

Badcock

## SHOPPING CENTER LEASE AGREEMENT

THIS SHOPPING CENTER LEASE AGREEMENT (this "Lease"), is made and entered into this 3<sup>rd</sup> day of MARCH, 2013, by and between NORTH SALISBURY REALTY, LLC, a North Carolina limited liability company, having an address of c/o Namdar Realty Group, 150 Great Neck Road, Suite 304, Great Neck, New York 11021 ("Landlord"), and W.S. BADCOCK CORPORATION, a Florida corporation, having an address of 205 N.W. 2<sup>nd</sup> Street, Mulberry, Florida 33860 ("Tenant"). Tenant and Landlord may hereinafter sometimes be referred to individually as "Party" and collectively as the "Parties."

### WITNESSETH

For and in consideration of the mutual covenants and agreements set forth herein and in consideration of the rents to be paid by Tenant to Landlord, the Parties hereto agree as follows:

#### 1. LEASED PREMISES

Landlord does hereby lease and demise unto Tenant and Tenant hereby rents from Landlord the premises containing approximately 25,000 square feet located at 1935 Jake Alexander Boulevard West, Suite       , Salisbury, Rowan County, North Carolina 28147 ("Leased Premises") in the Salisbury Mall ("Mall"), as together with all appurtenances thereto, and with easements of ingress and egress necessary and adequate for Tenant to conduct its business as a retail home furnishings, appliances and electronics store. Said Leased Premises are situated at the location depicted and identified on the site plan in Exhibit "A" attached hereto and incorporated herein.

#### 2. TERM

A. Effective Date. The Effective Date above shall be the date upon which this Lease is executed and delivered by both Parties.

B. Initial Term. The "Initial Term" of this Lease shall commence on the date Landlord delivers possession of the Leased Premises to Tenant ("Lease Commencement Date"), and shall end on the last day of the tenth (10<sup>th</sup>) Lease Year, as defined below.

C. Delivery of Leased Premises.

(1) The Leased Premises shall be deemed delivered to Tenant by Landlord upon: (i) execution and delivery of this Lease by both Parties; (ii) Landlord's delivery to Tenant of a key to and physical possession of the Leased Premises in the condition required by this Lease; and (iii) the Leased Premises is structurally sound and the roof is watertight and free of leaks, with the first date upon which all such events shall have occurred being herein sometimes referred to as the "Delivery Date." Landlord agrees that the Delivery Date shall not be later than fifteen (15) days following the execution and delivery of this Lease by both Parties. If Landlord fails to deliver the Leased Premises by the Delivery Date, Tenant shall accrue one (1) day of free Rent for each day of late delivery.

(2) Notwithstanding the foregoing, if the Delivery Date has not occurred on or before thirtieth (30<sup>th</sup>) day following the execution and delivery of this Lease by both Parties, and such delay is not the result of Tenant's actions, Tenant shall have the right to terminate this

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Lease upon written notice to Landlord in which case this Lease shall be of no further force and effect and Landlord and Tenant shall each be released and discharged from all liability under this Lease. In this event, all sums paid by Tenant to Landlord, if any, on account of this Lease shall be promptly refunded to Tenant.

D. Lease Year. The first Lease Year of the Initial Term shall commence on the Lease Commencement Date and shall end on the last day of the twelfth (12<sup>th</sup>) full calendar month following the Lease Commencement Date. The term "**Lease Year**" thereafter shall mean each successive period of twelve (12) consecutive calendar months of the Term following the initial Lease Year.

E. Option Terms.

1. *First Option Term.* Provided Tenant is not in default and is open and operating in the Leased Premises on the date the Initial Term of this Lease expires, and if this Lease shall be in full force and effect on such date and Tenant shall have fully complied with all the obligations and conditions of this Lease, Tenant shall have the option to renew this Lease for one (1) additional 5-year period ("**First Option Term**") under the same terms and conditions, except Rent, as is set forth in Section 3 below, provided Tenant shall give written notice to Landlord that it is exercising this option at least one hundred eighty (180) days prior to the expiration of the Initial Term hereof.

2. *Second Option Term.* Provided Tenant is not in default and is open and operating in the Leased Premises on the date the First Option Term of the Lease expires, and if the Lease shall be in full force and effect on such date and Tenant shall have fully complied with all the obligations and conditions of the Lease, Tenant shall have the option to renew the Lease for one (1) additional five 5-year period ("**Second Option Term**") under the same terms and conditions, except Rent, as is set forth in Section 3 below, provided Tenant shall give written notice to Landlord that it is exercising this option at least one hundred eighty (180) days prior to the expiration of the First Option Term hereof.

Receipt of such above-referenced option notice by Landlord shall constitute renewal, and shall be binding upon the Parties.

F. Term Defined. The term "**Term**" shall be deemed to refer to the Initial Term or any Option Term from time to time properly exercised hereunder.

### 3. AMOUNT OF RENT

A. Gross Lease. This Lease is intended to be a "gross" lease. The Rent amount set forth herein and paid by Tenant shall include all applicable taxes and insurance on the land, buildings and Common Areas comprising the Mall (including the Leased Premises) and all costs and expenses associated with the operation, repair or maintenance of the land, buildings and Common Areas comprising the Mall (excluding maintenance and repair of the Leased Premises for which Tenant is responsible under Section 8A). All such costs and expenses shall be Landlord's sole responsibility.

B. Rent Commencement. The commencement date for payment of Rent under this Lease shall be two hundred forty (240) days from the Delivery Date ("**Rent Commencement Date**").

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C. Initial Term. From the Rent Commencement Date and continuing thereafter throughout the remainder of the Initial Term of this Lease, Tenant covenants to pay to Landlord Five and 00/100ths Dollars (\$5.00) per square foot as rent ("**Rent**") for said Leased Premises for an annual amount of One Hundred Twenty-Five Thousand and 00/100ths Dollars (\$125,000.00) payable in monthly installments of Ten Thousand Four Hundred Sixteen and 67/100ths Dollars (\$10,416.67).

Said Rent shall be payable in advance on first (1<sup>st</sup>) day of each month; provided that, if the Rent Commencement Date shall be other than the first (1<sup>st</sup>) day of a calendar month, the amount payable for the month in which the Rent Commencement Date occurs shall be a prorated amount based on the number of days in such month, and the prorated amount shall be paid by Tenant on or before the first (1<sup>st</sup>) day of the following calendar month.

D. Option Terms. The Option Terms shall incorporate all terms of this Lease, and Tenant covenants to pay to Landlord Rent in the following amounts:

Lease Years	Annually	Monthly	Per Square Foot
1 <sup>st</sup> Option Term: Years 11-15	\$137,500.00	\$11,458.33	\$5.50
2 <sup>nd</sup> Option Term: Years 16-20	\$150,000.00	\$12,500.00	\$6.00

Said monthly Rent shall be payable in advance on the first (1<sup>st</sup>) day of each month.

E. Payment of Rent. Payment of Rent due hereunder shall be paid when due without prior demand and without any deductions or set-offs (unless such deductions or set-offs are expressly provided for in this Lease) made payable to North Salisbury Realty, LLC and sent to c/o Namdar Realty Group, 150 Great Neck Road, Suite 304, Great Neck, New York 11021.

F. Late Charges/Interest. If any Rent, subject to right of set-off and abatement as specifically set forth in this Lease, is not paid when due and such failure shall continue for ten (10) days, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount.

#### 4. CONDITION OF LEASED PREMISES UPON DELIVERY

Tenant acknowledges and agrees that, except as expressly set forth herein, the Leased Premises is and shall be leased by Landlord to Tenant in the "as is" condition existing as of Landlord's delivery. Notwithstanding the foregoing, Landlord hereby covenants that as of the Delivery Date, the Leased Premises shall be in good operating order and repair, in broom-clean condition, free of asbestos and other hazardous substances, and in compliance with all applicable laws. Additionally, the roof, floor, exterior walls, sewer, plumbing, utility, electrical and mechanical systems, including HVAC systems, servicing the Leased Premises shall be in good operating condition and in compliance with all local, state and federal laws, ordinances, regulations and codes.

#### 5. PERMITS; APPROVALS

It is understood and agreed by the Parties that Tenant's ability to use the Leased Premises is contingent upon Tenant (a) obtaining all of the certificates, permits, licenses and other approvals (collectively "**Approvals**") required by any and all federal, state or local authorities for the remodeling of the Leased Premises as provided for under this Lease and for conducting its home

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furnishings and appliance business in the Leased Premises; and (b) there being no covenant, ordinance or restriction (collectively "**Restrictions**") that would prohibit or unreasonably interfere with Tenant's use of the Leased Premises for the sale of home furnishings and appliances. Landlord hereby agrees to, at no cost or expense to Landlord, cooperate fully with Tenant in securing the aforesaid Approvals. Tenant hereby covenants and agrees to use due diligence and good faith in procuring all necessary Approvals for which Tenant is responsible, and to execute such documents, make such appearances, and do such other things as may be reasonably necessary to satisfy the aforementioned conditions, all at Tenant's sole cost and expense. In the event any such applications for such Approvals are denied/rejected or Tenant determines in good faith that it will be unable to use the Leased Premises for their intended purpose due to the aforesaid Restrictions, Tenant shall have the right to terminate this Lease upon written notice to Landlord within sixty (60) days after the Lease Commencement Date, in which case this Lease shall terminate and expire as of the date of Tenant's notice, with neither Party having any further right, duty, liability or obligation hereunder with respect to matters to be paid or performed from and after the date of such termination.

## 6. USE OF LEASED PREMISES AND HOURS OF OPERATION

A. Permitted Use. The Leased Premises shall be used solely for the purpose of the retail sale, distribution or leasing of home furniture, home furnishings, home office furniture, children's furniture and merchandise, electronics, appliances, and various other consumer goods, including but not limited to, air conditioners, sporting goods, patio and outdoor furniture and accessories, grills and smokers, lawn mowers and other lawn equipment (whether through Tenant's proprietary transaction closing options or programs or third party transaction closing options and programs). Tenant shall, during the Initial Term and Option Terms of this Lease, continuously use the Leased Premises for the purpose hereinbefore stated and for no other purpose without the written consent of Landlord.

B. Trade Name. Tenant shall use and operated the Leased Premises under the trade name of "Badcock Home Furniture & more," or the then current trade name being used at that time.

C. Hours of Operation. Tenant shall not be required to maintain full Mall hours, but shall observe such hours of operation as it deems appropriate and as required by its Retail Operations Department, such hours being approximately 10:00 a.m. to 8:00 p.m. Monday through Saturday and 1:00 p.m. to 6:00 p.m. on Sunday at the time of Lease execution. Tenant shall have the right to change its hours of operations as required by its Retail Operations Department. Tenant shall notify Landlord in writing of any change to its hours of operation. Tenant will continuously operate on such days during the Initial Term and any Option Term of this Lease, except under *force majeure* events and events provided for under this Lease.

## 7. TENANT'S ALTERATIONS, ADDITIONS, INSTALLATIONS, AND REMOVAL THEREOF

Upon delivery of the Leased Premises to Tenant by Landlord, Tenant shall diligently perform all work of whatever nature ("**Tenant's Work**") to prepare for the opening to the public of Tenant's store in the Leased Premises. Prior to commencement of any of Tenant's Work, Tenant agrees to furnish the plans and specifications with respect to the Leased Premises to Landlord for approval. All of Tenant's Work shall be performed diligently and in a good and workmanlike manner and in accordance with all applicable laws, ordinances, and codes.

During the Initial Term and Option Term of this Lease, Tenant shall be entitled to make

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such non-structural alterations and remodelings (interior or exterior) as it finds necessary or desirable for its purposes and as may be permitted by applicable governmental laws, ordinances, regulations and other requirements without Landlord's consent or approval. Tenant shall have the right to make such structural and or exterior alterations, improvements, and remodelings to the Leased Premises as may be necessary or desirable for the conduct of its business and as may be permitted by applicable governmental laws, ordinances, regulations and other requirements, including closing off the interior Mall entry to the Leased Premises; provided, however, that any such alterations, improvements, or remodelings shall be subject to Landlord's approval of the plans and specifications, said approval not to be unreasonably withheld or delayed. As used herein, the term "structural" shall mean of or relating to the supporting members of the building such as bearing walls, columns, beams or girders and foundations. Except as otherwise may be agreed upon by Landlord in writing, all alterations and remodelings of Leased Premises by Tenant shall be at Tenant's sole cost and expense.

Landlord hereby agrees, at no cost to Landlord, to cooperate fully with Tenant in securing permits and approvals required for alterations and improvements made by Tenant herein, and hereby grants Tenant the right to make application for them in the name of Landlord if necessary.

## **8. MAINTENANCE AND REPAIR OF LEASED PREMISES**

During the Initial Term and Option Terms of this Lease, Tenant and Landlord shall be responsible to maintain and repair the Leased Premises as stated below:

A. Tenant's Responsibility. Tenant shall permit no waste, damage or injury to the Leased Premises and shall keep, maintain the Leased Premises in good condition and repair, including, but not limited to, (i) heating, ventilation and air conditioning ("HVAC") unit; (ii) plumbing, sewer, utility and electrical systems that are within the Leased Premises and above the foundation; (iii) Tenant's signs; (iv) interior painting; (v) floor and wall coverings; and (vi) exterior doors and door frames. Notwithstanding the foregoing, Landlord shall warrant and be responsible for the plumbing, sewer, utility and electrical systems, and HVAC for the first (1<sup>st</sup>) Lease Year. Beginning as of the second (2<sup>nd</sup>) Lease Year and continuing thereafter throughout the remainder of the Initial Term and Option Terms of this Lease, Landlord shall be responsible for costs exceeding One Thousand Five Hundred and 00/100ths Dollars (\$1,500.00) per occurrence on HVAC repairs and maintenance and for replacing the HVAC system, if necessary, so long as Tenant maintains and performs regular maintenance on the HVAC system. Landlord agrees that Tenant may provide such HVAC maintenance either through Tenant's on-staff, qualified HVAC technicians or a service contract with a reputable, licensed mechanical contractor. If Tenant performs its own HVAC maintenance, then Tenant shall provide written documentation to Landlord as to its semi-annual maintenance inspections.

Tenant shall make any replacements thereof and shall replace any glass, at its own cost and expense, with glass of the same quality or as required by code any cracked or broken glass, including plate glass, other glass, or breakable material used in structural portions, and any interior and exterior windows and doors in the Leased Premises.

B. Landlord's Responsibility. In addition to those amounts of repairs set forth in Section 8A above, Landlord shall be responsible for the maintenance, repair, and any necessary replacement of (i) the structure of the building of which the Leased Premises is a part, including exterior walls, the foundation, the roof, and load-bearing portions of the walls; (ii) plumbing, sewer, utility and electrical systems beneath the foundation of the Leased Premises; (iii) the exterior of the

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building, including gutters (except for cleaning them out), down spouts and splash blocks; and (iv) the exterior conduits and lines for plumbing, sewer, utility and electrical systems up to the point of connection to the Leased Premises. Landlord shall deliver the roof system in good repair, watertight condition and free of leaks and maintain the roof such manner during the Initial Term and Option Terms of this Lease.

## 9. MECHANICS' LIENS

Tenant shall not allow any lien to be filed against the Leased Premises or the Mall. If any mechanic's or materialman's lien or any notice lien shall be filed against the Leased Premises or the Mall arising out of any labor or material performed or furnished to Tenant or to anyone holding the Leased Premises through or under Tenant, Tenant shall immediately cause the same to be canceled or discharged of record by bond or otherwise as allowed by law at the expense of Tenant. If Tenant shall fail to cause such lien or notice of lien to be cancelled or discharged within thirty (30) days after the filing thereof, then, Landlord may, but shall not be obligated to, cancel or discharge the same by paying the amount claimed to be due or posting a bond, and the amounts so paid by Landlord and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in paying, bonding off or procuring the discharge of such lien or notice of lien, shall be due and payable by Tenant to Landlord within thirty (30) days of Landlord's demand therefor.

## 10. COMMON AREAS

A. The "Common Areas" shall include, without limitation, parking lots, sidewalks, driveways, landscape areas, service areas, corridors, access and perimeter roads, public facilities and other areas available for common use by the public and tenants of the Mall (but exclusive of any loading docks intended for use by a specific tenant or occupant of the Mall). Tenant shall not obstruct the sidewalk in front of, or any entrance to, the building containing the Leased Premises in such a manner as shall inhibit the normal movement of pedestrian traffic in any way about the Leased Premises and the Mall.

B. Tenant shall have the non-exclusive right in common with Landlord, other present and future owners, other tenants and their respective agents, employees, customers, licensees, subtenants, and invitees, to use the Common Areas during the Initial Term and Option Terms of this Lease, subject to reasonable rules and regulations promulgated by Landlord.

C. Landlord shall keep the Common Areas, including automobile parking areas, in a neat, clean, orderly and safe condition

## 11. UTILITIES

During the Initial Term and Option Terms of this Lease, Landlord shall provide and maintain the necessary mains, ducts, and conduits in order to bring water, gas, electricity, telephone service, and other utilities to the Leased Premises. Tenant shall be responsible for any consumption-related fees or costs for all utilities. In the event that any utility or service provided to the Leased Premises is not separately metered, Landlord shall pay the amount due and separately invoice Tenant for Tenant's pro-rata share of the charges.

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## 12. TAXES

A. Tenant's Taxes. During the Initial Term and Option Terms of this Lease, Tenant shall, at its sole cost and expense, timely pay to the applicable taxing authorities all taxes, duties and assessments which are levied, charged or assessed against any furniture, fixtures, equipment or other personal property used by Tenant in the Leased Premises.

B. Landlord's Taxes. During the Initial Term and Option Terms of this Lease, Landlord shall, at its sole cost and expense, timely pay all ad valorem real property taxes and any general and/or special assessments which may be levied or assessed by any lawful authority against the land, buildings and Common Areas comprising the Mall (including the Leased Premises).

## 13. INSURANCE

During the Initial Term and Option Terms of this Lease, Tenant and Landlord shall procure and maintain the following policies of insurance:

A. Tenant's Insurance.

1. *General Liability Insurance.* Tenant, at its own expense, shall carry general liability insurance in not less than the following limits:

Bodily Injury	\$300,000/\$1,000,000
Property Damage	\$300,000
Excess Umbrella	\$2,000,000

2. *Fire and Extended Coverage.* Tenant shall, at its election, insure or self-insure its personal property, including removable trade fixtures, located in the Leased Premises.

Said policy or policies shall name Tenant as the Insured and Landlord as an additional insured and shall bear endorsements to the effect that the insurer agrees to notify Landlord not less than thirty (30) days in advance of any modification or cancellation thereof. A certificate of insurance/evidence of coverage shall be delivered to Landlord within thirty (30) days following the delivery of the Leased Premises to Tenant.

B. Landlord's Insurance.

1. *Casualty Insurance.* Landlord shall, at its sole expense, carry a casualty insurance policy with respect to the buildings and improvements located on the Mall property, including the Leased Premises, which policy shall reflect full one hundred percent (100%) replacement cost coverage with fire, extended coverage, vandalism, malicious mischief, windstorm, fire sprinkler leakage and collapse insurance coverage.

2. *Public Liability Insurance.* Landlord shall, at its sole expense, carry public liability with respect to the Common Areas in which the limits of public liability shall be no less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence

3. *Property Damage Insurance.* Landlord shall, at its sole expense, carry property

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damage insurance and in which the limits of property damage liability shall be no less than Two Hundred Fifty Thousand and 00/100ths Dollars (\$250,000.00) per occurrence.

Said policy or policies shall name Landlord as the Insured and Landlord agrees to notify Tenant not less than thirty (30) days in advance of any modification or cancellation thereof. Said insurance may be maintained by means of a policy or policies of blanket or excess insurance provided that the requirements set forth in this Section 13B are satisfied. A certificate of insurance evidence of coverage shall be delivered to Tenant within thirty (30) days following the delivery of the Leased Premises to Tenant.

#### 14. SIGNS

A. Pylon Sign. During the Initial Term and Option Terms of this Lease, Tenant shall have the right, at its sole cost and expense, to locate a panel on the existing pylon sign(s) of the Mall in a location designated by Landlord. In the event no pylon sign exists, Tenant shall have the right to erect a pole sign at the entrance of the Mall. Said panel or pole sign shall meet with all applicable laws, ordinances, regulations, codes, and other governmental requirements, and be specifically subject to Landlord's prior written approval, said approval not to be unreasonably withheld. A photo of the current pylon sign(s) with Tenant's designated panel location is attached hereto as Exhibit "B." Landlord acknowledges that, subject to receipt by Tenant of any and all applicable approvals and permits, Landlord's execution of this Lease shall be deemed as approval of Tenant's panel signage specifications for the pylon sign(s) set forth in Exhibit "C" attached hereto and incorporated herein.

B. Exterior Sign. During the Initial Term and Option Terms of this Lease, Tenant shall have the right, at its sole cost and expense, to erect and maintain one (1) exterior sign in the area above the Leased Premises designated by Landlord. Said sign shall meet with all applicable laws, ordinances, regulations, codes, and other governmental requirements, and be specifically subject to Landlord's prior written approval, said approval not being unreasonably withheld. Landlord acknowledges that, subject to receipt by Tenant of any and all applicable approvals and permits, Landlord's execution of this Lease shall be deemed as approval of Tenant's exterior signage specifications for the Leased Premises set forth in Exhibit "C" attached hereto and incorporated herein.

C. Other Signs and Banners. Tenant may place signs, placards, banners or other advertising materials on any display window or customer door, and within the Leased Premises as Tenant may consider necessary or desirable without Landlord's consent and all subject to any applicable laws, ordinances, regulations, codes, and other governmental requirements.

D. Removal of Signs. At the termination or expiration of this Lease, Tenant shall remove all of its signage from the Leased Premises and Mall. Tenant's removal of such signs shall be made in such manner as to avoid damage or defacement of the Leased Premises or other improvements within the Shopping Center and Tenant shall repair all damage to the Leased Premises or Mall resulting from the removal of signs installed by Tenant.

E. Cooperation of Landlord. Landlord shall, at no cost or expense to Landlord, assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs.

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## 15. INDEMNIFICATION

A. Indemnification by Tenant. During the Initial Term and Option Terms of this Lease, Tenant shall indemnify, defend, and hold Landlord and Landlord's officers, directors, agents, contractors, employees, assignees ("**Landlord Indemnified Parties**") harmless from and against all claims, actions, lawsuits, demands, damages, liabilities, judgments, penalties and expenses, including costs and reasonable attorney's fees, which may be imposed upon, incurred by or asserted against the Landlord Indemnified Parties for loss of life, bodily injury and/or damage to property to the extent such loss of life, bodily injury and/or damage to property resulted from or occurred by reason of (i) Tenant's breach of its obligations under this Lease; and/or (ii) the negligence or willful misconduct of Tenant or Tenant's employees, agents, or contractors occurring in or upon the Mall (including the Leased Premises). The obligations of the Tenant under this Section 15A shall survive the expiration or earlier termination of this Lease. The Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by the Landlord in enforcing this Section 15A.

B. Indemnification by Landlord. During the Initial Term and Option Terms of this Lease, Landlord shall indemnify, defend, and hold Tenant and Tenant's officers, directors, agents, contractors, employees, assignees and subtenants ("**Tenant Indemnified Parties**") harmless against any and all claims, actions, lawsuits, demands, damages, liabilities, judgments, penalties and expenses, including costs and reasonable attorneys' fees, which may be imposed upon, incurred by or asserted against the Tenant Indemnified Parties for loss of life, bodily injury and/or damage to property to the extent such loss of life, bodily injury and/or damage to property resulted from or occurred by reason of (i) Landlord's breach of its obligations under this Lease; and/or (ii) the negligence or willful misconduct of Landlord or Landlord's employees, agents, or contractors occurring in or upon the Shopping Center (including the Leased Premises). The obligations of Landlord under this Section 15B shall survive the expiration or earlier termination of this Lease. Landlord shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Tenant in enforcing this Section 15B.

## 16. QUIET ENJOYMENT

Landlord warrants that it is the owner of the Leased Premises and that it has the full right and authority to enter into and perform this Lease and to grant the estate herein demised, and covenants and agrees that at all times during the Initial Term and Option Terms of this Lease, when Tenant is not in default beyond any term provided herein for the curing of such default, Tenant's quiet and peaceful enjoyment of the Leased Premises and of all rights, easements, appurtenances and privileges belonging or otherwise appertaining thereof shall not be disturbed or interfered with by Landlord or any person and Landlord will warrant and defend Tenant in the quiet enjoyment and possession of the Leased Premises.

Landlord covenants, agrees and warrants that neither the execution nor the provisions of this Lease violate or breach or will violate or breach any term or provision of any agreement, written or oral, with any other person, and that in the event legal proceedings are instituted by any person to prohibit the use, operation, or enjoyment of the Leased Premises or any part thereof, as provided in this Lease, Landlord will assume the defense of any such legal proceedings and will indemnify and save Tenant harmless from all costs of suit, including attorney fees and consequential damages to Tenant in any manner whatsoever arising from or out of any such legal proceedings and/or the total or partial loss of the use, operation, or enjoyment of the Leased Premises or any part thereof as provided in this Lease.

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Landlord further covenants, warrants, and represents that there are no claims of other parties, zoning restrictions, encumbrances, mortgages, restrictive covenants, exclusive use provisions or other liens, restrictions, reservations or defects in Landlord's title which could interfere with or impair or result in any interference with or impairment of Tenant's use, occupancy and enjoyment of the Leased Premises or with Tenant's other rights hereunder, all in accordance with the terms of this Lease; and that Landlord will indemnify, defend and hold harmless Tenant from and against any loss and expense including, without limitation, attorney fees and consequential damages incurred on account of any breach of its warranties.

## 17. OBSERVANCE OF LAWS AND REGULATIONS

Landlord warrants to Tenant that as of the Lease Commencement Date, to Landlord's knowledge, the Leased Premises complies with all applicable laws, ordinances, rules and regulations (collectively "**Applicable Laws**") of all county, municipal, state, federal or other governmental authorities having jurisdiction over the Leased Premises, including those Applicable Laws regarding hazardous waste or materials and other environmental matters. Landlord further covenants and warrants to Tenant that during the Initial Term and Option Terms of this Lease, Landlord will comply with all Applicable Laws of all county, municipal, state, federal or other governmental authorities having jurisdiction over the Leased Premises, including those Applicable Laws regarding hazardous waste or materials and other environmental matters (excluding those Applicable Laws required to be complied with by Tenant below). In addition, structural changes to the Leased Premises required by Applicable Laws (excluding Tenant's build out, alterations or improvements) shall be made by Landlord without expense to Tenant, including any violations or deficiencies existing at the Lease Commencement Date unless caused as a requirement by Tenant's operations or upfit.

Landlord shall not be required to comply with any Applicable Laws of any county, municipal, state, federal or other applicable governmental authorities or pay any penalties, fines, settlements, judgments, etc., where such compliance or payment is the result of Tenant's sole non-compliance with or violation of such Applicable Laws, in which event Tenant shall be responsible for such compliance with same and/or payment of any penalties, fines, settlements, judgments, etc.

During the Initial Term and Option Terms of this Lease, Tenant shall promptly and fully comply with all Applicable Laws of any and all county, municipal, state, or federal or other applicable governmental authorities having jurisdiction over the Leased Premises, including, but not limited to, all Applicable Laws regarding hazardous waste or materials and other environmental matters, but only to the extent that such Applicable Laws relate to Tenant's operation of Tenant's business thereon.

Tenant shall not be required to comply with any Applicable Laws of any county, municipal, state, federal or other applicable governmental authorities or pay any penalties, fines, settlements, judgments, etc., if non-compliance with or violation of such Applicable Laws existed on the Lease Commencement Date, in which event, Landlord shall be responsible for compliance with same and/or payment of any penalties, fines, settlements, judgments, etc.

## 18. EVENTS OF TENANT DEFAULT & REMEDIES OF LANDLORD

A. Any one of the following events shall be deemed to be an event of default by Tenant under this Lease:

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1. Tenant shall fail to pay any installment of Rent when due and the failure continues for ten (10) days after Tenant's receipt of written notice thereof from Landlord of the failure hereunder:

2. Tenant shall fail to comply with any term, provision, or covenant of this Lease in a timely manner, other than the payment of Rent, and such failure shall continue for a period of thirty (30) days after Tenant's receipt of written notice thereof from Landlord, provided that if such default cannot reasonably be cured within the thirty (30) day period, Tenant shall not be deemed in default if Tenant has commenced to cure such default within the thirty (30) day period and thereafter diligently and continuously pursues the cure to completion:

3. Tenant shall become insolvent, bankrupt or file any debtor proceedings, or shall make an assignment for the benefit of creditors:

4. Tenant shall file a petition under any section or chapter of the Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder, which proceedings are not dismissed within sixty (60) days from the filing of same; or

5. A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant:

B. Landlord may exercise any one or more of the following remedies upon an event of default by Tenant:

1. Re-enter upon the Leased Premises or any other part thereof and terminate this Lease by so notifying Tenant and expel Tenant and those claiming under it without being guilty of any trespass, and thenceforth hold and enjoy said Leased Premises for its own use. Such termination shall not serve to release or discharge any damages Tenant may owe to Landlord;

2. Re-enter upon the Leased Premises as agent of Tenant and, if so shall desire, expel Tenant and those claiming under it without being guilty of trespass, and rent the Leased Premises as such agent, apply the proceeds of such rent on account of the Rent due from Tenant and hold Tenant liable for any deficiency;

3. Cure such default, in which event all reasonable costs and expenses incurred by Landlord in curing Tenant's default shall be paid by Tenant to Landlord within thirty (30) days after receipt of Landlord's invoice therefor together with substantiating documentation; and/or

4. Take other such action available to Landlord at law to collect the Rent then due and thereafter to become due hereunder or to enforce performance and observance of any obligation, agreement or covenant of Tenant under this Lease, including, but not limited to, the right to recover any or all damages incurred by Landlord as a result of Tenant's default.

C. Landlord shall use its best efforts to mitigate Landlord's damage arising out of

Landlord's Initials JS

Tenant's Initial PB



Tenant's default.

## 19. EVENT OF LANDLORD DEFAULT & REMEDIES OF TENANT

A. Any one of the following events shall be deemed to be an event of default by Landlord under this Lease:

1. Landlord shall fail to comply with any term or condition of this Lease and such failure shall continue for a period of thirty (30) days after Landlord's receipt of written notice thereof from Tenant, provided that if such default cannot reasonably be cured within the thirty (30) day period, Landlord shall not be deemed in default if Landlord has commenced to cure such default within the thirty (30) day period and thereafter diligently and continuously pursues the cure to completion;

2. Notwithstanding Landlord's attempts to cure under Subsection 19A.1. above, Landlord fails to meet its obligations under Section 8B and such failure shall continue for a period of sixty (60) days after Landlord's receipt of written notice thereof from Tenant that such failure (i) has significantly interfered with Tenant's intended use of the of the Leased Premises; (ii) has created or in Tenant's reasonable judgment shall create a dangerous condition; (iii) has caused significant property damage or significant impairment of Tenant's business operations; or (iv) has caused Tenant to suffer repeated, material disruption or impairment of Tenant's business.

3. Landlord shall become insolvent, or shall make a transfer of the Leased Premises to creditors or otherwise make an assignment for the benefit of creditors;

4. Landlord shall file a petition under section or chapter of the Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof, or Landlord shall be adjudged bankrupt or insolvent in proceedings filed against Landlord thereunder which proceedings are not dismissed within sixty (60) days from filing same; or

5. A receiver or trustee shall be appointed for all or substantially all of the assets of Landlord.

B. Tenant may exercise any one or more of the following remedies upon an event of default by Landlord:

1. Terminate this Lease by so notifying Landlord, which termination shall be effective as of the date specified in the notice; however, Tenant shall not terminate this Lease under 19A.1. above, unless after giving an initial notice and the expiration of the initial grace period specified herein, Tenant shall give a second notice to Landlord, which second notice shall explicitly state Tenant's intention to exercise the remedy of termination, if such breach or default has not been cured within thirty (30) days following such second notice (or as to any default which requires more than thirty (30) days to remedy, if such cure is not commenced within said thirty (30) day period and diligently prosecuted to completion), Tenant may declare the Term ended and vacate the Leased Premises and be relieved from all further obligations under this Lease.

2. Elect not to terminate this Lease and remain in possession of the Leased Premises with an abatement of Rent, if applicable, based upon the proportionate impairment of the

Landlord's Initials TL

Tenant's Initial PB



Leased Premises due to Landlord's default:

3. Cure such default, in which event all reasonable costs and expenses incurred by Tenant in curing Landlord's default shall be paid by Landlord to Tenant within thirty (30) days after receipt of Tenant's invoice therefor together with substantiating documentation;

4. Offset against any Rent due Landlord under the terms and provisions of this Lease, the amounts of any costs, fees, or expenses incurred by Tenant as a result of Landlord's default; and/or

5. Take other such action available to Tenant at law or equity, to enforce performance and observance of any obligation, agreement or covenant of Landlord under this Lease, including, but not limited to, the right to recover any or all damages incurred by Tenant as a result of Landlord's default.

## 20. DAMAGE OR DESTRUCTION OF LEASED PREMISES

A. Leased Space. For the purposes of this Section 20, "**Leased Space**" shall mean (i) the Leased Premises; and (ii) access to the Leased Premises.

B. Repair of Damage. If the Leased Space is damaged in part or whole from any cause, including but not limited to, fire, flood, storm, civil commotion, or other unavoidable cause, and the Leased Space can be substantially repaired and restored within one hundred twenty (120) days from the date of the damage using standard working methods and procedures, Landlord shall at its expense promptly and diligently repair and restore the Leased Space to substantially the same condition as existed before the damage. This repair and restoration shall be made within one hundred twenty (120) days from the date of the damage unless the delay is due to causes beyond Landlord's reasonable control.

If the Leased Space cannot be repaired and restored within the one hundred and twenty (120) day period, then either Party may, within thirty (30) days after determining that the repairs and restoration cannot be made within one hundred and twenty (120) days, cancel this Lease by giving notice to the other Party. Nevertheless, if the Leased Space is not repaired and restored within one hundred and twenty (120) days from the date of the damage, then Tenant may cancel this Lease at any time after the one hundred twentieth (120<sup>th</sup>) day following the date of the damage. Tenant shall not be able to cancel this Lease if Tenant's willful misconduct caused the damage, unless Landlord is not promptly and diligently repairing and restoring the Leased Space.

In the event of damage to the Leased Space as herein described, Landlord shall have no obligation to repair and restore the Leased Space if said damage shall occur during the final Lease Year (i) of the Initial Term of this Lease unless Tenant shall express in writing to Landlord its intent to exercise its option to renew as set forth in Section 2E above; (i) of the First Option Term of this Lease unless Tenant shall express in writing to Landlord its intent to exercise its option to renew as set forth in Section 2E above; or (iii) of the Second Option Term of this Lease unless Tenant and Landlord shall reach an agreement, in writing, on any additional extension of Tenant's occupancy of the Leased Premises beyond the Second Option Term. If Landlord chooses not to repair and restore the Leased Space pursuant to this paragraph, Tenant may terminate this Lease upon providing Landlord thirty (30) days written notice of same and Landlord and Tenant shall thereupon be released from any further liability hereunder, except for Landlord's return to Tenant of any unaccrued Rent.

Landlord's Initials JW

Tenant's Initial PB



C. Abatement. Unless the damage is caused by the negligence or willful misconduct of Tenant, its employees, agents, subtenants, or assigns, Rent shall abate in proportion to that part of the Leased Premises that is unfit for use in Tenant's business. The abatement shall consider the nature and extent of interference to Tenant's ability to conduct business in the Leased Premises and the need for access and essential services. The abatement shall continue from the date the damage occurred until ten (10) business days after Landlord completes the repairs to and restoration of the Leased Space or the part rendered unusable and notice to Tenant that the repairs and restoration are completed.

D. Cancellation. If either Party cancels this Lease as permitted by this Section 20, this Lease shall end on the day specified in the cancellation notice. Rent shall be payable up to the cancellation date and shall account for any abatement. Landlord shall promptly refund to Tenant any prepaid, unaccrued Rent, accounting for any abatement, if any, less any sum then owing by Tenant to Landlord.

## 21. CONDEMNATION

A. In the event that all of the Leased Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Landlord and Tenant shall thereupon be released from any further liability hereunder, except for the return by Landlord to Tenant of unaccrued Rent, if any.

B. In the event that a portion of the Leased Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority such that Tenant can, in Tenant's opinion, continue its business on the Leased Premises, Landlord shall restore the remaining portion of the Leased Premises to its condition prior to the taking and this Lease shall continue, except that during the period of restoration, Tenant's Rent shall abate in whole or in part, depending upon the extent to which such taking and/or restoration shall deprive Tenant of the use of said Leased Premises for the normal purposes of Tenant's business. The amount of the Rent after the taking shall be the amount determined by multiplying the present Rent by a fraction, the numerator of which is the remaining square footage of the Leased Premises and the denominator of which is the original amount of square footage of the Leased Premises. Alternatively, if Tenant, in Tenant's opinion, determines that it can no longer use the Leased Premises for the operation of Tenant's business because of the taking, Tenant may terminate this Lease upon providing Landlord thirty (30) days written notice of same and Landlord and Tenant shall thereupon be released from any further liability hereunder, except for Landlord's return to Tenant of unaccrued Rent, if any.

All compensation awarded or paid upon such total or partial taking of the Leased Premises shall belong to and be the property of Landlord without any participation by Tenant; provided, however, that nothing contained herein shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority in such condemnation proceedings for loss of business or depreciation of, damage to, or cost of removal of stock and trade fixtures, furniture and other personal property belonging to Tenant.

In the event of an appropriation or taking of the Leased Premises as herein described, Landlord shall have no obligation to restore the Leased Premises if such appropriation or taking shall occur during the final Lease Year (i) of the Initial Term of this Lease unless Tenant shall express in writing to Landlord its intent to exercise its option to renew as set forth in Section 2E above; (ii) of the First Option Term of this Lease unless Tenant shall express in writing to Landlord its intent to

Landlord's Initials

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Tenant's Initial

PB



exercise its option to renew as set forth in Section 2E above; or (iii) of the Second Option Term of this Lease unless Tenant and Landlord shall reach agreement, in writing, on any additional extension of Tenant's occupancy of the Leased Premises beyond the Second Option Term. If Landlord chooses not to restore the Leased Premises pursuant to this paragraph, Tenant may terminate this Lease upon providing Landlord thirty (30) days written notice of same and Landlord and Tenant shall thereupon be released from any further liability hereunder, except for Landlord's return to Tenant of unaccrued Rent, if any.

## 22. ASSIGNMENT OR SUBLETTING

Tenant shall have the right to assign this Lease or any interest herein or to sublet all or any portion of the Leased Premises with the prior written consent of Landlord, said consent not to be unreasonably withheld, conditioned or delayed. However, this Lease may be assigned or sublet to a contract dealer of Tenant at any time during the Initial Term or any Option Term of this Lease without consent of the Landlord. In the event of an assignment or sublease, Tenant shall remain liable under the terms and conditions of this Lease.

## 23. LANDLORD'S RIGHT TO ENTER LEASED PREMISES

During the Initial Term and Option Terms of this Lease, Landlord or Landlord's authorized agents shall have the right to enter the Leased Premises during reasonable business hours for the purpose of inspecting same, making those repairs required to be made by Landlord hereunder, or showing the Leased Premises to prospective purchasers, mortgagees or lessees of the Leased Premises within four (4) months immediately proceeding the expiration of the Initial Term or any Option Term. Provided, however, that Landlord or Landlord's authorized agents shall not unreasonably interfere with the use and occupancy or operation of Tenant's business in the Leased Premises. Except in the event of an emergency, Landlord or Landlord's authorized agents shall provide written notice to Tenant at least twenty-four (24) hours prior to Landlord or Landlord's authorized agents' entry onto the Leased Premises. In the event of an emergency, Landlord or Landlord's authorized agents shall notify Tenant of its or their entry to the Leased Premises, the reason for such entry, and the repairs made by Landlord or Landlord's authorized agents as soon as possible after such entry. Landlord agrees to indemnify, defend and hold Tenant harmless from and against any loss, cost, expense or damage (including reasonable attorneys' fees and costs) incurred by Tenant as a result of Landlord or Landlord's authorized agents' or contractors' or subcontractors' wrongful entry onto the Leased Premises.

## 24. ESTOPPEL CERTIFICATE

Within thirty (30) business days after written request by Landlord, or upon any sale, assignment or financing of the Leased Premises by Landlord, Tenant agrees to execute, acknowledge and deliver a written statement to any proposed mortgagee or purchaser, and/or to Landlord, certifying, among other things, the following, subject to any modifications necessary to make such statements true and complete: (i) the date the Initial Term or any Option Term of this Lease commenced, the Rent Commencement Date and the date the Initial Term and any Option Term of this Lease expires; (ii) the amount of Rent and the date to which such Rent has been paid; (iii) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (iv) that there are no claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (v) that all conditions under this Lease to be performed by Landlord have been satisfied; and (vi) and such other matters as Landlord may reasonably request.

Landlord's Initials TL

Tenant's Initial PB



## 25. SUBORDINATION; NON-DISTURBANCE AND ATTORNMENT

Tenant agrees that this Lease shall be and is hereby made subject and subordinate to the lien of any mortgage or deed of trust created by Landlord that is now or hereafter placed upon the Leased Premises; provided, however, in the event of foreclosure or enforcement of any such mortgage or deed of trust, the rights of Tenant hereunder shall survive and this Lease shall in all respects continue in full force and effect, and Tenant shall attorn to the holder of any such mortgage or deed of trust created by Landlord or any person(s) acquiring the Leased Premises at any sale or other proceeding provided such holder or person(s) assumes the obligations of the Landlord under this Lease. Upon written request by Landlord, mortgagee or any person(s) who acquired the Leased Premises at any sale or other proceeding, Tenant agrees to execute within thirty (30) days of said request, any documents which may be reasonably required to additionally evidence such subordination, non-disturbance and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section 25 are conditioned on the holder of such mortgage or deed of trust and each person acquiring the Leased Premises at any sale or other proceeding not disturbing Tenant's occupancy and other rights under the terms and conditions of this Lease.

## 26. FINANCIAL STATEMENTS

Prior to signing this Lease, Tenant shall provide Landlord with a copy of Tenant's latest unaudited Balance Sheet, Income Statement, and Statement of Cash Flows as they are kept in the ordinary course of business. Landlord agrees to treat the foregoing financial statements as confidential and not to disclose, divulge or disseminate such financial statements or information contained therein to any other person, without Tenant's prior written approval.

## 27. GROSS SALES

A. Definition. The term "Gross Sales" as used herein shall be construed to include (i) the entire amount of the actual sales price, whether for cash or credit or a combination of both, of all sales of merchandise or services (including gift and merchandise certificates); (ii) all other receipts whatsoever of all business conducted in or from the Leased Premises, including mail or telephone orders taken or filled at the Leased Premises; (iii) all deposits not refunded to purchasers; and (iv) orders taken or received, although said orders may be filled elsewhere. No deduction shall be allowed for uncollected or uncollectible credit accounts.

B. Exclusions. Gross Sales shall not include: (i) any sums collected and paid out for any sales or excise tax imposed by any duly constituted governmental authority; (ii) any cash or credit refund made upon any sale where the merchandise sold or some part thereof, is thereafter returned by the purchaser and accepted by Tenant; or (iii) sales of fixtures which are not a part of Tenant's stock in trade.

C. Gross Sales Report. Upon the sale, assignment or finance/re-finance of the Mall, Tenant shall deliver to Landlord, within thirty (30) days of Landlord's written request, a one-time only unaudited statement showing the amount of Gross Sales for the previous twelve (12) month period.

## 28. NOTICES

Any notice or communication required or permitted to be given by any Party hereto upon the

Landlord's Initials TW

Tenant's Initial DB



Party shall be deemed given or served in accordance with the provisions of this Lease when delivered or mailed as follows: Notices shall be personally delivered or mailed by United States Registered or Certified Mail, return receipt requested, postage prepaid or delivered to a courier who guarantees overnight delivery, properly addressed as follows:

As to Landlord: North Salisbury Realty, LLC  
c/o Namdar Realty Group, LLC  
150 Great Neck Road, Suite 304  
Great Neck, New York 11021

As to Tenant: W. S. Badcock Corporation  
Attention: Real Estate Department  
205 N.W. 2<sup>nd</sup> Street  
P.O. Box 232  
Mulberry, Florida 33860

Each such notice or communication shall be deemed to have been given to the Party to which addressed on the date the same is delivered, if personally delivered, or on the day after it is deposited with a courier service guaranteeing overnight delivery, or three (3) days after deposited in United States Registered or Certified Mail, return receipt requested, postage prepaid, properly addressed in the manner above provided. Either Party hereto may change its address for the service of notice hereunder by delivering written notice of said change to the other Party hereunder in the manner provided above ten (10) days prior to the effective date of said change.

## 29. ANCHOR CO-TENANCY

If at any time during the Initial Term or Option Terms of this Lease Belk or JC Penney shall close its business thereby creating an anchor tenant vacancy ("**Anchor Vacancy**"). Landlord shall have a nine (9) months from the date of Anchor Vacancy to fill the vacated space ("**Vacated Space**") with a regional or national retail anchor tenant, which shall be defined as a retail tenant with twenty-five (25) or more locations nationwide and occupying no less than seventy percent (70%) of the Vacated Space. If, at the end of the 9-month period, the Vacated Space has not been filled by Landlord, Tenant shall immediately begin paying half of the amount of Rent set forth in Section 3 above for the then current Term. If, after twenty-four (24) months from the date of Anchor Vacancy, Landlord still has not filled the Vacated Space with a national or regional retail anchor tenant as defined above, Tenant shall have the right to either (i) terminate this Lease upon written notice within thirty (30) days from receiving Landlord's written notice and shall thereupon be released from any further liability hereunder and Landlord shall return to Tenant any unaccrued Rent; or (ii) elect not to terminate this Lease and return to paying the Rent amount set forth in Section 3 above for the then current Term as of the date which is twenty-four (24) months from the date of Anchor Vacancy.

## 30. SURRENDER OF LEASED PREMISES

Tenant shall surrender to Landlord possession of the Leased Premises upon the expiration of the Term of this Lease, or its termination in any way, in as good condition and repair as the same shall be on the Lease Commencement Date, ordinary wear and tear, or damage, destruction or loss by fire, flood, storm or other casualty, civil commotion and condemnation excepted. Upon such termination of the tenancy granted hereunder, Tenant shall have the authority to remove from the

Landlord's Initials IN

Tenant's Initial PB



Leased Premises all of its merchandise, trade fixtures and signage, notwithstanding the fact that the same may have heretofore been bolted or otherwise affixed to such Leased Premises, all conditioned upon Tenant not then being in default hereunder and the repair by Tenant of any damage resulting from such removal. All alterations, additions or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

### **31. HOLDOVER**

If Tenant or any party claiming under Tenant remains in possession of the Leased Premises, or any part thereof, after any expiration or earlier termination of this Lease, such holdover, except pursuant to an exercise of an Option Term set forth in Section 2E above or extension of this Lease as otherwise agreed in writing, shall be as a month-to-month tenancy, terminable by either Party upon thirty (30) days written notice to the other Party, and the provisions of this Lease shall be applicable.

### **32. ATTORNEYS' FEES AND COURT COSTS**

If either Party is required to bring any action to enforce their respective rights and obligations under this Lease, the prevailing Party to such action shall be entitled to attorneys' fees and court costs.

### **33. RIGHTS OF SUCCESSORS AND ASSIGNS**

This Lease and all the covenants, provision, and conditions herein contained shall apply to, be binding upon, and inure to the benefit of the Parties hereto and their heirs, distributees, executors, administrators, personal representatives, successors and assigns, provided, however that no assignment by, from, through or under Tenant not in strict compliance with the provision hereof shall vest in the assignee any right, title or interest whatever in this Lease or in the Leased Premises.

### **34. TIME OF THE ESSENCE**

Time is of the essence in respect to all matters provided in this Lease. Landlord shall notify Tenant immediately upon acceptance of this Lease.

### **35. SEVERABILITY**

If any clause or provision of this Lease shall prove to be invalid, void, unenforceable or illegal under present or future laws, then and in that event, it is the intention of the Parties hereto that the remainder of this Lease shall in no way be affected, impaired, or invalidated thereby, but shall remain in full force and effect. It is also the intention of the Parties to this Lease that in lieu of each clause or provision of this Lease that shall prove to be invalid, void, unenforceable or illegal, there be added, as a part of this Lease, a clause or provision as similar in terms to such invalid, void, unenforceable or illegal clause or provision as may be possible and be valid, enforceable and legal.

### **36. RECORDING**

The Parties covenant and agree that this Lease shall not be recorded, but upon written request of Landlord or Tenant, both Parties will execute a short-form notice or memorandum of lease that may be recorded.

Landlord's Initials IN

Tenant's Initial PB



### 37. WAIVER OF JURY TRIAL

The Parties hereby waive trial by jury in any action, proceeding, or counterclaim brought by either Party against the other arising out of this Lease or Tenant's use or occupancy of the Leased Premises.

### 38. REMEDIES CUMULATIVE

The various rights, options, elections, powers and remedies contained in this Lease, including the rights herein granted to terminate this Lease, shall be construed as cumulative and no one of them shall be exclusive of any of the others, or of any other legal or equitable remedy which either Party might otherwise have in the event of breach or default in the terms hereof, and the exercise of one right or remedy by such Party shall not impair its right to any other right or remedy until all obligations imposed upon the other Party have been fully performed. It is intended that each of the agreements and covenants of Landlord and Tenant set forth herein be deemed both a covenant and a condition.

### 39. NO JOINT VENTURE OR PARTNERSHIP

Neither Party, in any way or for any purpose, shall become a partner of the other Party in the conduct of its business, or otherwise, or joint venture or a member of a joint enterprise with the other Party under this Lease.

### 40. BROKERAGE COMMISSION AND FINDER'S FEE

Shopping Center Group, LLC, Tenant's representative, shall be paid its finder's fee by Landlord pursuant to a separate agreement. Tenant shall in no way be responsible for said finder's fee. Each of the Parties represents and warrants that, other than the finder's fee so payable to Shopping Center Group, LLC, there are no other brokerage commissions or finders' fees of any kind due in connection with this Lease, and each of the Parties hereto shall indemnify the other against, and hold it harmless from, any and all liabilities, damages, costs, claims and obligations arising from any such claim (including, without limitation, reasonable attorneys' fees in connection therewith).

### 41. NO WAIVER

No waiver of any default hereunder shall be implied from any omission by either Party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver, and then only for the time and to the extent therein stated. No delay or omission by either Party hereto to exercise any right or power accruing upon any noncompliance or default by the other Party with respect to any of the terms hereof, or otherwise accruing hereunder, shall impair any such right or power to be construed to be a waiver thereof. One or more waivers of any breach of any covenant, term or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by a Party to or of any act by the other Party requiring the former Party's consent or approval shall not be deemed to waive or render unnecessary such former Party's consent or approval to or of any subsequent similar acts by the other Party.

Landlord's Initials JW

Tenant's Initial PB



#### 42. CONFIDENTIALITY

The Parties agree that this Lease is confidential and neither Party shall, without the other Party's prior written consent, disclose the contents of this Lease or any information related to this Lease to any third party.

#### 43. GOVERNING LAW

This Lease shall be governed and construed under the laws of the State of North Carolina. Tenant represents and warrants that throughout the terms of this Lease, Tenant is and shall be a valid legal entity, duly licensed to do business in the State of North Carolina.

#### 44. ENTIRE AGREEMENT; AMENDMENT

This Lease and the exhibits attached hereto forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them. Tenant agrees that Landlord and its agents have made no representations or promises with respect to the Leased Premises or the building or property of which the same are a part except as herein expressly set forth.

#### 45. COUNTERPARTS

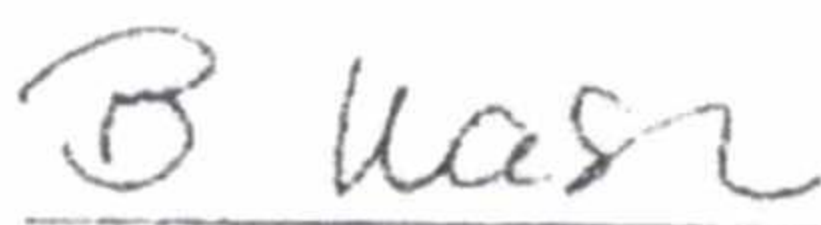
This Lease may be executed in one or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement the day and year first above written.

Witnesses as to Landlord:

  
\_\_\_\_\_  
Signature

BYRON HAKIM  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Signature

BARBIE KASHI  
\_\_\_\_\_  
Print Name

LANDLORD:

NORTH SALISBURY REALTY, LLC

By:   
\_\_\_\_\_  
Igal Samdar, Member

Date: 3/1/13  
\_\_\_\_\_

Landlord's Initials 

Tenant's Initial 



Witnesses as to Tenant:

Caroline McBride  
Signature

Caroline McBride  
Print Name

Elizabeth Cleveland  
Signature

Elizabeth Cleveland  
Print Name

TENANT:

W. S. BADCOCK CORPORATION

By: Phillip E. Bayt  
Phillip E. Bayt, Vice President

Date: 2/22/13

Landlord's Initials JW

Tenant's Initial PB



EXHIBIT "A"

SITE PLAN

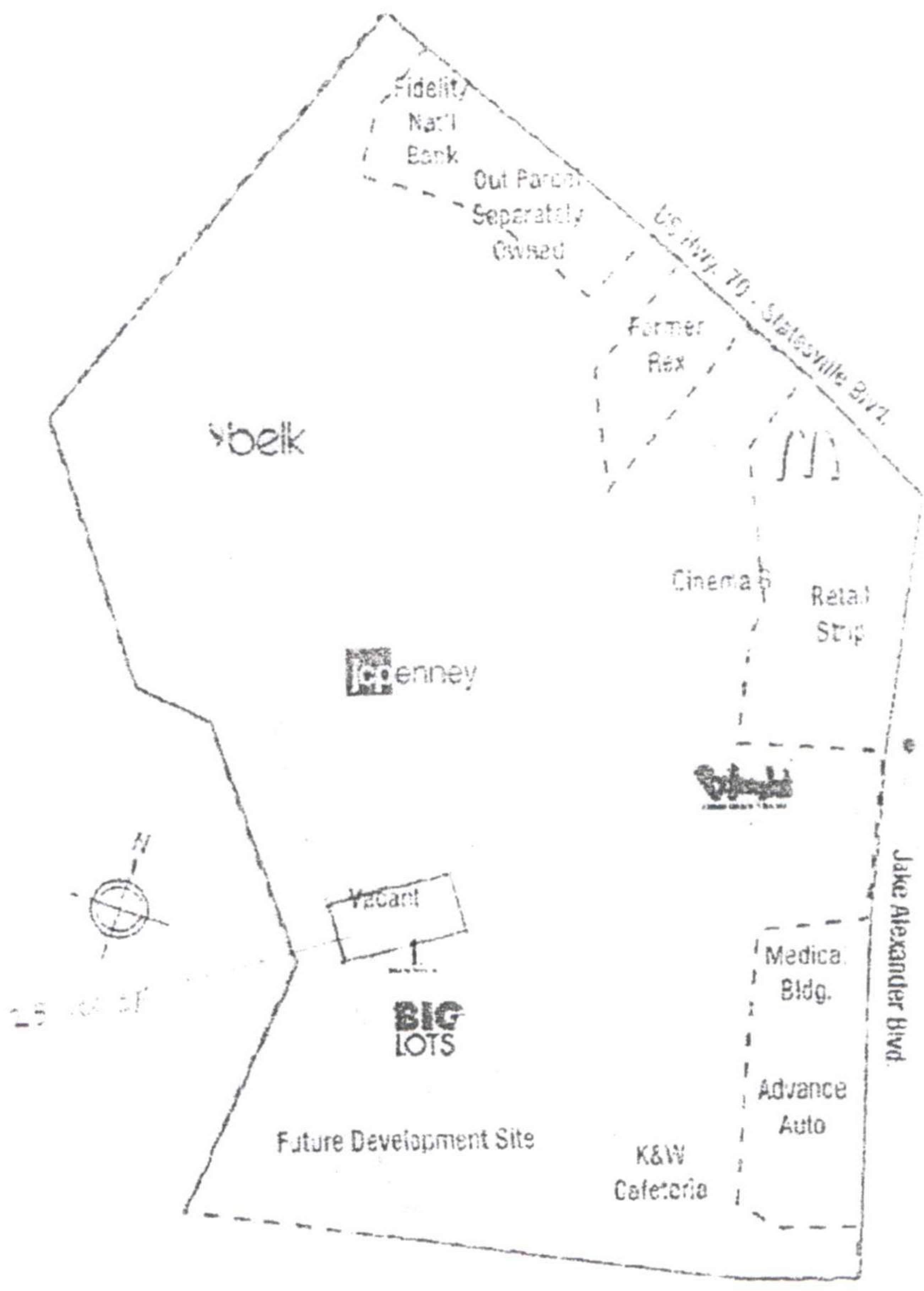
Landlord's Initials JW

Tenant's Initial PB



# Exhibit "A"

## SITE PLAN



Salisbury Mall



EXHIBIT "B"

PYLON SIGN

Landlord's Initials IN  
Tenant's Initial PB



Salisbury  
• M • A • L • L •

belk  
JCPenney

STEAKHOUSE &  
SPORTS THEATRE

Exhibit 'B'



# Salisbury

• M • A • L • L •

 belk

JCPenney

**K&W** cafeteria **BIG LOTS**

**DOLLAR  
TREE**

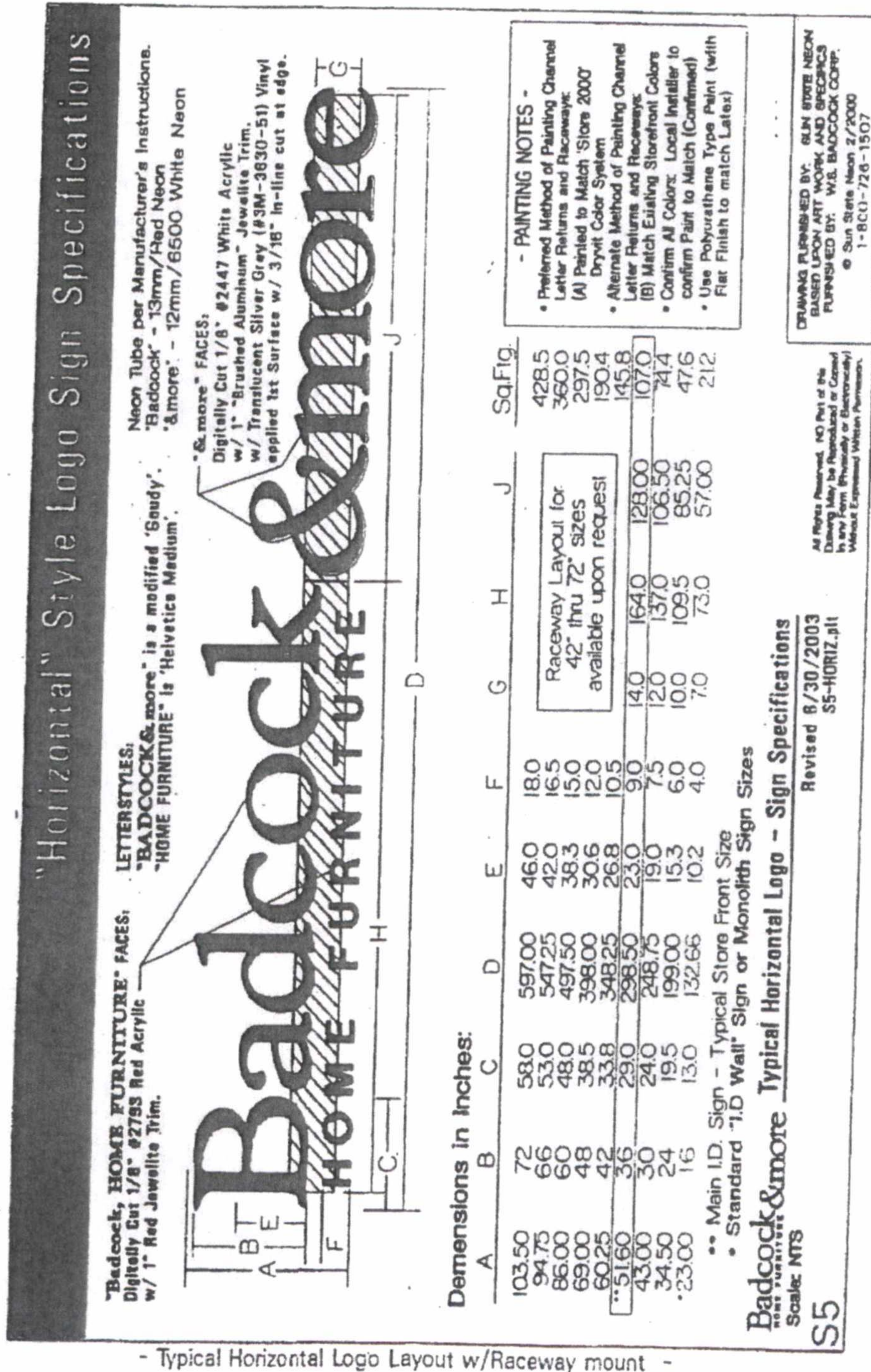


STEAKHOUSE  
&  
SPORTS THEATRE



# EXHIBIT "C"

## TENANT'S SIGN SPECIFICATIONS



- Typical Horizontal Logo Layout w/Raceway mount -

Landlord's Initials FW

Tenant's Initial PB





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/1/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> GCG Risk Management Consultants LLC Three Parkway North Suite 500 Deerfield IL 60015		<b>CONTACT NAME:</b> Josh Nelson <b>PHONE (A/C, No, Ext):</b> (847) 457-3000 <b>E-MAIL ADDRESS:</b> josh.nelson@gcgfinancial.com <b>FAX (A/C, No):</b> (847) 457-3100	
<b>INSURED</b> W.S. Badcock Corporation dba Badcock Home Furniture & More PO Box 497 Mulberry FL 33860		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> ACE American Insurance Company <b>INSURER B:</b> Navigators Insurance Company <b>INSURER C:</b> Midwest Employers Casualty Company <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	
		<b>NAIC #</b> 22667 42307 23612	

**COVERAGES****CERTIFICATE NUMBER:** 21-22**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		XSLG72487886	10/23/2021 (endorsed effective 7/1/2022)	10/23/2022	EACH OCCURRENCE \$ 2,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000						
	MED EXP (Any one person) \$ 10,000						
	PERSONAL & ADV INJURY \$ 2,000,000						
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			ISAH25548449	10/23/2021 (endorsed effective 7/1/2022)	10/23/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	BODILY INJURY (Per person) \$						
	BODILY INJURY (Per accident) \$						
	PROPERTY DAMAGE (Per accident) \$						
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			CH21UMRZ03CNEIV	10/23/2021 (endorsed effective 7/1/2022)	10/23/2022	EACH OCCURRENCE \$ 10,000,000
	AGGREGATE \$ 10,000,000						
A	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A			WLRC68909958	10/23/2021 (endorsed effective 7/1/2022)	10/23/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	E.L. EACH ACCIDENT \$ 1,000,000						
	E.L. DISEASE - EA EMPLOYEE \$ 1,000,000						
	E.L. DISEASE - POLICY LIMIT \$ 1,000,000						
C	<b>Excess Workers Compensation</b> Per Statute			EWC008743	07/01/2021	07/01/2023	Employers Liability \$1M/1M/1M

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Loc#179 1935 Jake Alexander Boulevard West, Salisbury, NC 28147

Rowan County is included as an Additional Insured with respect to the General Liability.

**CERTIFICATE HOLDER****CANCELLATION**

Rowan County, North Carolina 130 W. Innes Street Salisbury, NC 28144	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Steve Felker/ANE 

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ACORD 25 (2014/01)

INS025 (201401)

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