

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF HARNETT

THIS LEASE AGREEMENT, made and entered into this 29th day of March, 2022, by and between TTP EAST POINTE, LLC, a North Carolina limited liability company whose principal office address is 27-107 Annette Drive, Benson, North Carolina, 27504, hereinafter referred to as "LANDLORD", and JASON JOHNSON, JR. and wife, GILLIAN JOHNSON of Johnston County, North Carolina, hereinafter referred to as "TENANT";

WITNESSETH:

That subject to the terms and conditions hereinafter set forth, Landlord does hereby let and lease unto Tenant and Tenant does hereby accept as tenant of the landlord, that certain premises containing 1,800 square feet, situated in the City of Dunn, Averasboro Township, Harnett County, North Carolina known as East Pointe Village, Building I, Phase I, Dunn, North Carolina 28334, being on the front of the building and adjoining Mi Casita restaurant and more particularly described herein.

The terms and conditions above-referred to are as follows:

ARTICLE I

TERM

SECTION 1.01 LEASED PREMISES.

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of Tenant to be observed and performed, Landlord demises and leases to Tenant, and Tenant rents from Landlord, those certain premises in East Pointe Village, Building I, Phase I (herein called the "Center") in the County of Harnett, State of North Carolina which premises consists of a one story building containing an area of approximately 1,800 square feet, more or less, in the front of the building with Mi Casita restaurant being on the east side of the space, hereinafter called the "Leased Premises." The address of the leased premises is 1165 East Cumberland Street, Suite 106, Dunn, North Carolina, 28334.

SECTION 1.02. TERM AND COMMENCEMENT.

The initial term of this Lease shall commence ninety (90) days following the execution of this Lease Agreement, or the date that Tenant opens for business, whichever date is sooner, and shall terminate five (5) years thereafter.

Tenant shall be granted two (2) lease renewal options of three (3) years each, if Tenant is not in default at the time of initial lease expiration. Tenant shall give Landlord sixty (60) days written notice if it opts to exercise either lease renewal option prior to the then expiring lease term.

SECTION 1.03. FAILURE OF TENANT TO OPEN.

In the event Tenant fails to take possession and to open the Leased Premises for business fully fixtured, stocked, and staffed within the time herein provided, the Landlord shall have, in addition to any and all remedies herein provided, the right at its option to collect not only the rent herein provided, but additional rent at the rate of Fifty Dollars (\$50.00) per day for each and every day that Tenant shall fail to commence to do business. In any event, should Tenant have failed to open the Leased Premises for business at the conclusion of one hundred and twenty (120) days following the commencement of the term, as defined in Section 1.02, then Landlord, in addition to all other rights and remedies provided in this Lease or by law in case of default, shall have the right to require specific performance by Tenant, or to cancel and terminate this Lease, reserving all right for damages suffered by reason of such default.

SECTION 1.04. USE OF ADDITIONAL AREAS.

The use and occupation by Tenant of the Leased Premises shall include the use in common with others entitled hereto of the common areas, employees' parking areas, loading facilities, sidewalks and customer car parking areas, located in East Pointe Village and other facilities as may be designated from time to time by Landlord, subject however, to the terms and conditions of this Lease and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord.

ARTICLE II

RENT

SECTION 2.01. RENT.

The Tenant shall pay to Landlord during the term of this lease base rent as follows: During lease years one and two, annual rent in the amount of \$23,400.00, payable in monthly installments of \$1,950.00; during lease years three through five, annual rent in the amount of \$25,200.00, payable in monthly installments of \$2,100.00.

During the first lease renewal option term, Tenant shall pay to Landlord annual rent in the amount of \$27,000.00, payable in monthly installments of \$2,250.00; and during the second lease renewal option term, Tenant shall pay to Landlord annual rent in the amount of \$28,800.00, payable in monthly installments of \$2,400.00.

Taxes, Insurance, and Common Area Maintenance charges ("TICAM") to be paid and/or reimbursed to Landlord as set forth herein are estimated to be an additional \$3.00 per square foot of leased space, equal to \$450.00 per month. TICAM is determined and adjusted by the Landlord in January of each calendar year, based on the actual expenses incurred by Landlord for TICAM items for the preceding calendar year.

THE RENTAL SHALL BE PAID IN ADVANCE ON OR BEFORE THE FIRST DAY OF EACH MONTH, WITHOUT NOTICE OR DEMAND THEREFORE.

If the Lease Term shall commence upon a day other than the first day of a calendar month, then Tenant shall pay, upon the commencement date of the Lease Term, 1/30 of such rent for each day of the fractional calendar month, preceding the first full calendar month in the Lease Term.

In addition to such remedies as may be provided elsewhere in this lease, Landlord shall be entitled to a late charge for each monthly rent payment which is past due more than ten (10) days, which late payment shall be in the amount of four percent (4%) of the rent payment due. Further, Landlord shall be entitled to receive a service charge of five percent (5%) of the amount of any rent check given by Tenant to Landlord which is not honored when presented for payment by Landlord.

SECTION 2.02. PROPERTY TAXES.

Landlord shall pay in the first instance all real property taxes, assessments (general and special) and other impositions or charges which may be taxed, charged, levied, assessed or imposed by any lawful authority against the land and improvements in East Pointe Village or against Landlord in respect of the land and improvements in East Pointe Village. Tenant shall pay to Landlord its pro rata share of these real estate taxes equal to the product obtained by multiplying said tax by a fraction, the numerator of which shall be the square foot area of the

Leased Premises and the denominator of which shall be the square foot area of East Pointe Village. The additional rental provided for in this Section shall be estimated and paid in advance in equal monthly installments on the first day of each calendar month and adjusted within sixty (60) days after the close of each calendar year. If the term of this Lease shall begin on and/or terminate at a time other than the beginning (or ending as the case may be) of a tax year, a proper apportionment of these said real estate taxes for the year shall be made to cover the fraction of a year included within the term of this Lease. At Landlord's discretion, Tenant may be billed at the end of a tax year for his pro rata share of real estate taxes rather than in advance on a monthly basis.

Landlord shall have the right to retain the services of a property tax consulting firm or attorney for the purpose of reducing property taxes for East Pointe Village. Any fees paid to the property tax consulting firm or attorney shall be based upon a percentage of actual tax savings resulting from the property tax consultant's representation of East Pointe Village. This fee is only due when and if actual savings are substantiated by the tax consulting firm or attorney. When and if this occurs, Tenant agrees to pay its pro rata share of the property tax consulting fee or attorney fees. When and if Tenant is billed for its pro rata share of any tax savings, Landlord shall substantiate Tenant's invoice by including a copy of the total invoice from the property tax consulting firm or attorney.

SECTION 2.03. INSURANCE PREMIUMS

Tenant shall pay its pro rata share of all premiums for fire, extended coverage, vandalism, malicious mischief, one year rental insurance, liability and other insurance carried by Landlord on or with respect to East Pointe Village. Tenant's pro rata share shall be that portion of said insurance premium equal to the product obtained by multiplying said premiums by the same fraction to be used under Section 2.02 hereof. The amount of insurance coverage carried by Landlord will be at Landlord's discretion but will not be unreasonably excessive in relation to replacement cost.

Tenant shall pay to Landlord as additional rental, a charge for its share of insurance premiums which shall be Tenant's pro rata share of the total cost of insurance premiums of East Pointe Village.

SECTION 2.04. PAYMENT OF RENT.

All rentals and additional rentals payable under this Lease shall be paid without any prior demand therefore, on or before the first day of each month, and without any deduction or offset whatsoever. All rental payments shall be made to Landlord's address or at such other place as may be designated by Landlord. Without waiving, or in any manner affecting, any of the other rights or remedies which Landlord has under this Lease or by reason of applicable law, Landlord may charge interest on all past due payments of rental at the greater of five percent (5%) per month or one hundred dollars (\$100.00); provided that no such interest may be charged if it is not lawful to do so.

SECTION 2.05. SECURITY DEPOSIT AND TRANSFER OF DEPOSIT.

It is agreed that the Tenant will deposit with the Landlord at the time of the execution of this Lease the sum of Zero dollars (\$0.00) as security for the faithful performance by the Tenant of all of the terms and covenants of this Lease. In the event that the Tenant shall fail to perform or observe any of the terms, covenants, conditions or agreements to be observed or performed by the Tenant hereunder, and such default shall not be cured within the grace period provided in this Lease, the Landlord shall retain said sum of Zero dollars (\$0.00) or such remaining portion as the Landlord's absolute property, which sum shall be applied toward any and all damages owed to the Landlord by the Tenant as a result of such default. In the event the Tenant is not in default as aforesaid, Landlord agrees to return said sum within thirty (30) days after the expiration of the term of this Lease. Landlord shall not be obligated to place said deposit in an interest bearing account and Tenant shall not be entitled to any interest on said deposit. In the event of bankruptcy or other creditor/debtor proceedings against Tenant, all securities shall be deemed to be applied first to the payment of rent and other charges due Landlord for all periods prior to the filing of such proceedings. Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the Leased Premises in the event that such interest be sold and thereupon Landlord shall be discharged from any further liability with respect to such deposit, and this provision shall also apply to any subsequent transferees.

ARTICLE III

REPORTS, RECORDS AND AUDIT

SECTION 3.01. STATEMENTS.

Tenant is not required to furnish to Landlord a written statement of gross sales during the prior calendar year, but in the event Tenant voluntarily shares such information with the Landlord then such information shall remain absolutely confidential.

ARTICLE IV

CONDITION, ALTERATION AND RELOCATION

SECTION 4.01. CONDITION OF PREMISES.

The taking of possession of the Leased Premises by Tenant shall be conclusive evidence that said premises were in good and satisfactory condition and fully completed in accordance with the terms of this Lease at the time such possession was taken. Tenant will lease the premises in "as is" condition and will perform the necessary improvements related to its use at its sole cost. Landlord will participate with Tenant in acquiring the necessary permits and approvals from the local municipal bodies at the request of Tenant. Tenant is granted the right to install a grease trap, if necessary to its use of the leased premises, and Landlord will cooperate with Tenant to locate the grease trap in the optimal location.

SECTION 4.02. CHANGES AND ADDITIONS TO BUILDINGS.

Landlord hereby reserves the right at any time to make alterations or additions to the building in which the Leased Premises are contained. Landlord also reserves the right to construct and remove other buildings or improvements in East Pointe Village from time to time and to make alterations thereof or additions thereto on any such building or buildings. Landlord further reserves the right to enter and use the Leased Premises and adjacent property for the purpose of installing, repairing and removing wiring, piping, ducts and conduits for service or performing other work related to such construction, alteration, or addition to the Leased Premises or other buildings in East Pointe Village, provided that Landlord shall not unreasonably interfere with the use of the Leased Premises by Tenant.

SECTION 4.03. TENANT SHALL DISCHARGE ALL LIENS.

Tenant shall promptly pay all its contractors and materialmen, so as to minimize the possibility of a lien attaching to the Leased Premises, and should any such lien be made or filed, Tenant shall bond against or discharge the same within ten (10) days after written request by Landlord. Tenant shall secure final lien waivers in a form acceptable to Landlord's Title Insurance Company from all contractors, subcontractors and material suppliers and supply original copies to the Landlord.

ARTICLE V

USE OF PREMISES AND CONDUCT OF BUSINESS BY TENANT

SECTION 5.01. USE OF PREMISES.

The premises are hereby solely for use as an Irish pub and restaurant establishment under the trade name "GILLIANS", or any variation thereof, which is approved by Landlord, and under no other name except such as may be first approved by Landlord in writing; and further that the Leased Premises are leased exclusively for the said business and commercial purposes only and without limiting the generality of the foregoing, may never be used at any time for residential purposes. Tenant covenants and agrees to use the Leased Premises strictly in accordance with the foregoing provisions.

Landlord covenants and agrees that it will not lease space in the building where leased premises located to another shop, business or enterprise identical or similar to the business operation of Tenant.

Due to Landlord obligation, Tenant is restricted from earning thirty percent (30%) or more of its gross sales from the sale of submarine or deli style sandwiches for either on or off site consumption for the term of this lease or any renewals thereof.

SECTION 5.02. OPERATION OF BUSINESS.

Tenant shall occupy the Leased Premises promptly after the commencement of the original term of this Lease, and thereafter continuously during the term of this Lease and any renewal or extension thereof and shall conduct in said premises the business permitted under Section 5.01, immediately above, using its best efforts at all times to obtain at the Leased Premises the highest volume of said permitted business possible.

Tenant shall open the Leased Premises for business on each business day (State, National, and Religious holidays excepted), and shall maintain hours of operations that are typical for the type of business conducted by the Tenant on the leased premises.

SECTION 5.03. STORAGE OFFICE SPACE.

Tenant shall store, install and place in the Leased Premises only such goods, wares, equipment, appliances, furniture, fixtures and machinery as Tenant deems necessary to provide services to its customers. This shall not preclude occasional transfer of the aforementioned assets to other franchise locations of the Tenant. No auction, fire, going out of business or bankruptcy sales may be conducted in the Leased Premises without the previous written consent of Landlord.

SECTION 5.04. CHANGE OF NAME.

Tenant agrees not to change the advertised name of the business operated in the Leased Premises without the prior written permission of Landlord.

SECTION 5.05. SOLICITATION OF BUSINESS.

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SECTION 5.06. POSTING.

During the period of six months prior to the expiration of this Lease or any renewal thereof, where Tenant does not intend to renew this Lease Agreement, Landlord shall have the right to display on the interior or exterior of the Leased premises, the customary "For Rent" or "For Lease" signs, and during such period Landlord may show the Leased Premises and all parts thereof to prospective tenants between the hours of 9:00 a.m. and 6:00 p.m. on any day except any legal holiday on which Tenant shall not conduct business.

SECTION 5.07. RIGHT OF ENTRY.

Tenant shall permit Landlord, its agents, employees and contractors to enter the Leased Premises and all parts thereof at any reasonable time to inspect the same and to enforce or carry

out any provision of this lease, provided that any entry will be upon a 24-hour notice except in the case of emergency.

SECTION 5.08. EXCLUSIVE USE OF ROOF AND WALLS.

Landlord shall have the exclusive right to use all or any part of the roof and side walls of the Leased Premises for any purpose, provided such use does not disturb the quiet enjoyment of the premises by Tenant.

SECTION 5.09. OVERNIGHT LODGING.

No overnight lodging shall be permitted in the Leased Premises.

SECTION 5.10. ADVERTISING BY TENANT.

Tenant, at its sole expense agrees to refer to East Pointe Village in designating the location of the Leased Premises in all newspaper or other advertising, stationary, other printed material, and in all other references to this particular location; to include the address and identity of its business activity in the Leased Premises in all advertisements made by the Tenant in which the address and identity of any other business activity of like character conducted by Tenant within the trade area in which East Pointe Village is located shall be mentioned; and to use in such advertising only the Tenant's trade name. Nothing contained in this provision of the Lease Agreement is intended to affect or adversely impact or alter the advertising and marketing policies and plans of other restaurants and locations operated by Tenant.

SECTION 5.11. COMPETITION.

During the term of this Lease and every extension thereof, Tenant shall not directly or indirectly conduct any business within three (3) miles of the Demised Premises which shall be like, or similar to, the business permitted to be conducted in the Demised Premises.

ARTICLE VI

COMMON AREA AND FACILITIES

SECTION 6.01. OPERATION AND MAINTENANCE OF COMMON AREAS.

Landlord shall at its own expense (subject to the reimbursement provisions set forth in Section 6.03 of the Article) operate and maintain the common areas and common facilities of the areas of East Pointe Village owned by it and/or that it may be required to maintain by the Lease Agreement. Landlord shall maintain as common areas the parking lots within the areas of East Pointe Village for the nonexclusive use (in common with such others as Landlord may prescribe, including the occupants, employees and customers of the store or stores upon the areas of the Center not owned by Landlord) of Tenant, its agents, employees and customers for vehicle parking; provided, however, that such use shall be subject to the provisions of Section 6.02 of this Article; and provided further that Landlord may, as it shall from time to time see fit, reduce the parking area (which in this sentence shall be construed to include pavements, curbs, gutters, parking lot lighting and drainage systems, walls, fences, easements, landscaping, access driveways, footways and other passageways) by erecting on said parking area, store buildings or other structures or improvements of any kind, including, but not limited to, extensions to buildings now shown on said plat, so long as the said parking area built on or otherwise improved shall not, in the aggregate, reduce the ratio of parking spaces to gross leasable ground floor area in the Center to less than that allowed by applicable governmental regulations.

SECTION 6.02. CONTROL OF COMMON AREA BY LANDLORD.

All parking areas, access roads and facilities which may be furnished by Landlord in or at East Pointe Village, including employee parking areas, truck way or ways, driveways, loading docks and areas, delivery passages, package pickup stations, sidewalks, landscaped and planted areas, retaining walls, stairways, lighting facilities, signs, and all other areas and improvements for the general use, in common, of Tenants, their officers, agents, employees, and customers, shall at all times be subject to the exclusive control and management of Landlord (provided, however, Landlord may delegate, assign, or subcontract its rights and obligations, in whole or in part, under this section to a Tenant or Tenants or third parties) and Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned in this Section. Landlord shall have the right to construct, maintain and operate lighting facilities on all said areas and improvements and shall have the right to police the same. Landlord shall have the right from time to time to change the location and arrangement of parking areas and other facilities referred to in this section, to change truck routes to such extent as the Landlord may desire provided that the Leased Premises are adequately served by the new route; to establish or designate employee parking areas and to restrict parking by Tenants, their officers, agents and employees to employee parking areas; to construct surface or elevated parking areas and facilities; to establish and from time to time change the level of parking surfaces; to close all or any portion of said areas or facilities to such

extent as may, in the opinion of the Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; to close temporarily all or any portion of the parking areas or facilities; to discourage non-customer parking; to dedicate or convey property for public, utility or drainage use; and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by Tenants, their officers, agents, employees and customers.

SECTION 6.03. COMMON AREA AND MAINTENANCE CHARGE.

Tenant shall pay Landlord, as additional rental, a common area maintenance charge which shall be the greater of (a) Tenant's pro rata share of the total cost of operating and maintaining the common areas and facilities of East Pointe Village, or (b) a minimum charge of \$0.50 cents per square foot of Tenant's Leased Premises per year, which charge shall not be refundable but shall be credited against Tenant's pro rata share of the aforementioned total cost. The amount of Tenant's minimum charge and the amount of Tenant's pro rata share of the aforementioned total cost shall be computed by using the fraction described in Section 2.02. hereof. This additional rental provided for in this section shall be estimated and paid in advance in equal monthly installments on the first day of each calendar month and adjusted within sixty (60) days after the beginning of each calendar year.

Tenant shall pay the common area maintenance charge to Landlord in twelve (12) equal monthly installments which shall be paid in advance on or before the first day of each month.

The total cost of operating and maintaining the common areas and facilities of East Pointe Village shall include, but shall not be limited to, the following: costs and expenses of gardening and landscaping, traffic control equipment, exterior and pole lighting, cleaning, painting, striping, policing, removing garbage and other refuse and trash, snow removal, all utility charges incurred in operating East Pointe Village, repairing and maintaining equipment of the Center, inspecting the equipment of East Pointe Village, repaving, repairing, resurfacing, and re-striping of parking areas, cleaning ditches and adjacent areas, Christmas and/or other seasonal decorations, sanitary and drainage control, costs of maintaining, repairing, operating, equipping and/or replacing all floors, ceilings, skylights, windows, service pipes, electric, gas, sprinkler, water fines, storm water drainage, and/or sewer mains leading to and from the Leased Premises and/or premises in East Pointe Village; and to provide security for the common areas and facilities. It is understood that all of the costs and expenses of operating and maintaining the common areas and facilities of East Pointe Village shall be considered in determining Tenant's pro rata share of such total cost. Landlord shall have the right from time to time, at intervals to

be selected by Landlord, to compute and adjust the total cost of operating and maintaining the common areas and facilities of East Pointe Village, and after Tenant is notified in writing of any such computation or adjustment Tenant's pro rata share shall be computed on the basis thereof. Tenant shall pay all extraordinary costs for water used in the conduct of its business or profession. All costs charged to Tenant pursuant to this Section shall be reasonable and customary according to general business practices.

ARTICLE VII

TENANTS OBLIGATIONS OF MAINTENANCE & SUPERVISION

SECTION 7.01. TENANT'S RESPONSIBILITIES.

Tenant shall at all times keep the Leased Premises (including exterior entrances and doors, interior entrances and doors, door checks, interior emergency and exit lighting, walls, floors, windows, glass, plate glass, and storefront) and all partitions, door fixtures, equipment and appurtenances thereof (including lighting and plumbing fixtures, sewerage facilities and drains within the Leased Premises including free flow up to the main sewage lines) in good order, condition and repair (including reasonably periodic painting): except for structural portions of the Leased Premises which shall be maintained by Landlord, but if Landlord is required to make repairs to structural portions by reason of Tenant's negligent acts or omission to act, Landlord may add the costs of such repairs to the rent which shall thereafter become due. In pursuance of its obligation of maintenance, Tenant agrees to keep the inside and outside of all glass in the doors and windows of the Leased Premises clean; to keep all exterior surfaces of the Leased Premises clean; to replace promptly at its own expense with glass of like kind and quality any plate glass or window glass of the Leased Premises which may become cracked or broken; not to place or maintain any merchandise or other articles in the vestibule or entry of the Leased Premises, on the sidewalk adjacent thereto or elsewhere on the exterior thereof; to maintain the Leased Premises at its own expense in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; not to permit undue accumulations of garbage, trash, rubbish and other refuse, to remove the same at its own expense, and to keep such refuse in proper containers (or trashroom maintained by Tenant) on the interior of Leased Premises until called for to be removed; not to use or permit the use of any apparatus for sound reproduction or transmission of any musical instrument in such manner that the sounds so reproduced, transmitted or produced shall be audible beyond the interior of the Leased Premises; to keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the confines

of the Leased Premises; not to cause or permit objectionable odors to emanate or be dispelled from the Leased Premises; to comply with all laws and ordinances and all valid rules and regulations of any Federal, State, municipal or other public authority having jurisdiction in the Leased Premises, and all recommendations of any public or private agency having authority over insurance rates with respect to the use of occupancy of the Leased Premises by Tenant; not to park, and to require its employees to refrain from parking any vehicle on the Landlord's land except in such places as may be designated by Landlord for the use of Tenant and its employees; not to overload the electric wiring serving the Leased Premises or within the Leased Premises, and to install at its own expense, but only after obtaining Landlord's prior written approval, any electric wiring which may be required in connection with Tenant's apparatus; to repair promptly at its own expense any damage to the Leased Premises caused by bringing into the Leased Premises any property for Tenant's use, or by the installation or removal of such property, regardless of fault or by whom such damage shall be caused, unless caused by Landlord, its agents, employees or contractors (and in default of any such repairs by Tenant, Landlord may make the same and Tenant agrees to pay the cost thereof to Landlord promptly upon Landlord's demand therefore); and to conduct its business in the Leased Premises in all respects in a dignified manner and in accordance with high standards of store operation. Tenant shall give immediate telephone or email notice to Landlord in case of fire, casualty, accident or defects in the Leased Premises or in the building of which the Leased Premises are a part, or any fixtures or equipment located thereon or therein.

SECTION 7.02. LANDLORD'S RIGHT TO INTERVENE.

If Tenant refuses or neglects to repair property as required hereunder and to the reasonable satisfaction of Landlord as soon as is reasonably possible after written demand, Landlord may make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures, or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's costs for making such repairs plus twenty percent (20%) for overhead, upon presentation of bill therefore, as additional rent.

SECTION 7.03. SURRENDER OF PREMISES.

At the expiration of the tenancy hereby created, Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, and shall surrender all keys for the Leased Premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations on locks, safes, and vaults,

if any, in the Leased Premises. Tenant shall remove all its trade fixtures and any alterations of improvement which Landlord requests to be removed before surrendering the Leased Premises as aforesaid and shall repair any damage to the Leased Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease.

All alterations, improvements and additions to the Premises, including, by way of illustration but not by limitation, all counters, screens, special cabinetry work, partitions, paneling, carpeting, drapes or other window coverings and light fixtures, shall be deemed a part of the real estate and the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof without molestation, disturbance or injury at the expiration or termination of the Lease term, unless Landlord, by notice given to Tenant no later than fifteen (15) days prior to the end of the term, shall elect to have Tenant remove all or any of such alterations, improvements or additions, and in such event, Tenant shall promptly remove, at its sole cost and expense, such alterations, improvements and additions and restore the Premises to the condition in which the Premises were prior to the making of the same, reasonable wear and tear excepted. Any such removal, whether required or permitted by Landlord, shall be at Tenant's sole cost and expense, and Tenant shall restore the Premises to the condition in which the Premises were prior to the making of the same, reasonable wear and tear excepted. All movable partitions, machines and equipment which are installed in the Premises by or for Tenant, without expense to Landlord, and can be removed without damage to or defacement of the Building or the Premises, and all furniture, furnishings and other articles of personal property owned by Tenant (other than that described in the first sentence of this paragraph) and located in the Premises (all of which are herein called "Tenant's Property") shall be and remain the property of Tenant and may be removed by it at any time during the term of this Lease. However, if any of Tenant's Property is removed, Tenant shall repair or pay the cost of repairing any damage to the Building or the Premises resulting from such removal. All additions or improvements which are to be surrendered with the Premises shall be surrendered with the Premises, as a part thereof, at the expiration or termination of this Lease. Alterations, improvements and additions which are proprietary in design such as containing Tenant's Franchisor's trademarks, logos or design features shall remain the property of Tenant if Tenant chooses to remove.

All movable furniture and personal effects of Tenant not removed from the Premises upon the vacation or abandonment thereof or upon the termination or expiration of this Lease for any cause whatsoever shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to

Tenant and without obligation to account therefore, and Tenant shall reimburse Landlord for all expenses incurred in connection with the disposition of such property.

SECTION 7.04. RULES AND REGULATIONS.

The rules and regulations appended to this Lease are hereby made a part of this Lease, and the Tenant agrees to comply with and observe the same. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement said rules and regulations applicable to Leased Premises and East Pointe Village. Notice of such additional rules and regulations, amendments and supplements, if any, shall be given to Tenant, and Tenant agrees thereupon to comply with and observe all such rules and regulations, and amendments thereto and supplements thereof

SECTION 7.05. HEATING, VENTILATION AND AIR CONDITIONING MAINTENANCE.

Tenant shall be responsible for the repair and replacement of the heating, ventilation and air conditioning equipment (HVAC) for the Leased Premises. Tenant shall have the entire heating, ventilation and air conditioning equipment inspected and serviced by a qualified or licensed HVAC contractor approved by Landlord at least twice per calendar year. Tenant shall provide Landlord with a copy of the invoice or report from the inspecting company, giving evidence that the system has been inspected. Tenant shall also replace all filters in the HVAC system at least once every six weeks.

ARTICLE VIII

LANDLORD'S OBLIGATION FOR MAINTENANCE

SECTION 8.01. RESPONSIBILITIES OF LANDLORD.

Landlord shall maintain the roof, gutters, downspouts, and exterior walls of the building and the common areas. In the event any repairs become necessary to the structural portions of the roof, exterior walls, or foundations of the Leased Premises, or sidewalks adjacent to said Leased Premises, during the term of this Lease, then upon written notice from Tenant to Landlord stating the necessity therefore and the nature thereof, Landlord with reasonable promptness, and at its

own expense, shall make any such necessary repairs specified in such notice. The phrase "structural portions" as above used shall not be so construed as to require Landlord to make repairs to interior surfaces resulting from defects otherwise required to be kept in repair by Tenant. Landlord shall not be liable for damage to any goods or property, or injury to person (including death) caused by failure to perform any maintenance or repair which Landlord is obligated hereunder to perform unless Tenant shall first have notified Landlord of the need for same in writing and Landlord shall then have had a reasonable time thereafter to perform same with due diligence. Landlord shall not be responsible for maintaining and repairing window frames located in the exterior building wall.

SECTION 8.02. LANDLORD'S DISCLAIMER.

Landlord shall be under no liability to replace, repair, maintain, alter or take any other action with reference to the Leased Premises or any part thereof, or any plumbing, heating, cooling, gas, electrical or other mechanical installation therein, except as expressly set out in Section 8.01 immediately above.

ARTICLE IX

DISPLAYS, SIGNS, AWNINGS, PAINTINGS, ALTERATIONS, TRADE FIXTURES

SECTION 9.01. DISPLAYS & SIGNS.

If a retail business is conducted on the leased premises of any kind, Tenant shall install and maintain at all times displays of merchandise in the show windows of the Leased premises, and Tenant agrees promptly upon order of Landlord to remove all or any part of such displays as are reasonably objectionable to Landlord, or to take such other action with reference thereto as Landlord may direct. Tenant shall not place or suffer to be placed or maintain on the exterior of the Leased premises any sign, advertising matter or other thing of any kind, and shall not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Leased Premises without first obtaining Landlord's written approval thereof, and Tenant agrees to maintain such sign, decoration, lettering, advertising matter or other things as may be approved in good condition and repair at all times.

Tenant will be allowed signage on the stone tower directly above the leased premises, replacing the sign reading "East Pointe Village," at Tenant's sole cost. Tenant is also permitted signage on the shared group sign on the front of the Center, as well as signage on the stucco area

on the exterior of the space, as is allowed by the City of Dunn. All signage installed by Tenant shall be maintained in good repair at the cost of Tenant.

SECTION 9.02. AWNINGS.

Tenant shall not erect or maintain an awning or other device protecting against the sun or the elements without first obtaining Landlord's written approval thereof.

SECTION 9.03. PAINTING.

Tenant shall not paint or decorate any part of the exterior of the Leased Premises without first obtaining Landlord's written approval of such painting or decoration; and Tenant agrees to remove promptly upon order of Landlord any paint or any such decoration which has been applied to or installed upon the exterior of the Leased Premises without Landlord's prior written approval, or to take such other action with reference thereto as Landlord may direct.

SECTION 9.04. ALTERATIONS.

Tenant shall not alter the storefront of the Leased Premises and shall not make any structural alterations to the Leased Premises or any part thereof without first obtaining Landlord's written approval of such alteration; and Tenant agrees that any improvements made by it shall immediately become the property of Landlord and shall remain upon the Leased Premises, unless Landlord shall elect to require the restoration of the Leased Premises to their original condition, in which event Tenant agrees to comply with such requirement prior to the expiration or other termination of this Lease.

SECTION 9.05. TRADE FIXTURES

All trade fixtures and apparatus installed by Tenant in the Leased Premises, other than alterations referred to in Section 9.04 immediately above, shall remain the property of Tenant and be removable at any time, subject to the provisions of Section 7.03 of this Lease and provided Tenant be not in default at the time of any breach of covenant of this Lease. Tenant shall promptly and at its own expense repair any damage to the Leased Premises in removing any such trade fixtures and apparatus.

SECTION 9.06. HAZARDOUS SUBSTANCES.

A. Tenant shall not conduct nor permit to be conducted on the Premises any activity involving the generation, manufacture, refinement, transport, treatment, storage, handling, disposal, transfer, production or processing of Hazardous Substances, or other dangerous or toxic substances, or solid waste (hereinafter collectively referred to as "Hazardous Substances"). Such activities will be conducted in compliance with all applicable federal, state, and local law or regulations; and Tenant furthermore shall not cause the release of any Hazardous Substances on or off-site of the leased premises.

Tenant further agrees that a copy of any audit, test, or other form of report required of Tenant by any governmental agency regarding any activity involving Hazardous Substances shall be provided to Landlord within ten (10) days after it is provided to such governmental agency.

B. It is Tenant's obligation at its sole cost and expense to comply or insure compliance with, and to be responsible for matters arising out of, all federal, state, foreign and local laws or regulations, agreements with governments, and court and administrative orders with respect to any of the activities described in this Section 9.06, including, without limitation, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act, with respect to the Premises and the Tenant's activities therein.

In the event Landlord discovers or determines the existence of any release or discharge or any other contamination on the Property caused by the Tenant involving Hazardous Substances or any violation of federal, state or local law or regulation, the result of which may require remedial action pursuant to any law or may be the basis for the assertion of any third party claims, including claims of governmental entities, Tenant shall, upon notification from Landlord, at its sole cost and expense, proceed with due diligence to take the appropriate action in response thereto. In the event that Tenant fails to so proceed with due diligence, Landlord may, at its option, elect to cure, correct or take any remedial action necessary for the violation of any governmental regulation and charge the Tenant for the cost incurred by Landlord and shall have the rights to indemnity set forth in Subparagraph C; provided, however, that this provision should create no duty on the part of Landlord to notify Tenant or take any other action remedial or otherwise.

C. Tenant agrees to indemnify and hold harmless Landlord, its successors and assigns, against and in respect of, any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses, which may be imposed upon or incurred by Landlord, its successors or assigns, or asserted against Landlord, its successors or assigns, by any other party or parties (including, without

limitation, a governmental entity), arising out of or in connection with any activity of Tenant involving Hazardous Substances or any Release of Hazardous Substances by Tenant, including the exposure of any person to any such Hazardous Substances.

D. Any violation by Tenant of any provision of this Section 9.06 shall be considered a violation of this Lease Agreement and the Landlord shall be entitled to any of the remedies therefore.

ARTICLE X

INSURANCE AND INDEMNITY

SECTION 10.01. LIABILITY INSURANCE.

Tenant shall, during the entire term hereof, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leased Premises, and the business operated by Tenant and any subtenants of Tenant in the Leased Premises in which the combined single limit of public general liability shall be not less than \$1,000,000.00 and in which the property damage liability shall be not less than \$500,000.00. Landlord shall be designated as an additional named insured with respect to such insurance coverage. The insurance shall be with an insurance company approved by Landlord and a Certificate of Insurance, which shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord thirty days prior written notice, shall be delivered to Landlord.

SECTION 10.02. INCREASE IN FIRE AND EXTENDED COVERAGE INSURANCE PREMIUM

Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by the standard form of fire insurance policy. Tenant agrees to pay any increase in premiums for fire and extended coverage insurance that may be charged during the term of this Lease on the amount of such insurance, which may be carried by Landlord on said Leased Premises or the building of which they are a part, resulting from the type of merchandise sold or business conducted by Tenant in the Leased Premises, whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use of the Leased Premises, a schedule, issued by the organization making the insurance rate on the Leased Premises, showing the various components of such rate, shall be

conclusive evidence of the several items and charges which make up the fire insurance rate on the Leased Premises.

In the event Tenant's occupancy causes any increase of premium for the fire, boiler and/or casualty rates on the Leased Premises, or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the Leased Premises, the Tenant shall pay the additional premium on the fire, boiler and/or casualty insurance policies by reason thereof. The Tenant also shall pay in such event, any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss through fire. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect, and shall be due from, and payable by Tenant when rendered, and the amount thereof shall be deemed to be, and be paid as, additional rate. Tenant shall provide for the standard installation of all equipment and fixtures in accordance with the rules, regulations, and requirements of the fire rating authority and the Landlord's underwriters.

SECTION 10.03. INDEMNIFICATION OF LANDLORD.

Tenant will indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Leased Premises, or the occupancy or use by Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, lessees or concessionaires. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay any costs, expenses and reasonable attorney's fees incurred or paid by Landlord in connection with such litigation. Landlord shall protect and hold Tenant harmless and shall pay any costs, expenses and reasonable attorney's fees incurred or paid by Tenant in connection with litigation arising as a result of acts and omissions of the type and kind described in this paragraph.

SECTION 10.04. WAIVER OF SUBROGATION.

Tenant and Landlord waive any rights or claims against Landlord and Tenant for damage sustained by acts which may be covered under any of Tenant's or Landlord's insurance coverage and waives any right of subrogation against Landlord or Tenant under any insurance policy. Tenant and Landlord shall cause the insurance carriers to waive all such rights and to so notify Landlord and Tenant.

SECTION 10.05. LIQUOR LIABILITY INSURANCE

If alcoholic beverages are served or sold on the premises, Tenant shall keep in full force and effect a policy for liquor liability in which the limit shall be not less than \$1,000,000. Landlord is to be provided with evidence of this insurance, designating Landlord as additional insured with respect to such insurance coverage. The insurance shall be with an insurance company approved by Landlord and a Certificate of Insurance, which shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord thirty days prior written notice, shall be delivered to Landlord.

ARTICLE XI

UTILITIES

SECTION 11.01. UTILITY CHARGES.

Landlord shall, at its sole expense, arrange for the entry and connection of all necessary utility services to the Leased Premises, but shall not be required to pay any connection, "hookup" or meter charges. Tenant shall pay for all regular water fees, sewage service charges, fuel, electricity, natural gas, telephone, cable, and internet used in or at the Leased Premises for any purpose. In no event shall Landlord be liable for an interruption or failure in the supply of such utilities to the Leased Premises. If Landlord is billed directly for water fees, Tenant in turn will be billed by Landlord on a pro rated basis using the fraction as set out in Section 2.02 hereof. This fee will be due and payable within 10 days of receipt of invoice from Landlord.

ARTICLE XII

ESTOPPEL CERTIFICATE, ATTORNMENT, SUBORDINATION

SECTION 12.01. ESTOPPEL CERTIFICATE.

Within ten days after request therefore by Landlord, or in the event that upon any sale, assignment or mortgage of the Leased Premises and/or the land thereunder by Landlord, an

Estoppel Certificate shall be required from Tenant; Tenant agrees to deliver in recordable form a certificate to any proposed mortgagee or purchaser, or to Landlord, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant. Tenant's failure or refusal to deliver such statement within such time shall be conclusive upon Tenant, and any mortgagee or purchaser, that this Lease is in full force and effect, without modification thereto and that there are no uncured defaults in Landlord's performance or obligations hereunder.

SECTION 12.02. ATTORNTMENT.

Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of the sale under any mortgage made by the Landlord covering the Leased Premises, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

SECTION 12.03. SUBORDINATION.

Landlord reserves the right to subject and subordinate this Lease at all times to the lien of any mortgage or deed of trust now or hereafter placed upon Landlord's interest in the Leased Premises, or upon the land or premises of which the Leased Premises are a part, or upon any building now or hereafter placed upon the land of which the Leased Premises form a part, and to all advances made or hereafter to be made upon the security thereof, all without the necessity of Tenant joining in any such subordination; however, upon request of Landlord, Tenant shall execute and deliver such further instrument evidencing such subordination as Landlord may reasonably request. It is further understood and agreed, however, that neither such subordination, nor any foreclosure of any such mortgage or deed of trust, shall, affect Tenant's right to continue in possession of the Leased Premises under the terms of this Lease so long as Tenant shall not default in the performance of Tenant's obligations hereunder.

ARTICLE XIII

ASSIGNMENT AND SUBLETTING CONCESSIONS, CORPORATE OWNERSHIP

SECTION 13.01. CONSENT REQUIRED.

Tenant will not assign, mortgage, pledge, hypothecate or sublet this Lease in whole or in part not all or any part of the Leased Premises, without the prior written consent of Landlord in each instance. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. Landlord shall not be obligated in any manner to give its consent, and the giving of Landlord's consent may be conditioned on the requirement that the rental hereunder be increased or that one or more of the provisions of this Lease be amended. This prohibition against assigning, subletting, mortgaging and pledging shall be construed to include a prohibition against any assignment or subletting by operation of law, legal process, bankrupting or otherwise. If this Lease is assigned or if the Leased Premises of any part thereof is sublet or occupied by anybody other than Tenant, Landlord may collect rent from the assignee subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as Tenant or a release of Tenant from the further performance by Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease. Tenant shall pay all costs, expenses and reasonable attorneys fees that may be incurred or paid by Landlord in processing, documenting or administering any request to Tenant for Landlord's consent pursuant to this section. The consent required by this Section shall not be unreasonably withheld in case of sale or assignment to an approved new Franchisee by Franchisor of Tenant, in which case the provisions allowing Landlord to revise the lease provisions shall not apply.

SECTION 13.02. BENEFITS AND BURDENS ON ASSIGNMENT.

This Lease Agreement and the covenants and conditions herein contained, shall inure to the benefit of and be binding upon Landlord, its heirs, successors and assigns, and shall be binding upon Tenant, its heirs, successors and assigns, and shall inure to the benefit of Tenant and only such assigns of Tenant to whom the assignment by Tenant has been consented to in writing by Landlord, which consent to assignment by Tenant will not be unreasonably withheld. Nothing contained in this Lease shall not restrict Landlord's right to assign or encumber this Lease in its sole discretion.

SECTION 13.03. CHANGES IN OWNERSHIP.

If Tenant is a corporation, limited liability company, or professional association and if at any time during the Lease term the person or persons who own a majority of its voting shares at the time of the execution of this Lease cease to own a majority of shares (except as the result of

transfers by gift, bequest or inheritance) Tenant shall so notify Landlord and Landlord may, after consultation with Tenant and/or Tenant's counsel, and upon finding based upon reasonable investigation of the transferee and reasonable evidence of unsuitability of the transferee terminate this Lease by notice to Tenant given within 90 days hereafter. This section shall not apply whenever Tenant is a corporation the outstanding voting stock of which is listed on a recognized security exchange or where at least 80 percent of its voting stock is owned by another corporation the voting stock of which is so listed. Approval by Tenant's Franchisor of the suitability of the transferee shall be a presumption of suitability.

SECTION 13.04. FRANCHISES, CONCESSIONS, AND LICENSES.

A. Tenant will not permit any business to operate in or from the Leased Premises by any concessionaire, licensee, franchisee or other party (all of the foregoing collectively referred to as "Franchisee") without the prior written approval of Landlord. In each instance, Landlord's approval of the Franchisee may be unreasonably withheld despite any statutory provision to the contrary. Landlord's approval of any particular Franchisee will not constitute a waiver of the requirement of Landlord's approval for any subsequent Franchisee. However, the provisions of this Section exclude the franchises and licenses which Tenant holds as of the date of execution of the Lease Agreement by the parties.

B. If Landlord approves Franchisee, such approval will be given upon and subject to: (1) the continuing liability of the Tenant under the Lease; (2) the terms and conditions of Section 13.01 of the Lease (which provides for an increase in the Minimum Rent as a result of the application of this Section); (3) Landlord's right to terminate the Lease in the event Tenant fails to request approval of Franchisee; (4) Tenant executing and causing any Franchisee to execute any document or instrument that Landlord requires pursuant to this Section, including but not limited to, a Sublease of the Premises in a form prepared by Landlord at Tenant's expense, in which the subtenant covenants directly with Landlord to be bound by all of the terms of the Lease, and; (5) without limitations, the following factors:

(1) Franchisee will be subject to the terms, covenants and conditions contained in the Lease;

(2) Franchisee will not use an aggregate area that at any one time exceeds a percentage of rentable area of the Leased Premises that Landlord deems advisable;