

FOR DISCUSSION PURPOSES ONLY

**STATE OF ALABAMA
COUNTY OF LIMESTONE**

STANDARD COMMERCIAL/INDUSTRIAL BUILDING LEASE

THIS STANDARD COMMERCIAL/INDUSTRIAL BUILDING LEASE (this “**Lease**”), made this ____ day of February, 2018, by T-H Marine Supplies, Inc., an Alabama corporation, hereinafter referred to as the “**Lessee**”, and Hollingsworth Investments X, a Tennessee general partnership, hereinafter referred to as the “**Lessor**.”

PREMISES 1. The Lessor, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, reserved and contained, to be paid, kept and performed by the Lessee, has leased and rented, and by all these presents does lease and rent, unto the said Lessee and said Lessee hereby agrees to take upon the forms and conditions which hereinafter appear, the following described property (hereinafter called “**Premises**” as shown on Exhibit A (site plan), including all easements and right of ways of record within the property’s lease lines) and a 108,960 S.F. building on approximately 14.63 +/- acres in SouthPoint Business Park on Lot 2 to wit: 5950 Endeavor Way, Mooresville, Alabama 35649 and as improved in accordance with Exhibits: A, B and C.

TERM 2. To have and to hold for a term of twenty (20) years, said term to begin on the 1st day of June, 2018 and ending on the 31st day of May, 2038. The term of the Lease shall automatically extend for the term defined in the Addendum unless the Lessee gives the Lessor written notice that Lessee does not intend to extend the Lease at the expiration of the current lease term or a renewal thereof, which is due to expire. The notice must be served personally or mailed by certified mail so that Lessor has receipt of such notice at least six (6) months prior to the expiration of the then current Term.

RENTAL 3. Lessee agrees to pay for the leased Premises without demand, deduction, or set-off except as provided by state law. Rental for the Lease term is payable in monthly installments as set forth in Addendum No. 1 payable in advance on or before the 1st day of each month during the term (the “**Base Rental Amount**”). In the event the rent is not received by the 5th day of any month, Lessee shall pay the late fee of \$250.00 plus \$1,000.00 per day after the 5th day of the month. In addition to the rental amount, the Lessee agrees to pay two months’ rent as damage deposit that will be refunded at the end of Lease minus damages that are beyond normal wear and tear. Said damage deposit is due upon execution of this Lease. This Lease is, and shall be interpreted as, a “Triple Net Lease” and, further any amounts payable by Lessee hereunder shall be deemed to be rent for all purposes.

In the event of default by the Lessee (provided such default is not caused by the Lessor) and the failure by Lessee to cure such default within a thirty (30) days period following receipt of notice to remedy said default, the Lessor would then have the right of a rent acceleration clause. If rent acceleration is paid, it would be paid on the basis of the present worth for the future income stream and apply the then current discount rate equal to the prime rate published in the Wall Street Journal on the day of default or if not published on the day of default, the day published nearest the day of default.

UTILITY BILLS 4. Lessee shall pay all utility bills of all types, including but not limited to water and sewer, natural gas, electricity and sanitary pick up bills for the leased premises beginning with the date of beneficial occupancy. As a prerequisite to lease commencement, Lessee must transfer all utilities into the name and responsibility of the Lessee, including all appropriate deposits required by utility companies. If Lessee does not pay same, Lessor may pay the same and such payment shall be added to the rental of the Premises plus any attendant cost for its processing.

MORTGAGEES RIGHTS AND FINANCIAL INFO 5. Lessee’s rights shall be subject to any bona fide mortgage or deed to secure debt which is now, or may hereinafter be placed upon the Premises by Lessor. Lessee agrees to make available annual audited financial statements for review and such other informational documentation as may be required by mortgagee or Lessor. Lessee shall execute and deliver such documents as may be required by any such mortgagee or Lessor to effect any subordination or to consummate funding requirements. However, this specifically does not include any financial obligations by Lessee beyond the obligations stated in this Lease.

MAINTENANCE AND REPAIRS 6. Lessee shall not allow the Premises to fall out of repair or deteriorate, and, at Lessee’s own expense Lessee shall keep and maintain said Premises, including lawn maintenance, trees, shrubs, flowers and landscaping, in good order and repair (ordinary wear and tear excepted), except portions of the Premises to be repaired by Lessor under terms of Paragraph 7 hereinafter set out. Lessee also agrees to keep all systems pertaining to water, sewer, gutters, electrical, heating, ventilation, air conditioning (if any), sprinkler systems, individual signage, lighting and outside drainage including gutter and downspout runoff in good order and repair. If Lessor shall observe any disrepairs or lack of maintenance on the interior or exterior, Lessor will give a ten (10) day written notice to Lessee to repair, and thereafter if repairs are not performed, Lessor will repair said problem and will charge Lessee for repairs plus 50% additional to defray Lessors overhead. Such repair bills will be presented for immediate payment. If such repair bills are not paid within ten (10) days’ time, Lessor will take legal action as needed. Lessee shall be responsible for additional collection and attorney fees that are necessary to collect said bill.

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REPAIRS BY LESSOR

7. Lessor agrees to keep in good repair the roof. Lessor has given Lessee exclusive control of Premises and shall be under no obligation to inspect said Premises. Provided, Lessor shall have the right but not the duty, to reasonably inspect the Premises with prior notice to the Lessee.

ALTERATIONS, REMOVAL OF FIXTURES AND PAINTED FLOOR STRIPING

8.(a) No modifications or alterations to the buildings including site or access changes, material alterations to floors, exterior, drainage, or openings cut through the roof or walls are allowed without prior written consent of the Lessor which consent will not be unreasonably withheld. Lessee shall be liable for structural damage or for any water damage resulting from leaks caused by installing alterations that are approved including skylights and signage attached to building. Alterations must meet all codes and regulations required for the jurisdiction.

If significant modifications or alterations are being made to the Premises, Lessor may require an additional damage deposit to cover the cost of restoration of the Premises based upon the type of modifications or alterations being made by the Lessee.

Lessee may (if not in default hereunder) prior to the expiration of this Lease or any extension thereof, remove all equipment which Lessee has placed on Premises, provided Lessee repairs all damages to Premises caused by such removal. However, at the sole option of Lessor, Lessee shall not remove or cause to be removed any of the following: heating, air conditioning or ventilating components or systems; doors, windows, dock levelers, dock bumpers and seals; wiring, conduit, switches, switch gear, fixtures, panel boxes and breakers; any and all plumbing fixtures and air lines.

8.(b) **Painted Floor Striping.** To prevent long term damages and eliminate difficult restoration, no paint shall be permitted on the concrete flooring of the Premises. In the alternative, Lessee, with advance prior written approval from Lessor, may be permitted to use the following as an alternative: Removable yellow isle marking tape which can be located and purchased from MSC Industrial Supply Co. as Part #00322529. The manufacturer is Presco with the manufacturing Part # A2Y36-445. The website location is <http://www.mscdirect.com/product/details/00322529?rItem=00322529>. This product stays brighter than paint and can be removed at any time with little effort.

RETURN OF PREMISES

9. Lessee agrees to return the Premises to Lessor at the expiration or prior to termination of this Lease in as good condition and repair as when first received, normal wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. A joint inspection will be arranged by Lessee prior to vacating the Premises to discuss and document any damage or necessary repairs. Any un-repaired damage, except normal wear and tear, will be deducted from Lessee's damage deposit, if not paid by Lessee. If the damage deposit is not sufficient to cover the damages, then Lessee will reimburse for any additional costs.

DESTRUCTION OF OR DAMAGE TO PREMISES

10. If Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction, and rental be accounted for as between Lessor and Lessee as of that date. If Premises are damaged, but not wholly destroyed by any such casualties, rental shall abate in such proportion as use of Premises has been destroyed, and Lessor shall restore Premises to substantially the same conditions as before damage as speedily as practicable, where upon full rental shall recommence, provided further, however, that if the damage shall be so extensive that the same cannot be reasonably repaired and restored within six (6) months time from date of casualty, then Lessee may cancel this Lease by giving written notice to the Lessor within thirty (30) days from the date of the casualty. In such event, rental shall be apportioned and paid up to the date of such casualty.

INDEMNITY AND INSURANCE

11. Lessee agrees to indemnify and save harmless the Lessor against all claims for injuries to persons or damages to property by reason of Lessee's use or occupancy of the leased Premises, including, without limitation, environmental liability or damage and all expenses incurred by Lessor because thereof, including attorney's fees and court costs. A Phase I Environmental Study will be conducted during the construction period by the Lessor and an equivalent Phase I or Phase II Environmental Study (whichever is applicable) at the end of the Lease period by the Lessee. Each will pay their respective costs. Premises shall not be used for any illegal purposes, nor in any nuisance or trespass, nor in any manner to violate the insurance, based on the purpose for which the Premises are leased. Premises being used in a manner which violates the insurance, constitutes grounds for default under Paragraph 15 of this Lease.

Lessee agrees to maintain public liability insurance of at least \$1,000,000 per individual injury, \$3,000,000 aggregate and \$1,000,000 property damage liability for any one occurrence naming the Lessor as additional named insured. Also, it is agreed that the Lessee shall furnish \$8,000,000 of insurance in an "all risk" policy to insure the building and property with no greater than \$10,000 deductible, including wind and hail, and any reimbursement for damage will be paid to Lessor by the insurance company plus any deductible will be paid by the Lessee to the Lessor. Lessee shall furnish a copy of the "all risk" policy to Lessor within fifteen (15) days after request by Lessor. Failure to provide a copy of the "all risk" policy to Lessor upon request constitutes grounds for default under Paragraph 15 of this Lease.

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All insurance provided for in this Lease shall be in effect under enforceable policies issued by insurers of recognized responsibility and licensed to do business in this state at least fifteen (15) days prior to the expiration date of any policy, the original renewal policy for such insurance shall be delivered by Lessee to Lessor. Upon Lessor's request, Lessee shall provide Lessor with certifications that the coverage set forth herein is in effect. Within fifteen (15) days after the premium on any policy shall become due and payable, the Lessor shall be furnished with satisfactory evidence of its payment.

If the Lessor so requires, the policies of insurance provided for, shall be payable to the holder of any mortgage, as the interest of such holder may appear, pursuant to a standard mortgage clause. All such policies shall, to the extent obtainable, provide that any loss shall be payable to the Lessor or to the holder of any mortgage notwithstanding any act or negligence of the Lessee which might otherwise result in forfeiture of such insurance. All such policies shall contain agreement by the insurers that such policies shall not be canceled without at least thirty (30) days prior written notice to the Lessor and to the holder of any mortgage to whom loss hereunder may be payable. Lessee will carry, at Lessee's own expense, insurance coverage on all equipment, fixtures and appliances.

GOVERNMENTAL ORDERS

12. Lessee agrees, at its own expense, to promptly comply with all requirements of any legally constituted public authority made necessary by reason of Lessee's occupancy of said Premises. Lessor agrees to promptly comply with any such requirements if not made necessary by reason of Lessee's occupancy. It is mutually agreed that at the option of Lessor, an environmental audit will be performed at the end of said Lease term or at any time during Lease term. All costs of restorations are to be paid by Lessee promptly if it is determined it was caused by Lessee.

CONDEMNATION

13. If the whole of the leased Premises, or such portion thereof as will make the Premises unusable for the purpose herein leased, be condemned by any legally constituted authority for any public use or purpose, then in either of said events, the term hereby granted shall cease from time when possession thereof is taken by public authorities and rent shall be accounted for as between Lessor and Lessee as of that date.

ASSIGNMENT

14. Lessee may not assign this Lease or any interest thereunder, or sublet the Premises in whole or in part, without the prior express written consent of Lessor, which consent will not be unreasonably withheld.

Lessor shall have the right to pledge, convey, transfer or assign, by sale or otherwise, all or part of its interest in this Lease or the Premises subject to the terms and conditions of this Lease. In the event of such a pledge, conveyance, transfer or assignment, all terms and conditions of this Lease shall run with the land and shall be binding upon the subsequent owners.

DEFAULT

15. It is mutually agreed, at the sole option of Lessor, that if one or more of the following events occur and shall continue without cure for thirty (30) days after Lessee's receipt of written notice thereof: (A) The rent herein agreed is not paid at the time and place when and where due; (B) The leased Premises shall be deserted or vacated or the Lessee demonstrates an intention to desert or vacate; (C) The Lessee shall fail to comply with any term, provision, condition, or covenant of this Lease, other than the payment of rent or any material change in the business of Lessee; (D) Lessee causes any lien to be placed against the leased Premises and does not cure same within twenty (20) days; (E) Any attempted holdover (no holdover allowed); (F) Excessive damage above normal wear and tear is being caused with no provisions made for payment of damages; or (G) alterations being made by Lessee to the Premises without specific plans and details being properly submitted and approved by Lessor, Lessor, at its sole option, may elect to:

(1) Terminate this Lease, in which event the Lessee shall immediately surrender the Premises to the Lessor. Lessee agrees to indemnify Lessor for all loss and damage which Lessor may suffer by reason of such termination; whether through inability to re-let the Premises, damages to the facility beyond normal wear and tear, or through decrease in rent, or otherwise.

(2) Lessor, as Lessee's agent, without terminating this Lease, may terminate Lessee's right of possession and, at Lessor's option, enter upon and rent Premises at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Lessor deems proper. Lessee shall be liable for the deficiency, if any, between Lessee's rent hereunder and the price obtained by Lessor in re-letting.

(3) Since no right of holdover is allowed, if Lessee remains in possession of Premises after expiration of the term thereof, with Lessor's acquiescence and without any express agreement of parties, Lessee shall be a tenant for no more than six (6) months, at will at 150%, or maximum allowed by law, of the rental rate in effect at end of Lease and there shall be no renewals of this Lease by operation of law.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity.

ENTRY FOR CARDING, ETC.

16. Lessor may card Premises and with reasonable notice beforehand, "For Rent" or "For Sale" signs, ninety (90) days before termination of Lease. Lessor may enter the Premises at reasonable hours during the term of this Lease to exhibit same to prospective purchasers or tenants and to make repairs required of Lessor under the terms thereof, or to make repairs to Lessor's adjoining property, if any.

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- NOTICES** 17. Any notice given pursuant of this Lease shall be sent with proof of delivery to:
- (a) Lessor in care of:
Hollingsworth Investments X
c/o Joseph A. Hollingsworth, Jr., Managing Partner
Two Centre Plaza
Clinton, Tennessee 37716
- or such other address as Lessor may hereafter designate in writing to Lessee;
- (b) Lessee in care of:
T-H Marine Supplies, Inc.
c/o Jeff Huntley, President
200 Finney Drive
Huntsville, Alabama 35824
- or such other address as Lessee may hereafter designate in writing to Lessor.
- WAIVER OF RIGHTS** 18. No failure of Lessor to exercise any power given Lessor hereunder, or to insist upon strict compliance by Lessee with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Lessor's rights to demand exact compliance with the terms thereof.
- TIME OF ESSENCE** 19. Time is of the essence of this Lease.
- DEFINITIONS** 20. "Lessee" as used in this Lease, shall include its heirs, representatives, assigns, and successors in title to the Premises. "Lessor" shall include its heirs, representatives, assigns, and successors, and if this Lease shall be validly assigned or sublet, shall include also Lessee's assignees or subleases, as to Premises covered by such assignment of sublease. "Lessor" and "Lessee" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.
- EXTERIOR SIGNS** 21. Signage may be erected on the Premises and shall comply with local governmental laws and regulations. Lessee shall be liable for structural damage for any water damage resulting from leaks created by installation or the removal of signage. Any damage to signage must be repaired immediately or thereafter Paragraph 6 applies.
- AD VALOREM TAXES** 22. Lessee shall pay, as additional rent, all ad valorem real taxes assessed and levied against the Premises for full fiscal years within the Lease term and shall pay a per diem apportionment thereof for the fiscal years in which the Lease commences and terminates.
- COMMON AREA MAINTENANCE** 23. Upon the commencement date, Lessee agrees to pay its pro rata share of Common Area Maintenance expenses, if any, of the SouthPoint Business Park. Expenses shall be paid on a calendar year basis within thirty (30) days after the receipt of a statement from the Lessor, therefore. Said Common Area Maintenance expenses shall include, without limitations, all costs of maintaining, cleaning, managing and for the upkeep of all Common Areas, specifically including (if any) common area landscaping and grounds keeping, maintenance and upkeep on front entry signage and common area lighting.
- Tenant's pro rate share of Common Area Maintenance expenses shall be calculated and based upon the ratio which the square footage of the Lessee's leased Premises bears to the square footage of the Net Leasable Premises in the SouthPoint Business Park.
- USE OF PREMISES** 24. Premises shall be only used for Manufacturing/Warehouse purposes.
- USE OF PARKING** 25. Use of Parking Area. Lessor agrees to lease to Lessee the required parking area with curbs and loading areas that are designed for industrial traffic as shown on the attached **Exhibit A**. Any damage to the parking areas, normal wear and tear excepted, will be repaired immediately under the same provisions as Paragraph 6. Lessee specifically agrees that there, at no time, will be unlicensed, inoperable vehicles or trucks on the Premises. After a ten (10) day notice is given to Lessee by Lessor to remove such, Lessor will have the vehicle(s) towed at the expense of the Lessee and will submit invoice for repayment as under Paragraph 6.
- ADDENDUMS** 26. Any and all addenda, amendments, or exhibits to this Lease shall be construed to be a part of this Lease and remain in force during the term of the Lease and any renewal periods unless expressly stated in said addenda, amendments, or exhibits.
- HAZARDOUS SUBSTANCE** 27. (a) **Definition:** As used herein, "**Hazardous Substance**" means any substance that is toxic, ignitable, reactive, or corrosive and is regulated by any local government, the State of Alabama, or the United States of America. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous substance" pursuant to state, federal, or local government law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("**PCB's**"), and petroleum.

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(b) **Lessor’s Covenants and Indemnification:** Lessor covenants that the Premises shall be free of Hazardous Substances as of the commencement date of the term of this Lease. Lessor agrees to indemnify and hold Lessee harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorney’s fees, consultants and expert fees) arising prior to the Lease term from or in connection with the presence or suspected presence of Hazardous Substances in or on the Premises unless the Hazardous Substances are present solely as a result of the breach of the provisions of Subparagraph (c) of this section. Without limitation of the foregoing, this indemnification shall include any and all costs incurred due to any investigation of the Premises or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision unless the Hazardous Substances are present solely as a result of the breach of the provisions of Subparagraph (c) of this section.

(c) **Lessee’s Covenants and Indemnification:** Lessee covenants that during the period of its possession of the Premises, Lessee, its agents, employees, contractors and invitees, shall comply with all federal, state and local Hazardous Substance laws, regulations, and ordinances that are applicable to Lessee’s use of the Premises, the failure of which shall constitute an event of default under this Lease. Lessee agrees to indemnify and hold Lessor harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorney’s fees, consultant and expert fees) arising during or after the Lease term and arising as a result of the default by Lessee, its agents, employees, contractors, or invitees of the foregoing covenant. Without limitation of the foregoing, this indemnification shall include any and all costs incurred due to any investigation of the Premises or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision.

HEADINGS 28. The use of headings, captions and numbers in this Lease are solely for the convenience of identifying and indexing the various provisions of this Lease and shall in no event be considered otherwise in construing or interpreting any provision in the Lease.

AUTHORIZATIONS 29. Lessor represents and warrants that: (a) Lessor has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Lease; and (b) this Lease has been duly executed and delivered by a duly authorized officer of Lessor.

Lessee represents and warrants that: (a) Lessee has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Lease; and (b) this Lease has been duly executed and delivered by a duly authorized officer of Lessee.

THIS LEASE, with addenda and exhibits attached, contains the entire agreement of the parties thereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties, not embodied herein, shall be of any force or effect. If any term, covenant or condition of this Lease or the application thereof to any person, entity or circumstance shall to any extend be invalid or unenforceable, the remainder of this Lease or the application of such term, covenant or condition to persons, entities or circumstances other than those which may be held invalid or unenforceable, shall not be effected thereby, and each term, covenant or conditions of this Lease shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties herein have thereto set their hands and seals, effective as of the day and year first above written.

LESSEE:

T-H MARINE SUPPLIES, INC.

BY: _____
Print Name: _____
Title: _____

Witness

LESSOR:

HOLLINGSWORTH INVESTMENTS X

BY: _____
Print Name: _____
Title: _____

Witness

ATTACHED EXHIBITS, ADDENDA, AMENDMENTS:

- Addendum No. 1
- Exhibit A: Site Plan
- Exhibit B: Floor Plan
- Exhibit C: Standard Commercial Office Specifications
- Exhibit D: Restrictive Park Covenants