

21-0022-011-001
Beautiful Nail Salon

LEASE
Date: 5/1/98

RECEIVED SEP 30 2005

LEASE

BY AND BETWEEN

TOPVALCO, INC.
("Landlord")

AND

^{T.}
NHAN LEE ~~/~~ D/B/A BEAUTIFUL NAIL SALON
("Tenant")

**SHOPPING CENTER
SMALL TENANT LEASE**

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LEASE

This Lease made this 1st day of May, 1998, between Topvalco, Inc., an Ohio corporation, ("Landlord") and Nhan Lee d/b/a Beautiful Nail Salon ("Tenant").
T UH

Witnesseth

In consideration of the rents contained and reserved herein, and the covenants and agreements to be observed and performed by Tenant, Landlord hereby leases to Tenant, upon the following terms and conditions, and Tenant hereby rents from Landlord, those certain premises being approximately 950 square feet and outlined in red on Exhibit "A" attached hereto and, by this reference, made a part hereof ("Demised Premises") in the American Way Village Shopping Center described in Exhibit "B" ("Shopping Center") in the City of Memphis, County of Shelby, State of Tennessee, for the term of 4 years and 4 months commencing on the 1st day of May, 1998, and ending on the 31st day of August, 2002, at midnight unless sooner terminated as provided herein:

ARTICLE I

SECTION 1.1 TENANCY FROM MONTH TO MONTH. Should Tenant remain in possession of the Demised Premises after expiration of this Lease, or of any renewal term of which Tenant shall have availed itself or after any earlier termination provided or permitted herein, it shall be a tenant from month-to-month at 120% of the rental required by the terms hereof to be paid Landlord in the month prior to Tenant becoming a month-

to-month tenant and on the same conditions, except as to rent, term, and renewals, as provided herein.

SECTION 1.2 COMPLETE TERM. This Lease shall commence on May 1, 1998 and terminate on August 31, 2002 for a full term of 4 years and 4 months, (the "Lease Term").

ARTICLE II

SECTION 2.1 READY FOR OCCUPANCY AND COMMENCEMENT OF TERM. Subject to the terms and conditions hereunder, Landlord has constructed the Shopping Center substantially as shown on Exhibit "A", with the Demised Premises in approximately the location shown outlined in red on Exhibit "A" according to specifications for the Demised Premises attached hereto as Exhibit "C".

ARTICLE III

SECTION 3.1 RENT. For and in consideration of the Demised Premises, the covenants and conditions herein contained, Tenant shall pay rental to Landlord in monthly installments due in advance on the first day of each calendar month as follows:

Months 1-4	5/1/98-8/31/98	\$10.11/s.f.	\$800.00 p/month
Year 2 & 3	9/1/98-8/31/00	\$10.50/s.f.	\$831.25 p/month
Year 4 & 5	9/1/00-8/31/02	\$11.00/s.f.	\$870.83 p/month

Rental shall commence on May 1, 1998. Rent for a partial month shall be prorated and if rent commences prior to the first of the month, the partial payment shall be made with the first monthly payment.

The Tenant shall pay said rent to Landlord, Topvalco, Inc., or to such other address as Landlord may designate from time to time by written notice to Tenant, without demand and without deduction, set-off or counterclaim. Time is of the essence of Tenant's obligation to pay rent as herein set out. Should any rental installment not be paid promptly as required by the terms of this Lease, and, if such installment remains unpaid and delinquent beyond the fifth (5th) day upon which it was due and owing, then there shall be imposed a late penalty equal to six percent (6%) of the amount of said delinquent rental installment. Any penalty amount so imposed shall be due and payable with the delinquent rent installment which occasioned its imposition. If Landlord shall at any time or times accept said rent after it shall become due and payable, such acceptance shall not excuse delay upon subsequent occasions, or constitute, or be construed as, a waiver of any or all of the Landlord's rights hereunder.

SECTION 3.2 SECURITY DEPOSIT. To secure Tenant's full and faithful compliance of all the terms, covenants and conditions set forth herein, Tenant shall deposit with Landlord the sum of \$800.00 dollars transferred from prior lease by and between Topvalco, Inc. ("Landlord") and Nhan Lee ("Tenant") dated June 3, 1992 as a security deposit therefor. Such security deposit shall be returned to Tenant upon the termination of this Lease provided that the Tenant is not then in default hereunder and the Tenant has removed all of its personal property from the Demised Premises and has repaired any damage caused to the Demised Premises during the term of this Lease.

SECTION 3.3 ADVANCE RENTAL. This section intentionally deleted.

SECTION 3.4 PERCENTAGE RENT. This section intentionally deleted.

SECTION 3.5 PARTIAL YEAR PERCENTAGE PAYMENTS. This section intentionally deleted.

SECTION 3.6 TENANT'S RECORDS. This section intentionally deleted.

ARTICLE IV

SECTION 4.1 NO ESTATE IN LAND/NO PARTNERSHIP. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between the parties hereto other than that of Landlord and Tenant.

ARTICLE V

SECTION 5.1 NO REPRESENTATIONS BY LANDLORD. Neither Landlord nor any agent or employee of Landlord have made any representations or promises with respect to the Demised Premises except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Landlord except as herein expressly set forth. The Tenant, by taking possession of the Demised Premises, shall accept the same "as is", and such taking of possession shall be conclusive evidence that the Demised Premises are in good and satisfactory condition at the time of such taking of possession.

ARTICLE VI

SECTION 6.1 LANDLORD'S COMMON AREA MAINTENANCE OBLIGATION. Landlord agrees to maintain the Common Area of the Shopping Center. "Common Area" shall be defined as all those portions of the Shopping Center not from time to time improved with buildings. Truck wells or delivery docks shall be considered, but not by way of limitation, as building area. Any building area or future building area shown on Exhibit "A" shall be considered Common Area until such time as construction of buildings commences in such areas. Commencement of construction shall be deemed to be commencement of site work. Landlord's maintenance obligation includes, without limitation, repair, replacement, maintenance, and the restriping of the paved areas, pedestrian walkways and sidewalks, landscaping, and parking lot lighting. Landlord's obligation also includes, but not by way of limitation, keeping the Common Area reasonably free of snow, trash and debris, providing all Common Area electrical service, and, if deemed necessary by Landlord in Landlord's sole reasonable judgment, security, and, if deemed necessary by Landlord in Landlord's sole judgment, advertising to promote the Shopping Center to the general public. See Section 8.2 hereof.

SECTION 6.2 LANDLORD'S OBLIGATION TO PAY AD VALOREM TAXES ON REAL ESTATE. Landlord shall pay, when due, any and all taxes, public charges and assessments of whatsoever nature, directly or indirectly assessed or imposed upon the land, buildings and improvements constituting the Shopping Center. See Section 8.3 hereof.

SECTION 6.3 OTHER TAXES. Ad valorem taxes on Tenant's personal property and leasehold improvements installed by Tenant shall be Tenant's obligation and declared and paid by the Tenant. All other taxes measured by, assessed on or relating to the separate business of Tenant are the responsibility of Tenant.

SECTION 6.4 LANDLORD'S OBLIGATION TO INSURE. Landlord shall insure the Shopping Center against property damage and personal injury in the minimum amount of Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury and property damage combined or such other amounts as Landlord deems necessary provided Landlord maintains the minimum amount set forth above. Landlord agrees to keep the Shopping Center insured for fire and extended coverage for the replacement value thereof with responsible insurance companies authorized to do fire and extended coverage in the state where the Shopping Center is located. Landlord may self-insure all or any part of its obligations hereunder or may insure the Shopping Center under a master or umbrella policy of insurance and may attribute a premium therefor based on the reasonable premium of acquiring a single policy of insurance covering the Shopping Center, in Landlord's judgment. See Section 8.2 hereof.

SECTION 6.5 LANDLORD'S DUTY TO REPAIR DEMISED PREMISES. Except for damages caused by the acts or negligence of Tenant, its agents, employees, invitees, contractors, licensees or tenants, for which Tenant shall be liable, Landlord agrees to keep the roof and exterior structural walls (exclusive of glass) of the Demised Premises in good repair. Tenant shall at once report in writing to Landlord any defective condition known to Tenant which Landlord is required to repair and failure to report such defects will release Landlord from any liability to Tenant for damages to Tenant's property arising from such defect. Tenant further agrees to indemnify and hold Landlord harmless from any claim for bodily injury or property damage arising out of such a defective condition known to Tenant which Tenant failed to report to Landlord. Landlord shall have a reasonable time after receipt of notice from Tenant to commence and complete repairs required of Landlord hereunder.

SECTION 6.6 QUIET ENJOYMENT. Landlord covenants to Tenant full, peaceable, and quiet enjoyment of the Demised Premises so long as Tenant is in full compliance with the terms and conditions of this Lease, provided that the covenants contained herein are expressly made subject to all matters of record, unpaid real estate taxes and assessments which are not due and payable but form a lien on the Demised Premises, all public and private utilities and rights-of-way, and all matters affecting title and disclosed by an inspection of the Demised Premises. Landlord may, at Landlord's sole discretion, alter the configuration of the Common Area or the Shopping Center, including without limitation, addition or deletion of paved and building areas, and any such alteration shall not constitute a violation of this Lease or a disturbance of Tenant's peaceable possession.

SECTION 6.7 RULES AND REGULATIONS. Landlord shall be permitted to promulgate such rules and regulations as are reasonably necessary to manage the Shopping Center provided, however, that such rules and regulations may not conflict with the terms of this Lease. Tenant hereby agrees to operate in the Demised Premises in accordance with such rules and regulations.

ARTICLE VII

SECTION 7.1 DEMISED PREMISES CONDEMNATION. If all or any part of the Demised Premises shall be taken under power of eminent domain or transferred in lieu of such taking, this Lease shall automatically terminate. Any portion of any award given Landlord or Tenant as compensation for such taking specifically designated for Tenant's trade fixtures or equipment shall be Tenant's. All other awards for such taking shall be Landlord's.

SECTION 7.2 COMMON AREA CONDEMNATION. If a portion of the Common Area is taken under power of eminent domain or transferred in lieu of such taking and the result of such taking is to totally block Tenant's access to the Demised Premises for a continuous period of at least thirty (30) days or to reduce the number of parking spaces in the Common Area by an amount exceeding 25% of the original parking spaces, then Tenant shall be permitted to cancel this Lease upon thirty (30) days prior written notice to Landlord; provided, however, Tenant must exercise its right to cancel hereunder within thirty (30) days after such taking.

SECTION 7.3 CASUALTY. If the Demised Premises are damaged by fire or casualty or Acts of God such that the Demised Premises are not suitable for occupancy and the damage cannot be repaired in ninety (90) days (said time period to be extended for delays for labor disputes, material shortages, Acts of God or other reasons beyond Landlord's control), this Lease shall terminate. If the Demised Premises are damaged but can be repaired within said ninety (90) days or extended as set forth herein, rent shall abate in proportion to the square footage of the Demised Premises which cannot be occupied and Landlord shall restore the damaged portion of the Demised Premises. Notwithstanding the foregoing, Landlord, in the event of damage or destruction to the Demised Premises or Shopping Center, shall have the option of terminating this Lease if repairing or restoring the Demised Premises and/or the Shopping Center, in Landlord's

sole judgement, is not economically desirable.

SECTION 7.4 UTILITY SERVICE INTERRUPTION. Interruptions of utility services shall not be considered a default under this Lease and Landlord shall bear no liability for such interruptions unless caused solely by Landlord's intentional or grossly negligent acts or omissions.

ARTICLE VIII

SECTION 8.1 EXCLUSIVE USE. Tenant shall not use, occupy or operate in the whole or in any part of the Demised Premises for any other purpose than a nail salon, for the purpose of performing manicuring services and the sale of directly related manicuring products or permit the Demised Premises to be used for any other purpose. Tenant agrees, at a minimum, to be open for business 48 hours per week. Tenant shall not use or occupy the Demised Premises in violation of any law, ordinance, regulation or any other governmental directives having jurisdiction thereof. Should Tenant cease operation of the business required herein to be conducted on the Demised Premises for more than thirty (30) days for any reason except for Acts of God, force majeure, strikes, or casualty, then Landlord shall have the right to cancel this Lease, which remedy is in addition to any other remedy Landlord may have under this Lease.

SECTION 8.2 COMMON AREA MAINTENANCE AND INSURANCE REIMBURSEMENT. Tenant shall pay to Landlord, Tenant's proportionate share of all costs and expenses incurred by Landlord pursuant to Sections 6.1 and 6.4 hereof. Tenant's proportionate share of these costs and expenses shall be computed by multiplying such costs and expenses by a fraction, the numerator of which shall be the total square feet of floor area in the Demised Premises at the time such calculation is made and the denominator of which shall be the gross leasable area of the Shopping Center at the time such calculation is made. For purpose of calculating charges for insurance, Landlord shall be entitled to impute premiums as set forth in Section 6.4 hereof. See Section 8.5 hereof.

SECTION 8.3 AD VALOREM REAL ESTATE TAX REIMBURSEMENT. Tenant shall pay to Landlord, Tenant's proportionate share of amounts paid by Landlord pursuant to Section 6.2 hereof, including all expenses and fees incurred by Landlord in contesting such amounts. Tenant's proportionate share shall be computed by multiplying the total of all such amounts paid pursuant to Section 6.2 hereof in any single Calendar Year by a fraction, the numerator of which shall be the total square feet of floor area in the Demised Premises and the denominator of which shall be the gross leasable area of the Shopping Center at the beginning of the Calendar Year in which such calculation is made. See Section 8.5 hereof.

SECTION 8.4 ADMINISTRATIVE EXPENSE REIMBURSEMENT. In the event Landlord retains a shopping center management company ("Management Company") to perform Landlord's obligations under this Lease, Tenant agrees to reimburse Landlord, Tenant's proportionate share of such Management Company's fees ("Management Fees"). Tenant's proportionate share of Management Fees shall be computed by multiplying Management Fees by a fraction, the numerator of which shall be the total square feet of floor area in the Demised Premises at the time such calculation is made and the denominator of which shall be the gross leased area of the Shopping Center at the time such calculation is made. Should Landlord not retain a Management Company, Tenant shall include an amount in any reimbursements due pursuant to Sections 8.2 and 8.3 hereof equal to ten percent (10%) of such reimbursement as Tenant's proportionate share of Landlord's reasonable administrative costs and expenses. See Section 8.5 hereof.

SECTION 8.5 MONTHLY ESTIMATED PAYMENTS. The reimbursements required in Sections 8.2, 8.3 and 8.4 hereof shall be paid by Tenant in advance by monthly installments in such amounts, as are estimated and billed by Landlord at the beginning of each calendar year, each installment being due on the first day of each month during the calendar year. No such estimate shall in any way reduce Tenant's obligation to

reimburse Landlord for Tenant's pro rata share of actual expenses when those expenses are determined. Within sixty (60) days of the end of the calendar year or such reasonable time thereafter, Landlord shall deliver to Tenant a statement of Landlord's Sections 8.2, 8.3, and 8.4 expenses and charges for the preceding calendar year. If Tenant's share of the actual costs for the calendar year are more than the estimated payments made by Tenant, Tenant shall pay the additional amount within thirty (30) days. If Tenant's share of the actual costs for such calendar year are less than the estimated payments made by Tenant, Landlord shall credit such amounts against next due monthly installments of annual rental. Failure of Landlord to provide the referenced statement of costs called for hereunder within the time prescribed shall not relieve Tenant from its obligations hereunder. All payments made by Tenant hereunder are deemed additional rental.

SECTION 8.6 NO STRUCTURAL ALTERATIONS. Tenant shall not alter the exterior or structure of the Demised Premises and shall not make any non-structural alterations to the Demised Premises or any part thereof without Landlord's prior written approval of such alteration. Upon termination of this Lease, Landlord shall have the option of retaining alterations or requiring Tenant to restore the Demised Premises to its condition prior to the alterations. Tenant hereby indemnifies Landlord against and shall keep the Demised Premises free from any claims, damages, expenses, including without limitation, attorney's fees, and all mechanics' and materialmen's liens arising from work performed by Tenant on the Demised Premises. Landlord shall not be liable for any labor, services or materials furnished or to be furnished to Tenant or to anyone holding the Demised Premises, or any part thereof, through or under Tenant, and no mechanic's or materialmen's lien shall attach to or affect Landlord's interest in the Demised Premises or the Shopping Center. In the event a mechanics' or materialmen's lien is filed against the Demised Premises or the Shopping Center related to or arising out of any work performed or ordered to be performed by Tenant, Tenant's agents, employees, or contractors, or materials supplied to them, Tenant shall be considered to be immediately in default of this Lease notwithstanding the notice provisions of Section 9.1 hereof. Tenant shall, within thirty (30) days of such default, (i) pay any and all amounts due such lien holder and obtain a recordable release of such lien, (ii) release such lien from the record, or (iii) obtain a bond from a reputable bonding company guaranteeing payment of the lien and removal of the lien from record. Should Tenant fail to cure the default specified in this Section 8.6, then Landlord may exercise any or all Landlord's rights and remedies set forth in Section 9.1 hereof.

SECTION 8.7 TENANT'S DUTY TO REPAIR AND MAINTAIN. Tenant shall, at Tenant's own expense, keep and maintain the Demised Premises and appurtenances thereto in good order and repair except portions of the Demised Premises to be repaired by Landlord pursuant to Section 6.5 hereof. Tenant shall keep the Demised Premises clean and rubbish free, inside and out, at its own expense and will deposit rubbish and trash from the Demised Premises at locations established in the Shopping Center by Landlord.

SECTION 8.8 NO OBSTRUCTION. Tenant shall neither encumber nor obstruct any portion of the Common Area in any manner whatsoever, including sales of merchandise, without Landlord's prior written approval permitting such obstruction.

SECTION 8.9 HAZARDOUS SUBSTANCES. Tenant shall not cause or permit any Hazardous Substance to be used, stored, generated, or disposed of, on or in the Demised Premises by Tenant, Tenant's agents, employees, contractors or invitees without first obtaining Landlord's prior written consent. If Hazardous Substances are used, stored, generated, or disposed of, on or in the Demised Premises except as permitted above, or if the Demised Premises become contaminated in any manner for which is caused by Tenant, Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, the decrease in value of the Demised Premises) caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and 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 that contamination by Tenant. This indemnification includes, without limitation,

any and all costs incurred because of any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision. Without limitation of the foregoing, if Tenant causes or permits the presence of any Hazardous Substance on the Demised Premises and that results in contamination, Tenant shall promptly, at its sole expense, take any and all necessary actions to return the Demised Premises to the condition existing prior to the presence of any such Hazardous Substance on the Demised Premises. Tenant shall first obtain Landlord's approval for any such remedial action. As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, any state, or the United States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous Substance" includes, but is not restricted to, "asbestos, polychlorobiphenyls ("PCB's"), and petroleum."

SECTION 8.10 SIGNS. Tenant shall not place or suffer to be placed on the exterior of the Demised Premises any sign or advertisement not first approved in writing by Landlord, including, but not limited to, any placed on the Demised Premises' plate glass regardless of whether such sign is placed on the interior or exterior of said plate glass. Landlord's sign criteria is attached as Exhibit "D" and made a part hereof.

SECTION 8.11 PLATE GLASS. Tenant shall replace, at its sole cost and expense, any and all plate glass and any other glass damaged or broken by any cause whatsoever in, on, or about the Demised Premises.

SECTION 8.12 TENANT'S INSURANCE OBLIGATION. Tenant agrees to carry at its own expense throughout the term of this Lease and any renewals thereof (i) public liability insurance covering the Demised Premises and Tenant's use thereof, together with contractual liability endorsements covering Tenant's obligations set forth in Section 8.16 hereof, in companies and in a form satisfactory to Landlord with a combined single limit for property damage and bodily injury of not less than \$2,000,000, per occurrence, (ii) if Tenant sells, in any manner, any alcoholic beverages, Tenant shall carry "dram shop" insurance in the minimum amount of one million (\$1,000,000) dollars per occurrence and (iii) Workers' Compensation Coverage for Tenant's employees in accordance with State law. Landlord shall be entitled to increase the amount of coverage and change the type of insurance provided in this Section 8.12. Tenant agrees to deposit said policy or policies (or certificates thereof) with Landlord prior to the date of any use or occupancy of the Demised Premises by Tenant; said policy or policies shall name Landlord (and any mortgagee of Landlord of which Tenant is notified) and Tenant as insureds and shall bear endorsements to the effect that the insurer agrees to notify Landlord not less than twenty (20) days in advance of any modifications or cancellations thereof. Should Tenant fail to carry such public liability insurance, or "dram shop" insurance, Landlord may at Landlord's option cause public liability insurance, or "dram shop" insurance, to be issued on Tenant's behalf in conformance with the requirements herein set forth, and in such event Tenant agrees to pay the premium for such insurance as additional rent hereunder promptly upon Landlord's demand.

SECTION 8.13 SUBORDINATION AND ATTORNMENT. This Lease at all times shall be subject and subordinate to any liens, mortgages, deeds of trust or other financing instruments now or hereafter affecting the Shopping Center. Within five (5) days following request of Landlord, Tenant shall evidence in writing its subordination and attornment to the lien of any mortgage or deed of trust from any method of financing or refinancing now or hereafter in force against land and/or any Shopping Center buildings of which the Demised Premises is now or hereafter a part, and attorn to any such mortgagee or deed of trust holder, provided such mortgagee or deed of trust holder agrees in writing not to disturb Tenant's occupancy of the Demised Premises so long as Tenant is not in default. In the event Landlord sells, leases or hypothecates all or any portion of the Shopping Center and as part of such transfer, assigns Landlord's interest in the Lease to a third party, then Tenant shall attorn to any such third party as if such third party were Landlord, provided such third party assumes all Landlord obligations occurring under the Lease subsequent to the assignment. In conjunction with such transfer, Tenant shall provide

Landlord with an estoppel certificate, in form satisfactory to Landlord, setting forth the lease term, renewals thereof, if any, and rental. Such certificate shall also state: (i) that no rent has been paid more than one month in advance (other than Advance Rentals specified herein); (ii) that no defaults exist on the part of Landlord under the Lease as of the date of such certificate, but if there is a claimed default, a description of such default; and, (iii) that the Lease is in full force and effect. Tenant shall deliver such certificate to Landlord fully and correctly executed, within ten (10) days of Landlord's initial written request. If Tenant shall fail to do so, Tenant shall be deemed to have certified affirmatively to the matters set forth herein, which certification is hereby self-operative and without further agreement.

SECTION 8.14 LANDLORD'S RIGHT OF ENTRY. Tenant shall permit Landlord and its agents to enter the Demised Premises at all reasonable times for the purpose of examining or inspecting the Demised Premises or records permitted by this Lease to be examined by Landlord, or its agents; showing the Demised Premises to prospective purchasers or tenants of the Demised Premises or Shopping Center; and to perform such repairs or alterations to the Demised Premises or Shopping Center as Landlord is required or permitted hereunder to perform. Landlord shall also be permitted to place "For Sale" and "For Rent" signs in, on, or about the Demised Premises within the last sixty (60) days of the Lease Term.

SECTION 8.15 BROKERS. Tenant warrants that it has had no dealing with any real estate broker or agent in connection with the negotiation of this Lease and that it knows of no other real estate broker or agent who is or might be entitled to a commission with this Lease. Tenant agrees to indemnify, protect, and hold Landlord harmless from and against any and all claims and expenses, including without limitation attorney's fees, for any commissions of any real estate brokers or agents.

SECTION 8.16 LANDLORD HELD HARMLESS. Tenant hereby agrees to indemnify, protect, and hold Landlord harmless from and against any and all claims and expenses, including without limitation attorney's fees, for property damages or personal injury arising out of or with respect to Tenant's use of the Tenant's business on the Demised Premise regardless of whether such use or business conduct is permitted by the terms of this Lease or suffered by Landlord.

SECTION 8.17 ASSIGNMENT OR SUBLETTING. Tenant shall not sell, assign, hypothecate or otherwise transfer this Lease, or sublet or license the Demised Premises or any part thereof without the prior written consent of Landlord. The consent by Landlord shall not relieve Tenant from primary liability for performance of Tenant's obligations under the terms and conditions of this Lease nor relieve Tenant, its subtenant, assignee, or licensee from obtaining the express written consent of Landlord for any further selling, hypothecating, or other transfer including without limitation assigning, subleasing, or licensing. Tenant understands that this clause creates an absolute prohibition against a transfer without Landlord's explicit prior written approval and Landlord has absolute discretion to withhold its consent. For purpose of this Section 8.17, transfer of 50% or more of the assets of Tenant, or if Tenant is a corporation, transfer of 50% or more of the capital stock of Tenant or the issuance of additional stock, or if Tenant is a partnership the transfer of any partnership interest, shall be deemed to be an assignment.

SECTION 8.18 MERCHANTS ASSOCIATION. This section intentionally deleted.

ARTICLE IX

SECTION 9.1 TENANT'S DEFAULT. In the event of Tenant's failure to timely and diligently perform any of its Lease obligations, within five (5) days after notice from Landlord, Tenant shall be in default hereunder and Landlord may: (i) proceed to cure such default, in which case Tenant shall reimburse Landlord for any expense plus interest at the rate of 10 % per annum, incurred by Landlord in curing Tenant's default, including without limitation attorney's fees, and Tenant grants to Landlord reasonable entry for purposes of curing such default; or (ii) Landlord may evict Tenant and relet the

Demised Premises and apply such rentals against all sums due under the Lease, including without limitation the costs of readying the Demised Premises for reletting; or, (iii) Landlord may declare the Lease to be terminated, but such declaration will not affect Landlord's right to collect damages for failure of Tenant's obligations, including without limitation attorney's fees and damages based on loss of rent; or, (iv) Landlord may proceed with any other remedies at law available to Landlord in this Lease or in equity. Landlord's election to use one remedy shall not preclude Landlord's subsequent election to use any other remedy. Notwithstanding anything to the contrary in this Section 9.1, if Tenant's failure to perform its Lease obligations threatens injury to person or damage to property then such failure shall immediately become a default without regard to notice from Landlord.

SECTION 9.2 TENANT'S BANKRUPTCY. Should Tenant become bankrupt or insolvent or file any debtor proceedings or if Tenant shall take or have taken against Tenant any petition of bankruptcy or if Tenant shall have an action or have action taken against Tenant for the appointment of a receiver for all or a portion of Tenant's assets, or if Tenant shall file a petition for corporate reorganization or shall make an assignment for benefit of creditors, or if in any other manner Tenant's interest hereunder shall pass to another by operation of law, then any or all of these occurrences in this Section shall be deemed a Tenant default under Section 9.1 hereof and such default shall apply to and include any guarantor of this Lease and permit termination of this Lease.

ARTICLE X

SECTION 10.1 SURRENDER OF THE DEMISED PREMISES. At the expiration of the term of this Lease, Tenant shall surrender the Demised Premises to Landlord broom clean and in good condition, normal wear and tear excepted. Tenant shall have the right to remove its trade fixtures and equipment provided Tenant removes same prior to the end of the term of the Lease or expiration of any renewals exercised by Tenant and further provided said removal shall not damage the Demised Premises. In the event that said removal should damage the Demised Premises, Tenant shall be required to restore the Demised Premises to the condition prior to such removal.

ARTICLE XI

SECTION 11.1 NOTICES OR APPROVALS. Any notices or approvals required or permitted to be given hereunder shall be in writing and either be given personally, or by certified mail, postage prepaid, return receipt requested, addressed to Tenant at 4045 American Way Boulevard., Suite 11A, Memphis, Tennessee 38118 and to Landlord at Regency Realty Group, Inc., 12655 Olive Boulevard, Suite 200, St. Louis, Missouri 63141, except that, upon Tenant's taking possession of the Demised Premises, delivery of notice required to be given by Landlord to Tenant hereunder shall be deemed adequate and sufficient notice if delivered to the Demised Premises. In emergency situations threatening personal injury or property damage, notices required hereunder may be given orally or by phone, but such oral notice shall be followed as soon as reasonably possible by written notice delivered pursuant to the Lease.

SECTION 11.2 ENTIRE AGREEMENT. This instrument contains the entire agreement between the parties and any and all other agreements, written or oral, are merged herewith.

SECTION 11.3 CAPTIONS. Section captions contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof.

SECTION 11.4 CONSTRUCTION. This Lease shall be governed by and construed in accordance with the laws of the State of Tennessee, and contains the entire agreement of the parties hereto, and is intended to be a full, final and complete integration of all prior and contemporaneous agreements of the parties with relation to the Demised Premises.

ARTICLE XII

SECTION 12.1 LANDLORD'S LIABILITY LIMITED. Landlord, as used in this Lease, means the present owner of the Shopping Center and in the event of a sale or transfer by such owner of its entire interest in the Shopping Center such owner shall thereupon be released and discharged from all Lease covenants and obligations thereafter occurring. In the event of any liability of the Landlord to Tenant under this Lease, Tenant shall look only to Landlord's interest in the Shopping Center to satisfy such liability and there shall be no personal liability of Landlord or its employees.

ARTICLE XIII

SECTION 13.1 WAIVER. If under the provisions hereof, Landlord shall institute proceedings and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any covenant herein contained nor of any of Landlord's rights hereunder. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of any covenant, condition or agreement herein contained shall not operate as a waiver of such breach thereof. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installments of rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent; nor shall any endorsement or statement on any check, nor any letter accompanying a check or payment of rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or to pursue any other remedy provided in the Lease. No reentry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a termination of the Lease or a surrender of the Demised Premises.

In Witness Whereof, this Lease has been duly executed in triplicate, each copy of which shall constitute an original as of the day and date first above written.

WITNESS:

LANDLORD: TOPVALCO, INC.

Bart Rubingy

By: James E. Hodge
James E. Hodge, Vice President

WITNESS:

TENANT:

James C. McGrath

By: Nhan Lee
Nhan Lee
T.

me/valerie/eases beautiful nail lease 5/6/98

(Landlord Acknowledgement)

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

This day, before me, a Notary Public in the State and County aforesaid, personally appeared James C. Hodge with whom I am personally acquainted and who upon oath acknowledged himself to be ~~Vice~~ President of Topvalco, Inc., Landlord in the foregoing Lease, and that he as such officer, being authorized so to do, executed the instrument for the purposes therein contained by signing in the name of the corporation.

Witness my hand and official seal this 20th day of May, 1998.

My commission expires

Sandra Lee Wacksmann
Notary Public

SANDRA LEE WACKSMAN
Notary Public, State of Ohio
My Commission Expires Feb. 7, 1999

(Tenant Acknowledgement-Individual)

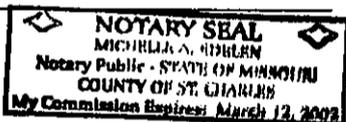
STATE OF Missouri)
) SS:
COUNTY St. Charles)

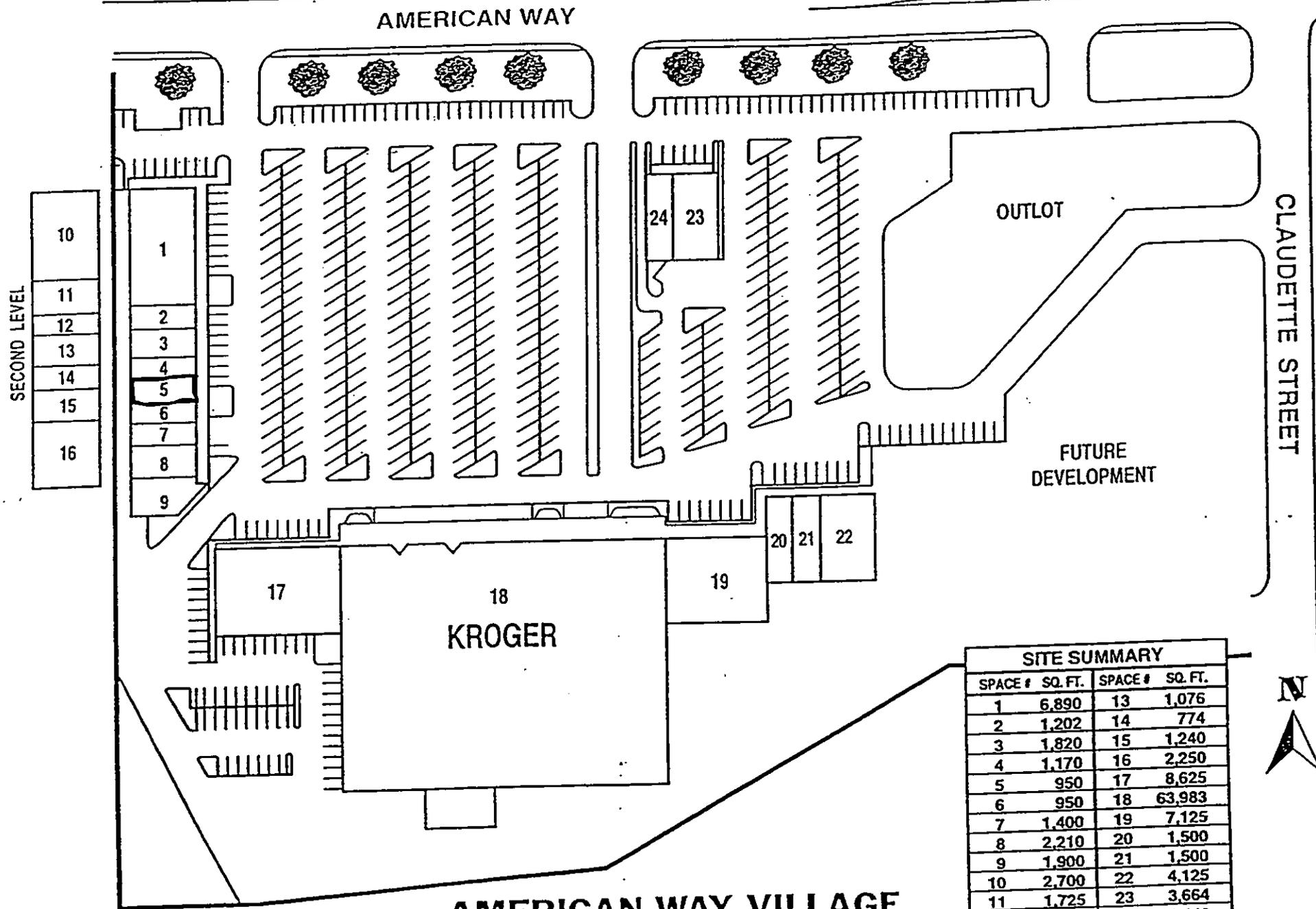
This day, before me, a Notary Public of the State and County aforesaid, personally appeared WHAITE, with whom I am personally acquainted and who upon oath acknowledged Himself to be the Tenant in the foregoing Lease and acknowledged the signing to be _____ voluntary act.

Witness my hand and official seal this 14th day of May, 1998.

My commission expires:

Michelle Edelen
Notary Public





AMERICAN WAY VILLAGE
MEMPHIS TENNESSEE

SITE SUMMARY			
SPACE #	SQ. FT.	SPACE #	SQ. FT.
1	6,890	13	1,076
2	1,202	14	774
3	1,820	15	1,240
4	1,170	16	2,250
5	950	17	8,625
6	950	18	63,983
7	1,400	19	7,125
8	2,210	20	1,500
9	1,900	21	1,500
10	2,700	22	4,125
11	1,725	23	3,664
12	1,000	24	1,440

SHOPPING CENTER SITE PLAN

EXHIBIT "A"

EXHIBIT "B"

LEGAL DESCRIPTION

Phase I

Description of Phase I, Final Plan Phase I, American Place West Subdivision in Memphis, Shelby County, Tennessee as recorded in Plat Book 138, Page 28, and being part of the property described in Instrument Z1 3195, being more particularly described as follows:

Commencing at a point at the intersection of the east line of Getwell Road (106' R.O.W.) and the south line of American Way (90' R.O.W.); thence South 89 Degrees 55 minutes 54 Seconds East, along said south line, a distance of 647.21 feet; thence North 88 Degrees 42 Minutes 27 Seconds East, a distance of 119.71 feet to a round iron pipe at the northeast corner of Lot 2 of Holman Subdivision, said point being a total distance of 766.92 feet east of the east line of Getwell Road; thence South 00 Degrees 03 Minutes 19 Seconds East along the east line of said Lot 2, a distance of 2.84 feet to northwest corner of Final Plan, Phase I, American Place West Subdivision as recorded in Plat Book 138, Page 28, said point being THE TRUE POINT OF BEGINNING FOR THE FOLLOWING DESCRIBED PROPERTY; thence South 89 Degrees 55 Minutes 54 Seconds East, along the south line of American Way, a distance of 696.94 feet to a point, said point being located in the line dividing Phase I and Phase II as shown on Final Plan Phase I, American Place West Subdivision as recorded in Plat Book 138, Page 28; thence south 00 Degrees 06 Minutes 03 Seconds West along said dividing line, a distance of 576.27 feet to a point in the south line of the property recorded in Final Plan, Phase I, American Place West Subdivision as recorded in Plat Book 138, Page 28; thence South 62 Degrees 05 Minutes 18 Seconds West, a distance of 288.60 feet to an old iron pin; thence South 86 Degrees 49 Minutes 58 Seconds West, a distance of 341.57 feet to an old iron pin; thence South 89 Degrees 03 Minutes 58 Seconds West, a distance of 99.16 feet to an old iron pin at the southwest corner of Phase I, Final Plan Phase I, American Place West Subdivision as recorded in Plat Book 138, Page 28; thence North 00 Degrees 03 Minutes 19 Seconds West with the west line of said subdivision, a distance of 732.68 feet to the point of beginning; containing 11.09 acres (483,080.40 square feet) of land.

EXHIBIT "C"

LANDLORD TENANT FINISH

Tenant accepted space in an "As Is" condition.

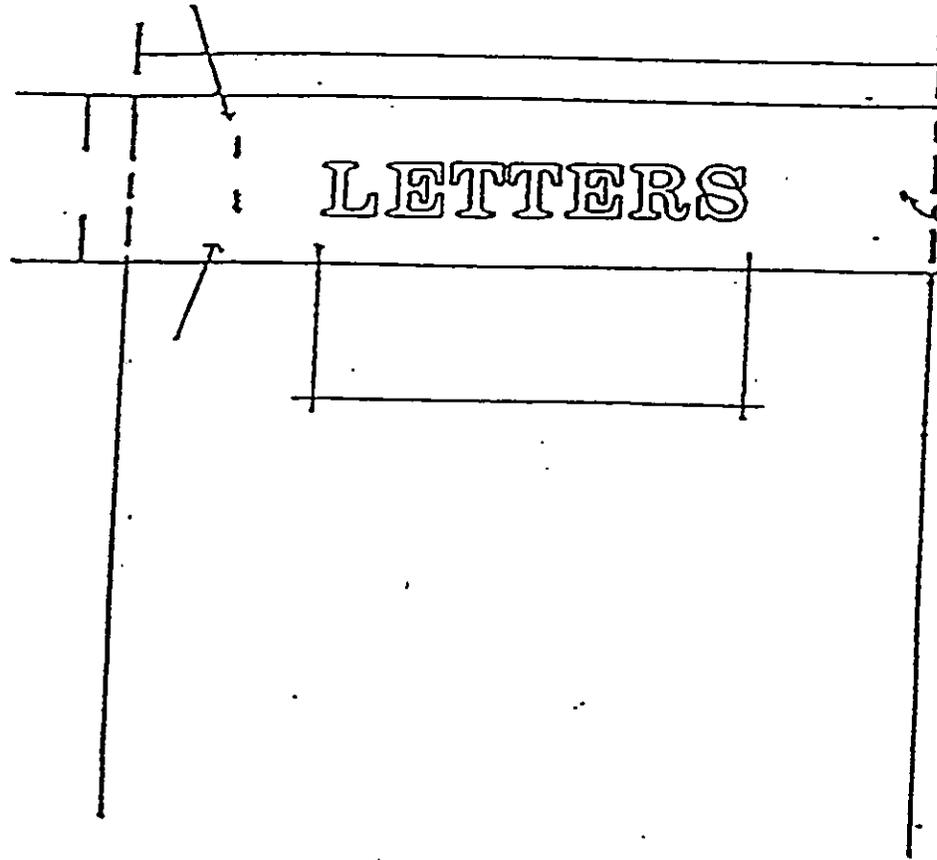
EXHIBIT "D"

TENANT FINISH RESPONSIBILITY

Tenant agrees to install an exhaust system to help alleviate the current condition of strong odors in the space. The exhaust fan is to be installed before June 1, 1998. The plans need to be approved by the Property Manager prior to installation.

NOTE

SIGN CRITERIA TO BE USED AS TENANT GUIDELINE AND REFERENCE. ALL SIGNS ARE SUBJECT TO APPROVAL BY LANDLORD AS STATED IN PARAGRAPH OF SUBJECT LEASE.



SIGN CRITERIA

1. MAX HEIGHT OF LETTERS SHALL BE 24 INCHES.
2. MAX LENGTH OF SIGN SHALL BE 60 PERCENT OF TENANTS SHOP FRONTAGE.
3. LETTERS SHALL NOT BE LOCATED CLOSER THAN 24 INCHES TO GUTTER OR BOTTOM OF FASCIA.
4. UNCOVERED NEON SIGNS ARE NOT PERMITTED.
5. SIGNS SHALL BE INDIVIDUAL LETTERS. CONSTRUCTION SHALL BE METAL REVERSE CHANNEL WITH PLASTIC FACE. EACH LETTER SHALL BE INTERNALLY LIGHTED.
6. NO "RACEWAY" INSTALLATION.
7. SUBJECT TO THE APPROVAL OF ALL APPROPRIATE GOVERNING AUTHORITIES.

LANDLORD'S SIGN CRITERIA

EXHIBIT "E"