contractual, statutory or other Landlord's lien on Tenant's furniture, fixtures, supplies, equipment, inventory or other personal property.

**12. Attorney's Fees & Costs.**

In the event that at any time during any term hereof either Landlord or Tenant shall institute any action or proceeding against the other relating to the provisions of this Lease, or any default hereunder, the unsuccessful party in such action or proceeding agrees to reimburse the successful party for the reasonable expenses of attorney's fees and paralegal fees and disbursements incurred therein by the successful party. Such reimbursement shall include all legal expenses incurred prior to trial, at trial and at all levels of appeal and post judgment proceedings.

**13. Insurance:**

Landlord agrees to carry, during the Term hereof, all risk property insurance (hereinafter, "Landlord's Property Insurance") covering fire and extended coverage, loss of rents, vandalism and malicious mischief, sprinkler leakage and all other perils of direct physical loss or damage insuring the improvements and betterments located on the Premises, including all improvements situated thereon and appurtenances thereto (excluding Tenant's personal property) for the full replacement value thereof. Landlord, upon written request by Tenant, shall promptly deliver to Tenant a certificate evidencing Landlord's Property Insurance. Landlord agrees to carry, or cause to be carried, during the term hereof Commercial General Liability Insurance (hereinafter, "Landlord's Liability Insurance") on the Demised Premises, naming Tenant as an additional insured providing coverage of not less than One Million Dollars (\$1,000,000.00), combined Bodily Injury and Property Damage Liability. Landlord and Tenant and all parties claiming under them mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard, covered or required hereunder to be covered in whole or in part by insurance on the Premises or in connection with property on or activities conducted on the Premises, and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof.

**14. Estoppels:**

At any time and from time to time each party, upon request of the other party, will execute, acknowledge and deliver an instrument, stating, if the same be true, that the document presented is a true and exact copy of this Lease between the parties hereto, that there are no amendments hereof (or, if not so, stating what amendments there may be),

Handwritten initials and signatures in the bottom right corner of the page. There are three distinct marks: a circled 'IP', a circled 'RF', and a stylized signature.

that the same is then in full force and effect and that, to the best of its knowledge, there are no offsets, defenses or counterclaims with respect to the payment of rent reserved hereunder or in the performance of the other terms, covenants and conditions hereof on the part of Tenant or Landlord, as the case may be, to be performed (or, if not so, setting forth those offsets, defenses or counterclaims existing), and that as of such date no default has been declared hereunder by either party or if a default has been declared, such instrument shall specify same. Such instrument will be executed by the other party and delivered to the requesting party within fifteen (15) days of receipt.

15. Memorandum Of Lease:

Within thirty (30) days of delivery of the Premises to Tenant, Landlord and Tenant agree to execute and ~~Landlord~~ agrees to record in the Office of the Judge of Probate of Shelby County, Alabama, a memorandum of lease in form and substance reasonably satisfactory to Tenant and Landlord, evidencing the material terms of this Lease. *Landlord agrees*

*to record memorandum of lease at tenants expense*

As amended by this Addendum, the foregoing Lease sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter and supercedes any prior negotiations and agreements, among the parties relative to such subject matter.

EXHIBIT

\* A/B

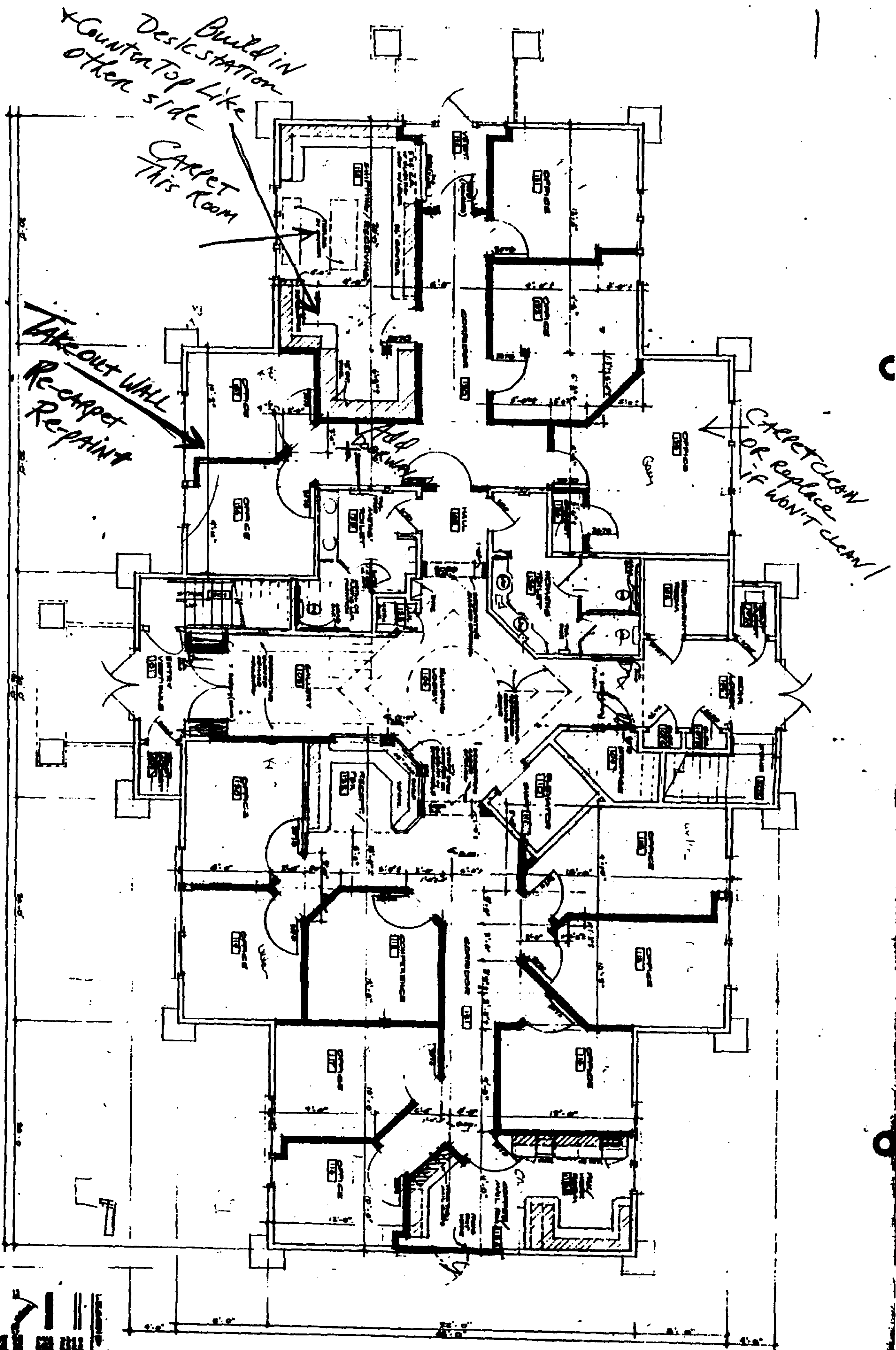
RF/MA

**Landlord's Work**

1. Remove wall between two small offices opposite large office o main level. Convert space to large office, new paint and carpet.
2. Build matching desk in "Shipping and Receiving" area. Replace or cover existing vinyl tile with carpet.
3. Erect wall in both 2<sup>nd</sup> level conference rooms for use as offices. Not required at time of occupancy. May be required at later date due to space needs.
4. Clean all carpet as needed.
5. Touch up paint on walls as needed.
6. Replace ceiling tiles where needed.
7. Check ceiling air vents and adjust.
8. Check for leaks around windows, doors -- caulk.

RF/MA

EXHIBIT "A"



PROFESSIONAL / ARCHITECTURAL  
NEW SUITS LAYOUT RE-PAINTING  
AND CARPET - FIRST FLOOR

PHOTOCOPY

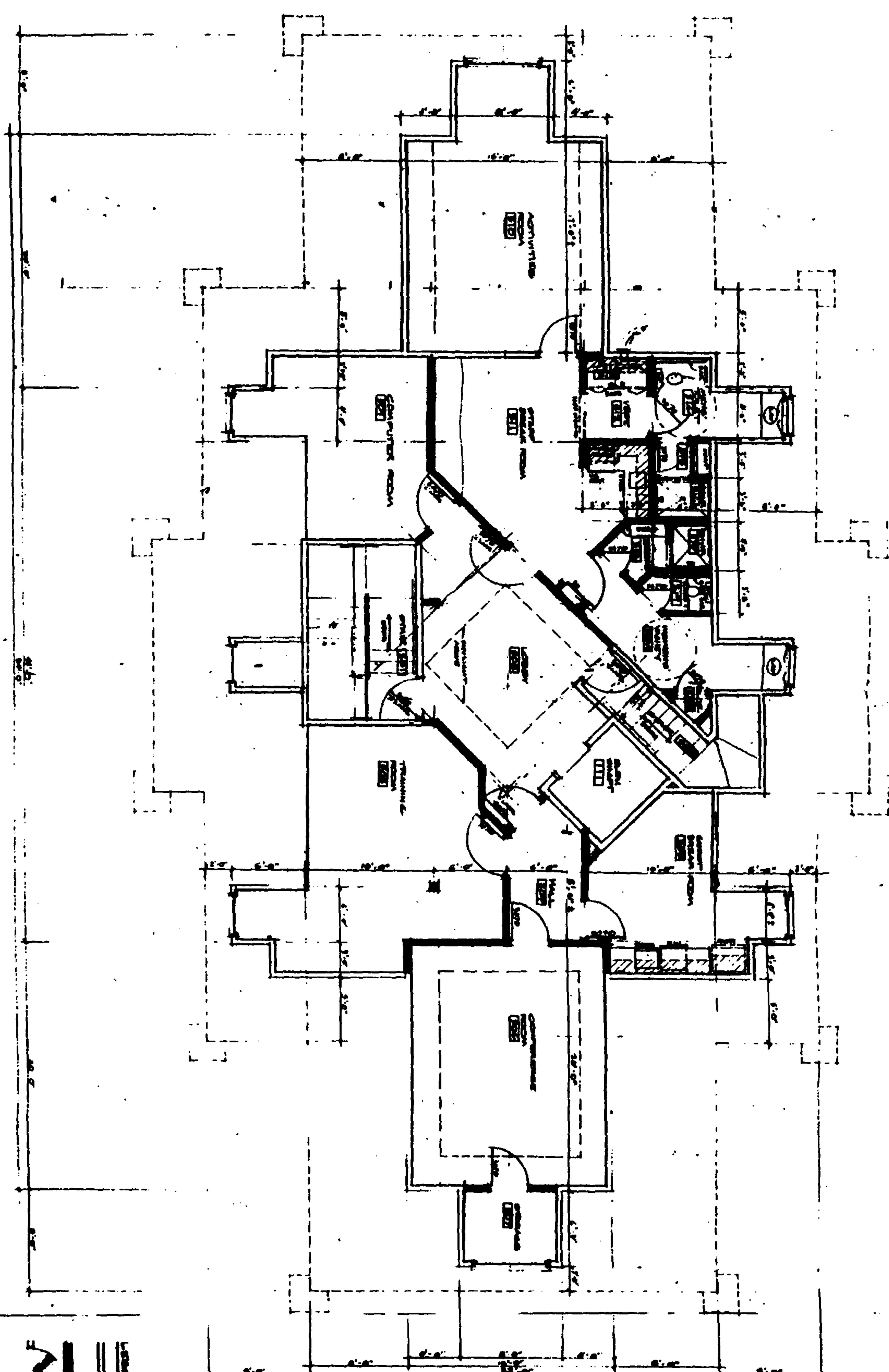
PHOTOCOPY

PHOTOCOPY

POSSIBLY AT  
ADD WITH AT  
LATER DATE

DIMENSIONAL / ARCHITECTURAL  
NEW SUITE LAYOUT RE MARITIME CANON AT 104  
UPPER LEVEL - PREVIOUS FLOOR PLAN

Handwritten initials and scribbles at the bottom of the page.



DIMENSIONAL / ARCHITECTURAL  
NEW SUITE LAYOUT IN ATTIC AREA CATERING  
ATTIC LEVEL THIRD FLOOR

DATE	07/02/2003
BY	AL
CHECKED	AL
SCALE	1/8" = 1'-0"
PROJECT	NEW SUITE LAYOUT IN ATTIC AREA CATERING
NO.	71.3

*AL* *AL* *AL*