

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

FIRST LEASE AMENDMENT

THIS FIRST LEASE AMENDMENT (the "First Amendment") is made and entered into as of July 1, 2005 and will take effect the 1st day of October, 2005 ("Commencement Date") by and between Statesville Avenue LLC a North Carolina Limited Liability Company (hereinafter called "Landlord") and COE Distributing Inc., a Pennsylvania Company whose address is 1020 Franklin Drive, Smock PA 15480 (hereinafter called "Tenant").

STATEMENT OF PURPOSE

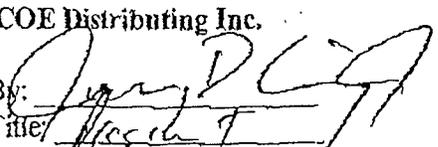
Landlord and Tenant heretofore entered into the Lease Agreement executed on July 1st, 2002 (the "Lease"). Under the Lease, Tenant leased approximately 45,336 square feet of space located at 1013 Woodward Avenue, Charlotte, Mecklenburg County, North Carolina 28206 (the "Premises").

NOW, THEREFORE, in consideration of the premises and other mutual covenants contained herein, the parties agree for themselves, their successors and assigns, as follows:

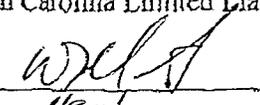
1. Term. The term of this Lease shall be for a period of 60 months, beginning October 1, 2005 and ending September 30, 2010.
2. Rent. As of the Commencement Date, monthly Rent for the Premises shall be \$7,933.80, payable in advance on the first day of the month hereafter until the Lease has been terminated.
3. Remaining Terms and Conditions. Except as otherwise amended hereby, all other terms and conditions of the Lease shall remain in full force and effect.
4. Brokers. Tenant acknowledges that Whiteside Industrial Properties, Inc. has served as the exclusive brokers in their renewal of the current lease amendment.

IN WITNESS WHEREOF, the Landlord and Tenant hereto have signed and sealed this First Lease Amendment by their duly authorized officers or representatives as of the day and year first above written.

TENANT:
COE Distributing Inc.

By: 
Title: Member

LANDLORD:
Statesville Avenue L.L.C.
a North Carolina Limited Liability Company

By: 
Title: Member

COMMERCIAL LEASE AGREEMENT

THIS LEASE, made this 30th day of May 2002, by and between 1830 Statesville Avenue, L.L.C. ("Landlord") whose address is; c/o Collett & Associates, Inc., 1228 E. Morehead Street, Suite 200, Charlotte, NC, 28204-2817 and COE Distributing, Inc., a Pennsylvania Company ("Tenant") whose address is; Route 51 N. Franklin Commercial Park (Mailing: P.O. Box 11), Uniontown, PA, 15401

WITNESSETH:

PREMISES

1. Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and covenanted to be paid, kept and performed Tenant, leases and rents unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property (hereinafter called the "Premises"), to wit:

Address: 1013 Woodward Avenue, Charlotte, NC 28206
Legal Description: +/- 45,336 square feet portion of Mecklenburg County Tax Parcel # 079-031-01

See attached Exhibit A for legal description of premises.

TERM

2. The Tenant shall have and hold the Premises for a period of 39 months beginning on the 1st day of July 2002 and ending on the 30th day of September 2005 at midnight, unless sooner terminated as hereinafter provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month of the term hereof and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

RENTAL

3. Tenant agrees to pay Landlord or its Agent without demand, deduction or set off, an annual rental of \$ 106,539.60 payable in equal monthly installments of \$ 8,878.30 in advance on the first day of each calendar month during the term hereof.

Upon execution of this Lease, Tenant shall pay to Landlord the first month's rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly rental due. On each Lease Year Anniversary the annual rental payable hereunder (and according to the monthly installments) shall be adjusted by any change in the Consumer Price Index, Urban Wage Earners and Clerical Workers, All Cities (CPI-W, 1982-1984=100) ("Index") by multiplying the then effective annual rental by the value of said Index for the month two months prior to the Lease Year Anniversary and dividing the product by the value of said Index for the month two months prior to the previous Lease Year Anniversary (in the instance of the first Lease Year Anniversary the value of the Index for the month two months prior to the first full month of the term hereof). In the event the Index ceases to be published, there shall be substituted for the Index the measure published by the US Department of Labor which most nearly approximates the Index.

as follows: N/A

If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address: c/o Collett & Associates, Inc. P.O. Box 36799 Charlotte, NC 28236

LATE CHARGES

4. If Landlord fails to receive any rent payment within 5 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to Five percent 5 (% of the overdue amount or \$ whichever is greater, plus any actual bank fees incurred for resumed or dishonored checks. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Tenant shall deposit with Landlord or its Agent upon execution of this Lease \$ 8,878.30 as a security deposit which shall be held as security for the full and faithful performance by Tenant of each and every term covenant and condition of this Lease. If any of the rents or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord or its Agent may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant shall upon demand restore the security deposit to the original sum deposited. In the event Tenant furnishes Landlord with proof that all utility bills have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be resumed in full to Tenant within thirty (30) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease. The Security Deposit may be placed in an interest bearing account and any interest thereon shall be the property of the party holding the same.

If this box is checked, Agent shall hold the Security Deposit and shall be entitled to the interest thereon.

UTILITY BILLS

6. (a) Tenant shall pay the following utilities: Telephone and data lines, natural gas and electricity.



(b) Landlord shall pay the following utilities: Water, sewer, storm water runoff, exterior lighting of the premises.

Landlord's cost will be reimbursed by Tenant through the CAM charges referenced in paragraph 8 of Exhibit B,

Special Stipulations, of this agreement.

Responsibility to pay for a utility service shall include all metering, hook-up fees or other miscellaneous charges associated with the installation and maintenance of such utility in said party's name.

COMMON AREA COSTS; RULES AND REGULATIONS

7. If the Premises are part of a larger building or group of buildings, Tenant shall pay as additional rental monthly, in advance, its pro rata share of common area maintenance costs as hereinafter more particularly set forth in the Special Stipulations (see Paragraph 38). The Rules and Regulations, if any, attached hereto are made a part of this Lease. Tenant agrees to perform and abide by these Rules and Regulations, if any, and such other Rules and Regulations, if any, as may be made from time to time by Landlord.

USE OF PREMISES

showroom, office, storage and distribution

8. The Premises shall be used for _____

_____ purposes only and no other. The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises. In the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

TAX AND INSURANCE ESCALATION

9. Tenant shall pay upon demand as additional rental during the term of this Lease, and any extension or renewal thereof,

The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year 2002; or

all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

In the event the Premises are less than the entire property assessed for such taxes for any such tax year, then the tax for any such year applicable to the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable floor area of the entire property assessed. If the final year of the Lease term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the property for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease year.

Tenant shall further pay upon demand as additional rental during the term of this Lease, and any extension or renewal thereof:

the excess cost of fire and extended coverage insurance including any and all public liability insurance on the building over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or

all fire and extended coverage insurance including any and all public liability insurance on the building.

In the event the Premises are less than the entire property, then the insurance payable by Tenant for the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable floor area of the entire property. Tenant shall pay all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon.

INDEMNITY; INSURANCE

10. Tenant agrees to and hereby does indemnify and save Landlord harmless against all claims for damages to persons or property by reason of Tenant's use or occupancy of the Premises, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs. Supplementing the foregoing and in addition thereto, Tenant shall during the term of this Lease and any extension or renewal thereof, and at

500,000.00

Tenant's expense, maintain in full force and effect comprehensive general liability insurance with limits of \$ _____ per

person and 1,000,000.00

500,000.00

per accident, and property damage limits of \$ _____, which insurance shall contain a special endorsement recognizing and insuring any liability accruing to Tenant under the first sentence of this paragraph and naming Landlord as additional insured. Tenant shall provide evidence of such insurance to Landlord prior to the commencement of the term of this Lease. Landlord and Tenant each hereby release and relieve the other, and waive any right of recovery, for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors and/or invitees, to the extent that such loss or damage is within the policy limits of said comprehensive general liability insurance. Landlord and Tenant shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation and exterior walls of the Premises (exclusive of all glass and exclusive of all exterior doors) and underground utility and sewer pipes outside the exterior walls of the building, except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its agents, employees or invitees. If the Premises are part of a larger building or group of buildings, then to the extent that the grounds are common areas, Landlord shall maintain the grounds surrounding the building, including paving, the mowing of grass, care of shrubs and general landscaping. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

REPAIRS BY TENANT

12. Tenant accepts the Premises in their present condition and as suited for the uses intended by Tenant. Tenant shall, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, maintain in good order and repair the Premises, including the building, heating and air conditioning equipment (including but not limited to replacement of parts, compressors, air handling units and heating units) and other improvements located thereon, except those repairs expressly required to be made by Landlord hereunder. Unless the grounds are common areas of a building(s) larger than the Premises, Tenant further agrees to care for the grounds around the building, including paving, the mowing of grass, care of shrubs and general landscaping. Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as when first received, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Tenant's employees, agents, contractors or subcontractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

REMOVAL OF FIXTURES

14. Tenant may (if not in default hereunder) prior to the expiration of this Lease, or any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided Tenant repairs all damage to the Premises caused by such removal.

DESTRUCTION OF OR DAMAGE TO PREMISES

15. If the 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 shall be accounted for as between Landlord and Tenant as of that date. If the premises are damaged but not wholly destroyed by any such casualties, rental shall abate in such proportion as effective use of the Premises has been affected and Landlord shall restore Premises to substantially the same condition as before damage as speedily as is practicable, whereupon full rental shall recommence.

GOVERNMENTAL ORDERS

16. Tenant agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of the Premises. Landlord agrees to comply promptly with any such requirements if not made necessary by reason of Tenant's occupancy. It is mutually agreed, however, between Landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be, shall exceed a sum equal to one year's rent, then Landlord or Tenant, whichever is obligated to comply with such requirements, may terminate this Lease by giving written notice of termination to the other party by registered mail, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements by giving such notice unless the party giving such notice of termination shall, before termination becomes effective, pay to the party giving notice all cost of compliance in excess of one year's rent, or secure payment of said sum in manner satisfactory to the party giving notice.

CONDEMNATION

17. If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes herein leased, is 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 the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that Tenant shall not have any rights in any award made to Landlord by any condemnation authority.

ASSIGNMENT AND SUBLETTING

18. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. The Assignee of Tenant, at option of Landlord, shall become directly liable to Landlord for all obligations of Tenant hereunder, but no sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

19. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay the rental as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be reduced or payment thereof deferred; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

20. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) if the Event of Default involves nonpayment of rental and Tenant fails to cure such default with five (5) days after receipt of written notice thereof from Landlord, or if the Event of Default involves a default in performing any of the terms or provisions of this Lease other than the payment of rental and Tenant fails to cure such default within fifteen (15) days after receipt of written notice of default from Landlord, Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) if the Event of Default involves any matter other than those set forth in item (a) of this paragraph, Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) upon any Event of Default, Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default. In the event Landlord hires an attorney to enforce its rights upon default, Tenant shall in addition be liable for reasonable attorney's fees and all costs of collection.

EXTERIOR SIGNS

21. Tenant shall place no signs upon the outside walls or roof of the Premises, except with the express written consent of the Landlord. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

22. Landlord may advertise the Premises "For Rent" or "For Sale" 90 days before the termination of this Lease. Landlord may enter the Premises at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord under the terms hereof or to make repairs to Landlord's adjoining property, if any.

EFFECT OF TERMINATION OF LEASE

23. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

MORTGAGEE'S RIGHTS

24. Tenant's rights shall be subject to any bona fide mortgage, deed of trust or other security interest which is now or may hereafter be placed upon the Premises by Landlord. Tenant shall, if requested by Landlord, execute a separate agreement reflecting such subordination, and shall be obligated to execute such documentation as may facilitate Landlord's sale or refinancing of the Premises, including, but not limited to estoppel certificates, subordination or attornment agreements.

QUIET ENJOYMENT

25. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof. Provided, however, that in the event Landlord shall sell or otherwise transfer its interest in the Premises, Tenant agrees to attorn to any new owner or interest holder and shall, if requested by Landlord, execute a separate agreement reflecting such attornment, provided that said agreement requires the new owner or interest holder to recognize its obligations and Tenant's rights hereunder.

HOLDING OVER

26. If Tenant remains in possession of the Premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at will at the rental rate which is in effect at end of this Lease and there shall be no renewal of this Lease by operation of law. If Tenant remains in possession of the Premises after expiration of the term hereof without Landlord's acquiescence, Tenant shall be a tenant at sufferance and commencing on the date following the date of such expiration, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the premises, be twice the monthly rental otherwise payable under Paragraph 3 above.

ATTORNEY'S FEES

27. In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of Landlord or Tenant, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees and costs.

RIGHTS CUMULATIVE

28. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the date and years first above written.

LANDLORD:

Individual

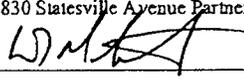
_____(SEAL)

_____(SEAL)

Business Entity

1830 Statesville Avenue, L.L.C.

By: 1830 Statesville Avenue Partners, LLC

By:  (SEAL)

Title: MANAGER

TENANT

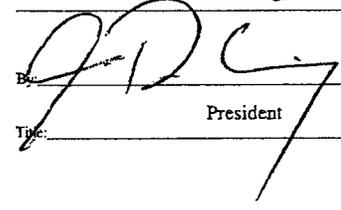
Individual

 (SEAL)

_____(SEAL)

Business Entity

COE Distributing, Inc.

By:  (SEAL)

Title: President

EXHIBIT "B"

SPECIAL STIPULATIONS

40E 5/29/02

1. Brokers. Tenant agrees to indemnify Landlord against any claims for brokerage commissions in connection herewith.
2. Survival of Obligations. The provisions of this Lease with respect to any obligation of Tenant to pay any sum owing to Landlord or of Tenant to perform any act after the expiration or other termination of this Lease shall survive the expiration or other termination of this Lease.
3. Representations. Tenant acknowledges that neither Landlord nor Landlord's agents, employees or contractors have made any representations or promises with respect to the Premises or this Lease except as expressly set forth herein.
4. Limitation on Right of Recovery Against Landlord. Tenant acknowledges and agrees that the liability of Landlord under this Lease shall be limited to its interest in the Premises and any judgements rendered against Landlord shall be satisfied solely out of the proceeds of sale of its interest in the Premises. No personal judgement shall lie against Landlord upon extinguishment of its rights in the Premises and any judgement so rendered shall not give rise to any right of execution or levy against Landlord's assets. For the purposes of this paragraph, the term "Landlord" shall mean and include all partners of Landlord (if Landlord is a partnership) and all members and managers of Landlord (if Landlord is a limited liability company). The provisions hereof shall inure to Landlord's successors and assigns, including any mortgagee. The foregoing provisions are not intended to relieve Landlord from the performance of any of Landlord's obligations under this Lease, but not only to limit the personal liability of Landlord in case of recovery of a judgement against Landlord; nor shall the foregoing be deemed to limit Tenant's rights to obtain injunctive relief or specific performance or to avail itself of any other right or remedy which may be awarded Tenant by law or under this Lease.
5. Force Majeure. In the event either Landlord or Tenant shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of war, governmental restrictions, civil commotion, shortage of labor or materials, strikes, fire, or any other reason beyond their control, the performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended as necessary to complete performance after the delayed period. However, the provisions of this paragraph shall in no way be applicable to Tenant's obligations to pay rental or any other sums, monies, costs, charges or expenses required by this Lease.
6. Rent Commencement. Tenant's obligation to pay rental hereunder shall Commence October 1, 2002, with the months of July, August, and September being rent free.
7. License to Enter the Premises. At anytime prior to delivery of possession of the Premises, Landlord may make the Premises available to Tenant for its work and

installations, at Tenant's sole risk, so long as such work and installation do not interfere with or obstruct the progress of the work being performed by Landlord. The foregoing shall in no way be construed as notice that Tenant may open the Premises for business, except in strict accordance with the terms and conditions of this Lease.

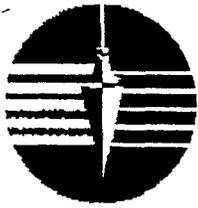
8. Tenant shall pay to Landlord, as additional rental, the sum of \$250 per month, as and when monthly rental is paid to the Landlord pursuant hereto, as reimbursement to Landlord for Tenant's share of all costs incurred by Landlord in maintaining, repairing and operating those portions of the building complex in which the premises are located which are the responsibility of the Landlord.

9. Signage. Tenant shall have Landlord's permission to place a sign stating Tenant's name and/or business on the demised exterior wall. Said sign shall be approximately 2'x 5' and comply with the local sign ordinance. Tenant shall be responsible for all costs associated with creating and removing the sign upon the expiration of the Lease. Landlord has the right to approve the final look of the sign, including text, color scheme and materials. Approval will not be unreasonably denied.

10. HVAC System. Landlord agrees to provide the HVAC system in good working order by evidence of a licensed HVAC contractor's inspection of the system. Furthermore, Landlord agrees to pay any charges above \$750.00 per occurrence on repair or capital improvement to the HVAC system. All charges up to \$750.00 shall be the responsibility of the Tenant. Tenant shall maintain the system through an annual service agreement with a licensed HVAC service company.

11. Sprinkler System. Landlord shall be responsible for monitoring the existing sprinkler system and keeping the system in good working order.

FD ✓
5/29/02



FOARD COLLINS

CONSTRUCTION COMPANY

May 14, 2002

Mr. Charlie Ellis
Collett & Associates
1228 East Morehead Street
Charlotte, N.C.

Re: Old Pleasants Hardware Space
Hercules Industrial Park

Dear Charlie:

Attached is a **REVISED** itemization of the work requested at the above referenced space. Each item is keyed to the following description.

Showroom

- Demolition consists of removing all walls creating the offices built in the warehouse portion of the space. The offices in the "bump out" are to remain. After the offices are removed, the space will be left with an approximately 3,540 sf open showroom area. This work will require rewiring of the lights that are switched at each office. In addition, the sheetrock will have to be patched and painted where the interior walls butt the exterior. The ceiling grid is painted. Therefore, where the wall are removed, it will have to be painted to match. No HVAC work is included.
- New carpet (\$12/sy) is to be installed in all areas that currently do not have flooring, except the entrance foyer and breakroom/corridor to the toilet rooms. These areas are to have VCT (standard Armstrong Excelon colors). All base is to be 4" vinyl cove. All carpet is to be one color selected from the manufacturer's standard selections.
- Install metal studs and 5/8" sheetrock to close door opening to adjacent space and paint to match. This infilling of the door opening does not create a true fire separation, as the wall above the ceiling does not extend to the structure.
- Using doors and frames removed during demolition, fabricate a frame and install a pair of doors from the showroom area into the warehouse. Does not include the purchase of any new door hardware.
- Add six feet of standard height base and wall cabinet in the breakroom. Cabinets to be manufactured by Mills Pride and purchased at Home Depot or Lowe's. Sink to be 19" x 22" with standard faucet.

Warehouse

- Install new dock bumpers where missing on end of loading dock. These are fixed bumpers.

- Repair bottom of overhead door at rear of space. This is approximately six slats and the bottom angle.
- Replace the overhead door operator on the door at the rear of the space. The existing operator has the motor removed and hanging by the electrical flex conduit.
- Paint approximately 500 sf at the old showroom area in the warehouse to create a painted path to the shipping office. The floor will be cleaned and prepared as best as possible. However, there is no warranty or guarantee given as to the paint sticking to the floor.
- Clean the warehouse by sweeping the floor with sweeping compound. Using a broom or brush, brush the overhead door covers, walls and columns to remove loose dust and dirt. It should be understood this will remove the dirt and cobwebs, but will not make the area look like it would if freshly painted. Does not include cleaning anything above the bottom of the lowest roof trusses.

Exclusions

- Payment and Performance Bonds
- Builder's Risk Insurance
- Testing for or removal of any hazardous material
- Permit
- Drawings
- Any item not specifically defined as being included

Please review the above and give us a call if you have any questions. We are ready to begin work immediately.

Respectfully,

FOARD COLLINS CONSTRUCTION CO., LLC



Dave Botzenmayer

Cc: Neal Hall
Bruce Collins
Dick Foard
file

*This is to authorize Foard Collins Const Co., LLC to proceed with the above work.
Payment of \$ 21,141 to be made upon completion.*

Authorized By: _____

Date: _____

May 7, 2002

Additional Renovations @ Old Pleasants Space

Item No.	Description	Total Cost
		21,141
Showroom (Including Entrance Foyer)		16,661
1	Demolition	
	Demo Walls	5,341
	Electrical (Rework Light Switches)	
	Patch Sheetrock & Wall Paint Touch-up	
	Touch-up Ceiling Grid	
	Supervision & GC	
2	Flooring	8,044
	Carpet (\$12/sy)	
	VCT in Foyer, Breakroom & Hallway	
	Base	
	Supervision & GC	
3	Close In Door Opening	518
	Metal Studs & Sheetrock	
	Paint	
	Supervision & GC	
4	Install Pair of Doors Into Warehouse	631
	Install Frame and Doors	
	Refinish Doors	
	Supervision & GC	
5	Add 6' Base & Wall Cabinets w/sink	2,128
	Millwork	
	Plumbing	
	Patch Wall	
	Supervision & GC	
Warehouse		4,480
1	Install New Dock Bumper	345
	Dock Bumper	
	Supervision & GC	
2	Repair Bottom of Roll-up Door	661
	Overhead Door	
	Supervision & GC	
3	Replace Overhead Door Operator	863
	Overhead Door	
	Supervision & GC	
4	Paint Approximately 500 sf floor @ Old Showroom	776
	Prepare Floor	
	Paint	
	Supervision & GC	
5	Clean Warehouse	1,835
	Labor	
	Material	
	Supervision & GC	

EXHIBIT "D"

2002 Tax Base

To be inserted in August or September, 2002.

add
5/29/02