

## LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease”) is made and entered into effective the 1<sup>st</sup> day of October 2023 (the “Effective Date”) by and between 365 STORES LLC., a North Carolina corporation, (hereinafter called “Tenant”), and Lynn Ruark, Richard Bethune, Charles Autry, North Carolina individuals (hereinafter called “Landlord”).

### WITNESSETH:

1. DEMISED PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord all that certain improved real property located at 900 Denim Drive, Erwin, NC 28339
2. TERM: The initial term of this Lease shall commence on October 1, 2023 (the “Commencement Date”) and shall terminate at midnight ten (10) years after the Commencement Date (the “Term”).
3. RENT:
  - A. Beginning October 1, 2023, for the first **sixty months (60)** of the Term of this Lease, Tenant shall pay to Landlord, without previous demand, setoff or deduction, an annual rent of **eighteen thousand dollars (\$18,000)** in lawful money of the United States in equal monthly installments of **\$1,500** each, all such rental installments to be due and payable in advance on the first day of each calendar month. For the second **sixty months (60)** of the Term of this Lease, Tenant shall pay to Landlord, without previous demand, setoff or deduction, an annual rent of **nineteen thousand eighty dollars (\$19,080)** in lawful money of the United States in equal monthly installments of **\$1,590** each, all such rental installments to be due and payable in advance on the first day of each calendar month.

B. Intentionally Deleted

C. Rental for any partial month shall be prorated on the basis of a thirty (30) day month. If a rental payment is not paid by the 5<sup>th</sup> day of the month, Tenant agrees to pay, in addition to such payment, as liquidated damages for such delay, a “late charge” in the amount of ten percent (10%) of the agreed rental payment for each month or fraction thereof that the rental payment becomes overdue. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.

D. All rental shall be paid to Landlord or its authorized agent at the address set out in the Notice paragraph below or at such other place as may be designated by Landlord from time to time. Delivery and payment of rent shall be deemed made only upon receipt of the applicable rent payment at the address of the Landlord set out in the Notice paragraph below; placing a rent payment in the mail shall not constitute delivery or payment of the rent.

4. IMPROVEMENTS – ALTERATION OF DEMISED PREMISES.

A. Tenant shall make no improvements or alterations to the Demised Premises (“Improvements”) without Landlord’s prior written consent, which may not be unreasonably withheld. The Improvements shall be constructed in accordance with plans and specifications provided by, and at the expense of, Tenant and approved by Landlord in writing (the “Plans”).

B. Tenant shall furnish Plans which comply with all applicable governmental requirements to Landlord within sixty (60) days after the Effective Date. Landlord shall give Tenant written notice of any changes or modifications to said Plans within fifteen (15) days of the receipt of Tenant’s Plans. Within ten (10) days thereafter, Tenant shall furnish to Landlord the Plans modified and changed as necessary and in compliance with applicable governmental requirements, site conditions and/or Landlord’s reasonable requirements. At the same time

Tenant shall furnish to Landlord complete site plans, engineering and landscaping plans (the "Final Plans") pertaining to the Demised Premises for Landlord's review and approval. Said Final Plans shall be deemed to be approved by Landlord unless Landlord, within ten (10) days after receipt thereof, shall give written notice to Tenant of any objections thereto.

C. No encumbrances, charges or liens against the Demised Premises shall exist because of any action or inaction by Tenant or its contractors. Tenant will discharge by bond or otherwise within ten (10) days of notice of its existence, any lien, encumbrance or other charge arising in violation of this Section.

5. TENANT INSTALLATION OF FIXTURES AND OTHER CHANGES:

A. Tenant shall install first class trade fixtures and equipment required to operate its business. All trade fixtures, signs or other personal property installed in the Demised Premises by Tenant shall remain its property and may be removed at any time, provided that Tenant is not in default and that the removal thereof does not cause, contribute to or result in Tenant's default hereunder. Tenant shall, at its expense, promptly repair any damage to the Demised Premises. The term "trade fixtures" excludes carpeting, floor coverings, lighting fixtures other than free standing lamps, wall coverings or similar Tenant improvements, all of which shall become the property of Landlord upon surrender of the Demised Premises. Tenant shall perform no work, without the prior written approval of Landlord. Any work permitted shall be at Tenant's sole cost and expense and be done in a good and workmanlike manner in compliance with all government requirements without any liens attaching to the Demised Premises. Tenant is deemed to own all fuel pumps, fuel canopy, coolers, counters, and shelves or any other trade fixtures.

B. Tenant is and shall remain and be the owner and operator of all Petroleum Equipment

(as defined below) on the Premises, and, accordingly, is further deemed to be such for purposes of compliance with environmental laws which relate to Tenant's operations on the Premises. At any time during the Term of this Lease, Tenant shall have the right to install or cause to be installed and to maintain, remove, replace, relocate, repair, upgrade, and operate petroleum marketing equipment, including, but not limited to, underground and aboveground storage tanks and their associated lines, pumps, dispensers, mechanical, control, and detection equipment, environmental assessment and remediation equipment related thereto (collectively, "Petroleum Equipment"), and exterior lights, poles, canopies, structures, and consoles on the Premises for the sale of gasoline and other petroleum products. If at any time during the Term of this Lease environmental conditions at the Premises directly attributable to Tenant's operation of the Premises are found to be in violation of any applicable law, Tenant shall perform all investigation and remediation required by governmental authorities having jurisdiction and by applicable law relating to such conditions. Copies of any notices from, or reports filed with, any governmental agencies shall be promptly provided to Landlord. Upon the expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, commission an evaluation of sub-surface conditions. If such evaluation shows environmental conditions directly attributable to Tenant's operations on the Premises to be in violation of any applicable law, Tenant shall perform all investigation and remediation required by governmental authorities having jurisdiction and by applicable law with respect to such conditions and restore the surface *of* the Premises to substantially the same condition as existed immediately prior to such investigation and remediation, if any, to the extent commercially practicable. Landlord shall reasonably cooperate with Tenant's investigation and remediation obligations under this Section, as required or requested by governmental agencies having jurisdiction. If Tenant's performance of its

obligations under this Lease pertaining to environmental assessment and remediation extends beyond the date of termination or expiration of the Term of this Lease, Landlord shall grant to Tenant access to the Premises to the extent required for Tenant to perform or comply with such obligations of this Lease or the requirements of applicable law or governmental authorities having jurisdiction.

C. All Petroleum Equipment, furniture, trade fixtures, exterior lights and poles, all signage and supporting structures, canopy and supporting structures, equipment located in structures housing a car wash, refrigeration equipment, and walk-in coolers, regardless of whether such items are permanently attached to the Premises or not, and including any such item located on the Land on the date of this Lease, and every other item of property not permanently attached to the Premises (collectively, "Tenant's Personal Property") are to remain and be the property of Tenant and Tenant is to have the right and privilege of removing any and all such property and equipment at any time during the continuance of this Lease or any extension hereof and within thirty (30) days thereafter. Except with respect to Petroleum Equipment, in the event any of Tenant's Personal Property is not removed by Tenant within said thirty (30) day period, title thereto shall automatically pass to and vest in Landlord, and Tenant shall thereafter be relieved of any and all responsibility in connection with said equipment. If Tenant's Personal Property is removed, Tenant shall restore the Premises to their condition immediately prior to the removal of such property to the extent commercially practicable. It is further understood and agreed that the buildings and structures erected on the Premises, including heat and air conditioning equipment, may not be removed by Tenant at the termination or expiration of this Lease.

D. No encumbrances, charges or liens against the Demised Premises shall exist because of any action or inaction by Tenant or its contractors. Tenant will discharge by bond or

otherwise within ten (10) days of notice of its existence, any lien, encumbrance or other charge arising in violation of this Section.

6. UTILITIES. Tenant shall subscribe for services in its own name and pay for all electricity, gas, water, heat and other utilities consumed or used on the Demised Premises. Landlord shall not be in any way obligated or responsible for the furnishing of utility services. The lack of availability of or failure of utility services shall not be deemed constructive eviction.

7. INSURANCE:

A. Tenant shall procure and keep in force at all times during the Term fire and extended coverage insurance on the improvements constructed on the Demised Premises, including without limitation any plate glass, in an amount equal to the full replacement cost thereof. The full replacement cost shall be determined from time to time, but not more frequently than once in any twenty-four calendar months, at the request of the Landlord, any mortgagee, or one of the insurers.

B. Tenant agrees to indemnify Landlord against and to hold Landlord harmless from all liabilities, loss, claims, damages, charges, liens, causes of action and proceedings of every kind and nature in connection with any injury to any person or the death of any person, or damage to the property of any person, firm, or corporation, including the person or property of Tenant, arising from the use or occupancy of the Demised Premises by Tenant, its agents, subtenants, employees, or invitees, unless occasioned directly or indirectly by the fault or neglect of Landlord. In connection therewith, Tenant shall continuously maintain and pay the premium upon a policy of liability insurance during the term of this Lease and insuring against any loss or liability connected with the Demised Premises with limits of at least One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate for

bodily injury and property damage.

C. All such policies of insurance shall be in standard form and shall name Landlord and Tenant as insureds as their interests may appear. Premiums for all policies of insurance herein referred to and all renewals thereof shall be paid by Tenant as provided above, on or before the beginning date of the next annual policy or renewal period. All such policies shall contain a provision prohibiting the insurer from terminating such coverage until after a period of thirty (30) days following notice of termination or proposed cancellation given to Landlord. If Tenant shall at any time fail to insure or keep insured as aforesaid, Landlord may obtain and maintain such insurance, and all sums expended by the Landlord for that purpose shall be repayable by Tenant on demand. Tenant agrees to deliver certificates of its insurance on a standard ACORD form to Landlord upon request by Landlord.

D. Intentionally Deleted

E. The limit of any of the insurance required by this section shall limit the liability of Tenant. The limits of all insurance required herein may be increased from time to time as required by good business practice.

F. Neither Tenant nor anyone claiming by, through, under, or on Tenant's behalf shall have any claim, right of action or right of subrogation against the Landlord for or based upon any loss or damage caused by fire, explosion or other casualty (not limited to the foregoing) relating to the Demised Premises or to any property upon, in, or about the Demised Premises, whether such fire, explosion or other casualty shall arise from the negligence of Landlord, its agents, representatives or employees, or otherwise.

G. Landlord shall not be responsible to Tenant or to any other person, firm, partnership, association or corporation for damages or injuries by virtue of or arising out of burst

water pipes, leaks from air conditioning systems, or by virtue of earthquakes, riots, windstorms, overflow of water from surface drainage, rains, water, fire or by the elements or Acts of God, or by the neglect of any person, firm, partnership, association or corporation. Tenant shall indemnify and hold Landlord harmless from any and all claims for damages to person or property to the full extent permitted by law.

8. DAMAGE BY FIRE OR OTHER CASUALTY:

A. If the Demised Premises are totally destroyed by storm, fire, lightning, earthquake, or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

B. If the Demised Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 8.A above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed three hundred (300) days from the date upon which Landlord receives applicable permits and insurance proceeds; provided, however, that Landlord shall only be obligated to restore if available insurance proceeds will be sufficient for such restoration or if Tenant makes available funds which when added to insurance proceeds are sufficient. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said three hundred (300) day period, Tenant's sole remedy shall be to terminate this Lease.

C. In the event of any casualty at the Demised Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on



written notice to the other of exercise thereof within sixty (60) days after such occurrence.

D. In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Demised Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Demises Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction, or replacement.

E. In the event of the termination of this Lease under any of the provisions of this paragraph 8, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

9. CONDEMNATION:

A. If the entire Demised Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

B. If more than twenty-five (25%) of the floor area of any building of the Demised Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Demised Premises is not one undivided space or is rendered unusable for the Permitted

Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Demises Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Demised Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

C. Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

D. If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Demised Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Demised Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Demised Premises.

E. Landlord shall be entitled to the entire condemnation award for any taking of the Demised Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 9, provided Tenant's award does not reduce or affect Landlord's award and provided further, tenant shall have no claim for the loss of

its leasehold estate.

10. TAXES:

A. Tenant shall pay to Landlord, as additional rent, the Taxes (as defined below).

The amount of Taxes attributable to a calendar year shall be the amount payable during any such calendar year, even though the assessment for such Taxes may be for a different year. The amount to be paid as Taxes during the first and last calendar years in which any portion of the Term falls shall be prorated per diem so that Tenant is liable only for so much of such Taxes as that portion of the Term which falls within such calendar years bears to a full calendar year.

B. The term "Taxes" shall mean real estate taxes, assessments, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including income or franchise taxes or many other taxes imposed upon or measured by Landlord's income or profits, unless the same shall be imposed in lieu of real estate taxes and other ad valorem taxes), which may now or hereinafter be levied or assessed upon the Demised Premises. In case of special Taxes which may be payable in installments, only the amount of each installment paid during a calendar year shall be included in Taxes for that calendar year. Taxes shall also include any personal property taxes (attributable to the calendar year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the operation of said Demised Premises. After receipt of the final tax bill or bills for each calendar year during the Term, Landlord will furnish to Tenant a statement showing the Taxes for said calendar year. Tenant shall pay to Landlord the Taxes within thirty (30) days of its receipt of said statement.

11. ACCEPTANCE OF DEMISED PREMISES: Tenant acknowledges that the act of

taking possession of the Demised Premises shall constitute acceptance thereof and conclusive evidence that Tenant has inspected and examined the entire Demised Premises and utility installations and that the same were, and are, in good and satisfactory condition.

12. MAINTENANCE AND REPAIRS. Landlord shall keep the exterior supporting walls, foundation, and roof in good repair. Tenant shall be responsible for all other maintenance and repair to the Demised Premises, (interior and exterior, including all glass) and appurtenances thereto, including plumbing, electrical, mechanical, and heating, ventilating and air-conditioning (HVAC) systems, to keep the same in good order, condition, and repair and in a clean, pleasant, sightly, sanitary and safe condition. Tenant shall be responsible for landscaping and grass upkeep including grassy areas behind premises. If Tenant fails to perform under the terms of this paragraph, Landlord may perform these duties and Tenant shall reimburse Landlord within ten (10) days from request. Tenant shall perform or cause to be performed all maintenance and repair on the Demised Premises in a good and workmanlike manner, including the monthly changing of filters and lubrications, adjustments, and inspections and shall provide evidence thereof within ten (10) days of Landlord's request.

13. USE OF PREMISES. Tenant shall occupy and use the Premises during the term for the following use and none other: **retail convenience store and gas station.** Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision, or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Demised Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Demised Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the

Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same ay be amended from time to time.

14. ASSIGNMENT OR SUBLETTING.

A. Tenant covenants that it will not assign, mortgage or encumber this Lease, nor sublease the Demised Premises, or permit the Demised Premises or any part of the Demised Premises to be used or occupied by others, without the prior written consent of Landlord in each instance. If Tenant conforms with Section B below, Landlord shall not unreasonably withhold its consent to the sublease of the Demised Premises:

B. The granting of consent by Landlord shall be preconditioned upon the fulfillment of the following requirements of Landlord: (1) Landlord shall be provided with at least thirty (30) days written notice prior to any proposed assignment or subletting; (2) Tenant shall remain primarily liable under this Lease and shall guaranty the Lease if Landlord so requests; (3) No use shall be employed in connection with the Demised Premises other than the Permitted Use set forth in this Lease; (4) The subtenant/assignee shall have a good reputation in the area and be financially capable of fulfilling its obligation; (5) Any use of the Demised Premises permitted hereunder by the proposed subtenant/assignee will not violate or create any potential violation of any laws, nor will it violate any other agreements affecting the Demised Premises or Landlord; (6) Tenant shall pay all reasonable attorney's fees or other costs associated with Landlord's review and approval of a prospective subtenant/assignee; and (7) Tenant will not sublet to an existing tenant of Landlord.

C. No occupancy by any party other than Tenant or collection of Rent by Landlord will be deemed (i) a waiver of the provisions of this Article; or (ii) the acceptance of the assignee, subtenant or occupancy as tenant; or (iii) a release of Tenant from the further

performance by Tenant of covenants on the part of Tenant contained in this Lease. The consent by Landlord to a sublease or assignment shall not relieve Tenant from obtaining Landlord's prior written consent in writing to any further sublease or assignment. No permitted subtenant or assignee shall assign or encumber its sublease or further assign or sublease all or any portion of its space, or otherwise permit the space or any part of its subleased space to be used or occupied by others.

15. DEFAULT/REMEDIES.

A. If one or more of the following events (herein called "Events of Default") shall occur:

(1) If Tenant shall fail to pay rent or other charge or sum to be paid by Tenant to Landlord when due in accordance with the terms of this Lease; or

(2) If Tenant shall fail to keep or perform or abide by any other requirement, term, condition, covenant, or agreement of this Lease, and such default shall continue for a period of ten (10) days after notice to Tenant of default; or

(3) If Tenant shall file a petition in bankruptcy or take or consent to any other action seeking any such judicial decree, or shall file any debtor proceeding or a petition for an arrangement, or shall make any assignment for the benefit of his creditors; or

(4) If Tenant's interest in this Lease or the Demised Premises shall be subjected to any attachment, levy, or sale pursuant to any order or decree entered against Tenant in any legal proceeding, and such order or decree shall not be vacated within fifteen (15) days of entry thereof; or

(5) If Tenant shall vacate or abandon the Demised Premises; then Tenant shall be in default of its obligations under the terms of this Lease.

B. In the event that any such Event of Default shall occur, Landlord, without declaring a termination of this Lease (which right is, however, unconditionally and absolutely reserved), may at its election pursue any one or more of the following remedies in addition to any other remedies available to Landlord at law, in equity, or pursuant to the terms of this Lease:

(1) Landlord shall have the right to continue this Lease in full force and effect, and the right to enter the Demised Premises without notice to vacate (any right to which is hereby waived by Tenant) and terminate Tenant's possession and right to possess the Demised Premises and relet the same, including without limitation to the right to change any or all locks on the Demised Premises, all without being liable for forcible entry, trespass or other tort. Tenant shall be liable immediately to Landlord for all costs Landlord shall incur in reletting the Demised Premises and Tenant shall pay the Landlord all rent and other charges due under this Lease on the date that the same are due, less the rent Landlord receives from any reletting. Rent received from such reletting shall be applied: first, to the payment of any indebtedness, other than rent, due hereunder from Tenant to Landlord; second, to the payment of any cost of such reletting; and third, to the payment of rent due and unpaid hereunder.

(2) Landlord shall have the right to terminate without notice to vacate (any right to which is hereby waived by Tenant) this Lease and Tenant's rights to possession of the Demised Premises at any time, and re-enter the Demised Premises, and Landlord shall have the right to immediately recover from Tenant the total rent reserved under the remainder of the Lease term.

(3) Landlord with or without terminating this Lease may immediately or at any other time thereafter re-enter the Demised Premises and cure any event of default and/or

correct or repair any conditions which shall constitute a failure on Tenant's part to perform any obligation to be performed by it under this Lease, and Tenant shall pay Landlord on demand any and all costs or expenses paid or incurred by the Landlord in making any such cure, correction or repair.

C. No course of dealing between Landlord and Tenant or any delay on the part of Landlord in exercising any rights it may have under this Lease shall operate as a waiver of any of the rights of Landlord hereunder, nor shall any waiver of a prior default operate as a waiver of any subsequent default or defaults, and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

D. In the event of any re-entry of the Demised Premises and/or changing of the locks on the Demised Premises and/or termination of this Lease by Landlord pursuant to any of the provisions of this Lease, Tenant hereby waives all claims for damages which may be caused by such re-entry or changing of locks or termination by Landlord, and Tenant shall save Landlord harmless from any loss, cost (including legal expense and reasonable attorney's fees) or damages suffered by Landlord by reason of such re-entry or changing of locks or termination, and no such re-entry or changing of locks shall be considered or construed to be a forcible entry.

E. If the Tenant shall default in the performance of any covenant or condition in this Lease required to be performed by the Tenant, the Landlord may, after ten (10) days written notice to the Tenant, or without notice if, in the Landlord's opinion, an emergency exists, perform such covenant or condition for the account and at the expenses of the Tenant, and the Tenant shall reimburse the Landlord for the amount of such expenses. In the event that the



Landlord shall make any expenditure for which the Tenant is responsible, or which the Tenant should make, then the amount thereof, together with interest at the lesser of the highest legal rate or fifteen percent (15%) per annum and costs and expenses, including reasonable attorney's fees, may, at the Landlord's election, be added to and shall be due as additional rental with the next installment of rent. The provisions of this paragraph shall survive the termination of this Lease.

16. HAZARDOUS SUBSTANCES:

A. Neither Tenant nor other person or entity acting at the direction or with the consent of Tenant shall (i) manufacture, treat, use, store or dispose of any "Hazardous Substance" (as hereinafter defined) on the Demised Premises or any part thereof or (ii) permit the "release" (as hereinafter defined) of a Hazardous Substance on or from the Demised Premises, or any part thereof unless the manufacturing, treatment use, storage, disposal, or release of a hazardous substance is approved in writing by Landlord.

B. Tenant indemnifies and covenants and agrees, at its sole cost and expense, to protect and save Landlord harmless against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, or expenses of any kind or of any nature whatsoever (including, without limitation, attorney's fees and expert's fees) which may at any time be imposed upon, incurred by or asserted or awarded against Landlord arising from or out of any Hazardous Substance on, in, under or affecting the Demised Premises or any part thereof as a result of any act or omission by Tenant, its successors or assigns, or any permitted assignee, permitted subtenant licensee or other person or entity acting at the direction or with the consent of Tenant.

C. The term "Hazardous Substance" shall mean any waste, substance or material (i)

identified in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as the same may be amended from time to time (herein called CERCLA"), or (ii) determined to be hazardous, toxic, a pollutant or contaminant, under federal, state, or local statute, law, ordinance, rule, regulation or judicial or administrative order or decision, a same may be amended from time to time, including, but not limited to, petroleum and petroleum products. The term "release" shall have the meaning given to such term in Section 101(22) of CERCLA.

17. SIGNAGE. Tenant shall not place or permit to be placed or maintained any sign, awning, advertising matter, decoration, lettering, or other thing of any kind upon the Demised Premises, or any part thereof, without first obtaining Landlord's written approval thereof. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Demised Premises. Any and all signs placed on the Demised Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

18. ATTORNNMENT, SUBORDINATION AND ESTOPPEL CERTIFICATES:

A. Tenant shall attorn (recognize) and be bound to any of Landlord's assigns or successors under this Lease in accordance with all of the Lease terms, covenants and conditions. The term "Landlord" as used herein shall be deemed to include any successor to Landlord's interest hereunder. This Lease is subject and subordinate to the present and all future mortgages and their liens and to all renewals, modifications, consolidations, replacements and extensions

thereof, and upon demand Tenant shall promptly execute all documents evidencing its subordination to the future mortgagees. Within ten (10) days after Landlord's request, Tenant shall execute and return all Estoppel Letters or Certificates submitted by Landlord.

B. Any mortgagee may subordinate its lien to this Lease, without Tenant's consent, by notice in writing to Tenant. Thereupon this Lease shall be deemed to be prior in lien to such mortgage without regard to their respective dates of execution and delivery.

C. Tenant shall give written notice to any mortgagee of which it has notice of any default of Landlord under the terms of this Lease. Tenant shall not exercise any remedies it may have by reason of such default until: (i) any cure period allowed to Landlord shall have expired without a cure having been effected; (ii) Tenant shall have given notice to mortgagee of its intention to exercise remedies with respect thereto; and (iii) Mortgagee shall have failed to cure such default within thirty (30) days after receipt of such notice of its intention to exercise remedies, or, if such default is not solely a monetary default and is not reasonably susceptible of cure within such period, mortgagee shall have failed to take steps to cure Landlord's default within such period and shall thereafter fail diligently to cure such default.

19. ATTORNEYS FEES: If legal action is instituted hereunder, the prevailing party in such action shall be entitled to recover from the other party reasonable attorneys' fees and costs.

20. NOTICES. Any notices which Landlord or Tenant are required or desire to give the other hereunder shall be deemed sufficiently given or rendered if, in writing, is delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or nationally recognized overnight courier service to the addresses listed after this paragraph. Any

notice given herein shall be deemed delivered when received or rejected, as evidenced by the delivery receipt therefor. Any properly addressed notice given herein shall be deemed delivered upon refusal to accept by the addressee, or upon inability to deliver if an address was changed and no notice of such change was given.

Landlord's Mailing Address:  
Lynn Ruark  
1107 Friendly Road  
Dunn, NC 28334

Tenant's Address:  
365 Stores LLC  
PO BOX 87428  
Fayetteville, NC 28304  
Attn: Omar Alsaidi

21. COVENANT OF TITLE AND QUIET ENJOYMENT. Landlord covenants and warrants to Tenant that Landlord has full right and lawful authority to enter into this Lease for the Term hereof and that provided Tenant is not in default hereunder, Tenant's quiet and peaceable enjoyment of the Demised Premises shall not be disturbed by anyone claiming through Landlord; provide, however, that the Demised Premises are demised subject to all easements, restrictions and rights of way legally affecting the Demised Premises.

22. HOLDING OVER. In the event Tenant remains in possession after the expiration of the Term, or any extended Term, without the execution of a new lease, Tenant shall not acquire any right, title or interest in or to the Demised Premises. In such event, Tenant shall occupy the Demised Premises as a tenant from month-to-month and shall otherwise be subject to all of the conditions, provisions and obligations of this Lease Agreement insofar as the same shall be applicable.

23. MEMORANDUM OF LEASE: This Lease may not be recorded without Landlord's prior consent; however, the parties hereto agree to execute and at the option of the parties, record promptly following such execution a memorandum of this Lease.

24. INSPECTION/ENTRY BY LANDLORD. Landlord may advertise the Demised Premises "For Rent" or "For Sale" ninety (90) days before the termination of this Lease. Landlord may enter the Demised Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes, and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Demised Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Demised Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Demised Premises and shall replace such key if the locks to the Demised Premises are changed.

25. CONDITION OF DEMISED PREMISES UPON TERMINATION. Upon the termination of this Lease Agreement, Tenant shall return the Demised Premises to Landlord substantially in the same condition as received, ordinary wear and tear and approved improvements excepted.

26. WAIVER. No failure by Landlord to exercise any rights hereunder to which Landlord may be entitled shall be deemed a waiver of Landlord's right to subsequently exercise same. Tenant shall gain no rights nor become vested with any power to remain in default under the terms hereof by virtue of Landlord's failure to timely assert his rights. No acceleration of rentals, regardless how often occurring, which Landlord chooses to ignore by thereafter accepting rental or other performance by Tenant shall constitute a waiver of the right to

thereafter accelerate rentals. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent stated shall be other than on account. Any endorsement or statement on a check or any accompanying letter is void, and Landlord may accept such check or payment without prejudice to right to remedy at law or in equity or provided in this Lease.

27. LAW APPLICABLE. This lease is entered into in North Carolina and shall be construed under the laws, statutes and ordinances of such jurisdiction.

28. SEVERABILITY. The provisions hereof are independent covenants and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain at Landlord's option in full force and effect.

29. BINDING EFFECT AND COMPLETE TERMS. The terms, covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of and shall be enforceable by Landlord and Tenant and by their respective successors and assigns. All negotiations and agreements of Landlord and Tenant are merged herein. No modification hereof or other purported agreement of the parties shall be enforceable unless the same is in writing and signed by the Landlord and Tenant.

30. CONSTRUCTION OF LEASE. This Lease shall not be construed more strictly against either party regardless of which party is responsible for the preparation of same. Highlighted language shall be of no greater or lesser force and effect than the remainder of this Lease. Any stricken language shall be treated as though it did not exist. The captions in this Lease are inserted only as a matter of convenience and for reference and they in no way define,

limit or describe the scope of this Lease or the intent of any provision hereof.

31. NO OFFER BY LANDLORD: The submission of this Lease to a prospective Tenant is not an offer, a reservation of or option for the Demised Premises, and this Lease becomes effective as a Lease only upon execution and delivery thereof by Landlord and Tenant.

32. SURVIVAL: Any obligation which by its nature is due after this Lease expires, shall survive the Lease's termination.

33. NON-RECOURSE AS TO LANDLORD: No levy or execution against Landlord shall be satisfied from any assets other than Landlord's equity interest in the Demised Premises. In this "Lease", Landlord refers solely to the owners of the Demised Premises at the time of its or their interest and in the event of any sale, divestment, assignment or transfer of Landlord's interest hereunder, the prior owner(s) shall be forever discharged, released and remised from this Lease and all obligations and covenants arising within it, except for breaches or defaults which have accrued prior to the owner's sale, assignment or transfer. The remedy for any actual or alleged breach of any provision of this Lease by Landlord solely shall be the enforcement of that provision.

34. AUTHORITY: If Tenant is a corporation, the individual(s) executing this Lease warrant that they have full authority to execute and to bind the Tenant to its terms and conditions pursuant to a current resolution of the Tenant's Board of Directors.

35. RIGHT OF FIRST REFUSAL: If Landlord, at any time during the Term of this Lease or any Renewal Term, receives any bona fide offer from a third party to purchase the Premises, and any such offer is acceptable to Landlord, Landlord agrees to notify Tenant in writing, giving the name and address of the offeror and the price, terms, and conditions of such

offer, and Tenant shall have sixty (60) business days from and after the receipt of such notice from Landlord in which to elect to purchase the Premises on the terms and conditions contained in said bona fide offer. If Tenant does not elect to purchase, and Landlord sells the Premises to the third party making such offer, then the purchaser shall take the Premises subject to and burdened with all the terms, provisions, and conditions of this Lease, and the rights of Tenant under this Lease as against the new owner (including, without limitation, this right of first refusal) shall not be lessened or diminished by reason of the change of ownership. If Tenant purchases the Premises, then contemporaneously with the conveyance of the property to Tenant this Lease shall become null and void, without further notice, and Tenant shall thereupon be released and discharged from all further rentals and other obligations on the part of Tenant to be paid, kept, and performed. Upon Tenant's request, Tenant and Landlord shall execute a termination of this Lease in recordable form.

36. OPTION TO RENEW:

A. Provided that the Tenant is not in default of its obligations under this Lease, Tenant shall have the option of extending the Term hereof for **two** additional period(s) of **five (5)** years (the "Renewal Period"), commencing at midnight on the date on which the original term of this Lease terminates. Said option shall be exercised, if at all, by written notice to Landlord at least one hundred twenty (120) days prior to the expiration of the then current term. All terms and conditions contained herein shall apply during the Renewal Period; provided that (i) the rent shall be adjusted as set forth in this section; and (ii) there shall be no additional Option to renew.

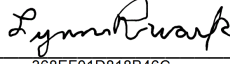
B. During each year of the Renewal Period, Tenant shall pay to Landlord an annual rent equal to the previous year's annual rent plus an additional **six** percent (**6%**) calculated in the




same manner as shown in Paragraph 3.B. above. *For example, the annual rent for the first Renewal Period shall be \$20,225 and the annual rent for the second Renewal Period shall be \$21,438.* The increased rent shall be paid in the same manner as provided for Rent above.

IN WITNESS WHEREOF the parties hereto have set their hands and seals the day and year first above written.


LANDLORD:

DocuSigned by:  
  
368EF01D818B46C...

Lynn Ruark


DocuSigned by:  
  
455EA1A94DB5426...

Richard Bethune

DocuSigned by:  
  
ED7DA6DFE6C8497...

Charles Autry

TENANT:

DocuSigned by:  
  
666EFB7354A84B3...

Omar Alsaidi  
365 STORES LLC