

**STATION LEASE (VALERO BRANDED)**  
**(Retail Service Station and Convenience Store)**

This Station Lease (Branded) (Retail Service Station and Convenience Store) (the "Lease") made this 29th day of September 2022, between Manjit Inc Castleberry Inc. hereinafter "Lessor" and Harinder J. Singh hereinafter "Lessee".

**WITNESSETH:**

1. **Lease of Premises.** Pursuant to the terms and conditions of this Lease, Lessor hereby leases to Lessee, and Lessee leases from Lessor, the premises located at **201 West Cumberland Street Dunn, NC 28334** in the County of Harnett, in the State of North Carolina (referred to hereinafter as the "Premises"), which Premises are to be employed in connection with the sale, consignment or distribution of motor fuel under the VALERO brand, trademark or trade names, or trade identification (the "Proprietary Marks") as more fully set forth in the accompanying Contract of Sale (Branded) between the parties hereto (the "Contract of Sale") and the operation of Lessee's convenience store business. It is understood and agreed that Lessor neither owns nor controls the Proprietary Marks, but that Lessor may grant Lessee the right to use said Proprietary Marks only with the authorization of Lessor's supplier of motor fuel branded under said Proprietary Marks (said supplier referred to as the "Supplier"), which retains the right, subject to requirements of law, to withdraw these rights from Lessor at any time notwithstanding any request or demand by Lessor to the contrary. Lessor owns all equipment on the Premises with the exception of items enumerated in Attachment "A", attached hereto and incorporated herein.
  2. **Term.** The term of this Lease shall be **three (3) years** (the "Term"), commencing on **1 October 2022** and expiring on **30 November 2025**. Lessee has option for additional (5) year lease. Year 2-3 will be 5% annual increase in lease terms.
  3. **Rent.** (a) The total rent for the Term of this Lease is \$108,000.00 Such rent shall be payable, without setoff, deduction, notice, or demand, at the rate of **\$3000.00 per month** on the first (1<sup>st</sup>) day of each and every calendar month during the effective life of this Lease, or on any other day that Lessor may require from time to time.  
(b) To secure timely payment of rent, and other sums due under this Lease or any accompanying contract, Lessee shall, upon execution of this Lease, provide Lessor with a security deposit in the amount of N/A, or other security interest acceptable to Lessor, at Lessor's sole option, including without limitation a letter of credit or personal guaranty.  
(c) Lessee shall pay said rent in accordance with Lessor's payment terms in effect from time to time. Lessor may require that Lessee pay the rent by means of cash, cashier's check, certified check, electronic funds transfer ("EFT"), or other means acceptable to Lessor. Where Lessor requires payment via EFT, Lessee will establish a commercial account with a financial institution that provides EFT services and will authorize Lessor to initiate transfers of funds between Lessee's account and Lessor's account for payment of all amounts due to Lessor under this Lease for the entire Term thereof, including renewal periods. Lessee shall not use, or permit to be used, said commercial account for personal, family, or household purposes. Lessee will provide Lessor with all information and authorization necessary to debit and credit Lessee's account. Lessee shall maintain at all times funds in its account sufficient to make payments to Lessor at the time of the EFT transaction. Should any EFT transaction be rejected by Lessee's bank for Lessee's failure to maintain sufficient funds in Lessee's account, in addition to any rights Lessor may have under this Lease or the law, Lessor may collect a service charge for each occurrence of such rejection by the bank, whether or not payment is subsequently paid by Lessee. Lessor may, at its sole discretion, require that subsequent payments be made by means of cash, certified or cashier's check, money order, or other means satisfactory to Lessor. Lessee shall indemnify, defend and hold Lessor harmless for any losses, costs, or damages arising out of any breach or violation of this subparagraph 3(c).  
(d) Because of the dynamic nature of the motor fuel retailing industry, Lessee acknowledges and agrees that Lessor may, during the term of this Lease, determine that the Premises should be opened to provide other goods and services preferred by customers which may include, but shall not be limited to, gas only, total self serve and car wash operations. Lessor shall have the right to make these changes at any time during the term of this Lease upon six (6) months written notice to Lessee and to alter the rental fees to be consistent with the arrangement then in effect, or then being placed in effect, for all other dealers engaged in the same type of business in the marketing area in which the Premises is located. Such a change in mode of operation will not affect the Lessee's right, subject to compliance with all the terms and condition hereof, to continue in the Premises for the full term of this Lease.
4. **Independent Business.** (a) Lessee is an independent businessman with the exclusive right to direct and control the

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business operation at the above Premises, including the establishment of the prices at which products and merchandise are sold. Lessor reserves no control over the business at the above Premises. Lessee has no authority to employ anyone as an employee or agent of Lessor for any purpose.

(b) Lessee shall furnish such equipment as is necessary to operate a first class convenience store. Such equipment shall include, without limitation shelving, counters, cash registers and refrigerators and shall be more fully set forth in Attachment "A" attached hereto and incorporated herein.

5. Mutual Satisfaction. The parties to this Lease have discussed the provisions herein and find them fair and mutually satisfactory and further agree that in all respects the provisions are reasonable and of material significance to the relationship of the parties hereunder. Any breach of a provision of this Lease shall be grounds for termination or non-renewal of the relationship.

6. Surrender of Premises. (a) Lessee shall surrender possession of the Premises immediately upon termination, expiration, or non-renewal of this Lease. Lessee shall leave the Premises in the same condition as it was at the commencement of this Lease or in the same condition to which it was brought by the efforts of Lessor after the commencement of this Lease, except for normal wear and tear. Lessor shall have the right to repossess the Premises immediately upon termination, expiration, or non-renewal of this Lease.

(b) Lessee shall remove all of Lessee's personal property upon termination, expiration, or non-renewal of the Lease and shall promptly repair any damage to the Premises resulting from the removal thereof to the reasonable satisfaction of Lessor; provided, however, if Lessee fails to remove Lessee's personal property from the Premises within thirty (30) days of the effective date of the termination, nonrenewal, or expiration, then Lessee shall be deemed to have abandoned such items of Lessee's personal property, all of which shall become the property of Lessor. Lessor, at its sole option, may remove, store, and/or dispose of such property and Lessee shall have no claim or right against Lessor for such property or the value thereof, regardless of the disposition thereof by Lessor. Lessee shall pay Lessor, upon demand, all expenses incurred by Lessor for the moving, storing, and/or disposal of such items of Lessee's personal property and for the repair of any damage caused or arising from such removal. Lessee's obligations hereunder shall survive the termination, nonrenewal, or expiration of this Lease.

7. Inspection. Lessor retains the right to enter and inspect the Premises at reasonable times and in a reasonable manner with such employees and equipment as Lessor may deem necessary to determine if the obligations assumed by Lessee under this Lease are being fulfilled.

8. Subordination of Lease. This Lease is subordinate to an underlying lease that may expire or terminate on N/A, on or before the end of the term of this Lease. This underlying lease may or may not be extended or renewed on the date the underlying lease expires or terminates. Lessor is under no obligation to extend or renew such underlying lease or to make a good faith or best effort to extend or renew it. If the underlying lease terminates, expires or does not renew on the aforesaid date, this Lease will also terminate or, if applicable, nonrenew at the same time.

9. Indemnity. Lessor shall not be liable to Lessee or to any other person for any damage to or loss of property, or for injury to or death of persons arising from Lessee's operation pursuant to this Lease. Lessee shall defend, indemnify, protect and save Lessor harmless from and against any and all losses, claims, penalties, fines, liabilities, environmental cleanup costs, suits and actions, including attorneys' fees and litigation costs, judgments and costs, which shall arise from or grow out of any injury to or death of persons and for damage to or loss of property, directly or indirectly resulting from, or in any way connected with (i) Lessee's performance of this Lease, (ii) Lessee's operation at or use of, or the activities of any other person upon, the Premises, or (iii) the condition of the Premises or of the adjoining streets, sidewalks or ways, irrespective of whether such injury, death, damage or loss is sustained by Lessee or his agents, employees, invitees, licensees, customers, or other person, firm or corporation which may seek to hold Lessor liable. Lessee's obligations under this paragraph shall survive the termination, expiration, or nonrenewal of this Lease.

10. Notice. Any notice required by this Lease shall be in writing. It shall be deemed served when delivered to the other party personally or when mailed via certified mail to the other party at the address indicated at the end of this Lease.

11. Quiet Enjoyment. Lessor covenants that Lessee, upon the payment of rent and the performance of the covenants contained in this Lease, shall and may peaceably and quietly have, hold, and enjoy said Premises for the Term, subject to the provisions of hereof.

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12. Assignment-Subleasing.

(a) This Lease is personal to Lessee and Lessee will not without the prior written consent of Lessor (i) assign, mortgage, encumber, or otherwise transfer this Lease or the interest hereby created; (ii) permit any lien or encumbrance to be placed on the Premises or Lessor's equipment thereon; (iii) sublease the Premises or any part thereof; (iv) become associated with any other person as a partner or otherwise with respect to the Premises or to this Lease; or (v) permit any other person, firm or corporation to occupy the Premises or any part thereof; except as may otherwise be required by law. If Lessee seeks Lessor's consent for any of the foregoing he shall contemporaneously provide Lessor with all documents that Lessor may reasonably require to evaluate whether to grant its consent.

(b) In the event that Lessee desires to assign Lessee's interest hereunder, in whole or in part, Lessor reserves the right, if not prohibited by applicable law, to require that such assignee enter into a mutual termination agreement terminating this Lease and execute a trial franchise lease with Lessor, as the term "trial franchise" is defined in the Petroleum Marketing Practices Act, 15 U.S.C. §2801, *et seq.* Nothing contained in the foregoing sentence shall be construed to limit Lessor's right to impose additional conditions or requirements for its consent for the assignment, transfer, or sublease of Lessee's rights hereunder.

(c) Lessor may assign this Lease in whole or in part upon ten (10) days prior written notice to Lessee.

13. Duties of Lessee. Lessee shall:

- (a) operate its convenience store and retail service station businesses at the Premises responsibly, with due care, prudence, good judgment, and skill;
- (b) treat all customers at the Premises courteously;
- (c) not engage in dishonest, fraudulent, or scare-selling practices;
- (d) promote diligently the sale of motor fuel and convenience store products at the Premises;
- (e) perform all services in a good, workmanlike manner;
- (f) maintain the restrooms in a clean, sanitary, and well lighted condition and adequately provided with necessary supplies;
- (g) provide sufficient trained and courteous personnel to serve the needs and desires of the motoring public;
- (h) keep the Premises neat and clean and keep the driveways, yards, lawns, shrubs and other plantings free from weeds, debris, snow, ice, and rubbish;
- (i) make reasonable efforts to preserve the value of the Premises for the uses provided hereunder.

14. Use/Operation of Premises.

(a) Lessee shall use the Premises solely for the operation of a first class convenience store and retail service station business, except where Lessor has given its prior written consent for other, additional uses. If Lessor consents to Lessee's additional use, Lessor reserves the right to a portion of the fees, income or other revenue generated by such use.

(b) Notwithstanding anything to the contrary stated herein, Lessor reserves the right to make use of the Premises for other business uses so long as any such use does not materially interfere with the authorized use of the Premises then being made by Lessee. Lessor reserves the exclusive right to any fees, income, rentals or other revenue generated by such use by Lessor.

(c) This Lease is subject to all covenants and restrictions contained in any deed or lease conveying or leasing the Premises to Lessor and all other deed restrictions, zoning laws, easements or encumbrances affecting the Premises, now or after the effective date of this Lease. Lessor reserves the right to grant a mortgage or security interest in the fee and leasehold interests affecting the Premises.

(d) Lessee shall:

- (i) not use the Premises for storage of junk, disabled vehicles, used tires or batteries, other than on a temporary basis in connection with servicing customers of the Premises;
- (ii) not use the Premises, without the prior written consent of Lessor, for auto, truck or equipment rentals or as a parking lot;
- (iii) not obstruct any entrance, exit, pump island or service area so as to deny free access to the motoring public or block delivery carriers access to storage fill pipes;
- (iv) if the construction, maintenance and/or operation of the Premises is pursuant to a conditional use permit or other approval ("Permit") by a zoning board or other governmental agency, use the Premises in accordance with all requirements contained in such Permit. If the Premises is subject to such a Permit, a copy will be delivered to Lessee and Lessee shall acknowledge receipt of the copy on a form provided by Lessor;

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(v) conduct all operations lawfully and in strict compliance with all statutes and all ordinances, regulations, and other requirements of governmental authorities;

(vi) except as required by law or as agreed to in writing by Lessor and Lessee, not display signs except those usual and customary to advertise products and services offered for sale at the Premises by Lessee;

(vii) not place any buildings or other permanent improvements at the Premises, or remove or make any alterations or changes in or to the existing buildings and permanent improvements at the Premises without prior written permission of Lessor;

(viii) purchase all of its inventory for resale at any convenience store located at the Premises and keep the convenience store shelves and walk-in cooler(s) fully stocked at all times;

(ix) not store or sell illegal or prescription drugs or permit the same to be used or consumed at the Premises;

(x) not display, use, store, offer for sale, or rent any item of a pornographic nature at the Premises. Such items shall include, without limitation, pornographic, sexually explicit, or so-called "adult": magazines, videotapes, compact disks, digital video disks, or other like items;

(xi) prohibit the sale or storage of intoxicating beverages at the Premises unless otherwise permitted by Lessor, in which event, Lessee shall keep a valid beer and wine license for the sale thereof at the Premises;

(xii) Lessee (or where Lessee is a corporation, partnership, or limited liability company, the following person: \_\_\_\_\_) shall be present at the premises at least \_\_\_ hours per week.

15. Obligations of Lessee/Taxes. (a) Lessee shall, at its expense: (i) maintain the appearance standards of the Premises such that the Premises complies with the image and operating standards and guidelines of the Supplier; (ii) pay all water, gas, electricity, telephone and other utility bills; (iii) pay all real estate taxes prorated to the terms of this Lease; (iv) pay all premiums and contributions required by Workmen's Compensation, Unemployment Insurance, old age benefits and other programs measured by the remuneration paid by Lessee to his employees; (v) pay all license, occupation and business fees connected with Lessee's operation of the Premises, including such fees that may be required for the operation of the underground storage tank system at the Premises; and (vi) pay all costs of the withdrawal, distributing and selling products at the Premises. If Lessee fails to fulfill the obligations set forth in (i), (ii), or (iii) above, Lessor may, in cases of urgency, without waiving any other remedy allowable under law, perform such obligations. In such event, Lessee shall reimburse Lessor upon demand all costs expended by Lessor to fulfill Lessee's obligations in (i), (ii), or (iii) above.

(b) Lessee shall pay all taxes levied or imposed on (i) Lessee's property located at the Premises, and (ii) Lessee's operations pursuant to this Lease including the withdrawal, distribution, sale or delivery of the products handled at the Premises.

16. Maintenance. As of the date of execution of this Lease first above written, Lessee acknowledges that the Premises are in good condition and repair. At Lessee's own expense, Lessee shall timely perform the maintenance obligations set forth in Attachment "B" attached hereto and incorporated herein, as may be amended by Lessor from time to time upon written notice to Lessee. Lessee shall keep Lessee's own property in good condition and repair. Lessee shall perform all other maintenance to the Premises. Notwithstanding Lessor's maintenance obligations, Lessee has the primary obligation to keep the premises safe for all persons. Accordingly, Lessee shall immediately notify Lessor if any portion of the Premises is in need of maintenance by Lessor and shall perform any necessary interim maintenance to keep the Premises in a safe condition until such time as Lessor is able to do so within a reasonable time after receipt of notice from Lessee. If Lessee fails to perform its maintenance obligations, Lessor may perform those maintenance obligations and Lessee shall, upon demand by Lessor, reimburse Lessor's actual cost in performing the same. If Lessee fails to provide Lessor with any required notice relating to the maintenance of the Premises, Lessee shall be solely responsible for any resulting injury or damage.

17. Termination. (a) Subject to any limitations imposed by law and in addition to all other rights of Lessor under this Lease, Lessor may terminate or nonrenew this Lease for any of the following grounds: (i) Lessee's breach of any material provision of this Lease; (ii) any ground permissible under the Petroleum Marketing Practices Act, 15 U.S.C. §2801, *et seq.*; (iii) Lessee's material breach of the accompanying Contract of Sale.

(b) If the accompanying Contract of Sale is terminated or not renewed for any lawful reason, this Lease shall also terminate or not be renewed at the same time as such termination or non-renewal.

(c) If this Lease terminates, nonrenews or expires and has not been extended, Lessor has a right to reenter and to take immediate possession of the Premises. If Lessee retains possession of the Premises from and after the date of such expiration or termination, then Lessor shall have the right (in addition to its other rights), to elect from the

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remedies available to it under this Lease and under the law. Such remedies include, but are not limited to, treating Lessee as a periodic tenant, a tenant at sufferance, or a trespasser. Lessee will be treated as a periodic tenant only upon express written consent of Lessor and acceptance of damages as provided for in subsection (d) of this paragraph below shall not be deemed written consent.

(d) In addition to any other rights Lessor may have at law or equity or pursuant to the Lease, for each day or fraction thereof after termination, nonrenewal, or expiration of this Lease that Lessee fails or refuses to vacate the Premises, Lessee shall pay Lessor upon demand as minimum damages (i) a sum equal to one hundred twenty five percent (125%) of the monthly installment rental prescribed in paragraph three (3) above, computed on a daily basis, or (ii) a sum equal to the maximum amount of damages recoverable under the law for Lessee's holding over, whichever sum is greater. Either sum shall be payable in addition to any other special damages caused directly or indirectly by Lessee's holding over after the expiration, termination, or nonrenewal of this Lease. Lessor's acceptance of either sum shall in no way affect Lessor's right to immediate possession of the Premises and shall not afford Lessee any right of possession beyond the date of termination, expiration, or nonrenewal of the Lease.

#### 18. Lessee's Insurance Requirements.

(a) Lessee shall, at its sole expense, obtain insurance from (an "A" Rated insurance carrier by A.M. Best) a reputable insurance carrier authorized to do business in the State in which the Premises are located providing full and continuous coverage for the full term of this Lease and all renewal periods thereof equivalent to the following: (i) Garagekeeper's Legal Liability Insurance covering fire, theft or an entire automobile, and collision, with a minimum limit of N/A Dollars (\$ N/A ) each occurrence; (ii) Commercial/Comprehensive General Liability Insurance covering all operations at the Premises and the Premises, complete operations and products liability and contractual liability with minimum bodily injury limits of one million Dollars (\$1,000,000) each person, one million Dollars (\$1,000,000 ) each occurrence, and a minimum property damage limit of one million Dollars (\$ 1,000,000 ) each occurrence; (iii) Comprehensive Automobile Liability Insurance covering all owned, hired or otherwise operated non-owned automobiles with minimum bodily injury limits of one million (\$ 1,000,000 ) each person, one million (\$ 1,000,000 ) each occurrence, and a minimum property damage limit of one million Dollars (\$ 1,000,000 ) each occurrence providing for injury, death, or property damage resulting from each occurrence, including MCS 90 endorsement or other acceptable evidence of financial responsibility as required by the Motor Carrier Act of 1980 and the Pollution Liability Broadened Coverage endorsement; (iv) Liquor Liability Insurance, if alcoholic beverages are permitted to be sold at the Premises, with policy coverage of at least one million Dollars (\$ 1,000,000 ) for liabilities arising out of the dispensing or selling of alcoholic beverages, including without limitation any liabilities imposed by any applicable dram shop or alcoholic beverage control act; and (v) environmental pollution/impairment insurance coverage in an amount of at least one million Dollars (\$ 1,000,000 ) on a continuous and uninterrupted basis insuring Lessee for all environmental liabilities arising out of, but not limited to, the storage, handling, dispensing, and/or sale of motor fuel products and lubricants at the Premises, and/or the ownership and operation of Lessee's business(es) at the Premises. Lessee may meet the requirement for environmental pollution/impairment coverage for underground storage tanks by participating in the federal Environmental Protection Agency ("EPA") approved state financial assurance fund or other EPA approved method to demonstrate financial responsibility or by satisfying any of the other financial assurance test requirements of the EPA's Financial Responsibility Regulations (40 CFR Part 280).

Workers Compensation and Employers Liability-Must be purchased and remain in effect for duration of the lease.

- a) Employers Liability Insurance limits of at least \$500,000 each accident for bodily injury by accident and \$500,000 each employee for injury by disease.
- b) Workers compensation in compliance with all statutes.

#### Commercial Umbrella

- a) Umbrella limits must be at least \$1,000,000.
- b) Umbrella coverage must include as insureds all entities that are Additional Insureds on the CGL.
- c) Umbrella coverage for such Additional Insureds shall apply as primary before any other insurance or self-insurance, including any deductible, maintained by or provided to the additional insured.

The General Liability, Automobile, Excess/Umbrella Liability and Workers Compensation/Employers Liability shall contain a Waiver of Subrogation in favor of Lessor.

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(b) All the insurance will name Lessor and Supplier as additional insureds and will be primary as to any other existing, valid and collectible insurance. The foregoing requirements are minimum insurance requirements only and may or may not adequately meet the entire insurance needs of Lessee. Lessor may require Lessee to carry additional types and amounts of insurance coverage, including modifications to existing insurance under this paragraph 18. Each policy or policies shall provide that the liability coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured. If Lessor so requires, Lessee shall furnish Lessor with certificates of such insurance that provide that coverage will not be canceled or materially changed prior to 30 days' advance written notice to Lessor. The insurance required hereunder in no way limits or restricts Lessee's obligation under the law, this Lease, or the accompanying Contract of Sale to indemnify Lessor.

19. Records of Lessee; Audit. Lessee shall maintain at the Premises, in a form to permit calculation of rentals due under this or any underlying lease, accurate records, including dates, volumes and prices, of (i) all deliveries and sales of motor fuel, and (ii) gross revenue from sales of all products (including motor fuel) and services. Lessor and/or its agent may examine, copy, and audit the foregoing records at any reasonable time and Lessor shall keep the records confidential. Lessee shall, on request from Lessor, provide a verified statement of deliveries, sales and gross revenue within 5 days after the end of each calendar month, twelve-month lease period, and/or any cancellation or termination of this Lease. At Lessor's option, Lessor may prescribe a written form which Lessee shall complete in submission of such statements.

20. Environmental Compliance

(a) Lessee shall become informed about and comply with all local, state and federal laws, statutes, regulations and ordinances related to environmental protection or compliance relevant to Lessee's operations at the Premises, whether currently in effect or which may come into effect in the future.

(b) Lessee shall comply with all applicable local, state and federal underground storage tank ("UST") compliance requirements, whether currently in effect or which may come into effect in the future, including, but not limited to: (i) required inspections of any release detection equipment for USTs and product lines; (ii) required inspections of any automatic tank gauging equipment; and (iii) maintenance and required inspections of any vapor recovery equipment. Lessee shall maintain accurate written records of all maintenance and inspections of UST equipment. Lessee will maintain such records at the Premises for at least twelve (12) months, or longer, if required by law.

(c) Lessee shall make accurate daily physical measurement of all products stored in USTs and perform accurate daily and monthly reconciliation of such measurements with metered sales and product deliveries in accordance with Lessor, state, local and federal requirements. Lessee shall develop and maintain accurate written records of the daily physical product measurements and daily and monthly reconciliation. Lessee will maintain such records at the Premises for at least twelve (12) months, or longer if required by law. Lessee shall immediately notify Lessor and any appropriate local, state or federal governmental agency after discovery of any inventory loss or other condition which may be the result of a leaking UST or other equipment failure. Lessor shall immediately investigate and undertake all appropriate initial abatement and other emergency measures to contain, treat, mitigate and/or remediate a discharge, spill, or release of motor fuels or other petroleum products at the Premises. Lessee shall cooperate at all times with Lessor during any such investigation or remedial activity.

(d) Lessee shall become informed about and comply with all applicable local, state and federal requirements related to the generation, handling, transportation, treatment, storage and/or disposal of solid or hazardous wastes. Lessee also shall implement appropriate recycling, waste management and waste minimization practices and procedures as necessary to remain in compliance with all applicable local, state and federal environmental protection and compliance requirements.

(e) Lessee agrees that representatives of Lessor shall be permitted to enter upon the Premises from time to time to perform physical measurements and reconciliation of product stored in USTs and to inspect and/or test any equipment and records used for complying with any local, state, or federal environmental protection or environmental compliance requirements, including, but not limited to, Lessee's reconciliation and inspection records. However, Lessor is not obligated to make any such inspections or tests.

(f) Lessee will, if requested by Lessor, cooperate in all current and future environmental protection programs established by Lessor and Supplier.

(g) Lessee shall indemnify, defend, protect and hold Lessor, its employees, officers, directors, shareholders, agents and affiliates harmless from and against any and all liabilities, losses, obligations, claims, damages (consequential or otherwise), penalties, suits, actions, judgments, costs and expenses (including attorneys' fees) of whatever nature for personal injury (including death) of persons (including, without limitation, agents and employees of Lessor or Lessee) or property damage (including, without limitation, damage to the property of Lessor or Lessee), which may be imposed on,

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incurred by or asserted against Lessor directly or indirectly, (i) caused in whole or in part by Lessee's failure to comply with the terms of this paragraph 20 or with any local, state or federal law, statute, regulation or ordinance, whether currently in effect or which may come into effect, related to environmental protection or environmental compliance or (ii) for any releases or discharges of petroleum products into the environment caused, in whole or in part, by the acts or omissions of Lessee, its employees, agents, contractors, customers, licensees, or invitees. This indemnity in no way limits and is intended to be within the scope of the general indemnity set forth in paragraph 9 hereof. The terms and provisions of this paragraph 20 shall survive the expiration or termination of this Lease.

21. Security Improvements. Lessee shall be solely responsible for making all security improvements to the Premises, including but not limited to the installation of equipment and fixtures, which Lessee deems necessary to secure the Premises against unlawful intrusion, vandalism, and criminal activity or to provide for the safety of Lessee's employees, customers, licensees, or invitees (hereinafter "Security Improvements"). In the event Lessee desires to make Security Improvements, Lessee shall proceed to do so with the approval of Lessor, which approval shall not unreasonably be withheld. Lessor shall not be liable to any person for any claim or cause of action related to the lack of security at the Premises or the inadequacy, deficiency or malfunctioning of any security equipment at the Premises. Lessee shall protect, defend, indemnify and hold Lessor harmless from and against any suits, causes of action, judgments, costs or penalties arising out of or related in any way to the existence and/or level of security at the Premises.

22. Compliance With Laws And Severability of Provisions. Both parties expressly agree that it is not the intention of either party to violate statutory or common law and that if any sentence, paragraph, clause or combination of same is in violation of any law, such sentences, paragraphs, clauses or combination or same shall be inoperative and the remainder of this Lease shall remain binding upon the parties hereto.

23. Alterations to the Premises.

(a) Lessor's Alterations.

(i) Except to the extent limited by applicable law, at any time during the term of this Lease, Lessor may, at Lessor's sole discretion, make or implement alterations, improvements, modifications, removals, or replacements to the Premises or to any building, improvement, structure, or equipment at the Premises (the "Alterations") and other offerings that Lessor deems advisable for the purpose of enhancing the capacity of the Premises for sales of motor fuels and convenience store items. Lessor shall be authorized to make such Alterations at the Premises for the aforesaid purpose through a demolition of the existing buildings, structures, or improvements at the Premises, and a rebuilding thereof, or through Alterations and/or reconfiguration of the existing improvements of the Premises, by a reduction, enlargement or re-shaping of the land constituting the Premises and a change in the means of ingress and egress to and from the Premises. Such demolition, rebuilding, Alterations and reconfiguration shall be at Lessor's expense. Lessee acknowledges and understands that any demolition, rebuilding, Alteration, modernization, or reconfiguration of the existing improvements and/or land and other facilities at the Premises (hereinafter the "Work") for the aforesaid purposes may require a temporary closure of the gasoline dispensing facility, convenience store and other facilities at the Premises and/or a temporary closure and/or curtailment or adjustment of Lessee's operations thereon and that such temporary closure and/or curtailment or adjustment of Lessee's operations may result in a loss of business income and business opportunities for Lessee that will not be reimbursed by Lessor. Lessor may reduce or suspend the rent payable during the period that the Work is being performed. Upon completion of the Work, Lessee shall operate the gasoline dispensing facility, convenience store and other facilities at the Premises in accordance with the terms and conditions of this Lease, the Contract of Sale, and Lessor's then existing standards and procedures for convenience store operations.

(ii) In the event that Lessor decides to proceed with the Work as outlined above during the term of this Lease, Lessor shall provide Lessee with sixty (60) days advance written notice outlining the Work to be performed at the Premises and Lessor's estimate of the date of completion thereof. Lessor shall not commence the Work until the expiration of the sixty (60) day period. Upon completion of the Work, Lessor shall provide Lessee with an itemization of all costs and expenses incurred by Lessor for the Work, including without limitation all associated legal and other fees and expenses, debt service, architectural designs and engineering work, site layout, and permits. New monthly rentals shall be paid by Lessee to Lessor commencing on the date that the Premises reopens for business (hereinafter "New Rent"). The New Rent for the Premises shall be the sum of the following: (A) the Rent as provided in Paragraph 3(a) of this Lease, plus (B) an amount equal to an appropriate return as determined by Lessor in good faith, at Lessor's option, on either (1) Lessor's investment in the reconfigured Premises or the (2) the enhanced value thereof, such return

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prorated over the remaining term of the Lease. If Lessee is not satisfied with the New Rent, Lessee may terminate the Lease.

(b) Lessee's alterations.

(i) Lessee may not make any alteration or modification to the Premises without Lessor's prior written consent. Any alteration or modification authorized by Lessor will be at Lessee's own expense, must be made in accordance with plans and specifications approved by Lessor and any agreement between the parties, and must be performed by a contractor approved by Lessor. Lessee shall, at Lessee's expense, maintain the alteration or modification in a good and safe condition. If Lessee fails to maintain the alteration or modification, Lessor may do so and charge Lessee its reasonable expenses.

(ii) At Lessor's election, upon termination or nonrenewal of the franchise relationship, assignment of the Lease, or as otherwise agreed to by all parties, any alteration or modification made by Lessee will become a part of the Premises and the property of Lessor, without any cost to Lessor. In the alternative, upon written notice to Lessee, Lessor may require that Lessee, within 30 days after termination or nonrenewal of the franchise relationship, remove any alteration or modification made by Lessee and restore the Premises to the condition prior to making said alteration or modification.

24. Waiver. The failure of Lessor or of Lessee to insist upon performance of any of the terms or conditions of this Lease, or to exercise any right or privilege herein conferred, shall not be construed as then or thereafter waiving any such terms, conditions, rights or privileges, etc., but the same shall continue and remain in full force and effect.

25. Landlord's Lien; Mechanics' Lien.

(a) Lessor shall have a landlord's lien upon all fixtures, equipment and movables of Lessee upon the Premises for any sums due hereunder. To the extent permissible by law, Lessor may distraint Lessee's property for any sums due hereunder.

(b) Lessee shall have no authority to permit or create a lien against Lessor's interest in the Premises, and Lessee shall post notices or file such documents as may be required to protect Lessor's interest in the Premises against liens. Lessee shall defend, indemnify, and hold Lessor harmless from and against any mechanics' liens against the Premises by reason of work, labor services, or materials supplied or claimed to have been supplied on or to the Premises. Lessee shall immediately remove, bond-off, or otherwise obtain the release of any mechanics' lien filed against the Premises. Lessee shall pay all expenses in connection therewith, including without limitation damages, interest, court costs, and attorneys' fees.

26. Right of Entry. To the extent permissible by law, Lessor, its agents, and representatives may enter the Premises at all reasonable times to inspect the Premises, make Alterations, and verify Lessee's compliance with this Lease.

27. Limitation of Liability. NO CLAIM SHALL BE MADE UNDER THIS CONTRACT FOR SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, EXCEPT AS PROVIDED OTHERWISE BY LAW.

28. Entire Agreement. This Lease cancels and supersedes all prior written and unwritten agreements, attachments, schedules, appendices, amendments, promises, and understandings between the parties pertaining to the matters covered under this Lease, except any indebtedness owed to Lessor by Lessee, and is a final, complete and exclusive statement of the agreement between Lessor and Lessee. THERE ARE NO ORAL UNDERSTANDINGS, REPRESENTATIONS OR WARRANTIES AFFECTING IT. No amendment, deletion, modification, or alteration to this Lease shall have any effect unless and until made in writing and signed by an authorized representative of Lessor and by Lessee. EXECUTION OF THIS LEASE BY LESSEE IS AN ACKNOWLEDGEMENT THAT NO REPRESENTATIONS NOT SET FORTH IN WRITING HEREIN HAVE BEEN MADE OR RELIED UPON BY LESSEE.

29. Escrow Certificate. Within ten (10) ten days of a request from the other party, Lessor or Lessee, as applicable, shall execute and deliver to the requesting party a written instrument (i) certifying that this Lease has not been modified and is in full force and effect, or if there has been a modification, that the Lease is in full force and effect as modified, stating the modification; (ii) certifying the dates to which rent and other sums due from Lessee under this Lease have been paid; (iii) stating whether, to the best knowledge of the nonrequesting party, the requesting party is in default or breach of this Lease and, if so, the grounds of such default or breach; and (iv) stating the commencement date of the Lease.

30. Lessor's Equipment. (a) Lessor owns all equipment on the Premises with the exception of items enumerated in

Initial(s): H.S



Attachment "A", attached hereto and incorporated herein. It is expressly understood and agreed that title to all Lessor's equipment at the Premises shall at all times remain with Lessor. In no event shall such equipment be levied upon or sold as the property of the Lessee. Should any such equipment be levied upon, Lessee shall immediately notify both the levying creditor, disclaiming ownership and the Lessor, in order that the Lessor may protect its rights. The Lessee shall not encumber or remove the Lessor's equipment or do or cause to be done anything which results in the Lessor's equipment or any part thereof being seized, taken in execution, attached, destroyed or damaged or otherwise disturbing or damaging Lessor's title to the equipment.

(b) Lessee will be responsible for all equipment provided by Lessor used by Lessee at the Premises, including without limitation printers and POS system equipment. In the event any such equipment is lost, stolen or damaged, Lessee will reimburse Lessor in full for the cost thereof.

31. Survivorship. To the extent, but only to the extent, that state law may require that this Lease shall contain provisions governing the succession of the rights and obligations contained herein to a designated family member, such provisions are incorporated herein by reference.

32. Lessor's Equitable Remedies/Attorneys' Fees. (a) Lessee agrees that money damages may not be a sufficient remedy for the breach of this Lease and that, therefore, in addition to all remedies available at law, Lessor shall be entitled to specific performance, injunctive relief, declaratory judgment and/or other equitable remedies, as appropriate. Lessee shall waive any requirement for the posting of bond in conjunction with Lessor's effort to seek equitable remedies.

(b) It is hereby agreed to and understood by the parties to this Lease that Lessor shall be entitled to recover from Lessee all reasonable attorneys' fees and other legal costs incurred by Lessor to secure or protect its rights under this Lease or to enforce the terms thereof, whether at law or in equity.

(c) Lessor's termination of this Lease shall not prejudice Lessor's right to seek monetary damages or equitable relief against Lessee. All powers and remedies available at law and in equity, including the right to terminate this Lease under the PMPA, shall be cumulative and not exclusive of any other powers and remedies available by virtue of this Lease, and no delay or omission of Lessor in exercising any right or power accruing upon any breach of, or default under any provision of this Lease shall impair any other or subsequent breach or impair any rights or remedies consequent thereto.

In Witness Whereof, the parties hereto have duly executed this Lease as of the date first written above.

LESSOR/TENANT:

Manjet Inc  
201 West Cumberland Street  
Dunn, NC 28334

By: H.S. [Signature]

Title: Owner

Witness: [Signature]

LESSEE/LANDLORD:

Castleberry Inc.  
PO Box 469  
Clinton, NC 28329

By: [Signature]

Title: President

Witness: [Signature]

Site address:

201 West Cumberland Street Dunn, NC 28334

Initial(s): H.S.

Attachment "A"

Location: 201 W. Cumberland St., Dunn, NC 28334 Branded VALERO  
Store Equipment and Fixtures  
Flooring tiles  
Drop ceiling tiles  
Electrical upgrades 3 phase sub panels  
Tube lights and fixtures  
Emergency lighting  
Main Counter  
Coffee Bar  
8 door walk in cooler with glass doors  
Beer cave  
2 HVAC Systems-- 4 ton, 5 ton units, window unit & duct work  
Security camera system  
TV and monitor  
Gondola shelving  
Kitchen hood grill  
Fire compliance system  
"Needs" Sign  
LED lighting  
3- 8000 gal UG Tanks  
1-4000 gal UG Tank- Diesel  
Needs Valero Building-Dunn  
Commander Site Controller  
3 Wayne Ovation & 1 Wayne Century Dispensers OEMV Upgraded  
Veeder Root 450 TLS System  
Valero branded Canopy  
Valero branded Price sign

Initial(s): HS