

STATE OF NORTH CAROLINA

COUNTY OF HARNETT

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement" or "Lease Agreement") is made this ___ day of October, 2023 by and between **Katherine C. Tart**, 990 George Perry Lee Road, Dunn, North Carolina 28334 ("Lessor") and **Grill 27, LLC**, a North Carolina limited liability company, d/b/a Tart's 50s Diner and **Connie Lisa Bush**, a citizen and resident of North Carolina (collectively "Lessee");

WITNESSETH:

WHEREAS, Lessor is the owner of that certain building and real estate, having a general address of 1038 George Perry Lee Road, Dunn, Harnett County, North Carolina (the "Premises"); and

WHEREAS, Lessor is the owner of the Personal Property described herein; and

WHEREAS, Lessee desires to lease building and real property located on the Premises and the Personal Property for the purposes of operating a restaurant primarily serving burgers and home style meals and ancillary uses related thereto;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Lessor and Lessee hereby agree as follows:

1. **DESCRIPTION OF LEASED PROPERTY:** Lessor agrees to, and does hereby let and lease to Lessee, and Lessee agrees to lease from Lessor, the building and real property located at 1038 George Perry Lee Road, Dunn, North Carolina 28334, also being Harnett County PIN 1537-05-4539.000 (the "Premises") and the Personal Property described below.

The Personal Property consists of all those items of personal property set forth on Exhibit A, attached hereto and incorporated herein by reference.

2. **TERM OF LEASE:** It is agreed that this Lease Agreement shall be for a term and period of three (3) years (36 months) (the "Lease Period") commencing on November 1, 2023 and continuing for a period of three (3) years (36 months) thereafter until October 31, 2026.

3. **OPTION TO EXTEND LEASE PERIOD UPON MUTUAL AGREEMENT:**
Provided that the Lessee is then in compliance with all of its obligations under this Lease Agreement, including, but not limited to, the payment of rent, if the Lessor and Lessee mutually

agree in writing, which agreement may be withheld at the discretion of either Lessor or Lessee, the Lease Period may be extended for two (2) three (3) year options, upon the same terms and conditions as contained in this Lease Agreement, other than an adjustment in the rent as set forth in Section 4 below. The first such option period, if mutually agreed to by Lessor and Lessee shall be from November 1, 2026 until October 31, 2029 ("First Option Period"). The second option period, if mutually agreed to by Lessor and Lessee shall be from November 1, 2029 until October 31, 2032 ("Second Option Period"). In the event that the Lessor and Lessee mutually agree to extend the Lease Period for either the first option period or the second option period, they must so indicate in a writing, signed by both Lessor and Lessee at least sixty (60) days prior to the expiration of the current Lease Period

4. **RENT:** Lessee shall pay Rent (sometimes "rent") to Lessor as set forth below. Rent shall be calculated on an annual basis and shall be payable in advance in equal monthly installments on or before the first day of each month. Rent shall be paid by check sent by ordinary first class mail to Lessor to the office at 990 George Perry Lee Road, Dunn, North Carolina 28334 or at such other address as Lessor may designate in writing from time to time.

(a) Rent shall be One Thousand Dollars (\$1,000.00) per month for the first six (6) months and will increase to One Thousand Five Hundred Dollars (\$1,500.00) for the remaining six (6) months of the first year of the lease. Starting the second year of the lease through the end of the 3 year lease the rent shall increase to Twenty Four Thousand Dollars (\$24,000.00) per year, payable in equal monthly installments of Two Thousand Dollars (\$2,000.00). Rent for partial months, if any, shall be prorated. If the Lessor and Lessee mutually agree to extend the Lease Period for the First Option Period, Rent shall be Twenty-seven Thousand Six Hundred Dollars (\$27,600.00) per year, payable in equal monthly installments of Two Thousand Three Hundred Dollars (\$2,300.00). If Lessor and Lessee mutually agree to extend the Lease Period for the Second Option Period, Rent shall be Thirty-one Thousand Seven Hundred Forty Dollars (\$31,740.00) per year, payable in equal monthly installments of Two Thousand Six Hundred Forty-five Dollars (2,645.00).

(b) The first month's rent for the Lease Period shall be due and payable as of the date of the execution of this Lease Agreement.

(c) Lessee shall be responsible for paying all utility bills provided to the Premises, including, but not limited to, telephone, gas, electricity, water and sewer, cable, internet and garbage.

(d) Any installment of rent not paid by the 10th day of the month in which it becomes due shall be subject to a late penalty of the greater of five percent (5%) of the amount due on all rents and all other sums due under this Lease Agreement or \$100.00, which shall be collected in the same manner as rent. Lessor expressly reserves all other rights and remedies provided herein and by law with respect to nonpayment of the rents provided for herein.

(e) Rent payable by Lessee under this Lease Agreement shall be paid when due without prior demand therefor (unless such prior demand is expressly provided for in this Lease Agreement), shall be payable without any deductions or setoffs or counterclaims whatsoever.

5. **REPAIRS AND MAINTENANCE:** It is agreed that during the term of this Lease Agreement, Lessee shall be responsible for all repairs and maintenance to both the interior and the exterior of the Premises and the Personal Property, except as expressly set forth herein. Lessee has examined the Premises and the Personal Property and inspected the same and finds them to be as represented by Lessor and satisfactory for Lessee's intended use and acknowledges that the Premises are being leased to Lessee "AS IS." Lessor makes no representation or warranty as to the condition of the Premises or Personal Property. Lessee shall deliver at the end of the Lease Agreement each and every part of the Premises and Personal Property in the same condition as at the beginning of the Lease Agreement, and shall make, at Lessee's sole cost and expense, such replacement, restoration, renewals or repairs, in quality equivalent or better than the original work replaced, as may be required to so maintain the same, ordinary wear and tear excepted. Lessee, however, shall make no structural or interior alterations of the Premises without Lessor's prior written consent. Additionally, Lessee may not alter the mural on the exterior back wall of the building on the Premises without the prior written consent of the Lessor. Any work performed by Lessee shall be done in a good and workmanlike manner. Lessee shall not at any time permit any work to be performed on the Premises except by duly licensed contractors or artisans, each of whom must carry general public liability insurance, certificates of which shall be furnished to Lessor. At no time may Lessee do any work that results in a claim of lien against Lessor and, if requested by Lessor on termination of the Lease Agreement or vacation of the Premises by Lessee, Lessee shall restore at Lessee's sole cost and expense, the Premises to the same condition as existed at the commencement of the term, ordinary wear and tear excepted. Lessee further agrees to remove all business signs or symbols, all trash and garbage placed on the Premises by it before re-delivery of the Premises to the Lessor and to restore the portion of the Premises on which they were placed.

Lessee shall keep the Leased Premises free from insects, pests and vermin of all kinds, and for that purpose Lessee shall use at Lessee's cost, such pest extermination contractor as Lessor may direct and at such intervals as Lessor may require.

Lessor shall be responsible for maintaining the roof and structural walls of the Premises except for any damages caused to the roof or structural walls by Lessee, its invitees, employees, customers, contractors or agents, in which event Lessee shall be responsible for the same. In the event the roof or any structural walls of the Premises are in need of repair Lessee shall notify Lessor in writing and Lessor shall thereafter investigate the same and make necessary repairs.

Notwithstanding anything herein to the contrary, if Lessee determines that any of the Personal Property has exceeded its useful life the Lessee may deliver the same back to the Lessor and the Lessee may purchase its own replacement personal property, which shall be the separate property of the Lessee and which Lessee may remove at the expiration of the Lease Period. All of the Personal Property owned by the Lessor shall remain on the Premises at the expiration of the Lease Period.

6. **ACCESS TO PREMISES AND PERSONAL PROPERTY:** The parties

acknowledge that the Lease Period shall not begin until the date set forth in Section 2. However, upon execution of this Lease Agreement and the payment of the first month's rent as provided in Section 4 and payment of the security deposit as set forth in Section 33, and subject to the terms of this Section 6, the Lessor agrees to provide the Lessee with full access to the Premises and Personal Property for the purpose of making necessary repairs and renovations to open the Premises at the beginning of the Lease Period, or sometime thereafter, at the discretion of the Lessee. Prior to occupying the Premises or conducting any work thereon, Lessee shall provide the Lessor with proof that it meets all of the insurance requirements set forth in this Lease Agreement.

7. **PROPERTY TAXES AND ASSESSMENTS:** During the term of the Lease Agreement, Lessee shall pay all property taxes and assessments directly imposed on the Premises or Personal Property, by the state, county, city or other lawful taxing authority. Whenever the Lessor receives a property tax assessment, Lessor shall forward a copy of said assessment to Lessee. Lessee shall make payment for said property tax assessment directly to Lessor, who shall be responsible for making payment to the appropriate taxing authority. In the event that Lessee has not paid the full amount of said assessment to Lessor prior to the due date of the assessment, Lessor may, at its option, treat this as a default of the rent payments due under Section 4 above, and avail itself to any remedies provided for in this Lease Agreement, or otherwise provided by law. Lessee shall be responsible for all taxes and assessments imposed by any lawful taxing authority upon its inventory and its personal property located on the Premises. Property taxes for any year that falls within the Lease Period that does not constitute a full calendar year shall be pro-rated between Lessor and Lessee based on the amount of the calendar year which Lessee occupies the Premises.

8. **INSURANCE:** During the term of the Lease Agreement, including the initial Lease Period, as the same may be extended, Lessee shall be responsible for the premiums for fire and casualty insurance upon the Premises and Personal Property for the replacement value of the Premises and Personal Property as well as fire and casualty insurance upon the inventory and other personal property placed in or upon the Premises by Lessee. In the event that Lessor maintains such fire and casualty insurance on the Premises, then the Lessee shall be responsible for paying the Lessor the premium upon presentation by Lessor to Lessee of an invoice for such premium. Additionally, Lessee agrees that it shall maintain public liability insurance and dramshop liability insurance in an amount of at least ONE MILLION DOLLARS (\$1,000,000.00) single limits. Lessee agrees that the public liability insurance policy and the dramshop liability insurance required hereunder shall name Lessor as an additional insured. Lessee further covenants that it shall acquire and maintain at all times during the term of this Lease Agreement all applicable workers' compensation insurance coverage as may be required by law. In the event that Lessee fails to keep and maintain either the fire or casualty insurance, the liability insurance or dramshop liability insurance required hereby at any time, Lessor may purchase, procure and pay for said insurance and the cost thereof shall be added to the next succeeding month's rent due by Lessee. All such amounts so expended by Lessor for insurance shall bear interest at the rate of one and one-half percent (1 1/2%) per month until paid in full by Lessee to Lessor.

All insurance policies required hereunder shall be procured from an insurance company authorized to transact business in the State of North Carolina. All such policies shall bear the name of Lessor and Lessee, as their respective interests may appear, as the persons insured by such policy or policies, and a certificate of insurance showing such insurance requirements shall be provided by

Lessee to Lessor annually or more frequently if requested by the Lessor. Such policies shall also provide that the same may not be cancelled or suspended without at least thirty (30) days written notice to Lessor.

9. **INDEMNITY:** Lessee agrees to indemnify and hold Lessor harmless from, and assumes all responsibility for any and all claim or demands, liabilities, damages or costs for damages to persons or property by reason of the use or occupancy of the Premises or the Personal Property, or by reason of the failure of Lessee to comply with any legal requirement, or otherwise arising out of the operation of Lessee's business, including, but not limited to reasonable attorney's fees and costs incurred by Lessor.

Lessee further agrees to indemnify and hold Lessor harmless, from and against any and all claims or demands, liabilities, costs or expenses, including reasonable attorney's fees as a consequence or a result of any incident resulting in the pollution of any air, water, land and/or ground contamination or otherwise when arising from or in connection with the grant of the rights under this Lease Agreement, regardless of the location or proximity of such pollution to the Premises; and for any claim or liability arising under federal, state or local law dealing with the pollution of air, water, land and/or ground water.

10. **SERVICES AND UTILITIES:** During the term hereof, Lessee shall be responsible for providing all utilities to the Premises, as prescribed in Section 4, or any other utilities desired by Lessee. Lessee shall also maintain an adequate garbage dumpster or other trash collection receptacle and pay for all garbage and trash collection services and agrees to keep the Premises in a neat and orderly condition during the term of this Lease Agreement.

11. **PERMITS AND LICENSES:** The Lessee shall be responsible for procuring and paying applicable fees for any permits or licenses imposed by any lawful authority that are necessary for the operation of the Lessee's business.

12. **USE OF PREMISES:** Lessor and Lessee expressly agree that this Lease Agreement is executed in order that Lessee may conduct a business upon the Premises. It is specifically agreed that the business uses to be conducted by Lessee from the Premises shall be a restaurant primarily serving steaks and ancillary uses related thereto. Lessee shall not make any other use of the Premises without the prior written consent of Lessor and Lessee shall only operate its business in a lawful manner, fully complying with all regulations, laws, ordinances and legal requirements established or imposed by any lawful authority with respect to the conduct and operation of said business.

13. **CONDEMNATION:** If the entire Premises shall be taken for any public or quasi-public use under any statute or by the right of eminent domain or private purchase in lieu thereof by a public body vested with the power of eminent domain, then all obligations of the Lessee under this Lease Agreement shall cease and terminate as of the day the Lessee surrenders, or is deprived of, the physical possession and occupancy of the Premises, and the Lessee shall have the right to file and prosecute its claim for damages resulting from such taking.

In the event that any portion of the building on the Premises leased by Lessee be so taken resulting in a reduction in the size of the lot area demised hereunder, if any such taking results in a

division of the Premises, or if more than TEN PERCENT (10%) of the ground area of the Premises be so taken, if the Lessee, in its judgment, cannot reasonably carry on its business on the remaining portion of the Premises in substantially the same manner as had been ordinarily conducted, then the Lessee, in addition to any other rights granted by law, shall have the right, at its option, to (a) terminate this Lease Agreement upon not less than ten (10) days written notice to Lessor at anytime within sixty (60) days after Lessee shall be required to surrender possession of the residual portion of the Premises in which event the rent shall immediately be adjusted by agreement of the parties hereto or their successors.

14. **DAMAGE OR DESTRUCTION BY CASUALTY OR NATURAL CAUSES:**

If, during the term of this Lease Agreement, the building on the Premises is destroyed by fire, natural causes or other casualty, or is so damaged thereby that it cannot be repaired with reasonable diligence within ninety (90) days of the occurrence of such event, this Lease Agreement shall terminate as of the date of such damage or destruction. However, if said building can, with reasonable diligence, be repaired within said ninety (90) day period, said building shall be, repaired as quickly as reasonably possible, and this Lease Agreement shall remain in full force and effect. All fire and casualty insurance proceeds shall be paid to Lessor to make any such repairs and restoration and Lessor shall not be obligated to expend any amount in making said repairs beyond the amount of insurance proceeds received; provided, however, rent shall be abated for any part of said building which is rendered unfit for occupancy for the period that such unfitness continues, the amount of rent to be abated shall be determined by negotiations between Lessor and Lessee.

15. **ASSIGNMENT AND SUB-LETTING:** The Lessee may not assign or sub-lease, all or any part of the leased Premises without the prior written consent of Lessor, which consent may be withheld at the sole and absolute discretion of the Lessor. However, it is specifically understood and agreed that Lessor may assign this Lease Agreement but that any such assignment shall be subject to all of the terms and conditions hereof. If Lessor grants permission to assign or sublease any portion of the Premises, Lessee shall remain liable for the performance of the terms, conditions and covenants of this Lease Agreement, unless Lessor agrees otherwise, in writing.

16. **RIGHT OF ENTRY TO INSPECT:** The Lessor or its agents shall have full access to the Premises at any and all reasonable hours and times for the purpose of inspecting or protecting the Premises against fire, for the prevention of damages or injury to the Premises or for the purpose of inspection, all of which shall not unreasonably interfere with Lessee's business operations.

17. **LESSEE'S VACATING OR ABANDONING PREMISES:** In the event that the Lessee should vacate or abandon the Premises prior to the expiration of the Lease Period then at the option of the Lessor, this Lease Agreement shall immediately terminate, with the right of the Lessor in such event to immediately re-enter and summarily take possession of the Premises, and of any improvement thereon, and shall have a lien on all equipment and personal property of the Lessee on the Premises until rents and fees due hereunder are paid in full by Lessee. Upon the occurrence of any such default as specified above, Lessor may eject and dispossess Lessee from the use, possession, and occupancy of the Premises, or to sell any of such improvement of Lessee located thereon, in order to pay any indebtedness of Lessee to Lessor.

18. **HOLDING OVER:** It is understood and agreed that should the Lessee hold over and stay in possession of the Premises at the expiration of the Lease Period this shall not constitute a renewal of this Lease Agreement. At that time, the Lessee shall be on the basis of a month to month tenancy and the Lessor shall have the right to use all legal remedies provided by law and by this Lease Agreement, to cause the Lessee to vacate the Leased Premises, upon thirty (30) days written notice by the Lessor to the Lessee. It is also specifically agreed that should the Lessee hold over at the end of the Lease Period, the Lessee shall be liable for rent payments during the hold over period, with such rent payments being equal to those as provided in Section 4 plus twenty percent (20%).

19. **WAIVER OF SUBROGATION:** Insofar as the insurance policy or policies concerned are not invalidated thereby, each party hereto waives any and all right of recovery against the other party or parties hereto for each and every insured loss under the terms of such policy or policies.

20. **DEFAULT:** If at any time during the term of this Lease Agreement there shall occur any of the following events:

- (a) if Lessee shall make an assignment for the benefit of its creditors, or
- (b) if the Lessee shall fail to perform or observe any requirement of this Lease Agreement and any such failure shall continue for thirty (30) days after written notice thereof from Lessor, specifying the nature and extent of such default, or
- (c) Lessee shall fail to pay the monthly rent due hereunder with ten (10) days of its due date, or
- (d) Lessee should file for bankruptcy, or shall become insolvent, then

Lessor shall have the right, in addition to all other rights and remedies provided by law, to terminate this Lease Agreement, to reenter and take possession of the Leased Premises, peaceably or by force, and to remove any property therein, without liability for damage to and without obligation to store, such property. In the event of such termination, Lessor may (but shall be under no obligation to) release the Leased Premises, or any part thereof, from time to time, in the name of Lessor or Lessee, without further notice, for such term or terms, on such conditions and for such uses or purposes as Lessor, in its absolute discretion, may determine and Lessor may collect and receive all rents derived therefrom and apply the same, after deduction of all appropriate expenses, to the payment of the rent payable hereunder, Lessee remaining liable for any deficiency. Lessor shall not be responsible for liable for any failure to so release the Leased Premises or any part thereof, or for any failure to collect any rent connected therewith. Lessee further agrees to pay all attorney's fees and court costs incurred by Lessor on account of Lessee's default hereunder and any legal action that may become necessary by the Lessor to enforce it's legal remedies. All remedies of Lessor shall be cumulative.

Notwithstanding anything contained herein to the contrary, it is hereby expressly understood that, with respect to any default, except the non-payment of rent, of such a nature that it cannot with due diligence be cured within a period of thirty (30) days, if the Lessee shall have commenced the curing of such default within the thirty (30) days after written notice thereof from the Lessor and so

long as the Lessee shall thereafter proceed with all due diligence to complete the curing of such default, then the time of the Lessee within which to cure the same shall be extended for such period as may be reasonably necessary to do so with all due diligence.

21. **SIGNS:** Lessee may display signs advertising its business being conducted on the Premises so long as any such signs comply with all zoning rules and regulations of any jurisdiction in which the Premises are situated.

22. **SUBORDINATION-ATTORNMENT:** This Lease Agreement shall be deemed subject and subordinate to any mortgage which may be heretofore or hereafter executed by Lessor covering all or any portion of the Premises. In the event any proceedings are brought for foreclosure of any mortgage on the Premises, Lessee will attorn to the purchaser at a foreclosure sale and recognize such purchaser as Lessor, whereby purchaser agrees not to disturb Lessee's possession so long as it is not in default under the terms of this Lease Agreement. Lessee shall execute, at Lessor's request, and within five (5) days thereof, instruments evidencing the subordinate position of this Lease Agreement, and as often as requested shall sign estoppel certificates setting forth the date it accepted possession, that it occupies the Premises, the termination date of its Lease, the date to which the rent in effect as of such paid and the amount of monthly rent in effect as of such certification, whether or not it has any defense or offset to the enforcement of the Lease, any knowledge it has of any default or breach by Lessor and that the Lease is in full force and effect except as to modifications, agreements, or amendments thereto, copies of each of which shall be attached to such certificates.

23. **REMEDIES:** It is further covenanted and agreed that the remedies provided for herein shall be at the option of the Lessor and are merely cumulative of remedies provided by law.

24. **WAIVER:** The waiver of any time by Lessor of one or more breaches of this Lease Agreement by Lessee shall not be considered or deemed a waiver of any subsequent breach by Lessee, and it is covenanted and agreed that any such waiver or waivers on the part of Lessor shall not relieve Lessee from thereafter carrying out this Lease Agreement in strict conformity with all of the terms and conditions hereof; nor shall any custom or practice which may grow up between the parties in the course of administering this Lease Agreement be construed to waive or lessen the rights of Lessor to insist upon the provisions hereof.

25. **SUCCESSORS AND ASSIGNS:** This Lease Agreement shall be binding upon and shall inure to the benefit of and be enforceable by Lessor and Lessee and their respective successors, assigns, heirs and personal representatives.

26. **COLLECTION:** In the event of a default under this Lease Agreement by Lessee, Lessee agrees to pay Lessor for the cost of any and all expenses incurred by Lessor in the collection of any sums or damages due hereunder, including, but not limited to reasonable attorney's fees. Any sums due under this Lease Agreement, upon default by Lessor, shall bear interest at the rate of 18% per annum until judgment is entered, at which time they shall bear interest at the then prevailing legal rate.

27. **ENVIRONMENTAL CONTAMINATION:**

At all times during the term of this Lease Agreement, Lessee shall comply with all environmental laws, which relates to the public health and safety and protection of the environment, including, but not limited to, (i) common law nuisance, (ii) the Clean Air Act, 42 U.S.C. Sections 7401, et seq, as amended, (iii) the Clean Water Act, 44 U.S.C. Sections 1251, et seq., as amended, (iv) the Rivers and Harbors Act of 1899, 44 U.S.C. Section 40-1, et seq., as amended, (v) the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq., as amended, (vi) Superfund, (vii) the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., as amended, and (viii) the Occupational Safety and Health Act, 29 U.S.C. 651, et seq., as amended and all other local, state or federal laws pertaining to the public health and safety and protection of the environment.

Any violations of any of the above laws relating to the Leased Premises during the Lease Period or Extended Lease Period shall be the responsibility of the Lessee and it shall be solely liable for all environmental contamination caused thereby. Lessee hereby agrees to indemnify and hold Lessor harmless from all liability resulting from a violation of any of the above laws and for any environmental contamination caused by Lessee during the Lease Period. Such indemnity shall include attorney's fees and other costs associated with the defense of any claim asserted against Lessor by virtue of any violation of the above laws or for any environmental contamination caused by Lessee during the Lease Period.

28. **NOTICES:** All notices required or contemplated hereunder shall be in writing and shall be deemed to have been duly given when the first of the following events occurs: (a) when actually received by the addressee; (b) upon deposit in the United States mail, postage prepaid, certified, return receipt requested, addressed as provided below; or (c) when accepted for delivery by Federal Express or other comparable overnight delivery service with delivery charges prepaid or with delivery not conditioned upon payment of charges, addressed as provided below. The proper addresses for notices are as follows:

Lessor: Katherine C. Tart
990 George Perry Lee Road
Dunn, NC 28334

Lessee: Connie Bush dba Tart's 50 Diner
191 Sessoms Naylor Lane
Roseboro, NC 28382

Or to such other address as any party may direct the other by written notice given as provided herein and received at least ten (10) days prior to the effective date of change.

29. **HEADINGS:** The headings of the paragraphs of this Lease Agreement are inserted for convenience only and do not alter or amend the provisions that follow such headings.

30. **SEVERABILITY:** Any provision in this Lease Agreement which is prohibited by, or unlawful or unenforceable under, any laws of the State of North Carolina shall be ineffective only to the extent of such prohibition, without invalidating the remaining provisions of this Lease

Agreement.

31. **ENTIRE AGREEMENT:** This Lease Agreement expresses the entire understanding and all agreements of the parties hereto. Neither party has made or shall be bound by any agreement or representation to the other party which is not expressly set forth herein.

32. **MECHANIC'S LIENS:** Lessee shall keep the Premises free from any liens for any work performed, material furnished, or obligations incurred by, or at the direction of Lessee whether or not the same shall be made or done with the consent of Lessor or by agreement between Lessee and Lessor. Lessee shall have no right to encumber or subject the interest of the Lessor in the Premises to any mechanics', materialman's or other liens of any nature whatsoever, and upon the filing of any such lien, the failure of Lessee to have the same discharged by bond or otherwise within ten (10) days after filing shall constitute a default and entitle Lessor at its option to take any action provided for elsewhere in this Lease Agreement. Additionally, Lessee shall indemnify Lessor from and against any and all claims, costs, expenses and liabilities incurred by Lessor relating to such liens, including, but not limited to reasonable attorneys' fees.

33. **SECURITY DEPOSIT:** Upon the execution of this Lease, Lessee shall pay to Lessor the sum of **Two Thousand Dollars (\$2,000.00)** (the "Security Deposit"), which shall be held by Lessor as security for the full and faithful performance by Lessee of each and every provision, covenant and condition of this Lease. The Security Deposit does not represent payment of rental and Lessee shall not presume application of same as payment of the last monthly installment of Rent or any other amounts due under this Lease. Lessor shall have no obligation to segregate or otherwise account for the Security Deposit except as provided in this Section 33. In the event that (i) the Rent, or any other amounts due under this Lease are late, (ii) Lessor makes any payments on behalf of Lessee, or (iii) Lessee fails to perform any terms of this Lease, then Lessor may, at its option, appropriate and apply all or a portion of the Security Deposit to the payment of the rents, charges or other sums due from Lessee, or to any loss, damage or expense sustained by Lessor resulting from such default by Lessee. In such an event, Lessee, within three (3) business days after demand therefor, shall restore the Security Deposit to the amount set forth above in this Section 33. In the event that, upon expiration of the Lease Period or the earlier termination of the Lease, Lessee has (i) furnished Lessor with proof that all utility bills and other bills of Lessee related to the Premises have been paid through the date of the Lease Period, (ii) surrendered the Premises in compliance with the provisions of this Lease, and (iii) performed all of Lessee's other obligations under this Lease, then Lessor shall return the Security Deposit to Lessee within sixty (60) days after the date of the expiration of the Lease Period or the earlier termination of this Lease.

**REMAINDER OF PAGE LEFT BLANK INTENTIONALLY
SIGNATURE PAGE TO FOLLOW**

IN WITNESS WHEREOF, Lessor and Lessee have caused this document to be signed the day and year first above written.

LESSOR:

_____ (SEAL)
Katherine C. Tart
Date: _____

LESSEE:

By: _____ (SEAL)
Connie Lisa Bush dba Tart's 50 Diner
Date: _____

_____ (SEAL)
Connie Lisa Bush, Individually
Date: _____