

**INDEXING INSTRUCTIONS:**

Lot 3, Section B, Bishop Subdivision, in Section 30, Township 1, Range 7 West, Desoto County, Mississippi, as shown on plat recorded in Plat Book 53, Desoto County, Mississippi

STATE OF MISSISSIPPI  
COUNTY OF DESOTO

STATE MS. - DESOTO CO.  
FILED

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**LEASE CONTRACT AND AGREEMENT**

BK 84 PG 718  
W.F. DAVIDSON CLK.

**THIS LEASE** is made and entered into in the City of Southaven, DeSoto County, Mississippi, effective January 1, 2000, by and between A and B Investments (hereafter "Lessor" or "Landlord"), and Sales Concepts, Inc., a Mississippi corporation (hereafter "Lessee" or "Tenant").

**FOR AND IN CONSIDERATION OF** the rental payments herein agreed upon and the mutual covenants and promises herein expressed, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby enter into the following Lease Agreement whereby Lessor leases unto Lessee, and Lessee leases from Lessor the real property described in Exhibit "A" attached hereto and made a part hereof by reference, together with any building and improvements located thereon and any appurtenances applicable thereto (hereafter "Leased Property").

**I. TERM**

The term of this Lease (hereinafter "primary term") shall be for a period of sixty (60) months, commencing January 1, 2000, and ending December 31, 2004.

**II. RENTAL**

Lessee shall pay unto Lessor as rent during the term hereof the sum Ninety Thousand and no/100 Dollars (\$90,000.00) annual rent, payable in monthly installments of \$7,500.00 per month and due and owing on the 1<sup>st</sup> day of each month, commencing January 1, 2000, and continuing throughout the term of this Lease and until the expiration hereof. All such rental payments shall be made payable at 9553 Plantation Drive, Olive Branch, Mississippi 38654, or at such other place as Lessor may designate in writing, without notice or demand from Lessee.

**III. CONDITIONS**

A. **Tenant's Acceptance of Property.** At the commencement of the term, Tenant shall accept the building, improvements, equipment, sidewalks, parking area, furnishings, etc., "as is" and does hereby acknowledge inspection of the same and accepts the same in the condition in which they now exist, without representation or warranty, express or implied, in fact or by law, by Landlord,

and without recourse to Landlord as to the nature, condition, or usability thereof, or the uses to which the Leased Property may be put. In no event shall Landlord be liable for any defect, latent or otherwise, in such property or for any limitation on its use.

B. Assignment of Lease. Tenant shall not assign, mortgage, or encumber this Lease, nor sublet or permit the Leased Property or any part thereof to be used by others without the prior written consent of Landlord in each instance. If this Lease is assigned or if the Leased Property or any part thereof is sublet without the prior written consent of Landlord or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the rent herein reserved. No such assignment, subletting, occupancy, or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant, or occupant as a tenant, or a release of Tenant from the further performance by Tenant of the covenants in this Lease. The consent by Landlord to an assignment or subletting shall not be construed to relieve Tenant from obtaining the consent in writing of Landlord to any further assignment or subletting.

C. Use and Occupancy Restrictions. Tenant hereby agrees to restrict his use and occupancy of the premises herein leased to those activities normally associated with the business of Sales Concepts, Inc., and hereby covenants not to use said premises for any unlawful or other purpose or make use of said premises in such way as would cause additional rates of any insurance.

D. Lessor's Right of Inspection. At all times during Lessee's business hours, Lessor shall have the right to enter the Leased Property for the purpose of inspecting the Leased Property.

E. Property Taxes. It is agreed and understood by the parties that Lessor shall pay all taxes assessed against the building hereby leased.

F. Maintenance. Lessor shall maintain the exterior of the building and improvements hereby leased, including the exterior walls and roof. Lessee shall maintain the interior of the Leased Property, including glass and windows, and shall be responsible for all other maintenance including, without limitation, janitorial service and upkeep and maintenance on all appliances, plumbing, air conditioning, heating units and hot water heaters. In addition, Lessee shall maintain the lawn and landscape at its own expense.

G. Utilities. Lessee agrees to pay all utilities including, without limitation, all water, gas, telephone, and electricity bills associated with Tenant's use of said premises during the term of this Lease.

H. Improvements. No alteration, addition, or improvement to the Leased Property shall be made by Tenant without the written consent of the Landlord. Any alteration, addition, or improvement made to the Leased Property shall be made at the sole expense of Tenant and shall become a part of the Leased Property to which all right, title, and interest shall belong to Lessor unless same can be removed with only minimal harm to the Leased Property.

I. Public Liability and Property Damages Insurance. Lessee shall, at its own expense, maintain public liability and property damage insurance with a single combined liability limit of not less than One Million and No/100 Dollars (\$1,000,000.00), insuring against all liability of Lessee and its authorized representatives arising out of or in connection with the Lessee's lease, use and/or occupancy of the Leased Property, building, and all improvements. Lessor shall be named as an additional insured, and all policies shall contain cross-liability endorsements. All public liability and property damage insurance acquired under this Lease shall:

1. be issued by and binding upon a solvent insurance or insurance companies qualified and admitted to do business in Mississippi;
2. be a primary policy or a combination of a primary policy and an excess liability policy; and
3. contain an endorsement requiring thirty (30) days written notice from the insurance company to Lessor and Lessee before cancellation of the policy shall be effective.

A certificate of each policy shall be deposited with Lessor on or before the commencement date of this Lease and, upon renewal or cancellation thereof, a new certificate shall be deposited with Lessor not less than twenty (20) days before the expiration or termination of the policy then in effect.

J. Fire and Extended Coverage Insurance. Lessee shall maintain, at its expense, a standard fire and extended coverage insurance policy issued by and binding upon a solvent insurance company licensed, qualified, and admitted to do business in the State of Mississippi, insuring on behalf of Lessor the building and improvements to the extent of their full replacement value. Lessor shall not insure, nor have any duty or obligation to insure, any furniture, equipment, machinery, trade fixtures, good, or other personal property that Lessee may bring or maintain upon the Leased Property nor shall Lessor be liable for damage or destruction to any of such property from any cause. Lessee shall also maintain fire and extended coverage insurance on all of Lessee's furniture, equipment, machinery, trade fixtures, goods, supplies, or other personal property.

K. Surrender in Same Good Order and Condition. Tenant's Option to Remove His Property. Landlord's Right to Unremoved Property. Tenant shall vacate the Leased Property in the good order and repair in which such property now is, ordinary wear and tear and casualties by accidental fire not occurring through the Tenant's negligence alone excepted, and shall remove all its personal property therefrom so that the Landlord can repossess the Leased Property not later than noon on the day upon which this Lease or any extension thereof expires, whether upon notice, holdover, or otherwise. Landlord shall have the same rights to enforce this covenant by ejectment and for damages or otherwise as for the breach of any other condition or covenant of this Lease. Tenant may at any time prior to or upon the termination of this Lease or any renewal or extension thereof remove from the Leased Property all materials, equipment, and property of every other sort or nature owned and installed by the Tenant thereon, provided that such property is removed without substantial injury to the Leased Property. No injury shall be considered substantial if it is promptly

corrected by restoration to the condition prior to the installation of such property, if so requested by Landlord. Any such property not so removed shall become the property of Landlord.

L. Prohibition of Signs. Consent of Landlord Not to be Unreasonably Withheld. Except as hereinafter provided, Tenant shall not, without Landlord's consent, place or erect any signs of any nature on any part of the Leased Property, the sidewalk adjoining the Leased Property, or on any part of Landlord's property adjacent to the Leased Property. Landlord will not unreasonably withhold its consent to the placement of a sign of reasonable size bearing Tenant's trade name, but the location, colors, materials, styles, and size of such sign shall be subject to Landlord's absolute right of approval and the limitations and restrictions of state and local ordinances applicable thereto.

M. Landlord to Repair. Rent Abatement During Repair. Termination of Lease upon Complete Destruction. In case of damage by fire or other casualty to the building in which the Leased Property is located, without the fault of Tenant, if the damage is so extensive as to amount practically to the total destruction of the Leased Property or of such building, this Lease shall, at the option of Lessee, cease, and the rent shall be apportioned to the time of the damage. In all other cases where the Leased Property is damaged by fire or other casualty without the fault of Tenant, Landlord shall, at its option, repair the damage with reasonable dispatch, if Lessor deems reasonable, and if the damage has rendered the Leased Property untenable, there shall be an apportionment of the rent until the damage has been repaired. In determining what constitutes reasonable dispatch, consideration shall be given to delays caused by strikes, adjustment of insurance, and other causes beyond Landlord's control.

N. Right of Entry Upon Abandonment. Landlord's Rights to Relet. Liability of Tenant. If at any time during the lease term, the Leased Property or any part thereof shall be abandoned by Tenant, Landlord may, at its option, enter into the Leased Property by force or otherwise without being liable for any prosecution therefor, and without becoming liable to Tenant for damages or for any payment of any kind whatsoever, and may, in its controlled discretion, as agent of Tenant relet the Leased Property, or any part thereof, for the whole or any part of the then unexpired term and, for the purposes of such reletting, Landlord may make alterations and modifications of the Leased Property, and may receive and collect all rent payable by virtue of such reletting and, if Landlord shall, because of nonpayment of rent or other breach of condition or covenant or agreement, re-enter and repossess the Leased Property pursuant to the conditional limitations contained herein, by summary proceedings, force, or otherwise, Landlord may, at its option, hold Tenant liable for the difference between the rent and other charges that would have been payable hereunder during the residue of the lease term, if this Lease had continued in force, and the net rent for such period realized by Landlord by means of reletting to any other tenant(s), on such terms and conditions as may, in the uncontrolled discretion of Landlord be provided, and Tenant shall pay monthly in advance, at such periods as the rent hereunder would have fallen due if this Lease continued, the differential between the original amount of each monthly payment, as herein provided plus such sums, if any, due from Tenant as additional and augmented rent, and the net proceeds of reletting after deducting expenses of every nature and description incurred by Landlord, including, without limitation, commissions and the cost of all alterations and modifications to the Leased Property made in reletting same.

O. Reimbursement of Litigation Expenses. Expenses Deemed Landlord's Lien. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, Tenant shall pay all costs and reasonable attorney's fees incurred by or against Landlord in enforcing the covenants, terms, and provisions of this Lease, or in terminating this Lease by reason of Tenant's default; and all such costs and reasonable attorney's fees, if paid by Landlord and payment of all monies provided in this Lease to be made by Tenant, shall if paid by Landlord, be, and they are, hereby declared to be a Landlord's lien upon any building and improvement and Tenant's interest in any personal property placed upon the premises at any time during the term of this Lease and upon the leasehold interest hereby created, and upon the rent of any building and improvement situated upon the premises at any time during the term of this Lease.

P. Landlord's Right to Cause Expiration Upon Listed Defaults. Recovery of Rent for Balance of Term Less Reasonable Rental Value.

1. Landlord may give Tenant fifteen (15) days notice of intention to terminate this Lease in any of the following circumstances:
  - a. If Tenant shall be in default in the performance of any covenant of this Lease and if such default is not cured within fifteen (15) days after written notice thereof given by Landlord to Tenant or, if such default shall be of such nature that it cannot be cured completely within such fifteen-day period or shall not thereafter proceed with reasonable diligence and in good faith to remedy such default;
  - b. If Tenant shall be adjudicated as bankrupt, make a general assignment for the benefit of creditors, or take the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for Tenant's property and such appointment is not vacated within ninety (90) days. For these purposes, "Tenant" shall mean the tenant then in possession of the Leased Property;
  - c. If the Leased Property appears to have permanently become vacant or deserted for a period in excess of thirty (30) days;
  - d. If this Lease shall be assigned or the Leased Property sublet other than in accordance with the terms of this Lease; and
  - e. If Tenant shall be in default in the payment of any rental sums or other monetary obligations incurred hereunder.
2. If Landlord shall give the fifteen-day notice of termination provided in subparagraph 1 (a) of this paragraph P, then at the expiration of such period, this Lease shall terminate as completely as if that were the date herein definitely fixed for the expiration of the term of this Lease, and Tenant shall then surrender the Leased Property to Landlord. If this Lease shall so

terminate, it shall be lawful for Landlord, at its option and without formal demand or notice of any kind, to remove Tenant therefrom without being liable for any damages therefor. Upon termination of this Lease, as herein provided, Landlord shall have the right, at its election, to terminate any sublease then in effect, without the consent of the sublessee concerned.

3. Tenant shall remain liable for all its obligations under this Lease, despite the Landlord's re-entry, and Landlord may relet or use the Leased Property as agent for Tenant, if Landlord so elects. Tenant waives any legal requirement for notice of intention to re-enter and any right of redemption.
4. Nothing in this Article shall be deemed to require Landlord to give Tenant any notice, other than such minimum notice as may be required by statute, prior to the commencement of an unlawful detainer action for nonpayment of any basic rent or additional rent, it being intended that the 15-day notice provided hereunder is only for the purpose of creating a conditional limitation hereunder pursuant to which this Lease shall terminate.
5. Time is of the essence of this Lease with respect to the performance by Tenant of its obligation hereunder.

Q. No Waiver of Landlord's Rights Through Failure to Seek Redress or Receipt of Rent. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt of rent by Landlord with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach.

R. Notice by Registered or Certified Mail. Any notice under this Lease must be in writing and must be sent by registered or certified mail to the last address of the party to whom the notice is to be given, as designated by such party in writing. Landlord hereby designates its address as 9553 Plantation Drive, Olive Branch, MS 38654. Tenant hereby designates its address as 6562 Dogwood View Parkway, Jackson, Mississippi 39213.

S. Renewal of Lease, Option to Purchase. Lessor grants unto Lessee herein an option to renew this Lease ("secondary term") for one (1) consecutive five-year term upon the expiration of the primary term, on the same terms and conditions as this Lease. Exercise of this option shall be made by Lessee by written notice to Lessor within thirty (30) days prior to the expiration of this Lease. In addition, at the end of year three, Lessee shall have the option to purchase the leased premises for its fair market value. The Lessee and Lessor shall each select an appraiser and the average of the two appraisals shall be the fair market value, regardless of whether the termination is of the primary term or a renewal term. This lease shall renew automatically for one year periods upon the expiration hereof, unless Lessor shall provide to Lessee with written notice of termination at least 30 days prior to the termination hereof.

T. Relationship of Parties. Each party hereto does hereby acknowledge that the relationship created hereunder is solely that of Landlord (Lessor) and Tenant (Lessee). Each party hereto assumes total and complete responsibility for his or its respective acts and/or omissions which may create liability of any kind or character to third parties.

U. Lease Binding Upon Heirs, Executors, Administrators, Successors, and Assigns of Landlord and Tenant. The covenants, terms, conditions, provisions, and undertakings in this Lease or in any renewals thereof shall extend to and be binding upon the heirs, executors, administrators, successors, and assigns of the respective parties hereto, as if they were in every case named and expressed, and shall be construed as covenants running with the land; and wherever reference is made to either of the parties hereto, it shall be held to include and apply also to the heirs, executors, administrators, successors, and assigns of such party, as if in each and every case so expressed. In the event of the Lessor's death, this lease shall continue in full force and effect and all of Lessor's right, title and interest herein shall pass in accordance with his Last Will and Testament and/or other operative estate planning and testamentary documents.

V. Entire Agreement. This Lease contains the entire agreement between the parties and cannot be changed, altered, or amended without the express written consent of all parties hereto. This Agreement shall be construed under the laws of the State of Mississippi.

A AND B INVESTMENTS

BY: Brenda L Schmidt  
\_\_\_\_\_, LESSOR

SALES CONCEPTS, INC., a Mississippi Corporation,

BY: Curran Carnell  
CURRAN CARNELL, PRESIDENT,  
LESSEE

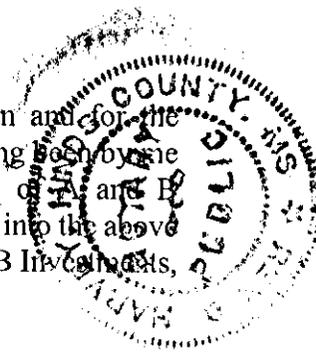
ATTEST:

\_\_\_\_\_  
SECRETARY

STATE OF MISSISSIPPI

COUNTY OF DeSoto

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the jurisdiction aforesaid, the within named Brenda Schmitt, who, after having been first duly sworn, stated on his/her oath that he/she is \_\_\_\_\_ and B Investments, and that in such capacity he/she signed, executed, delivered, and entered into the above and foregoing Lease Contract and Agreement as the voluntary act and deed of A and B Investments, after having been duly authorized so to do.



SWORN TO AND SUBSCRIBED BEFORE ME, this the 6th day of January, 2000.

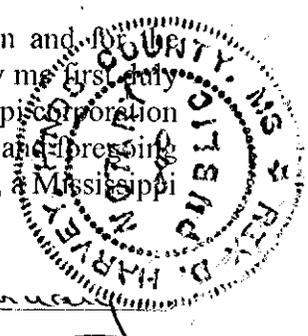
Rex D. Harvey  
NOTARY PUBLIC

My Commission Expires:  
MISSISSIPPI STATEWIDE NOTARY PUBLIC  
MY COMMISSION EXPIRES AUG. 30, 2002  
BONDED THRU STEGALL NOTARY SERVICE

STATE OF MISSISSIPPI

COUNTY OF DeSoto

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the jurisdiction aforesaid, the within named Curran Carnell, who, after having been by me first duly sworn, stated on his oath that he is the President of Sales Concepts, Inc., a Mississippi corporation and that in such capacity he signed, executed, delivered, and entered into the above and foregoing Lease Contract and Agreement as the voluntary act and deed of Sales Concepts, Inc., a Mississippi corporation, after having been duly authorized so to do.



2000 SWORN TO AND SUBSCRIBED BEFORE ME, this the 6th day of January, 1999.

Rex D. Harvey  
NOTARY PUBLIC

My Commission Expires:

EXHIBIT "A"

Lot 3, Section B, Bishop Subdivision, in Section 30, Township 1, Range 7 West, Desoto County, Mississippi, as shown on plat recorded in Plat Book 53, Desoto County, Mississippi

