

LEASE

THIS LEASE AGREEMENT, made this 12th day of January, 2023, between **GCMMB, LLC**, a North Carolina limited liability company, having its principal office at 2709 Thorngrove Ct., Suite 2, City of Fayetteville, North Carolina 28303 (hereinafter called "Landlord") and **Koto Hibachi and Sushi Inc.**, a North Carolina corporation (hereinafter collectively called "Tenant").

WITNESSETH:

That in consideration of the rents, covenants and conditions herein set forth, Landlord and Tenant do hereby covenant, promise and agree as follows:

1. **PREMISES.** Landlord hereby lets and leases unto Tenant, and Tenant hereby leases from Landlord, the interior of a store space located in the Shopping Center, as defined in Paragraph 3 hereof, which Shopping Center is located in the Johnsonville Township, Spout Springs community in Harnett County, North Carolina, such store space currently has an address of 177 Mittie Haddock Drive, Cameron, North Carolina 28326, and which contains 1,600+/- square feet of Gross Leasable Square Footage, as defined in Paragraph 3 hereof as shown on Exhibit A attached hereto (the "Demised Premises").

2. **INITIAL TERM.** The Initial Term of sixty (60) months shall commence on the earlier to occur: (i) one hundred and eighty (180) days after the Lease has been fully executed by both parties; or (ii) the date Tenant opens for business in the Demised Premises. In the event the Initial Term of this Lease shall commence on a date other than the first day of a calendar month, the Initial Term shall automatically be extended to the last day of the month in which the Initial Term would otherwise expire. Notwithstanding anything in this Lease to the contrary or the fact that the commencement of the Initial Term may occur after the Effective Date, Landlord and Tenant acknowledge and agree that this Lease is in full force and effect as of the Effective Date of this Lease and that each is bound by the terms of this Lease on the Effective Date.

(a) **LANDLORDS WORK.** Landlord shall deliver the Premises in its "as is where is condition" with the exception of what's listed in Exhibit D "Landlords Work".

(b) **INTENTIONALLY OMITTED.**

(c) **TENANTS WORK.** Tenant agrees to accept the Premises in its "as is where is" condition and will perform all work listed in Exhibit C "Tenants Upfit Requirements" and in accordance with the Landlord approved drawings.

3. **DEFINITIONS.** As used herein, except only where the context requires a different meaning, the word "Premises" shall mean and refer to the above described Demised Premises; "Shopping Center" shall mean and refer to that certain parcel of land consisting of approximately 9.31 acres located on 133 Mittie Haddock Drive, Northwest quadrant of H. M.

Cagle Drive and Highway 24/87 in Johnsonville Township, in the Spout Springs Community, in Harnett County, North Carolina and known as Spout Springs Plaza, as more particularly described on Exhibit A hereto, and as depicted on Exhibit B hereto, and the improvements thereon; "Gross Leasable Square Footage" or "GLSF" shall be the square footage of the Demised Premises, measured from the middle of common walls and the exterior of outside walls. "Lease Year" shall mean the twelve (12) full calendar months following the Rent Commencement Date, plus any partial calendar month in which the Rent Commencement Date occurs, and thereafter each subsequent period of twelve (12) full calendar months thereafter; and "Effective Date" shall mean the date on which the last party executes this Lease, which date shall be inserted into the first paragraph of this Lease by the last party to execute.

4. **DATE OF OCCUPANCY.** Landlord shall deliver possession of the Premises at Lease Execution.

5. **ADVANCED POSSESSION FOR FIXTURING.** INTENTIONALLY OMITTED.

6. **SECURITY DEPOSIT.** One (1) Month's Rent to be held in an interest-bearing escrow account by the Landlord.

7. **RENTAL.** The obligation to pay rent shall commence on the earlier to occur: (i) one hundred and eighty (180) days after Lease execution; or (ii) the date Tenant opens for business in the Premises ("Rent Commencement").

For each period of twelve (12) successive months of the term of this Lease, Tenant shall pay a guaranteed annual amount of rent ("Minimum Rent") as follows:

Initial Term Minimum Rent:

	<u>Per Square Foot</u>	<u>Monthly</u>	<u>Annual</u>
Years 1-2:	\$14.63	\$1,950.67	\$23,408.00
Years 3-4:	\$16.13	\$2,150.67	\$25,808.00
Year 5:	\$17.13	\$2,284.00	\$27,408.00

Option Term 1:

Years 6-10:	\$18.13	\$2,417.33	\$29,008.00
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Option Term 2:

Years 11-15	\$19.13	\$2,550.66	\$30,608.00
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In the event the rent shall commence on a day other than the first day of a calendar month or end on a day other than the last day of a calendar month, then the rent payable for such fractional month shall be prorated on the basis of the total number of days of occupancy during either such

month.

8. **INENTIONALLY OMITTED.**

9. **GROSS SALES. INTENTIONALLY OMITTED.**

10. **COMMON AREA MAINTENANCE.** Tenant shall pay to Landlord its prorata share of the maintenance expense (the "Common Area Maintenance Expense") incurred by Landlord in connection with the parking and other common areas in the Shopping Center. Tenant shall initially pay as has been initially estimated, its prorata share of Common Area Maintenance Expense, for each period of twelve (12) successive months of the Term of this Lease, the sum of \$2,094.87 annually, payable as follows:

On or before the first day of each and every month of the Term, Tenant shall pay, as a proportion of the Common Area Maintenance expense, the sum of \$ 174.57 per month in advance.

In the event the Term of this Lease shall commence on a day other than the first day of a calendar month, or end on a day other than the last day of a calendar month, then the Common Area Maintenance charges payable for such fractional month shall be prorated on the basis of the total number of days of occupancy during such month.

If Tenant's prorata share of the Common Area Maintenance Expense payable hereunder shall exceed the total amount theretofore paid by Tenant for such lease year, then within ninety (90) days following the end of each lease year during the Term hereof, Landlord shall furnish to Tenant a statement of the actual amount of Tenant's prorata share of the Common Area Maintenance Expense of the common facilities, accompanied by copies of all bills pertaining to common facility cost and a statement signed and certified by Landlord to be true and correct setting forth the total amount due thereon. Tenant shall pay said amount to Landlord, within thirty (30) days following due receipt of Landlord's statement. Tenant will commence paying the corrected Common Area Maintenance charge as its prorata share estimate in all subsequent months of the lease term.

Tenant's prorata share of the Common Area Maintenance Expense shall be that percentage thereof determined by dividing the square feet of gross space of all buildings in the Shopping Center into the gross square foot area of the Demised Premises. Any provision of this Lease to be contrary notwithstanding, the following shall not be included in the "Common Area Maintenance Expense" in calculating Tenant's prorata share thereof payable under this Section 10:

(a) The cost of any items of a capital nature; provided, however, Common Area Maintenance Expense may include annual contributions toward the replacement cost, based on a full amortization of the replacement cost over the useful life of the item in question, of the following capital items: (i) parking area resurfacing, (ii) governmentally required improvements or alterations (but not those related to hazardous materials) in connection with laws enacted after

the date of this lease, and (iii) cost saving items (but only to the extent such items actually reduce Common Area Maintenance Expense).

- (b) Costs charged to Tenant under any other Sections of this Lease, paid by other tenants, or covered by insurance or condemnation proceeds.
- (c) Legal fees, and leasing commissions, tenant improvement costs or other expenses in connection with leasing space in the Shopping Center.
- (d) Initial acquisition, construction, and installation costs (or assessments for such costs) for additions or upgrades to the Shopping Center.
- (e) Costs and expenses attributable to any personnel except to the extent the time and energies of such personnel are devoted exclusively to the Shopping Center.
- (f) Charges for any item for which Landlord has established a reserve until such reserve has been depleted.
- (g) Items not typically included as operating and Maintenance costs under generally accepted accounting principles.

Within 90 days after the end of each year, Landlord shall submit to Tenant a reasonably detailed annual statement of Common Area Maintenance Expense under this Section 10. No more than once every three (3) years, Tenant and/or Tenant's representatives shall have the right following reasonable notice to Landlord to inspect and audit Landlord's books and records pertaining to Common Area Maintenance Expense and any other charges passed through to Tenant under this Lease. Such inspection or audit shall take place at Landlord's principal office for the Shopping Center.

In the event any such inspection or audit indicates that Tenant has overpaid any charges under this Lease Landlord shall credit such overpayment to the next charges due Landlord under this Lease or refund to Tenant if for the final year. The provisions of this Section shall survive termination or expiration of this Lease.

11. ADMINISTRATIVE CHARGES FOR LATE PAYMENT. There shall be an administrative fee as detailed below for any charge or payment due, including rent, not timely received at the office designated as the location of the Landlord to which payments are to be made.

FEE SCHEDULE:

- a. One Hundred (\$100.00) Dollars if not received within fifteen (15) days of due date for each payment;
- b. An additional One Hundred (\$100.00) Dollars if not received within thirty (30) days of due date for each payment;

c. An additional One Hundred (\$100.00) Dollars if not received within forty-five (45) days of due date for each payment;

d. An additional One Hundred (\$100.00) Dollars if not received within sixty (60) days of due date for each payment.

The above fees are necessitated by the additional administrative and legal expenses incurred in the handling, processing and collection of charges not received when due. Payment of any administrative fees incurred due to late payment shall not negate the fact that the Lease was in default due to the payments not having been received when due. Additionally, it is understood that the above charges relate to administrative expenses incurred prior to any litigation and are not in any manner an offset against legal fees to be borne by Tenant in the event of litigation of any kind and for any reason.

Administrative fees shall be subject to any limit imposed by Federal or State law.

12. PAYMENTS TO LANDLORD. Tenant shall pay all Rents and other charges payable to Landlord at the Landlord's mailing address at its principal office at 2709 Thorngrove Ct. Suite 2, Fayetteville, North Carolina 28303, or upon written direction of Landlord to such other person, firm or corporation or at such other location as Landlord may from time to time direct.

13. OPTION TO RENEW. Provided Tenant is not in material default beyond any applicable cure period, all installments of Rental and other charges theretofore due have been paid and all other conditions of this Lease have been properly complied with by Tenant, Tenant may, at its option, extend this Lease for two (2) additional terms of five (5) years. Written notice of Tenant's exercise of its option to extend the Term of this Lease for any extended Term provided hereunder must be given to Landlord at least one hundred and eighty (180) days prior to the date the Term of the Lease would otherwise expire.

14. UTILITIES. Tenant shall pay the cost of all water and sewer charges, telephone, gas, trash removal, electricity and fuel consumed or used in or at the Demised Premises.

15. SPRINKLER SYSTEM. Tenant will not and will not permit others to misuse or abuse any Sprinkler System installed in the Demised Premises, and Tenant will at all times conform with all regulations issued by Landlord concerning the use of the Sprinkler System.

16. OUTDOOR LIGHTING. In order to maintain uniformity in the hours that under canopy lighting, under canopy signs, and store signs mounted on the facade of the Building are kept lighted and to maintain the under-canopy lighting and under-canopy signs in working condition, Landlord has connected certain of these lights and signs to its own electric meter; therefore, Landlord will furnish the electricity used in any under canopy lighting and under canopy signs located directly in front of the Demised Premises and will maintain same. Landlord will also furnish the electricity used in the store signs mounted on the facade of the Building, but Tenant will maintain its store sign in good operating condition.

Provided, however, Tenant will reimburse Landlord for the reasonable, actual costs of

electricity, light bulbs and fluorescent lighting fixtures, and ballasts in the under-canopy lighting and under-canopy signs for the Demised Premises. Tenant will be notified of the monthly charge levied for the above and will pay the charges quarterly upon receipt of a statement or notice. In the event the cost of the electricity and/or maintenance supplies or labor shall increase, the charges will increase accordingly.

17. **TAXES.** Tenant shall pay all taxes, assessments, licenses and other charges attributable to the stock of goods, trade fixtures and equipment and business conducted in and on the Premises leased.

Tenant shall pay to Landlord Tenant's prorata share of the real property taxes ("Taxes") levied or assessed by any lawful authority against the Landlord's improvements in the Shopping Center, including all ad valorem taxes and assessments on the Shopping Center of which the Demised Premises are a part, comprised of the land and improvements now or hereafter located thereon. Tenant's pro rata share of such Taxes shall be that percentage which is determined by dividing the square feet of gross space of all Buildings in the Shopping Center into the gross square foot area of the Demised Premises. Tenant shall pay as has been initially estimated, its prorata share of Taxes, for each period of twelve (12) successive months of the term of this Lease, the sum of One Thousand Fifty-Three Dollars and 83/100 (\$ 1,053.83) annually, payable as follows:

On or before the first day of each and every month of the Term, Tenant shall pay, as a proportion of the Property Tax, the sum of Eighty-Seven Dollars and 81/100 (\$ 87.81) monthly, in advance.

In the event the Term of this Lease shall commence on a day other than the first day of a calendar month, or end on a day other than the last day of a calendar month, then the tax charges payable for such fractional month shall be prorated on the basis of the total number of days of occupancy during either such month. An adjustment shall be made for said charges on a calendar year basis when the actual costs have been determined. In addition, Tenant agrees to adjust its monthly tax reimbursement annually to reflect the actual costs.

Tenant agrees to pay to Landlord any sales or use tax or excise tax imposed or levied against rent, or any other charge or payment received hereunder to be made by Tenant which has been imposed or levied by any governmental agency having jurisdiction thereof.

Any provision of this Lease to the contrary notwithstanding, none of the following shall be included in calculating Tenant's prorata share of the "taxes" or other taxes payable by Tenant under this Lease: (i) assessments in connection with initial utility installations and other offsite improvements in or development costs of the Shopping Center; (ii) taxes or assessments attributable to the inventory, furniture, trade fixtures, apparatus, and other improvements, fixtures, equipment, or personal property of other tenants or occupants in the Shopping Center; (iii) interest and late charges, penalties, or fines in connection with any delinquent payment of real estate taxes by landlord; (iv) franchise, gift, inheritance, estate, transfer or income taxes of Landlord. In the event of any general or special assessment against the Shopping Center and/or the Landlord's Buildings or any portion thereof that Landlord can elect to either pay in full or allow to go to bond, if Landlord pays the assessment in full, there shall be included in calculating the taxes payable by

Tenant each year no more than the amount that would have been payable (as both principal and interest) had Landlord allowed the assessment to go to bond.

18. USE OF PREMISES. During the Term of this Lease the Demised Premises shall be used and occupied solely for the conduct therein by Tenant for the operation of an Asian cuisine restaurant to include, but not limited to, sushi, hibachi, and steak style cuisine. Tenant shall not be allowed to sell alcohol on the Premises. Tenant shall not be allowed to use the sidewalk as a seating area.

So long as Tenant is open and operating in the Demised Premises and is not in default of this Lease, Landlord agrees that it will not lease space in the Shopping Center to a tenant whose primary use is a restaurant serving Asian cuisine. This restriction shall not apply to existing leases.

Tenant at all times shall fully and promptly comply with all laws, ordinances, orders and regulations (collectively, "Laws") of any lawful authority having jurisdiction of the Demised Premises including, but not limited to, such as shall relate to the cleanliness, safety, occupation and use of the Demised Premises and the nature, character and manner of operation of the business conducted in or at the Demised Premises. However, any provision of this Section 18 or any other provision of this Lease to the contrary notwithstanding, Tenant shall in no event (and Landlord shall) be obligated to perform or bear the cost of any work or repair of a capital or structural nature in connection with compliance with any Laws unless required due to Tenant's specific use of the Demised Premises; Landlord represents and warrants that as of delivery of possession of the Demised Premises to Tenant, the Demised Premises are in compliance with all applicable Laws and insurance underwriting requirements or recommendations. Tenant shall not permit, allow nor cause any public or private auction sales to be conducted in or at the Demised Premises or the adoption or use of any sales promotion devices or practices that shall tend to mislead or deceive the public or which directly or indirectly would tend to detract from or impair the reputation or dignity of said business, the Demised Premises, the Building, the Shopping Center or the general reputation or dignity of the business of others conducted in the Shopping Center. In no instance shall this clause be interpreted so as to prevent Tenant from utilizing the common area to locate dumpsters or trash containers. Tenant shall not, without written consent of Landlord, place or maintain outside of the leased interior store space, on walkways, sidewalks, mall area or other common areas, any merchandise, display, or vending machines.

Tenant further agrees that all promotions and/or advertising for the business conducted on the Demised Premises shall be equal to or greater than any promotions and/or advertising it conducts for any other similar business it operates in Harnett County, North Carolina.

19. VENDING MACHINES AND GAME MACHINES. Tenant will not, and will not permit others to install on, at or in the Demised Premises any coin or token-operated machine, game machine, sweepstakes machine or device operated for amusement, gambling, and/or recreation.

20. CONTINUOUS OPERATION. Tenant covenants at its expense, at all times during the term, to continuously and uninterruptedly use, occupy, and operate for office and

administrative purposes; to furnish and install all trade fixtures and permitted signs; to keep the store space fully lighted; to carry a full and complete stock of seasonable merchandise; and to maintain an adequate number of trained personnel for effective service to customers.

21. STREETS, ALLEYS, AND PARKING AREA. Tenant shall have a non-exclusive right to the use of all streets, parking areas, driveways, alleys and other common areas within the Shopping Center. Public parking areas provided by Landlord in and about the Shopping Center are acknowledged to be and are reserved for use by customers while shopping in Shopping Center. Tenant shall not, and shall not permit its employees to, use said parking areas, the streets, alleys, or vacant lands in the Shopping Center for parking or storage of any automobiles, trucks or vehicles owned or used by them except as may be approved and designated in writing by Landlord. Tenant, on request of Landlord, within five (5) days thereof, shall furnish to Landlord a written statement of the names of all employees, agents, and representatives employed in or at the Demised Premises by Tenant and the license registration number of all vehicles owned by or used by Tenant or by such employees, agents, or representatives.

This provision relative to parking applies equally to sub-tenants of Tenant and employees of sub-tenants, temporary vendors, and/or person or persons connected in any way with the business carried on, in or at the Demised Premises.

Tenant will be responsible to bring this provision to the personal attention of each and every individual to whom it applies and will accept the obligation of their compliance.

It is understood the Tenant and employees of same, shall park in areas designated by Landlord and that Landlord will provide adequate, reasonably proximate parking for Tenant and its employees.

22. ENTRY OF LANDLORD. Landlord, its agents, and representatives, at all reasonable times may enter the Demised Premises for the purpose of (a) inspection thereof, including but not limited to, the inspection of fire extinguishing equipment and for violations of fire protection and prevention regulations and practices, (b) making repairs, replacements, alterations or additions to the Demised Premises or the Building as permitted under this Lease. Any such entry by or on behalf of Landlord shall not be or constitute an eviction, partial eviction, or deprivation of any right of Tenant and shall not alter the obligation of Tenant hereunder or create any right in Tenant adverse to the interest of Landlord. Landlord shall exercise its rights to enter the Demised Premises under this Section 22 or otherwise (i) only following reasonable notice to Tenant and only during business hours, except in the event of an emergency and (ii) so as to minimize interference with Tenant's business at the Demised Premises. Landlord shall at its expense repair any damage in connection with entry by Landlord and/or its representatives, agents, contractors, or employees onto the Demised Premises.

23. MAINTENANCE. Landlord, at its sole cost expense, shall maintain and keep in good repair and replace as necessary the roof, subroof, foundation, subfloor, structural components, exterior and supporting walls with the exception of doors, windows, and plate glass, the electrical wiring and the plumbing to the point of connection with interior service lines of the Demised Premises; provided, however, that the cost of any repairs to same required as a result of

the negligence or willful act of Tenant, its customers, licensees, agents, servants or employees, shall be borne by Tenant.

Except for normal wear and tear, Tenant, at its sole cost and expense, whether the same shall be the property of Tenant or Landlord, shall at all times maintain in good condition the interior of the Demised Premises and shall promptly repair, restore or replace all store fixtures and equipment, electrical installations, interior electrical wiring and plumbing from point of connection with exterior lines, all plumbing equipment exclusively serving the Demised Premises, all machinery, whether parts of the same shall be inside or outside the Demised Premises, all hardware, all interior painting or decorations of every kind, all doors and door and window screens, all glass and plastic, including window glass and any and all plate glass including glass in exterior walls. Any replacements shall be made only by persons approved in writing by Landlord. Tenant, at its sole cost and expense, shall furnish all replacement fluorescent tubes and ballasts used for lighting fixtures, except for provisions outlined in Paragraph 16. Tenant agrees to have a maintenance contract for the HVAC unit(s). Tenant shall be responsible for any repairs costing up to five hundred dollars (\$500.00) per occurrence per unit. For any repairs exceeding five hundred dollars (\$500.00) per occurrence per unit, Tenant shall be responsible for the first five hundred dollars (\$500.00) and Landlord shall cover the remainder only if Tenant has in place a valid maintenance contract and can provide maintenance records.

24. EQUIPMENT AND FIXTURES. Except as provided in this Lease, Tenant shall not install in or about said Premises any interior or exterior lighting or plumbing fixtures, steps, partitions, walls, fences, shades, or awnings, or make any structural changes or alterations in or to any part of the Building or the Demised Premises except upon the prior written consent of Landlord, which consent will not be unreasonably withheld. Display counters and store furniture used in the Demised Premises, supplied and installed at the sole cost of Tenant, shall at all times be and remain the property of Tenant, and provided Tenant is not in Default, Tenant shall have the right to remove the same from the Demised Premises at any time during the Term hereof; however Tenant is responsible for and must repair any and all damages occasioned by such removal. Permanently affixed fixtures, and equipment, including but not limited to paneling, lighting fixtures, shelving and built-in cabinets, supplied and installed by Tenant shall become the property of Landlord unless Landlord shall, prior to the termination of this Lease Agreement, have given written notice to Tenant to remove same, in which event Tenant shall remove such furniture, fixtures and equipment as identified by Landlord and restore the Premises to the same good order and condition in which they were at the commencement of this Lease. Should Tenant fail to do so, Landlord may do so, collecting the cost and expense thereof from Tenant as additional rent hereunder.

Tenant understands and agrees that all permanently affixed fixtures, and equipment located in or belonging to the Demised Premises at the time the Lease shall begin are, and will remain, the property of Landlord. It is understood the Tenant is making all its leasehold improvements in the Premises at its expense. At termination of the Lease, Tenant may remove any fixture and equipment installed by the Tenant in or to the Premises except any additional HVAC and electrical equipment. All Tenant's improvements will remain the property of the Tenant through the Lease Term. Any improvements left on the Premises at termination will become the Property of the Landlord. Tenant shall continue to pay its monthly rental charges during its fixture removal period

not to exceed Thirty (30) days after the Lease terminates.

25. CARE OF PREMISES. Tenant shall not permit, allow or cause any act or deed to be performed or any practice to be adopted or followed in or about the Demised Premises which shall cause or be likely to cause injury or damage to any person or to the Demised Premises or the Building or the mall areas, sidewalks, and/or pavements adjoining the Demised Premises. Tenant shall not permit, allow or cause any noxious, disturbing or offensive odors, fumes or gases or any smoke, dust, steam or vapors, or any loud or disturbing noise, sound or vibration to originate or be emitted from the Demised Premises. Tenant at all times shall keep the entryways and sidewalks clean and free from trash, dirt, snow and ice. Tenant shall keep the Demised Premises clear and free of rodents, bugs, and vermin, and at the request of Landlord, participate and cooperate in carrying out any program of extermination that Landlord may direct and Tenant shall bear the cost thereof; or, at Tenant's election if conducted in cooperation with other Tenants, then Tenant shall bear its prorata cost on the basis of floor areas involved. Tenant shall not use nor permit the use of any portion of the Demised Premises as sleeping or living quarters or as lodging rooms, or keep or harbor therein any live animals, fish or birds or use the same for any illegal purpose. Tenant shall not permit, allow or cause the sinks, toilets, or urinals in the Demised Premises or Building to be used for any purpose except those for which they were designed and installed, and the expense of repairing any breakage, damage or removal of any stoppage resulting from a contrary use thereof shall be paid by Tenant. Tenant shall maintain all show windows in a clean, neat and orderly condition and keep the glass thereof clean. Tenant will be solely responsible for all carpet care to include, but not be limited to, cleaning and shampooing. Carpet, if utilized in the flooring of the space, will be cleaned by Tenant and at Tenant's sole cost and expense at the termination of the Term of this Lease or upon vacating the Demised Premises.

Tenant will not place or store flammable material at or near a furnace or other source of heat; overload electrical circuits; use or operate defective appliances or equipment or allow any practice which might result in a fire, but Tenant at all times, will follow good fire prevention practices.

Tenant shall store all trash, waste, rubbish and garbage in closed trash containers approved in advance by Landlord as to material, construction and location, and shall not burn or otherwise dispose of any trash, waste, rubbish or garbage in or about the Demised Premises, Building or said Shopping Center. Tenant shall pay expense of, and all costs and charges for, or in connection with, the prompt and regular removal and disposal of all trash, waste, rubbish and garbage outside the area of the Shopping Center. In the event it is required by lawful authority having jurisdiction that compactors or other mechanical devices or equipment be employed or utilized in the preparation of packaging of trash, waste, rubbish, and garbage, Tenant will, at its sole cost and expense, provide such required mechanical device or equipment and will be solely responsible for its maintenance and upkeep. In the event other tenants in the Shopping Center agree jointly to provide compactors, or other mechanical devices for the joint handling of trash, waste, rubbish, and garbage, Tenant agrees that it will cooperate with other Tenants and bear its proportionate share of the costs and maintenance of such devices and equipment provided Tenant does not have its own garbage handling equipment and disposal service.

26. HAZARDOUS MATERIALS. Tenant shall not cause or permit any "Hazardous

Material" (as hereinafter defined) to be brought upon, kept, or used in or about the Premises by Tenant, its agents, employees, contractors, or invitees without the prior written consent of Landlord. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant results in contamination of the Premises or any adjacent property, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises and/or adjacent property, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises and/or adjacent property, damages arising from and adverse impact on marketing of the Premises and/or adjacent property, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term or any Extended Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises and/or adjacent property. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises and/or adjacent property, Tenant shall promptly take all actions at its sole expense as are necessary to remove or remediate return the Premises and/or adjacent property to the condition existing prior to the introduction of any such Hazardous Material as required by applicable laws to the Premises and/or adjacent property; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises and/or adjacent property. As used herein, the term "Hazardous Material" means a hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of North Carolina or the United States Government. Nothing contained herein shall be deemed or construed to limit the liability of Tenant to Landlord hereunder for the breach of any covenant of Tenant under this Paragraph 26. The provisions of this Paragraph 26 shall survive the expiration or earlier termination of this Lease and Tenant's surrender of the Premises to Landlord. Any provision of this Lease to the contrary notwithstanding, Tenant's obligations under this Section 26 shall apply only in connection with Hazardous Materials brought onto the Demised Premises by Tenant and/or Tenant's representatives, contractors, agents, or employees; and (ii) this Section 26 shall not restrict Tenant's use of cleaning solvents and other materials typically used in the restaurant industry provided Tenant complies with all applicable laws in connection with such use. Landlord represents and warrants that as of the delivery of possession of the Demised Premises to Tenant there are no Hazardous Materials (including without limitation asbestos) in, on, at or about the Demised Premises.

27. MOVING OF HEAVY ARTICLES. Tenant must not allow, permit or cause to be taken into or removed from the Demised Premises any heavy or bulky articles, furnishings, fixtures or equipment of such size or weight as shall require the use of tackle, carts, dollies or other moving aids or the service of more than two (2) men, except upon the prior approval of Landlord and at such times as the latter shall specify. Tenant shall be liable for the cost of any damage to the Demised Premises, the Building or sidewalks and pavement adjoining the same which shall result from the movement of such articles or objects. Tenant shall not unduly load or overload the floors of any part of the Demised Premises and any heavy objects or articles stored or used therein

shall be stored and placed only in such place or location as Landlord, if it so elects, shall designate.

28. LOSS OF PROPERTY. Landlord shall not be liable for any loss of any property of Tenant from the Demised Premises or for any damages to any property of Tenant, however occurring, except such damage in the latter instance as may result directly from failure of Landlord to perform an act required of it under the terms of this Agreement. Landlord, without liability to Tenant, shall have the right and may at any time close the said Premises whenever the same may become necessary in compliance with any law, order, regulation or direction of any lawful authority or the agents, officers, or representatives thereof in the event of any, good faith public disturbance or like circumstances which, in the sole judgment of Landlord, may make such closing appear proper or advisable.

29. ADVERTISING. Except as provided in this Lease, Tenant shall not permit, allow nor cause to be erected, installed, maintained, painted or displayed on, in or at the Demised Premises or any part thereof any exterior or interior sign, lettering, placard, announcement, decoration, advertising media, nor advertising material of any kind whatsoever, visible from the exterior of the Demised Premises without prior written approval of Landlord. Tenant shall not permit, allow nor cause to be used in or at the Demised Premises any advertising media or device such as phonographs, radios, public address systems, sound production or reproduction devices, mechanical or moving display devices, motion pictures, television devices, excessively bright lights, changing, flashing, flickering or moving lights or lighting devices, or similar devices, the effect of which shall be visible or audible from the exterior of the Demised Premises. Any provision of this Section 29 or any other provision of this Lease to the contrary notwithstanding, Tenant shall have the right with Landlord's consent to install, maintain and change from time to time (i) exterior signage consistent with Tenant's prototype and (ii) professionally prepared signs and displays in the interior of the Demised Premises consistent with Tenant's standard signage and promotion programs. Landlord shall not unreasonably withhold, delay or condition approval of any other signage.

Tenant recognizes that Spout Springs Shopping Center is not the type of Shopping Center known as an "Outlet Mall", "Factory Outlet Mall", "Off-Price Mall", or "Discount Mall." Tenant will not and will not permit others on its behalf to advertise in any form including notices, placards, or fliers, the business operated in the Demised Premises using the words or phrases such as "Discount Store", "Off-Price", "Factory Outlet", "Outlet" or any word or phrase, printed or spoken, which connotes the type business using the above words or phrases. Provided, however, that for special sales and for very limited times, Tenant may advertise merchandise at "Discount" or "Mark-Down" prices.

Tenant understands that a retail store or service shop located in a shopping center which ceases to do business is often viewed by the general public as being a failure, and such failure reflects unfavorably on the Shopping Center and on the other businesses located in the Shopping Center. In the event Tenant elects or is forced to cease to do business in the Demised Premises due to the termination of the Term, or for any reason prior to the termination of the Term, Tenant will not and will not permit others on its behalf, to advertise in any public or private media such as, but not limited to, newspapers, magazines, radio, television, direct mail or by way of banners, placards, posters or other visual or any audio devices located in or on the Demised Premises,

Building, or Shopping Center a "Going Out of Business" sale, "Bankruptcy" sale, "Lost Our Lease" sales or "Removal" sale or any combination of the above or similar wording which advertises a sale because the business conducted in the Demised Premises is being closed, liquidated, moved, or has been sold.

30. SIGNAGE. Tenant, at its sole cost and expense, and within thirty (30) days after the date of entry into occupancy of the Demised Premises (due allowance being made for practical impossibility), shall furnish and install at such place on the exterior of the Demised Premises, on the Building, as Landlord shall approve, a sign of such design, size, content, form and material as shall be approved by Landlord for the purpose of identifying and/or locating said business of Tenant. Tenant, at its sole cost and expense thereafter during the term hereof, shall promptly repair and at all times maintain such sign in good condition. Requirements for the construction and installation of exterior store front and/or Building front signs are attached to this Lease as Exhibit E. There is no room available for Tenant to place a panel on the pylon road sign.

At the end of any Term of this Lease Agreement, or Holding Over period, Tenant will be responsible for the removal of all signage, exterior and interior, within five (5) days of the termination of this Lease Agreement. In the event Tenant does not remove signage and make any and all necessary repairs to remove all identifying marks of Tenant, Landlord may remedy and charge Tenant for reasonable and actual expenses incurred.

31. FIRE EXTINGUISHERS AND EQUIPMENT. At its sole cost and expense, Tenant will furnish for each one thousand (1,000) square feet of leased space, not less than one (1) approved hand fire extinguisher. Landlord may designate the type of extinguisher and the place each is to be installed, and Tenant will not remove nor relocate said extinguisher without prior approval from Landlord. Tenant will be responsible for and will bear the reasonable cost of periodic inspection and/or recharging or reloading of said fire extinguishers.

In the event that automatic or other special fire extinguishers or any additional prevention equipment is required by any local, State, or Federal government or authority, Tenant shall be responsible for the purchase, installation, upkeep, repair, recharging, and replacement of said equipment by a competent licensed individual or firm and will keep the same in good working order.

32. FIRE AND OTHER CASUALTY. If the Demised Premises shall be made untenable by fire or other casualty, Landlord, if it so elects, may: (a) terminate the Term of this Lease, effective as of the date of such fire or other casualty (written notice will be given to Tenant within thirty (30) days after such date of fire or other casualty) or (b) repair, restore or rehabilitate the Demised Premises at Landlord's expense within ninety (90) days after the date of such fire or other casualty. In which event, the Term hereof shall not terminate, but any fixed Rent herein reserved shall abate on a per diem basis while the Demised Premises shall remain untenable. If Landlord elects to so repair, restore or rehabilitate the Demised Premises, but shall fail to substantially complete the same within said ninety (90) days, (due allowance being made for delay due to practical impossibility), either Landlord or Tenant, by written notice to the other given within fifteen (15) days next following the last day of said ninety (90) days, may terminate the Term hereof as of the date of such fire or other casualty.

In the event of any termination of the Term hereof pursuant to this Paragraph, Fixed Rent, if any reserved hereunder shall be apportioned on a per diem basis and paid to the date of such fire or other casualty, and Percentage Rent, if any, shall be paid to the date of termination. The right of termination herein provided is separate and independent of any other provisions of the Lease relative to termination.

33. INSURANCE. Tenant, commencing with the date Landlord delivers the Demised Premises to Tenant, and at all times thereafter during the Lease Term, at its sole cost and expense, shall keep all furniture, fixtures, and equipment, whether supplied or owned by Tenant or by Landlord, and in addition, all glass forming a part of the Demised Premises, including but not limited to, plate glass, insured with an insurance company licensed to operate in North Carolina, to the full extent of its insurable value thereof against loss or damage by fire with extended coverage. In the event that during the Lease Term as the result of any act or neglect of Tenant, its invitees, agents, employees or representatives, or the nature of the business conducted in or at the Demised Premises, the fire insurance rate upon the Demised Premises or the buildings of the Shopping Center shall be increased over the rate existing as of the date hereof, Tenant, on demand, shall pay to Landlord, as additional Rent, a sum equal to any increase in the cost of such insurance.

Tenant, commencing with the date Landlord delivers the Demised Premises to Tenant and at all times thereafter during the Lease Term, at its sole cost and expense, shall maintain and keep in force commercial liability insurance, including broad form contractual liability coverage, with an insurance company licensed to operate in North Carolina, which shall protect Landlord from and against any such claim in an amount of not less than Two Million Dollars (\$2,000,000) combined single limit for property damage and personal injury (insurance coverage amounts to be increased every three (3) years in order to maintain the same buying power as at the beginning of the Term of this Lease). Such insurance shall be on a per occurrence basis and shall be primary and noncontributory with any insurance which may be carried by Landlord.

On or before the date Landlord delivers the Demised Premises to Tenant, and at all times thereafter, Tenant will provide Landlord proof of insurance coverage in force in the form of a binding insurance certificate prepared and forwarded by the insurance company or its agent. Tenant further covenants and agrees that it will indemnify, defend, protect, and save Landlord harmless from and against any penalty or damage or charges imposed for any violation of any laws or ordinances, occasioned by the negligence of the Tenant. All policies required of Tenant hereunder shall provide for waiver of subrogation and shall contain an endorsement providing that the insurer will not cancel or materially change the coverage of said policy or policies without first giving thirty (30) days' prior written notice thereof to Landlord. Landlord is to be named as "Additional Insured".

Landlord and Tenant hereby release each other, and their respective officers, representative, agents, contractors, and employees, from any claim for damage and/or injury to the Demised Premises, the Shopping Center, and the improvements, fixtures, and personal property located thereon to the extent covered by insurance policies then in effect. Landlord and Tenant shall cause any fire insurance or property damage insurance it carries to be written so as to include an endorsement of the foregoing waivers by the insurer and to affect a waiver of all rights of

recovery by means of subrogation by the insurer in connection with losses or damages covered by the foregoing waivers by landlord and Tenant.

Tenant may carry any insurance required under this Lease in the form a so-called "blanket" policy or policies of insurance covering the Demised Premises along with other locations of Tenant, provided the applicable insurance requirements of this Lease are otherwise met.

Tenant shall pay to Landlord Tenant's pro rata share of insurance premiums and assessments on the Shopping Center of which the Demised Premises are a part, comprised of the land and all improvements now or hereafter located thereon. In the event that the lease term ends on a date other than December 31, then along with the final installment of Guaranteed Annual Minimum Rent due hereunder, Tenant shall pay to Landlord an amount equal to the last such insurance bill received by Tenant or Landlord (whichever is applicable), multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days in such partial calendar year during which this Lease was in effect. For these purposes, "Tenant's pro rata share" of such insurance premiums shall be that percentage which is determined by dividing the square feet of gross space in all Buildings of the Shopping Center into the gross square foot area of the Demised Premises. Tenant's prorata share of such Insurance for each period of twelve (12) successive months of the Term of this Lease has been initially estimated at a cost of Two Hundred Ninety Seven Dollars and 20/100 (\$ 297.20), annually payable as follows:

On or before the first day of each and every month of the Term, Tenant shall pay, as an estimate of its pro rata share of such Insurance as a proportion of the Insurance, the sum of Twenty-Four Dollars and 76/100 (\$ 24.76), monthly in advance.

In the event the Term of this Lease shall commence on a day other than the first day of a calendar month, or end on a day other than the last day of a calendar month, then the Insurance charges payable for such fractional month shall be prorated on the basis of the total number of days of occupancy during such month. An adjustment shall be made for said charges on a calendar year basis when the actual costs have been determined.

Any provision of this Lease to the contrary notwithstanding, Tenant's obligation to pay its prorata share of Landlord's Insurance premiums shall be limited to insurance coverages and premium amounts that are consistent with standard, prudent industry practice for similar shopping centers in North Carolina.

34. INDEMNITY. Except as provided in this Lease, to the fullest extent permitted by law, Tenant covenants with Landlord that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of any persons or damage to property of Tenant or any other person occurring from and after the date Tenant is given access to the Demised Premises from any cause whatsoever related to the use, occupancy, or enjoyment of the Demised Premises including, but not limited to, the sidewalks and landscaped areas immediately adjacent to the Building and Tenant's drive-thru area, if any by Tenant or any person thereof or holding under Tenant including, without limitation, damages resulting from any labor dispute, and Tenant shall defend, indemnify and save Landlord harmless from liens, claims and demands related to the use of the Demised Premises and its facilities, or any repairs, alterations or improvements (including

original construction of the Building upon the Premises, Building Area and any improvements and fixtures constructed or installed by Tenant) which Tenant may make or cause to be made with respect to the Demised Premises, and any loss or interruption of business or loss of rental income resulting therefrom, and Tenant shall in all cases accept any tender of the defense of any action or proceeding in which Landlord is named or made a party and shall, notwithstanding any allegations of negligence or misconduct on the part of Landlord, defend Landlord as provided herein. Tenant shall not be liable for such damage or injury to the extent and in the proportion that the same is ultimately determined to be attributable to the negligence or misconduct of Landlord or its agents, representatives, contractors, servants or employees. This obligation to indemnify shall include reasonable attorney's fees and investigation costs and all other reasonable costs, expenses and liabilities incurred by Landlord or its counsel from the first notice that any claim or demand is to be made or may be made.

Landlord shall indemnify, protect, defend and hold Tenant harmless from and against any and all liability, claims, damages, losses and expenses of any nature, including reasonable attorneys' fees, arising out of or related to the breach of this lease by or the negligence of landlord and/or Landlord's agents, representatives, contractors or employees. In the event of any legal action or proceedings between Landlord and tenant arising out of or related to this lease, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs of suit from the other party.

35. USE OF NAMES AND PICTURES OF PREMISES, BUILDING OR SHOPPING CENTER. Tenant shall not use, nor permit others on its behalf to use, the name of the Demised Premises, the Building, or the Shopping Center for any purposes other than as the address of the business to be conducted in or at the Demised Premises or to use any picture or likeness of the Demised Premises, the Building, or the Shopping Center or any part of any of the same in any advertisement, notice, correspondence or other type of announcement or communication without the prior written consent of Landlord, such consent shall not be unreasonably withheld. Tenant shall not have nor acquire any property right or interest in or to any name or distinctive designation which may become identified or associated with the business to be conducted in or at the Demised Premises if such name or distinctive designation shall contain, as a part thereof, the name or any reference to the Demised Premises, the Building, the Shopping Center or any part or combination of parts of any of the same. All property rights or rights of use of such name or distinctive designation shall be and will remain the property of the Landlord.

Tenant understands and agrees that the use of the name and location of the Premises or any combination thereof, in any corporation name or business name or used or displayed in any sign or advertisement, visual or verbal, is a privilege which may be granted by Landlord. Tenant understands and agrees that it will not, or permit others on its behalf, to use said name, phrases or combination thereof, or in connection with, displayed on any sign, or make any use of them, verbal or visual, which would designate or refer to any address or location other than the one referred to in this Lease.

36. ALTERATIONS. Tenant may from time to time make alterations to the Demised Premises so that the same shall conform to the business conducted in or at the Demised Premises, provided such alterations shall be made at the expense of Tenant with the prior written approval

of and under the supervision of Landlord. Should Tenant make such alterations to the Demised Premises or add additional equipment and/or lighting, or should Tenant alter or change his way or method of doing business, the result of which necessitates the addition of or the alteration of the heating and/or air conditioning system within the Demised Premises, or necessitates the installation of additional electrical circuits or the relocation of any existing electrical conduits within the Demised Premises, the Tenant shall bear the full cost of such additions, changes or alterations.

Any provision of this Section 36 or any other provision of this lease to the contrary notwithstanding, Tenant shall have the right with Landlord's consent to perform from time to time nonstructural improvements, alterations, additions, painting and/or decorating to the interior of the Demised Premises the cost of which does not exceed Fifteen Thousand Dollars (\$15,000) in any single instance. Landlord shall not unreasonably withhold, delay, or condition approval of any other improvements, alterations, or work at the Demised Premises.

All alterations, improvements and additions made by Tenant shall remain upon the Demised Premises at the expiration or earlier termination of the Lease Agreement and shall become the property of Landlord, unless Landlord shall, prior to the termination of this Lease Agreement, have given written notice to Tenant to remove same, in which event Tenant shall remove such alterations, improvements and additions and restore the Demised Premises to the same good order and condition in which they were at the commencement of this Lease. Should Tenant fail to do so, Landlord may do so, collecting the cost and expense thereof from Tenant as additional rent.

37. EMINENT DOMAIN. In the event that the whole or any material part of the Demised Premises shall be taken by any public authority under the power of Eminent Domain, or like power, then the Term hereof shall terminate as to the part of the Demised Premises so taken, effective as of the date of possession thereof and the Demised Premises, or any part thereof, shall be required to be delivered pursuant to the final order, judgment or decree entered in the proceedings in exercise of such power. All damages awarded for the taking of the Demised Premises, or any part thereof, shall be payable in the full amount thereof to and the same shall be the property of Landlord, including but not limited to, any sum paid or payable as compensation for the loss of value of the leasehold or loss of the fee of any part of the Demised Premises. Tenant shall be entitled only to that portion of any award expressly stated to have been made to Tenant for loss of business and loss of value and the cost of removal of stock, furniture and fixtures owned by Tenant; and the foregoing notwithstanding Tenant shall be entitled to any award attributable to the value of Tenant's leasehold improvements. If this Lease is not terminated as provided above, following any partial taking of the Demised Premises, Landlord at its expenses shall restore the remaining portion of the Demised Premises to an architecturally and functionally complete unit.

38. ASSIGNMENT AND SUBLETTING. Tenant shall not sell, assign, mortgage, pledge or in any manner transfer this Lease, or any interest therein, or agree to do so without the prior written consent of Landlord, such consent not to be unreasonably withheld, delayed, or conditioned. Tenant shall not permit any transfer of or lien upon this lease, or any interest therein, by operation of the law without the prior written consent of Landlord, such consent not to be unreasonably withheld, delayed, or conditioned. Tenant shall not sublet the Demised Premises,

nor any part thereof without the prior written consent of Landlord, such consent shall not be unreasonably withheld. Consent by Landlord to one assignment of this Lease, or to one subletting or such use of occupancy of the Demised Premises, shall not be a waiver of Landlord's rights under this Paragraph as to any subsequent assignment, subletting or such use or occupancy. Nor shall any such consent relieve Tenant of any of its obligations under the provisions of the Lease. Landlord's right to assign this Lease, along with the transfer of the Shopping Center to a party who agrees in writing to assume Landlord's obligations and recognize Tenant's rights under this Lease, are and shall remain unqualified.

Anything to the contrary contained in this Section 38 or any other provision of this Lease notwithstanding, none of the following transactions (or any situation resulting therefrom) shall constitute an assignment for purposes of this Section 38, be subject to the foregoing provisions of this Section 38, or be prohibited or require Landlord's consent:

Any event set forth in paragraphs (i) and (ii) above shall be subject to the following conditions: (x) Tenant and its successor, survivor or purchaser in or other party to the transaction shall remain fully liable during the unexpired term of this Lease; (y) all the terms, covenants and conditions of this Lease; and (z) the acquiring entity, and/or Tenant in the event Tenant survives the transaction, shall have, in the aggregate in Landlord's reasonable business judgment, a net worth sufficient to operate a successful business in the manner and quality required by this Lease.

39. HOLDING OVER. In the event Tenant remains in possession of the Demised Premises after the expiration of the Term hereof, without the exercise of an option to renew, if any or without the execution of a new Lease, Tenant thereby shall not acquire any right, title or interest in or to the Demised Premises. Provided, however, that Tenant, as a result of such Holding Over, shall occupy the Demised Premises as a Tenant from month to month, subject to all the conditions, provisions and obligations of this Lease insofar as the same shall then be applicable to such tenancy, with the exception of the base rent which shall be 150% of the last monthly amount paid by Tenant during the respective term.

In the event Tenant is in possession of the Demised Premises in a holding over status, and should either party wish to terminate the Lease, said party will give thirty (30) days' advance written notice to the other. If Tenant fails to give Landlord the required thirty (30) days' written notice, Tenant will pay in lieu thereof a total of thirty (30) days Rent and other charges.

40. DEFAULT. The happening of any one or more of the following listed events, hereinafter referred to as "Events of Default", shall constitute a breach of this Lease Agreement on the part of Tenant:

(a) The filing by, on behalf of, or against Tenant of any petition or pleading to declare Tenant as bankrupt, voluntary or involuntary, under any bankruptcy law or act, which shall not be vacated within sixty (60) days after the filing thereof;

(b) The commencement in any court of tribunal of any proceeding, voluntary or involuntary, to declare Tenant insolvent or unable to pay its debts, which shall not be vacated

within sixty (60) days after the commencement thereof;

(c) Without the necessity of any prior demand or notice from Landlord. The failure of Tenant to timely pay any Rent or any charges payable under this Lease Agreement after ten (10) days after Tenant's receipt of written notice of nonpayment from Landlord, and Tenant expressly waives any rights which are or may be conferred upon Tenant by any present or future law to redeem the promises in any action for ejectment under provision of law;

(d) The failure of Tenant to fully and promptly perform any other act required of it in the performance of this Lease, or to otherwise comply with any term or provision thereof from and after thirty (30) days' written notice of such failure given to Tenant by Landlord (provided if the nature of the failure is such that it cannot reasonably be cured within thirty (30) days, Tenant shall not be deemed in breach of this Lease if Tenant commences cure within such 30-day period and thereafter diligently prosecutes cure to completion);

(e) The appointment by any court under any law of a receiver, trustee, or other custodian of the property, assets or business of Tenant, which shall not be vacated within sixty (60) days of such appointment; or.

(f) The assignment by Tenant of all or any part of its property, assets or the leasehold interest of Tenant by process of law or otherwise in satisfaction of any judgment, debt or claim.

41. LANDLORD'S REMEDIES FOR DEFAULT. Upon the beginning of any Event of Default, Landlord, if it shall so elect, may: (a) terminate the Term of this Lease Agreement, or (b) terminate Tenant's right to possession and occupancy of the Premises without terminating the Term of this Lease Agreement. In the event Landlord shall exercise such right of election, the same shall be effective as of the date of the Event of Default upon written notice of Landlord's election given by the latter to Tenant at any time after the date of such Event of Default. Upon any termination of the Term hereof, whether by lapse of time or otherwise, or upon any termination of Tenant's right to possession or occupancy of the Demised Premises without terminating the Term hereof, Tenant shall promptly surrender possession, vacate the Premises and deliver possession thereof to Landlord. Tenant hereby grants to Landlord full and free license to enter into and upon the Demised Premises in such event, and following process of law, to repossess the Demised Premises as of Landlord's former estate and to expel or remove Tenant and any others who may be occupying the Demised Premises and to remove therefrom any and all property. Landlord may use for such purpose such force as may be necessary without being guilty of or liable for trespass, eviction or forcible entry or detainer and without relinquishing Landlord's Right to Rent or any other right given to Landlord hereunder or by operation of law. Except as otherwise expressly provided in this Lease, Tenant hereby expressly waives the service of any demand for the payment of rent or for possession of the Demised Premises or to re-enter the Demised Premises, including any and every form of demand and notice prescribed by any statute or other law.

The phrase "rent payable for the remainder of said term" as used in the next following two paragraphs is hereby defined to be and shall be that sum equal to the number of months of the Term then unexpired, including the month in which the Event of Default shall occur, multiplied

by Guaranteed Annual Minimum Rent payable by Tenant pursuant to the Lease Agreement during the period of twelve (12) months next preceding the month in which such Event of Default shall occur, or if Tenant shall have been entitled to occupy said Demised Premises during a period of less than said twelve (12) months prior thereto, then such lesser number of months.

If Landlord shall elect to terminate the Term of this Lease Agreement under this section, Landlord upon such termination, shall be entitled to recover of Tenant damages in an amount equal to the then current value of the Rent payable for the remainder of said Term.

If Landlord shall elect to terminate Tenant's right to possession only, without terminating the Term of this Lease, Landlord at its option may enter into the Demised Premises, remove Tenant's property and other evidence of tenancy and take and hold possessions thereof without such entry and possession terminating the Term of this Lease or otherwise releasing Tenant in whole or in part from its obligation to pay the Rent herein reserved for the full Term hereof. In any such case, Tenant thereupon shall pay to Landlord a sum equal to the entire amount of the Rent payable for the remainder of the Term. Upon and after entry into possession without termination of the Term hereof, Landlord may, but need not, relet the Demised Premises or any part thereof for the account of Tenant to any person, firm or corporation other than Tenant for such Rent, for such time and upon such terms as Landlord, in its sole discretion, shall determine. If any rental collected by Landlord upon such reletting for Tenant's account is not sufficient to pay monthly the full amount of the rental herein reserved and not theretofore paid by Tenant together with the costs of any repairs, (but not alterations or redecoration) necessary for such reletting, as well as any and all other reasonable costs incurred to include but not be limited to reasonable attorney's fees and advertising. Tenant shall pay to Landlord the amount of each monthly deficiency upon demand. If the Rent so collected from such reletting is more than sufficient to pay the full amount of the Rent reserved hereunder together with the aforementioned costs, Landlord, at the of the stated Term hereof, shall apply any surplus to the extent thereof to the discharge of any obligation of Tenant to Landlord under the terms of this Lease.

42. WAIVER OF DEFAULT. No waiver by the parties hereto of any Event of Default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent Event of Default or breach of the same or any other term, condition or covenant contained herein.

43. MERCHANTS ASSOCIATION. In the event there has been established an association of the merchants engaged in business in the Shopping Center, Tenant agrees that it shall maintain for the duration of this Lease, membership in said association and shall pay the annual dues and any assessments and charges thereof as voted by the members thereof. Tenant shall conduct and operate its said business in a manner in keeping with the dignity and reputation of the Shopping Center and will make all reasonable efforts to work harmoniously with other merchants in the Shopping Center.

44. IDENTITY OF INTEREST. The execution of this Lease or the performance of any act pursuant to the provisions thereof shall not be deemed or construed to have the effect of creating between Landlord and Tenant the relationship of principal and agent or of partnership or of joint venture, and the relationship between them shall be that only of Landlord and Tenant.

45. **NOTICE.** All notices required or permitted to be given by this Lease shall be deemed to be properly given if delivered in writing or personally or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, to Landlord or Tenant, as the case may be, at the address given below or to such other address as may be furnished by either party to the other in writing. Notice shall be deemed given when deposited as certified, return receipt requested, postage prepaid, or overnight mail in the United States Mail or applicable express delivery service.

LANDLORD: GCMMB, LLC
Attention: Brian Armstrong
2709 Thorngrove Court, Suite 2
Fayetteville, NC 28303

TENANT: Koto Hibachi and Sushi Inc.
Attention: Mian Zheng
174 Copper Loop
Sanford, NC 27332

46. **QUIET POSSESSION.** Landlord covenants that it is well seized of the Demised Premises, has good right to lease them and will put Tenant in possession thereof. Tenant shall peaceably and quietly have, hold and enjoy the Demised Premises. Landlord warrants and agrees to defend the title to the Demised Premises and to reimburse and hold Tenant harmless from any loss by reason of defect in the title.

47. **SURRENDER OF PREMISES.** At the termination of this Lease, Tenant will surrender the Demised Premises "broom clean", in good order and condition, and will surrender the keys thereof to Landlord or his agent.

48. **SUCCESSOR.** Except as herein specifically prohibited, this Lease shall inure to the benefit of and bind the parties hereto, their heirs, legal representatives, successors and assigns. Wherever used herein, and as the context may require, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

49. **SECURITY.** While this Lease is in effect, the Tenant will participate in, and cannot resign from participation in, the security program now in effect or which may be affected. The security program is or will be established and operated by the merchants of the Shopping Center and other merchants in the immediate area, acting as a committee of the whole. The participation in this security program becomes effective upon the commencement of the Lease.

50. **LEASE MODIFICATIONS.** Tenant agrees to execute reasonable Lease modifications if, in connection with financing by Landlord of the Shopping Center, a banking, insurance, or other recognized institutional lender shall request such reasonable lease modifications of this Lease Agreement as a condition to such financing. Tenant will not

unreasonably withhold, delay or defer its consent thereto; provided that such Lease modifications do not increase the obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created.

51. NON-DISTURBANCE. If Tenant fails to execute and deliver any documents as and when required above, such failure will constitute a default under this Lease, entitling Landlord to the same rights and remedies as if such default were with respect to non-payment of Base Rent. With respect to each Mortgage that may encumber the Property at or after the commencement of the Lease Term, Landlord agrees that promptly following its receipt of written request by Tenant, Landlord will request the holder of the Mortgage grant Tenant a "non-disturbance agreement" in the usual form used by such holder. The term "non-disturbance agreement" as used herein means, in general, an agreement that as long as Tenant is not in default under this Lease this Lease will not be terminated if such holder acquires title to the Property by reason of foreclosure, proceedings or acceptance of a deed in lieu of foreclosure, provided that Tenant attorns to such holder in accordance with such holder's requirements. Except for making such written request, Landlord will be under no duty or obligation, hereunder, nor will the failure or refusal of such holder to grant a non-disturbance agreement render Landlord liable to Tenant or affect this Lease in any manner. Tenant will bear all costs and expenses (including attorney's fees) of such Mortgage holder in connection with any such non-disturbance agreement.

52. SUBORDINATION. This Lease is and shall be subject and subordinate in all respects to any deed of trust, and to all renewals, modifications, consolidations, replacements and extensions thereof provided Tenant's rights under this Lease shall be recognized and not disturbed. This paragraph shall be self-operative, and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant agrees to promptly execute and deliver any instrument that Landlord or the Trustee or any of their respective successors in interest may request to evidence such subordination, and Tenant hereby irrevocably appoints Landlord the attorney-in-fact of Tenant to execute and deliver such instrument on behalf of Tenant, should Tenant refuse or fail to do so after request.

If Tenant is notified of Landlord's assignment of this Lease as security for a mortgage loan and of the name and address of the holder of such mortgage or deed of trust, Tenant shall not terminate or cancel this Lease for any default on the part of the Landlord without first: (a) giving notice of its intention to do so to the holder of such mortgage or deed of trust, the notice to describe in reasonable detail the nature and extent of the default, and (b) affording the holder of such mortgage or deed of trust a reasonable opportunity to perform on behalf of Landlord its obligations under this Lease.

53. ATTORMENT. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or Deed of Trust made by Landlord covering the Premises, or should the Lease in which the Landlord is the Tenant be terminated, Tenant shall attorn to the purchaser or Landlord under such Lease upon any foreclosure, sale or lease, provided that the purchaser or Landlord shall be obligated to acquire and accept the Premises subject to this Lease.

54. ESTOPPEL CERTIFICATES. Recognizing that both parties may find it

necessary to establish to third parties, such as accountants, banks, mortgagees or the like, the then current status of performance hereunder, either party, on the written request of one to the other made from time to time, will promptly furnish a written statement on the status of any matter pertaining to this Lease.

Without limiting the generality of the foregoing, Tenant specifically agrees, promptly upon the commencement of the Term hereof, to notify the Landlord in writing of the date of the commencement terms. At any time within ten (10) days after such request is made, Tenant shall execute, acknowledge and deliver to Landlord a certificate evidencing: (a) whether this Lease is in full force and effect; (b) whether this Lease has been amended in any way; (c) whether there are any existing defaults hereunder to the knowledge of Tenant and specifying the nature of such details, if any; and (d) the date to which rent has been paid. A copy of the estoppel certificate to be used is attached herein as Exhibit "F".

55. CAPTIONS. Any headings or captions proceeding the text of the several articles and paragraphs hereof are inserted solely for convenience and reference and shall not constitute a part of this Lease Agreement, nor shall they affect its meaning, construction or effect.

56. WAIVER OF LANDLORD LIEN. Landlord hereby waives any lien or security interest Landlord might otherwise have in any inventory, tenant improvements, fixtures, furnishings or other personal property of Tenant at the Demised Premises.

57. ATTORNEYS' FEES. In the event of any action or dispute between Landlord and Tenant arising out of this Lease, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees incurred in bringing or defending such action and/or enforcing any judgment granted therein.

58. BROKERAGE COMMISSIONS AND FINDER'S FEES. Each of Landlord and Tenant represents and warrants to the other that it has had no dealing with any broker or agent in connection with this Lease except for C&S Commercial Properties which is Landlord's Broker. Tenant shall have no obligation to pay any commissions or fees to any Broker.

59. EXHIBITS. Exhibit A (Legal Description), Exhibit B (Site Plan), Exhibit C (Description of Landlord's Work), Exhibit D (Tenant's Upfit Requirements), Exhibit E (Sign Criteria).

60. FRANCHISOR'S RIGHTS. INTENTIONALLY OMITTED.

**THIS SECTION INTENTIONALLY LEFT BLANK
IN ORDER TO HAVE SIGNATURES ON SAME PAGE**

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed under the seal the day and year first above written.

This 12th day of January 2023.

LANDLORD:
GCMMB, LLC

Dax Davi
Witness

Brian Armstrong
Brian Armstrong
Vice President

TENANT:
KOTO HIBACHI AND SUSHI INC.

Dax Davi
Witness

Mian Zheng
Mian Zheng
President

Dax Davi
Witness

Qiu Ping Zheng
Qiu Ping Zheng
Vice President

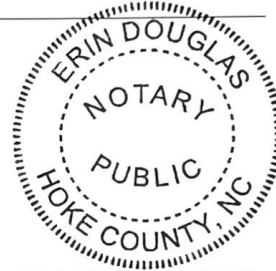
STATE OF NORTH CAROLINA
COUNTY OF Cumberland

I, Erin Douglas, a Notary Public of ^{Hoke}~~said~~ County and State do hereby certify that **Brian L. Armstrong** is a Vice President of **GCMMB, LLC**, a North Carolina limited liability company, personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company as Vice President.

Witness my hand and Notarial Seal, this 12th day of January, 2023.

Erin Douglas
Notary Public

My Commission Expires: May 2, 2023



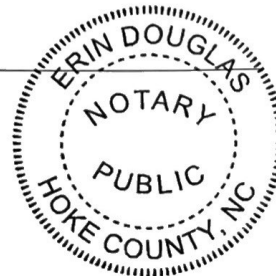
STATE OF NORTH CAROLINA
COUNTY OF Cumberland

I, Erin Douglas, a Notary Public of ^{Hoke}~~said~~ County and State do hereby certify that **Mian Zheng** is the President of Koto Hibachi and Sushi Inc., a North Carolina corporation, personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company as President.

Witness my hand and Notarial Seal, this 12th day of January, 2023.

Erin Douglas
Notary Public

My Commission Expires: May 2, 2023



STATE OF NORTH CAROLINA
COUNTY OF Cumberland

I, Erin Douglas, a Notary Public of ^{Hoke}~~said~~ County and State do hereby certify that Qiu Ping Zheng is the Vice President of Koto Hibachi and Sushi Inc., a North Carolina corporation, personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company as Vice President.

Witness my hand and Notarial Seal, this 12th day of January, 2023.

Erin Douglas
Notary Public

My Commission Expires: May 2, 2023

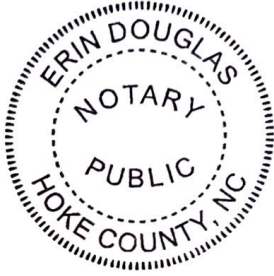


EXHIBIT "A"

LEGAL DESCRIPTION

SPOUT SPRINGS PLAZA – TRACT "A"

COMMENCING, South 60 degrees 08 minutes 22 seconds East 692.62 feet from the northwest property corner of Lot 79 Babcock Village as recorded in Map Book 8, Page 17, Harnett County to the point and place of BEGINNING;

THENCE North 29 degrees 51 minutes 38 seconds East for a distance of 120.00 feet to a point;
THENCE South 60 degrees 08 minutes 22 seconds East for a distance of 179.73 feet to a point;
THENCE North 29 degrees 51 minutes 38 seconds East for a distance of 276.0 feet to a point;
THENCE South 60 degrees 08 minutes 22 seconds East for a distance of 331.91 feet to a point;
THENCE South 37 degrees 42 minutes 48 seconds East for a distance of 357.52 feet to a point in the Western right of way margin of proposed road;
THENCE South 52 degrees 17 minutes 12 seconds West for a distance of 226.15 feet along said western margin to a point;
THENCE along a curve to then having a radius of 800.20 feet and an arc length of 287.05 feet, being subtended by a chord of South 40 degrees 33 minutes 49 seconds West for a distance of 285.52 feet along said western margin to a point;
THENCE North 14 degrees 23 minutes 28 seconds West for a distance of 41.87 feet to a point;
THENCE North 60 degrees 08 minutes 22 seconds West for a distance of 593.61 feet to a point;
THENCE South 74 degrees 51 minutes 38 seconds West for a distance of 42.43 feet to a point;
THENCE South 29 degrees 51 minutes 38 seconds West for a distance of 170.00 feet to a point in the proposed northern right of way margin of N.C. Hwy. 87;
THENCE North 60 degrees 08 minutes 22 seconds West for a distance of 60.00 feet along said northern to a point;
THENCE North 29 degrees 51 minutes 38 seconds East for a distance of 400.00 feet to a point;
THENCE South 60 degrees 08 minutes 22 seconds East for a distance of 10.00 feet to the point and place of BEGINNING;

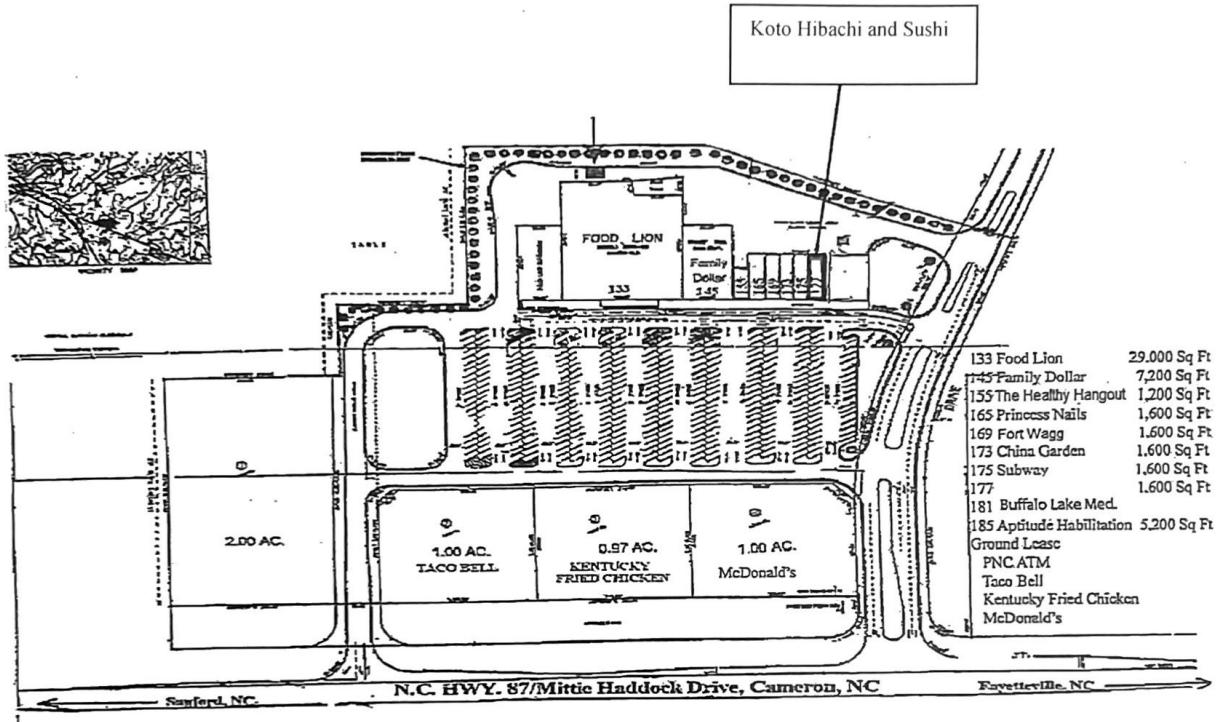
Together with and subject to covenants, easements, and restrictions of record.

Said property contains 9.31 acres more or less.

This description prepared by Larry King & Associates, R.L.S., P.A. on this 17th day of April, 1995.

EXHIBIT B SITE PLAN

EXHIBIT "B"



SPOUT SPRINGS PLAZA

EXHIBIT C

Landlord's Upfit Requirements

- Landlord shall inspect the HVAC unit(s) and make any necessary repairs to ensure it is functioning properly prior to Tenant opening for business.

EXHIBIT D

Tenant's Upfit Requirements

Tenant, at its sole cost and expense, shall perform all work necessary to accommodate Tenant's retail facility; which Tenant will modify to the extent required by applicable laws, codes or ordinances and by the nature of the building of which the Premises is a part ("Tenant's Work"). Tenant's Work shall be performed by Tenant in accordance with all governmental requirements, using general contractor licensed to do business in the State of North Carolina. Such general contractor shall carry the same liability insurance required to be carried by Tenant under this Lease, and such liability insurance shall name Landlord as an additional insured. Prior to commencing construction, Tenant shall furnish to Landlord evidence of such insurance, Tenant shall be responsible for all renovations of their space to include but not limited to electrical, HVAC and plumbing as required per Tenant's plans. Tenant agrees to provide Landlord, for Landlord's prior written approval (not to be unreasonably withheld), a copy of the plans and specifications for such initial interior improvements, storefront work, exterior signage construction, roof penetrations, HVAC work or electrical. Tenant shall prepare plans and specifications for Tenant's Work and submit same to Landlord for Landlord's needs. Tenant, at its sole cost and expense, shall complete all of the Tenant's Work. Neither Tenant nor Tenant's employees, agents or contractors shall perform any work involving the roof of the Demised Premises without taking all steps necessary to preserve Landlord's roofing warranty (which steps may include, at Landlord's option, using Landlord's roofing contractor to perform such work). Tenant shall indemnify, defend and hold harmless Landlord from any claims, cost, loss, liability, damage or expense (including reasonable attorney's fees) which Landlord may incur as a result of the negation or diminution of Landlord's roof warranty as a result of any work performed by or on behalf of Tenant, which indemnity shall survive closing. Tenant shall provide Landlord with a set of construction plans for review and approval prior to work commencing in the Premises. Tenant shall provide Landlord with a set of "As Builts" no later than thirty (30) days after Tenant opens for business.

EXHIBIT E

“SIGN CRITERIA”

This criteria was designed and developed to create a totally coordinated, planned and aesthetically pleasing approach to the graphic image of each TENANT and thereby creating maximum visual effect for the Center as a whole. The character, design, color and layout of all signs shall be subject to LANDLORD’S written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

TENANT, at its own expense, shall have one identification sign attached to the face of the building. The sign shall consist of internally lighted, individual channel letters installed on a raceway.

Before fabrications, three shop drawings prepared by the sign manufacturer must be submitted to the LANDLORD for approval, which approval shall not be unreasonably withheld, conditioned or delayed. The exact wording and size must be indicated. No sign may be installed without the LANDLORD’S prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

TENANT shall confine the contents of all its signs to the letters designated the name or logo.

Since the sign is considered the TENANT’S property, the operating and maintenance costs are the TENANT’S responsibility. Furthermore, upon vacating the premises, TENANT must remove sign at its own expense.

Additional signage, whether permanent or temporary, may be allowed solely at the LANDLORD’S discretion. No sign may be installed without the LANDLORD’S written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

No other types of signs will be allowed above TENANT’S glass store front. No sign may be installed without LANDLORD’S prior written approval.

All signage must conform to the City of Fayetteville’s zoning ordinance and all UL requirements.