



**Town Council
Regular Meeting
October 17, 2023, at 9:30 a.m.**

THIS MEETING WILL BE HELD ELECTRONICALLY AND IN PERSON
Please visit www.laurelpark.org for more information

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Public Comment**
- 4. Approval of the Agenda**
- 5. Consent Agenda**
 - A. September Monthly Report
 - B. Minutes for the September 14, 2023 Work Session
 - C. Minutes for the September 19, 2023 Regular Meeting
 - D. Minutes for the October 4, 2023 Special Meeting
- 6. Old Business**
 - A. Drainage and Paving Amendment
 - B. Little Laurel Green Discussion
 - C. Invasive Removal Update
- 7. New Business**
 - A. Board Appointments
 - B. Change Order for Laurel Green Fencing
 - C. Invasive Vines Banner
 - D. ABC Lease
- 8. Town Manager's Report**
- 9. Department Head Reports**
 - A. Public Works
 - B. Fire Department
 - C. Police
 - D. Administration
- 10. Mayor and Commissioner Comments**
- 11. Adjournment**



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Consent Agenda

Presenter: Mayor J. Carey O’Cain

Attachment(s): Yes/No

- Monthly Report

Summary of Item:

The monthly financial and zoning report from September 2023 is attached.

Council Action Requested:

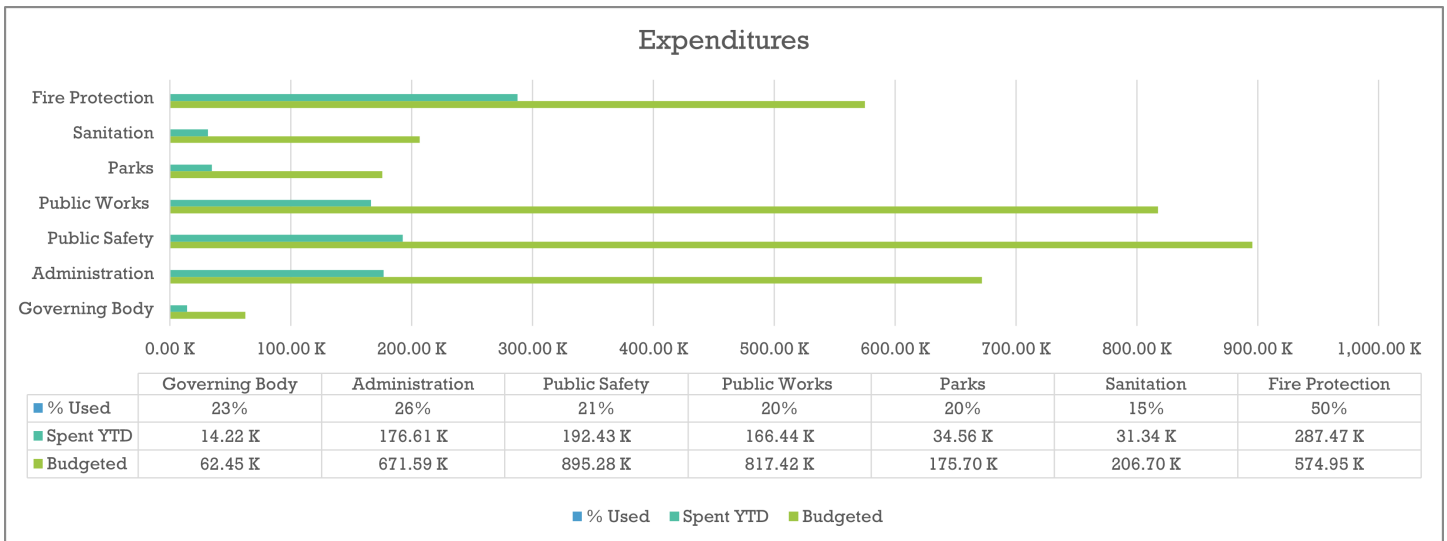
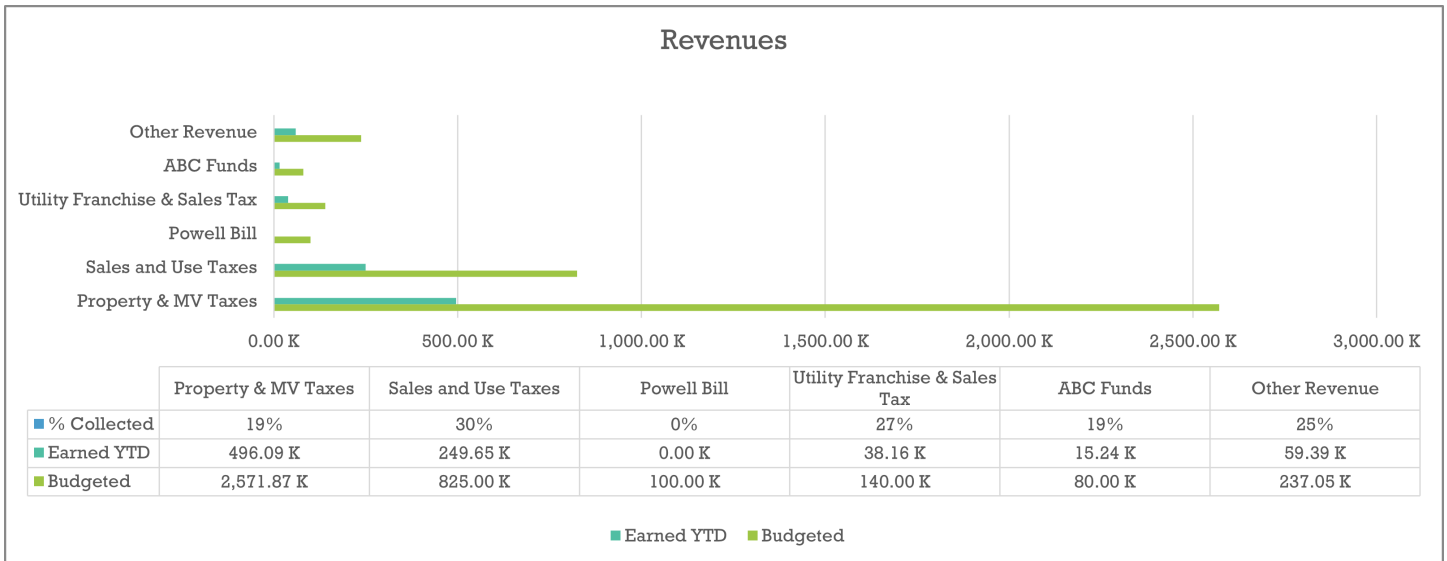
Staff requests the Town Council review the consent agenda.

Suggested Motion:

Move to approve the consent agenda.



September Monthly Report



Tax Collector's Report (September 30, 2023)

For prior year taxes, a total of \$32,378.34 remains outstanding. The Town received \$331,327.88 from Henderson County for property taxes collected for August and a total of \$559,552.43 since the 2023 bills were mailed. The 2023 tax levy is \$2,574,384.24. The Town currently has a collection rate of 21.741%.



Planning & Zoning

Status of Single Family Residential Dwellings (SFRD)

2021-19	212 Beechwood	Jennifer Yost	UC
2022-1	312 Daniel Dr.	Chris St. Onge	UC
2022-23	74 Indian Woods Trl	Jon Skillman	UC
2022-31	10 Fawn Turn Ln	Sigfrid Della Valle	UC
2022-38	209 Ficker Cir.	Sarah Adams	UC
2022-44	945 Somersby Pkwy.	Matt Padula	UC
2023-4	200 Rowland Dr.	Loyd Alexander	LPZCP
2023-5	PIN# 9548467175/Clays Cv.	Josh Youngblood	LPZCP
2023-29	PIN# 9558252937	Chris Brock	LPZCP

Status Legend

LPZCP = Laurel Park Zoning Compliance Permit	HCBP = Henderson County Building Permit
UC = Under Construction	NC = Nearly Complete

Monthly Permits Other Than SFRD

Deck	0
Sign	0
Fence	0
Additions or Remodel	0
Accessory Use or Structure	1
Total for September	1



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Drainage and Paving Amendment

Presenter: Town Manager Alex Carmichael

Attachment(s): Yes/No

- Carmichael Additional Drainage and Paving Work 2023-2024 REVISED

Summary of Item:

The Change order previously presented by WGLA had a total for additional work of \$639,122.10. However, it mistakenly allocated drainage work to Tarheel Paving. The amount of the change orders for each contractor will be different as outlined in the attached revised letter. The total for the two projects combined remains the same.

Council Action Requested:

Review and discuss revised change order.

Suggested Motion:

Move to approve revised change orders as presented.



WGLA Engineering, PLLC
 724 5th Avenue West
 Hendersonville, NC 28739
 (828) 687-7177 wgl.com

September 27, 2023

Mr. Alex Carmichael, Town Manager
 Town of Laurel Park
 441 White Pine Drive
 Laurel Park, NC 28739

RE: Town of Laurel Park 2023/2024 Paving and Drainage Improvements
 Summary of Pricing for Additional Work

Dear Mr. Carmichael:

As reported previously, we have received pricing from Austin Construction (drainage) and Tarheel Paving (paving) for the 2023/2024 improvements that were discussed at the Council meeting July. Attached is a combined cost spreadsheet that provides the general construction costs and a road by road cost for the project. The total combined cost for the improvements is \$886,435.10.

Per our conversations, we understand the Town has \$720,000.00 available for the additional work. In addition, the Town has allocated \$60,000.00 for contingency for paving and \$15,000.00 for geotechnical/materials and testing services. This leaves \$645,000.00 available for construction. Based on this budget, we recommend the following work be added to the paving and drainage contracts via change order:

Paving:

Escalation	\$25,000.00
Mobilization, Bonds and Insurance	\$20,000.00
Arbutus Lane	\$36,852.50
Sabine Drive (Apple Ln to 458 Sabine)	\$83,307.60
Orchard Circle (East Ramp to Sky Village Ln)	\$25,134.00
Laurel Park Hwy (McCarson Dr. to Indian Woods)	\$27,382.50
Timber Creek (Hebron to Finley Cove)	\$294,075.50
TOTAL	\$511,752.10

Drainage:

Mobilization, Insurance and Const. Staking	\$9,100.00
Clearing and Grubbing	\$12,900.00
Restoration of Surfaces	\$12,900.00
Laurel Park Hwy (Roberts Dr. to Breckenridge Ct.)	\$64,285.00
Laurel Park Hwy (McCarson Dr. to Indian Woods)	\$13,020.00
Timber Creek (Hebron to Finley Cove)	\$15,165.00
TOTAL	\$127,370.00

This would be a total addition to the construction contracts of \$639,122.10. If contingency and escalation is not used, we would recommend converting those funds to completing drainage improvements and paving on roads that have been deferred. We would recommend that the Town Council approve change orders in the amounts noted above and authorize you to sign the necessary change order documents.

If you have any questions about this information, don't hesitate to contact our office. We look forward to discussing further at the Council meeting.

Sincerely,
WGLA Engineering, PLLC

William R. Buie

William R. Buie, P.E.



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Little Laurel Green Discussion

Presenter: N/A

Attachment(s): Yes/No

Summary of Item:

Council will discuss its vision for the playground at Little Laurel Green as well as grant funding opportunities.

Council Action Requested:

Discuss vision and funding opportunities for playground at Little Laurel Green.

Suggested Motion:

N/A



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Invasive Removal Update

Presenter: Alex Carmichael

Attachment(s): Yes/No

Summary of Item:

Town Manager Alex Carmichael will give an update on the status of invasive species removal in Town owned property.

Council Action Requested: Review and discuss update.

Suggested Motion:

N/A



TOWN OF LAUREL PARK AGENDA ITEM SUMMARY

Title of Item: Board Appointments

Presenter: Town Clerk Tamara Amin

Attachment(s): Yes/No

- Paul D. Bell Application
- John McGregor Application
- Donald T. McIntyre Application
- Wesley Bellew Application

Summary of Item:

The council appoints volunteers to serve on the four (4) standing advisory boards, and any other boards and commissions as needed. Current members may be reappointed, or new applicants appointed.

Town Staff has solicited the public for applications for the Boards in the Town Facebook page and Town Website. We have received 4 new applications.

Board of Adjustments- 2 positions-1 ETJ member and 1 At Large member – 3-year term – Term ending December 31, 2026

1. Stephen Braznell (can no longer serve) ETJ
2. Pamela Stover (would like to serve again)

Applications received: (no ETJ applications received)

- Pamela Stover
- Wesley Belew
- Donald T. McIntyre
- Paul D. Bell

Planning Board- 5 positions – 1 ETJ member and 4 At Large member-2-year term – At Large Term ending December 31, 2025, ETJ member term ending December 31, 2024

1. Clint DeWitt (can no longer serve) ETJ
2. Scott Gregg (would like to serve again)
3. Moyland Rainey (would like to serve again)
4. Philip Wiehe (would like to serve again)



**TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY**

5. Jeffrey Pieper (would like to serve again)

Applications received: (no ETJ applications received)

- Scott Gregg
- Moyland Rainey
- Philip Wiehe
- Jeffrey Pieper
- Donald T. McIntyre
- Paul D. Bell

Parks and Greenways Board – 4 positions – 2-year term – Term ending December 31, 2025; 1 position- Term ending December 31, 2024

1. Todd Plessel (would like to serve again)
2. Denise Layfield (would like to serve again)
3. Judy Lyons (would like to serve again)
4. Joseph Robustelli (would like to serve again)
5. Jennifer Brown (would like to step down)

Applications received:

- Todd Plessel
- Denise Layfield
- Judy Lyons
- Joseph Robustelli
- John McGregor
- Donald T. McIntyre
- Paul D. Bell

ABC Board - 1 positions – 3-year term – Term ending December 31, 2026

1. Robert Dulmage (would not like to serve)

Applications received:



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

- Wesley Belew
- Donald T. McIntyre
- Paul D. Bell

Council Action Requested:

Review the applications.

Suggested Motion:

Move to appoint _____ for the Board of Adjustment as an At Large member, for a term ending December 31, 2026.

Move to appoint _____ for the Planning Board as an At Large member for a term ending December 31, 2025.

Move to appoint _____ for the Parks and Greenways Board as a member, for a term ending December 31, 2025.

Move to appoint _____ for the Parks and Greenways Board as a member, for a term ending December 31, 2024.

Move to appoint _____ for the ABC Board as a member, for a term ending December 31, 2026.

Town of Laurel Park

BOARDS AND COMMISSIONS APPLICATION

Name Paul D. Bell Date 7-31-2023

Mailing Address 198 Birchwood Dr Street Address 198 Birchwood Dr
Laurel Park NC Laurel Park NC
28739 28739

Home/Cell Phone 917-232-9015 Work Phone NONE

Email Address PAULBELL55@GMAIL.COM

I Am Interested In Serving On:

- Planning Board ABC Board As Needed
 Board of Adjustment Parks and Greenways Board

PERSONAL INFORMATION

Spouse Name: Colleen Whit Bell

High School: Ramapo H.S. Franklin Lakes NJ

College: UNC Greensboro Degree B.A. Political Science
and History

College: Univ Maryland Degree MPA

Employer: Retired: Dow Jones & Co, Inc & iHeart Media

Job Title: VP / General Manager

PRIOR PUBLIC SERVICE

Board/Commission/Civic Org.	From	To
<u>Lake George (NY) Land Conservancy</u>	<u>Current</u>	<u>incoming Board chair</u>
<u>Hypocent Valley Education Foundation</u>	<u>2014</u>	<u>2017</u>
<u>Pennington (NJ) Planning Board</u>	<u>1995</u>	<u>2005</u>
<u>Silver Bay YMCA Board</u>	<u>2018 - current</u>	<u>2004 - 2015</u>

COMMENT (Statement of why you want to serve on this Board)

profile available on linked in. Happy to contribute
time and commitment to my adopted home town
Interest in land use, conservation, environmental
stewardship. I do have time available to
make a contribution.

Attach additional information as needed

Town of Laurel Park

BOARDS AND COMMISSIONS APPLICATION

Name John McGregor Date September 24, 2023

Mailing Address 155 Sugar Maple Heights Street Address Same

Laurel Park, NC 28739

Home/Cell Phone 1 919 793 3397 Work Phone _____

Email Address john@jtmcgregor.com

I Am Interested In Serving On:

- Planning Board ABC Board As Needed
 Board of Adjustment Parks and Greenways Board

PERSONAL INFORMATION

Spouse Name: Crystal McGregor

High School: Indianola Academy - Indianola MS

College: Mississippi State University Degree BS MS (Plant Pathology, Entomology)

College: University of Arkansas Degree PhD - (Phys Plant EcologyAgronomy)

Employer: Bayer CropScience

Job Title: Sr Principal Scientist

PRIOR PUBLIC SERVICE

Board/Commission/Civic Org.	From	To
<u>Stony Bend HOA (Wake Forest, NC)</u>	<u>2004</u>	<u>2006</u>
<u>Stony Bend HOA President</u>	<u>2006</u>	<u>2007</u>
<u>Raleigh Racquet Club Growth Committee (Raleigh, NC)</u>	<u>2008</u>	<u>2010</u>

COMMENT (Statement of why you want to serve on this Board)

To provide safe and accessible outdoor spaces, while preserving the natural beauty and native ecosystems within Laurel Park.

Attach additional information as needed

Town of Laurel Park

RECEIVED

MAR 22 2023

TOWN OF
LAUREL PARK

BOARDS AND COMMISSIONS APPLICATION

Name Donald T. McIntyre

Date March 20, 2023

Mailing Address

Street Address

121 Timber Creek Rd.

121 Timber Creek Rd.

Laurel Park NC 28759

Laurel Park NC 28759

Home/Cell Phone 828-6943813 Work Phone _____

Email Address mcintyre.sandoni@gmail.com

I Am Interested In Serving On:

Planning Board

ABC Board

As Needed

Board of Adjustment

Parks and Greenways Board

PERSONAL INFORMATION

Spouse Name: Sandra McIntyre

High School: North Catholic, Pittsburgh PA

College: Penn State University Degree BS - Biological Sciences

College: _____ Degree _____

Employer: Retired - Formerly Sandoni Inc / Nabisco Brands

Job Title: Owner / VP / VP Manufacturing

PRIOR PUBLIC SERVICE

Board/Commission/Civic Org.	From	To
<u>LP - Parks + Greenways</u>	<u>2009</u>	<u>2022</u>
<u>Timber Creek P.O.A.</u>	<u>2008</u>	<u>Present</u>
<u>Laurel Park Civic Association</u>	<u>2010</u>	<u>2017</u>
<u>Lions Club</u>	<u>2008</u>	<u>2022</u>

COMMENT (Statement of why you want to serve on this Board)

It is important to bring in a diverse point of view, or to be one to ask tough questions. I want to be there because I value the community and to help make sure everything is done in the best way possible.

Attach additional information as needed

Town of Laurel Park

BOARDS AND COMMISSIONS APPLICATION

Name Wesley Belew Date Sept 6, 2023

Mailing Address _____ Street Address 149 Westwood DR
LAUREL PARK, NC 28739

Home/Cell Phone 704-724-4110 Work Phone _____

Email Address Wbelew@gmail.com

I Am Interested In Serving On:

- Planning Board ABC Board As Needed
 Board of Adjustment Parks and Greenways Board

PERSONAL INFORMATION

Spouse Name: Sandra L. Hardin

High School: Gordon High Decatur GA

College: Georgia State University Degree BBA - Accounting - Finance

College: UOP Degree MBA

Employer: Retired

Job Title: _____

PRIOR PUBLIC SERVICE

Board/Commission/Civic Org.	From	To
<u>Red Cross</u>	<u>1968</u>	<u>1973</u>
<u>Boy Scout</u>	<u>1987</u>	<u>1991</u>
_____	_____	_____
_____	_____	_____

COMMENT (Statement of why you want to serve on this Board)

I want to perform public service. My Service Management and Merger - Acquisition experiences would be a benefit to Laurel Park

Attach additional information as needed



TOWN OF LAUREL PARK AGENDA ITEM SUMMARY

Title of Item: Change Order for Laurel Green Fencing

Presenter: Town Manager Alex Carmichael

Attachment(s): Yes/No

- Change Order Request

Summary of Item:

The plans for the Creek Restoration Project call for 1,640 linear feet of split rail fence to delineate the wilder space of the conservation easement from the more park-like space. This has been especially important in our conversations with Lakemoor. However, the fence did not make it into the contract with Baker and a change order will be necessary to add it. Baker can install the fence for \$23 per linear foot, totaling \$37,720. There is enough funding in the grant to cover that without charging the General Fund. The fence will be a natural black locust split rail.

Council Action Requested:

Review and discuss change order one.

Suggested Motion:

Move to approve/deny change order one with Baker Grading and Landscaping, Inc for \$37,720 to install 1,640 linear feet of split rail fencing.

Baker Grading & Landscaping, Inc.
1000 Bat Cave Road
Old Fort, NC 28762
Tel. (828) 668-5060
Fax (828) 668-5065
info@bakergrading.com



Change Order

Client: Town of Laurel Park	Project: Laurel Green Park
Contact: Alex Carmichael	
Address 441 White Pine Drive	Description: Split Rail Fence
: Laurel Park, NC 28739	
Date: 10/10/2023	

ITEM	DESCRIPTION	EST.	UNIT	UNIT PRICE	AMOUNT
	Split Rail Fence				
1	Split Rail Fence Installation	1,640	LF	\$23.00	\$37,720.00

Total \$37,720.00

Be Advised: This email originated from outside of the Laurel Park network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hey Alex,

No it is not treated. The material is a natural black locust and it is what is used in most national parks. It looks very nice and will last a long time. An example picture of the rails is attached.

Best,
Aaron



Aaron Peacock
Baker Grading & Landscaping, Inc.
1000 Bat Cave Road
Old Fort, NC 28762
Office (828) 668-5060
Fax (828) 668-5065
Cell (828) 434-3215
Email aaron@bakergrading.com

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On Oct 12, 2023, at 11:03 AM, Town Manager <TownManager@laurelpark.org> wrote:

Hi Aaron,

The Council asked me to find out if it would be pressure treated wood. Can you give me that information?



TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY

Title of Item: Invasive Vines Banner

Presenter: Town Manager Alex Carmichael

Attachment(s): Yes/No

- De-Vine Banner Proof

Summary of Item:

The Invasive Species Committee would like the town to fly a banner to help spread awareness that Laurel Park residents can help fight invasive species on residential property.

Council Action Requested:

Review the banner.

Suggested Motion:

Move to approve banner as presented.

***INVASIVE
SPECIES ALERT***

Help Make
Laurel Park

DeVine



Visit
www.laurelpark.org





**TOWN OF LAUREL PARK
AGENDA ITEM SUMMARY**

Title of Item: ABC Lease Information

Presenter: Town Manager Alex Carmichael

Attachment(s): Yes/No

- ABC Store Lease Agreement

Summary of Item:

At the work session Council asked staff to find out information about the lease of the Laurel Park ABC store. We reached out the John Nall, manager of the store. Mr. Nall provided the lease agreement, which is structured to renew every five years through 2035. Ingles has contacted the ABC Store, but no buyout offer was discussed. They did recognize that the ABC Store's lease ran for 3 consecutive 5-year periods if Laurel Park opts in.

Council Action Requested:

Review and discuss lease agreement.

Suggested Motion:

N/A

LEASE AGREEMENT

FUNDAMENTAL LEASE PROVISIONS

Lease Date: October 12, 2020

Landlord: 1715 Brevard Road, LLC

Address of Landlord: PO Box 8386, Asheville, NC 28814

Tenant: Laurel Park ABC Board
Address of Tenant: 1709 Brevard Road, Hendersonville, NC 28791

Tenant's Trade Name: Laurel Park ABC Store

Shopping Center: Laurel Park Village

Premises:
Area of the Premises: 2,800 Square Feet

Term:
Commencement Date: August 1, 2020
Expiration Date: July 31, 2025

Rent, payable monthly:

Annual Rent:	<u>\$ 29,400</u>	- Year 1	<u>(\$ 2,450</u>	monthly)
	<u>\$ 29,840</u>	- Year 2	<u>(\$ 2,486</u>	monthly)
	<u>\$ 30,290</u>	- Year 3	<u>(\$ 2,524</u>	monthly)
	<u>\$ 30,745</u>	- Year 4	<u>(\$ 2,562</u>	monthly)
	<u>\$ 31,205</u>	- Year 5	<u>(\$ 2,600</u>	monthly)
Extension 1				
Renewal Rent:	<u>\$ 31,517</u>	- Year 6	<u>(\$ 2,626</u>	monthly)
	<u>\$ 31,832</u>	- Year 7	<u>(\$ 2,652</u>	monthly)
	<u>\$ 32,150</u>	- Year 8	<u>(\$ 2,679</u>	monthly)
	<u>\$ 32,472</u>	- Year 9	<u>(\$ 2,706</u>	monthly)
	<u>\$ 32,795</u>	- Year 10	<u>(\$ 2,733</u>	monthly)
Extension 2				
Renewal Rent:	<u>\$ 33,123</u>	- Year 11	<u>(\$ 2,760</u>	monthly)
	<u>\$ 33,454</u>	- Year 12	<u>(\$ 2,788</u>	monthly)
	<u>\$ 33,789</u>	- Year 13	<u>(\$ 2,816</u>	monthly)
	<u>\$ 34,127</u>	- Year 14	<u>(\$ 2,844</u>	monthly)
	<u>\$ 34,468</u>	- Year 15	<u>(\$ 2,872</u>	monthly)

Additional Rent:

The following items of additional rent are payable annually in advance and are based upon Landlord's estimates for the calendar year in which the Commencement Date is scheduled to occur and are subject to adjustment as provided in this Lease for each succeeding calendar year:

Common Area Costs \$ 600 per month (estimated, subject to change)
and Expenses:

Permitted Use: Alcohol Sales

THIS LEASE AGREEMENT (this "Lease"), made and entered into this 12th day of October, 2020 by and between **1715 Brevard Road, LLC**, ("Landlord"), and Laurel Park ABC Board, ("Tenant").

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord approximately 2,800 square feet of space designated as 1709 Brevard Road, Hendersonville, NC, (the "Premises"). The Premises are located in the Shopping Center known as Laurel Park Shopping Village, composed of the building and improvements (the "Building") now or hereafter constructed on that parcel of land at 1715 Brevard Road, Hendersonville, North Carolina (the "Shopping Center") and/or on any additional land acquired by Landlord and made a part of the Shopping Center, which land and additional land is hereinafter called the "Land". The Premises, the Building and the Land are sometimes collectively referred to as the "Property".

The Fundamental Lease Provisions appearing on the face page of this Lease are an integral part of this Lease and are incorporated herein by reference. Each of the Fundamental Lease Provisions shall be deemed a definition of an essential term of this Lease and whenever any such term shall appear in this Lease, it shall be deemed to have the meaning therefore set forth in the Fundamental Lease Provisions and shall be limited by the provisions of this Lease applicable thereto.

ARTICLE 1

POSSESSION AND FORCE MAJEURE

1.01 Delivery and Acceptance of Premises. Landlord shall deliver possession of the Premises and Tenant shall accept possession thereof on the Commencement Date as specified in the Fundamental Lease Provisions. Tenant has inspected the Premises and, by execution of this Lease, accepts the Premises in its existing condition (i.e., "as is"). Except as may be expressly set forth in this Lease or otherwise expressly agreed in writing by Landlord, Tenant acknowledges that Landlord shall not be obligated to make any further improvements to the Premises.

1.02 Force Majeure Extension. If Landlord for any reason whatsoever cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom; but in that event, there shall be a proportionate reduction of all Rent and other charges to Tenant for the Period between the Commencement Date and the date when Landlord does in fact deliver possession to Tenant. No such failure to give possession on the Commencement Date shall be construed in anywise to extend the Term of this Lease. The other provisions of this section to the contrary notwithstanding, if for any reason other than strikes or acts of God beyond the control of Landlord, possession of the Premises is not delivered to Tenant within sixty (60) days of the Commencement Date, then this Lease may be terminated by either party and shall be deemed to be terminated thirty (30) days after receipt by the other party of written notice to terminate, and thereupon neither party hereto shall have any further liability to the other.

Any date with respect to Landlord's completion of any work in the Premises provided for herein or in any other agreement between Landlord and Tenant relating to the Premises shall be extended for any period that any such Landlord's work shall have been unavoidably delayed due to labor disputes, acts of God, government regulations or controls, or other casualties, conditions or causes beyond the reasonable control of Landlord.

For the avoidance of doubt, Force Majeure events shall not operate to extend the time period or excuse any of Tenant's obligations under the Lease.

ARTICLE 2

TERM

2.01 Commencement and Expiration Dates of Term. The Term of this Lease and Tenant's obligation to pay Rent hereunder shall commence on the Commencement Date, and shall expire, unless sooner terminated in accordance with the provisions hereinafter contained, at 12:00 p.m. midnight on the Lease Expiration Date.

2.02 Option To Renew. If this Lease shall not have been canceled pursuant to the provisions hereof and if Tenant shall during the Term {as defined below) keep and perform each and every covenant, agreement term, provision and condition herein contained to be performed or observed by Tenant, and if Tenant shall throughout the Term actually use and occupy the Premises exclusively for the conduct of Tenant's business, then Tenant may, at Tenant's option, extend the term of this Lease for two (2) additional periods of five years each {the "Additional Term(s)") commencing on August 1, 2025, such option to be automatically exercised unless Tenant notifies Landlord in writing at least one hundred eighty (180) days prior to the expiration of the Initial Term, or Additional Term, as applicable, of Tenant's desire not to exercise this conditions set forth in this Lease except for such covenants, agreements, terms, provisions and conditions as shall be inapplicable and irrelevant to or during said Additional Term(s). Base Rent during each option year to be increased by 1% annually, as set forth at the beginning of this document.

2.03 Failure of Tenant to Open. In the event that Tenant shall have failed to fully fixture, stock and staff the Premises and to open the Premises for business on or before thirty (30) days following the Commencement Date, then Landlord shall have, in addition to any and all remedies hereinafter provided, the right to immediately terminate this Lease and/or Tenant's right to possession hereunder.

2.04. Memorandum of Lease. This Lease shall not be recorded. If requested by Tenant, Landlord and Tenant shall execute a short form Memorandum of Lease, specifying the exact term of this Lease and such other reasonable and appropriate terms as agreed to by Landlord and Tenant, for recording in the Office of the Register of Deeds for Buncombe County, North Carolina. Tenant shall pay the recording fees

2.05 Attorney-in-Fact. Tenant hereby irrevocably appoints Landlord as Tenant's attorney-in-fact pursuant to the provisions of Chapter 47, Section 115.1 of the General Statutes of North Carolina coupled with an interest to execute any certificate or certificates required pursuant to Section 4.15 hereof regarding subordination and/or any Estoppel Agreement required pursuant to Section 8 hereof. In the event Tenant fails to execute any such documents within fifteen (15) days of submission by Landlord, Landlord may execute and/or record same as attorney-in-fact for Tenant.

ARTICLE 3

TENANT PAYMENTS

Tenant covenants and agrees to pay Landlord as rental for the Premises Rent in accordance with the provisions set forth hereinbelow. Tenant further covenants and agrees to pay, as hereinafter set forth, common area costs and expenses, taxes, insurance costs, promotional costs, late charges, and other charges required to be paid by Tenant by the provisions of this Lease, all of which are hereinafter sometimes collectively referred to as "Common Area Costs" and shall not be deemed a part of Rent hereunder. Common Area Costs shall, for the purposes of the default provisions hereof, be deemed Additional Rent due from Tenant and any default in the prompt payment thereof shall entitle Landlord to exercise any or all of the remedies provided for herein and at law or at equity, on account of Tenant's failure to pay Rent. It is further agreed that Common Area Costs shall not be deemed Rent as that term is construed relative to government wage, price and rent control or analogous governmental actions affecting the amount of Rent which Landlord may charge Tenant. For the purposes of this Lease, the term Tenant's Proportionate Share shall mean (for

each calendar year during the Term of this Lease during which Tenant is required to make a specified payment of Common Area Costs, taxes, or insurance costs) that fraction the numerator of which is the Area of the Premises and the denominator of which is the total rentable areas of all buildings forming the Shopping Center.

3.01 Rent. Tenant shall pay to Landlord without notice or demand during the Term hereof, at the address of Landlord or at such other place as Landlord may direct from time to time by notice to Tenant, the Annual Rent in equal monthly installments of the Monthly Rent set forth in the Fundamental Lease Provisions payable in advance on or before the first day of each calendar month during the Term of this Lease, without abatement, offset or deduction of any kind or for any reason. Installments of Rent due for any period less than one (1) calendar month for which Tenant is obligated to pay Rent shall be prorated on a per diem basis with respect to such fractional calendar month.

3.02 Common Area Costs and Expenses. Taxes and Insurance Costs. (a) For each calendar year during the Term of this Lease, Tenant shall pay to Landlord as Additional Rent Tenant's Proportionate Share of all common area costs and expenses ("Common Area Costs"). Common Area Costs are those costs paid or incurred by Landlord and shall be charged to the operation, maintenance and management of the Shopping Center and its common areas. Tenant shall pay, with the first payment of Rent, the initial installment toward Tenant's Proportionate Share of Common Area Costs in the amount set forth in the Fundamental Lease Provisions, the same being based on Landlord's estimates for the calendar year in which the Commencement Date is scheduled to occur. Such initial estimated installment is for the period from the scheduled Commencement Date to the last day of the calendar year during which the Commencement Date is scheduled to occur. Tenant shall thereafter pay annual installments toward Tenant's Proportionate Share of Common Area Costs for each subsequent calendar year based on Landlord's estimates for each such period. After the end of each such calendar year, Landlord shall deliver to Tenant a statement certifying the actual Common Area Costs for the estimated period just ended and a statement estimating the Common Area Costs for the calendar year thereafter. On or before the due date for the installment of Rent next due following receipt of each such statement, Tenant shall pay any deficiency resulting from the actual Common Area Costs exceeding estimated payments for the period just ended and shall pay Tenant's Proportionate Share of each such item for the calendar year thereafter on the basis of Landlord's latest estimate. Landlord shall credit any excess payment made by Tenant for the preceding period against future payments of Tenant's Proportionate Share. If the Term of this Lease shall begin or end on a date other than the first or last day of an estimated period established by Landlord as aforesaid, the charges to Tenant for Common Area Costs for the first and/or final period shall be prorated on a daily basis.

(b) The term "Common Area Costs" shall mean and include all amounts paid or incurred by Landlord for operating, managing and maintaining the common areas of the Shopping Center in a manner deemed by Landlord reasonable and appropriate and for the best interests of the Shopping Center, including, without limitation, all costs and expenses of: (a) operating, repairing, maintaining, lighting, cleaning, painting and securing (including cost of uniforms, equipment, and all employment taxes) the common areas of the Shopping Center; (b) heating and cooling any enclosed common areas of the Shopping Center; (c) paying all personnel employed on a part time basis or full time basis in the operation, maintenance or repair of the common areas of the Shopping Center; (d) removing rubbish and debris from the common areas of the Shopping Center; (e) inspection, maintenance, operation and depreciation of machinery and equipment used in the operation and maintenance of the common area facilities; (f) replacement, repair and maintenance of: all roofs, exteriors and structural portions of all buildings within the Shopping Center; all paved parking and other areas serving the Shopping Center (including, without limitation recapping, pot hole repair, painting and striping); and all walkways, landscaping, and lighting facilities; (g) planting, replanting and replacing flowers, shrubbery, and planters and the supplies required therefore; (h) all utilities used in connection with the operation, repair and maintenance of the common area facilities; (i) leasing or renting equipment used in connection with the operation, repair and maintenance of common area facilities; (j) routine maintenance of, and repairs to, the HVAC unit(s) serving the Premises, and a reserve fund for replacement of the HVAC unit(s), (k) compliance with any and all governmental regulations or the requirements of any governmental

authority (such as but not limited to those of the Environmental Protection Agency and/or the Occupational Health and Safety Act) including the cost of any improvements required thereby and all costs and fees paid or incurred in preparing to make such improvements and in contesting or negotiating as to such regulations or requirements, (l) taxes; (m) insurance costs; (n) promotional costs; (o) an administrative cost equal to fifteen percent (15%) of the total amount of all Common Area Costs; and (p) establishing and maintaining reasonable reserves for the foregoing purposes. It is acknowledged and agreed that for the purposes of this Lease the "common areas" of the Shopping Center shall mean and include all roofs, exteriors and structural portions of all buildings and all utilities underground or otherwise forming part of the Shopping Center and all paved parking areas, driveways, sidewalks, passages, loading docks and all other areas not specifically designated to be under the exclusive control of any single tenant.

(c) The term "taxes" shall mean and include all assessments or charges paid or incurred by Landlord for public betterments or improvements, fire or water line taxes, ad valorem real estate and/or personal property taxes, or any other tax on rents or real estate as such (other than income taxes thereon) are from time to time directly or indirectly assessed or imposed upon the Shopping Center and/or the Land and/or the property, furniture, fixtures, and equipment used in the operation, maintenance or repair of the Shopping Center and its common areas, including all costs and fees paid or incurred by Landlord in contesting, or in negotiating with the public authorities as to the amount of such assessments, charges or taxes or the basis upon which the same shall be assessed.

(d) The foregoing provisions to the contrary notwithstanding, it is understood and agreed that any and all taxes imposed upon or with respect to any alterations, additions or improvements made to the Premises by Tenant or under its direction, or with respect to any property of Tenant therein shall be borne and paid entirely by Tenant and if any of said items or any portion thereof shall be paid by Landlord, Tenant shall reimburse Landlord for the same immediately upon receipt by Tenant of written demand therefore from Landlord.

(e) The term "insurance costs" shall mean and include all amounts paid or incurred by Landlord for all insurance which may be maintained by Landlord from time to time with respect to the Shopping Center, the common areas thereof and the management, operation and maintenance thereof including, but not limited to, all risk fire and extended coverage insurance, rental loss insurance, general liability insurance, automobile insurance, workmen's compensation insurance, insurance against liability for defamation and claims for false arrest, and plate glass insurance.

3.03 Utilities. (a) Tenant shall promptly pay for all utilities and other services (including, but not limited to, water, sewage service charges, garbage or trash removal, fuels, including natural gas and electricity, including electricity for any heating in the Premises) furnished to and/or used in or at the Premises for any purpose.

(b) Landlord shall not be liable for any interruption or curtailment whatsoever in the furnishing of utility services or other services to the Premises whether or not the same are furnished by Landlord, which is due to fire, accidents, strikes, acts of God or other casualties, conditions or causes beyond Landlord's control or which is necessary or proper in order to make alterations, improvements or repairs. Landlord reserves and shall at all times have the right to cut off and discontinue on ten (10) days' written notice to Tenant all utility services in the event Tenant has failed to pay any amounts due from Tenant to Landlord under any provision of this Lease and fails to cure such default within said ten (10) day notice period.

3.04 Amounts Due Upon Termination Notwithstanding any expiration or termination of this Lease (except in the case of cancellation by mutual agreement) Tenant's obligation to pay Rent, Tenant's Proportionate Share of all Common Area Costs and utility charges under this Lease shall continue and shall cover all periods up to the Lease Expiration Date. Tenant's obligation to pay any and all such amounts under this Lease and Landlord and Tenant's obligations to make the adjustments referred to above shall survive for one (1) year after any expiration or termination of this Lease.

3.05 Security Deposit. N/A

ARTICLE 4

TENANT COVENANTS

4.01 Use. Tenant shall not use, occupy or operate the whole or any part of the Premises for any purpose other than that set forth under Permitted Use in the Fundamental Lease Provisions or permit the same to be used for any other purpose. Tenant agrees to maintain minimum business hours from 10:00 a.m. to 6:00 p.m., six (6) days per week (Monday through Saturday), which minimum business hours may be modified by Rules and Regulations reasonably imposed by Landlord. Tenant shall further use the Premises in accordance with the Rules and Regulations from time to time adopted by Landlord and in such a manner as will not interfere with or infringe on the rights of other tenants in the Shopping Center. If Rules and Regulations have already been adopted by Landlord, a copy of such Rules and Regulations presently in effect are attached hereto as Exhibit A and by this reference made a part hereof.

Tenant shall not use or occupy the Premises in violation of any law, ordinance, regulation or other directives of any governmental authority having jurisdiction thereof, nor permit a nuisance to be created or maintained therein. Tenant shall not maintain or permit any coin operated or vending machines within the Premises without the prior written consent of Landlord.

During the Term hereof, Tenant shall be in continuous use, occupancy and operation of the entire Premises, shall conduct business in the Premises for the purposes herein stated and shall not vacate or abandon the Premises or allow the same to appear vacated or abandoned. Tenant shall conduct its business in the Premises under the trade name set forth under Tenant's Trade Name in the Fundamental Lease Provisions and under no other name or trade name unless first approved in writing by Landlord.

Tenant shall not allow any odor or sound produced or originating within the Premises to be detectable outside the Premises and shall, at its sole expense, exhaust and/or filter all such odors in such manner that they cannot be detected outside the Premises and sound proof the walls of the Premises in such manner that such sounds cannot be heard outside the Premises.

Tenant shall not under any circumstances conduct in the Premises or the Shopping Center any auction or bankruptcy sale or fire sale or going-out-of-business sale or any similar liquidation sale, it being agreed that the same are inconsistent and in conflict with and would be detrimental to the interests of Landlord and Tenant.

4.02 Painting and Decorating. Tenant shall paint and keep the Premises, including the storefront thereof, in good repair, but Tenant shall not change the decorative or architectural treatment of the storefront (including the paint colors), the interior or the exterior of the Premises without Landlord's written consent. Tenant shall promptly remove, upon order from Landlord, any decoration or architectural change which has been applied to or installed upon the Premises without Landlord's written consent or take such other action with reference thereto as Landlord may direct.

4.03 Signs and Displays. Tenant shall not place or permit to be placed or maintained any sign, awning, advertising matter, decoration, lettering, or other thing of any kind on the interior or the exterior of the Premises or on the glass any window or door of the Premises without first obtaining Landlord's written approval thereof. Tenant shall promptly remove upon order from Landlord, any sign, awning, advertising matter or other thing of any kind which has been applied to or installed upon the interior or exterior of Premises without Landlord's written consent or take such other action with reference thereto as Landlord may direct. Tenant shall maintain displays of merchandise in such a manner as shall be visible from Tenant's storefront and shall take such other action with respect thereto as Landlord shall direct. Tenant

shall be responsible, at Tenant's sole cost and expense, for the installation, maintenance, repair, lighting and replacement of the sign on the roof of the Premises advertising Tenant's business.

4.04 Rubbish Removal. Tenant at its own expense shall keep the Premises clean, both inside and outside, and shall remove all rubbish, garbage and other refuse from the Premises and place it in containers which shall be provided by Tenant and located as directed by Landlord within the service areas of the Shopping Center.

4.05 Passageways. Tenant shall neither encumber nor obstruct the passageways adjoining the Premises or in other areas of the Shopping Center, nor allow the same to be obstructed or encumbered in any manner, including, but not limited to the use of same for displays, advertising or the sale of merchandise.

4.06 General Insurance Requirements. During the Term hereof, Tenant shall, at its own cost and expense, carry with companies satisfactory to Landlord, comprehensive public liability insurance in the joint names of Landlord and Tenant covering the Premises and the use and occupancy thereof in such amount or amounts as may be reasonably required by Landlord from time to time but in no event less than Two Million Dollars (\$2,000,000.00) combined single limit for any one occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. **Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder.** Tenant shall also keep in force at its own cost and expense as set forth herein, fire, extended coverage, sprinkler and water damage insurance on Tenant's personal property and other contents of the Premises, including, but not limited to betterments and improvements made by Tenant, Tenant's inventory, trade fixtures, furnishings and other personal property whether or not removable by Tenant, in an amount sufficient to cover the full replacement cost of such property. Tenant hereby waives any claim or right of action which it may have against Landlord for loss or damage covered by any insurance required to be maintained by it pursuant to the terms of this Lease and covenants and agrees that it will obtain a waiver in writing from the carrier of such insurance releasing such carrier's subrogation rights as against Landlord. In addition, Tenant shall keep in force workman's compensation or similar insurance to the extent required by law. Tenant shall deliver said policies or certificates thereof to Landlord before entering the Premises or within ten (10) days of the Commencement Date, whichever shall occur first and thereafter thirty (30) days prior to the expiration of any existing policy of insurance. Should Tenant fail to obtain or maintain in effect the insurance called for herein or to pay the premiums therefore or to deliver said policies, certificates or duplicates thereof to Landlord, Tenant shall indemnify and hold Landlord harmless from all loss or damage incurred by Landlord arising out of such failure and Landlord, may, at its election and in addition to any other remedy available to Landlord, procure said insurance and pay the requisite premiums therefore, in which event, Tenant shall pay to Landlord on demand as Additional Rent all sums so expended by Landlord. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall cause each insurer under the policies required hereunder to agree by endorsement on the policy issued by it or by independent instrument furnished to Landlord that it will give Landlord fifteen (15) days prior written notice before the policy or policies in question shall be altered or canceled.

4.07 Plate Glass. Tenant shall replace, at its sole cost and expense, any and all plate and other glass in or about the Premises damaged or broken from any cause whatsoever.

4.08 Insurance Restrictions. Tenant shall not, without Landlord's prior written consent, use the Premises or the Shopping Center in any manner which will increase the insurance premium costs or invalidate any insurance policies carried on the Premises or on other parts of the Shopping Center, nor shall Tenant do or cause to be done or permit or keep on the Premises or in the Shopping Center anything which will have a like effect upon any such insurance policies. If, because of anything done, caused to be done, permitted or omitted by Tenant or its agents, servants, employees (whether or not acting in the scope and course of their employment), licensees, or assignees, the premium rate for any kind of insurance in effect on

the Shopping Center or any part thereof shall be raised, or if Landlord should consent to a use or occupancy of the Premises by Tenant which shall cause an increase in the premium rate for such insurance, Tenant shall pay Landlord on demand as Additional Rent the amount of any such increase in premium which Landlord shall pay for such insurance. If Landlord shall demand that Tenant remedy the condition which caused any such increase in an insurance premium rate, unless Landlord has otherwise consented to the condition in writing, Tenant shall remedy such condition within five (5) days after receipt of such demand. All property kept, stored, maintained or permitted within the Premises by Tenant shall be at Tenant's sole risk.

4.09 Indemnification of Landlord. Tenant agrees to indemnify and defend Landlord and to save harmless Landlord, and the tenants, licensees, invitees, agents, servants and employees of Landlord against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of injury to person or property occurring on the Premises, or in the Shopping Center occasioned in whole or in part by any act or omission on the part of Tenant or any servant, agent, employee, licensee, or assignee of Tenant, or by reason of any unlawful use of the Premises or by reason of any breach, violation or nonperformance of any covenant in this Lease on the part of Tenant to be observed or performed, and also by reason of any matter or thing growing out of the occupancy or use of the Premises by Tenant or any one holding or claiming to hold through or under Tenant. Tenant agrees to pay Landlord promptly for all damage to the Shopping Center or the Premises and for all damage to tenants or occupants of the Shopping Center caused by Tenant's misuse or neglect of the Shopping Center or of the Premises or of its or their apparatus and appurtenances and Tenant agrees to reimburse and compensate Landlord as Additional Rent within five (5) days of rendition of any statement to Tenant by Landlord for expenditures made by Landlord or for fines sustained or incurred by Landlord due to nonperformance or noncompliance with or breach or failure to observe any term, covenant or condition of this Lease upon Tenant's part to be kept, observed, performed or complied with. Landlord shall not be liable to Tenant for any damage by or from any act or negligence of any co-tenant or other occupant of the Shopping Center or by any owner or occupant of adjoining or contiguous property. Neither Landlord nor its agents shall be liable to Tenant or to any person, firm or corporation claiming through or under Tenant for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, glass, electricity, water, rain or snow or leaks from any part of the Shopping Center or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness or by any other cause of whatever nature, unless caused by or due to the negligence of Landlord, its agents, servants or employees acting in the course and scope of their employment. Landlord shall not be liable to Tenant or to any person, firm or corporation claiming through or under Tenant for any latent defect in the Premises or in the Shopping Center.

4.10 Alterations by Tenant. Tenant shall make no alterations, additions or improvements to the Premises or to the exterior, the structure, or the storefront thereof or the signs thereon without the prior written consent of Landlord. Any request by Tenant for Landlord's consent to any such proposed alterations, additions and improvements shall in each instance be accompanied by plans and specifications for the proposed work, prepared and submitted to Landlord in accordance with such requirements as Landlord may reasonably impose. All such alterations, additions and improvements shall be made by Tenant in accordance with the reasonable requirements of Landlord. All alterations, additions and improvements (excluding personal property and movable business fixtures of Tenant no part of the cost of which shall have been paid by Landlord) made by, for or at the direction of Tenant, shall become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease or at such time as Landlord shall reenter and take possession of the Premises without terminating this Lease pursuant to the provisions of Section 4.14 hereof; Landlord shall, however, have the right to require Tenant to remove any such alterations, additions, or improvements and to restore the Premises to the condition in which they were in at the commencement of Tenant's occupancy thereof. Such right shall be exercised by Landlord by giving notice to Tenant at any time prior to but not later than thirty (30) days after the expiration or earlier termination of this Lease, Upon receipt of such notice, Tenant, at Tenant's sole cost and expense, shall comply with the requirements specified in such notice on or before the expiration or earlier termination of this Lease or within five (5) days after receipt of such notice by Tenant whichever shall be later.

4.11 Repairs and Maintenance by Tenant. (a) Tenant shall, at Tenant's own cost and expense, keep and maintain the Premises and appurtenances thereto (including replacements as necessary) and every part thereof, in good order and repair except portions of the Premises to be repaired by Landlord pursuant to Section 6.01 hereof. Tenant shall also keep the water, sewer, electrical and sprinkler systems within or serving the Premises in good order and repair and Tenant shall be liable for any damages due or attributable to Tenant's failure to perform or cause such maintenance or repairs to be performed.

In addition, throughout the Term of this Lease, Tenant shall enter into and maintain at its expense a pest control contract with the pest control contractor designated from time to time by Landlord, or selected by Tenant and approved in writing by Landlord, which contract shall provide for, and Tenant shall through such contractor perform or cause to be performed, not less frequently than quarterly, routine pest control services and extermination of and preventive treatment for vermin, insects and wood destroying organisms.

All damage or injury to the Premises or the Shopping Center, or the common areas, caused by any act or negligence of Tenant, its agents, employees, licensees, invitees or visitors, shall be promptly repaired by Tenant. Landlord may make such repairs which are not promptly made by Tenant and charge Tenant for the cost thereof, and Tenant hereby agrees to pay such amount to Landlord, together with interest thereon at the highest legal rate not to exceed eighteen (18%) percent per annum from the date of such repairs, as Additional Rent on demand. Tenant shall have no right to make repairs at the expense of Landlord, or to deduct the cost thereof from the Rent due hereunder.

4.12 Transfers, Assignment and Subletting. Tenant shall not sell, assign, pledge or hypothecate this Lease or sublet the Premises or any part thereof without the prior written consent of Landlord in each such instance. Consent of Landlord to one assignment or subletting shall not destroy or operate as a waiver of the prohibitions contained in this section as to future assignments or subleases and all such later assignments or subleases shall be made only with Landlord's prior written consent. In the event any assignment of this Lease or subletting of the Premises or any part thereof is made by Tenant whether or not the same is consented to by Landlord, Tenant shall remain liable to Landlord for payment of all Rent and for the faithful performance of all of the covenants and conditions of this Lease by an assignee or sublessee to the same extent as if the Lease had not been assigned or the Premises sublet. If this Lease shall be assigned or the Premises or any portion thereof sublet by Tenant at a rental that exceeds all Rent and Additional Rent to be paid to Landlord hereunder, then and in such event any such excess shall be paid over to Landlord by Tenant. If Tenant shall request Landlord's consent to an assignment of this Lease or a subletting of the Premises or any portion thereof, it shall do so by written notice to Landlord naming the proposed assignee or subtenant, designating any portion of the Premises to be sublet and setting forth the other terms and conditions of such proposed assignment or subletting. Thereupon and at any time thereafter Landlord shall, at its election upon notice to Tenant and without limitation, have the right to refuse to consent to such subletting or assignment; or enter into a direct lease with such proposed assignee or subtenant; and/or terminate this Lease as to the portion of the Premises designated in such notice. Upon Landlord giving such notice, this Lease shall terminate as to the portion of the Premises designated in such notice from Tenant to Landlord, the area of the Premises shall be reduced by the area of the portion of the Premises so designated by Tenant, the Rent shall be reduced in the same proportion as the area of the Premises shall be so reduced, and Tenant shall upon request of Landlord execute an instrument in recordable form prepared by Landlord amending this Lease to set forth the new Premises, Rent and Additional Rent.

4.13 Voting Control. If Tenant is a corporation and if the entity or person or persons who own a majority of its voting shares at the time of the execution hereof cease to own a majority of such shares at any time hereafter, except as a result of transfers by gift, bequest or inheritance, Tenant shall so notify Landlord. In the event of such change of ownership, whether or not Tenant has notified Landlord thereof, Landlord may at its option terminate this Lease by notice to Tenant effective immediately upon the giving of such notice. This section shall not apply if and so long as Tenant is a corporation the outstanding voting stock of which is listed on a recognized security exchange.

4.14 Remedies Upon Default. (a) Each of the following events (herein called "Events of Default") shall be deemed a default by Tenant:

(1) If Tenant shall fail to pay any Rent or Additional Rent when due and upon receipt of written notice of delinquency from Landlord shall fail to pay any delinquent Rent or Additional Rent within ten (10) days after receipt of such notice, or if Tenant shall fail to carry out any other obligation imposed upon it under the terms of this Lease within thirty (30) days after it shall have been notified by Landlord of its breach of this Lease, or Tenant is not diligently proceeding to carry out any obligation which may physically require more than thirty (30) days; or

(2) If Tenant (or, if Tenant is a partnership, if any partner of Tenant) or any guarantor of this Lease shall: (i) file a petition in bankruptcy; (ii) take or consent to any other action seeking any such judicial decree; (iii) file any debtor proceeding or a petition for an arrangement or for corporate reorganization; (iv) make any assignment for the benefit of its creditors; (v) admit in writing its inability to pay its debts generally as they become due;

(3) If a court of competent jurisdiction shall enter a decree or order adjudicating Tenant bankrupt or insolvent;

(4) If any trustee or receiver for Tenant, or for any substantial part of its property, be appointed;

(5) If any person shall file a petition for involuntary bankruptcy against Tenant and such appointment or petition shall not be stayed or vacated within sixty (60) days of entry thereof;

(6) If Tenant's interest hereunder shall pass to another by operation of law in any other manner;

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

(8) If Tenant shall vacate or abandon the Premises or shall fail to strictly maintain minimum business hours as required in this Article 4,

Then and in any such event, Landlord may, if Landlord so elects but not otherwise, treat the occurrence of any one or more of the foregoing events as a default of this Lease and with or without notice of such election, and with or without any demand whatsoever, either forthwith terminate this Lease and Tenant's rights to possession of the Premises or, without terminating this Lease, forthwith terminate Tenant's right to possession of the Premises.

(b) Upon any termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Tenant's right to possession without termination of the Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, and Tenant, to the fullest extent permitted by law, hereby grants to Landlord full and free license to enter into and upon the Premises in such event with or without process of law, by force if necessary, and to repossess Landlord of the Premises as of Landlord's former estate, and to expel or remove Tenant and any others who may be occupying or be within the Premises, and to remove any and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's rights to Rent, Additional Rent, or any other right given to Landlord hereunder or by operation of law.

(c) If Landlord elects to terminate Tenant's right to possession only, without terminating the Lease, Landlord may, at Landlord's option, enter into the Premises, remove Tenant's signs and other evidence of tenancy, and take and hold possession thereof as provided in Subsection (b) above, without such entry and possession terminating this Lease or releasing Tenant, in whole or in part, from Tenant's obligation to pay the Rent

hereunder for the full term, and in any such case Tenant shall pay forthwith to Landlord, if Landlord so elects, a sum equal to the entire amount of the Rent for the remainder of the then current Term, plus any other sums then due hereunder. Upon and after entry into possession without termination of this Lease, Landlord may, but need not, relet the Premises or any part thereof for the account of Tenant to any person, firm or corporation other than Tenant, for such Rent, for such time and upon such terms as Landlord in Landlord's sole discretion shall determine, and Landlord shall not be required to accept any sums offered by Tenant or to observe any instructions given by Tenant about such reletting. In any such case, Landlord may make repairs, alterations and additions in or to the Premises and redecorate the same to the extent deemed by Landlord necessary or desirable, and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of the reletting. If the consideration collected by Landlord upon any such reletting for Tenant's account is not sufficient to pay monthly the full amount of Rent and Additional Rent reserved in this Lease, and all pay monthly the full amount of Rent and Additional Rent reserved in this Lease, and all other monies to be paid by Tenant, together with the costs of repairs, alterations, additions, redecorating and Landlord's expenses, Tenant shall pay to Landlord the amount of each monthly deficiency upon demand.

(d) Any and all property which may be removed from the Premises by Landlord pursuant to the authority of this Lease or of law, to which Tenant is or may be entitled, may be handled, removed or stored by Landlord at the risk, cost and expense of Tenant, and except strictly as required by law, Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control. Tenant agrees that, to the fullest extent permitted by law, any such property of Tenant not retaken from storage by Tenant within Thirty (30) days after the end of the Term, however terminated, may be disposed of by Landlord in any manner whatsoever including without limitation, the sale, scrapping and/or destruction thereof without any further obligation to Tenant, and Tenant shall pay to Landlord promptly on demand the reasonable expenses of such disposal.

(e) Tenant shall pay upon demand all Landlord's costs, charges and expenses, including the fees of counsel, agents and others retained by Landlord, incurred in enforcing Tenant's obligations hereunder or incurred by Landlord in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

4.15 Subordination. Tenant agrees that this Lease is and shall remain subject and subordinate to and may be assigned as security for any present and all future ground leases or underlying leases of the Shopping Center or of the Land and to and for all mortgages or deeds of trust which may now or hereafter affect such leases or the Shopping Center or the Land and to and for all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument shall be necessary to effect such subordination, however, Tenant shall execute promptly and deliver to Landlord any such certificate or certificates in writing as Landlord may request evidencing the subordination of this Lease to or the assignment of this Lease as additional security for such ground lease, underlying lease, mortgage or deed of trust.

4.16 Liens. Any work on the Premises performed by Tenant hereunder shall be performed subject and pursuant to the provisions of the Alterations by Tenant, Section of this Lease, and upon completion thereof Tenant shall furnish Landlord with waivers and affidavits confirming that all contractors, subcontractors, laborers and materialmen who have performed work on the Premises have been paid in full. Such waivers and affidavits shall be in a form acceptable to Landlord and in accordance with applicable laws of the State of North Carolina. If any such lien or claim of lien shall at any time be filed against the Premises, the Shopping Center or the Land, or Tenant's interest therein or hereunder, by reason of Tenant's acts or omissions or because of a claim against Tenant or any contractor or subcontractor of Tenant, Tenant shall cause the lien or claim of lien to be canceled and discharged of record by bond or otherwise within ten (10) days after receipt of notice from Landlord. If Tenant shall fail to cause such lien or claim of lien to be so discharged or bonded within such period, Tenant shall be in default hereunder, and, in addition to any other right or remedy it may have, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due or by procuring the discharge of such lien or claim by deposit in court or bonding,

and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien or claim by the lienor or claimant and to pay the amount of the judgment, if any, in favor of the lienor, with interest, costs and allowances. Tenant shall pay as Additional Rent on demand any sum so paid by Landlord for the aforesaid purposes with interest as hereinafter provided and all costs and expenses incurred by Landlord including, but not limited to attorney's fees in processing such discharge or in defending any such action.

4.17 Retail Restriction Limit. During the Term of this Lease (including any extension or renewal thereof, Tenant shall not, either directly or indirectly, own, operate or be financially interested in, either by itself or with others within a radius of three (3) miles of the perimeter of the Shopping Center, a business like or similar to the business permitted to be conducted under this Lease.

4.18 Environmental Laws.

(a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). Tenant shall remove from the Premises, all Hazardous Materials that were placed on the Premises by Tenant or Tenant's employees, agents, invitees or contractors, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) The warranties and indemnities contained in this paragraph 4.18 shall survive the termination of this Lease.

ARTICLE 5

COMMON AREAS

5.01 Use of Common Areas. (a) As long as Tenant is not in default hereunder, Tenant shall be entitled to the use in accordance with the Rules and Regulations referenced herein and in common with other tenants, the common areas of the Shopping Center, as same may be constituted from time to time; provided that Landlord may adopt and amend Rules and Regulations and make or grant such departures therefrom at such times and in such manner as Landlord in its sole discretion may deem appropriate, and further provided that the use of the common areas by Tenant shall be subject to the terms and conditions contained herein and to such other reasonable Rules and Regulations for the use thereof as may be prescribed by Landlord from time to time.

(b) It is acknowledged and agreed that Landlord may in its sole discretion at any time or from time to time relocate or rearrange or alter or modify the common areas or any part thereof provided only that after any such change the common areas then available for Tenant's use and enjoyment shall be substantially equivalent to those so available prior to such change.

(c) Tenant agrees that it shall cause all of its employees, agents and contractors to utilize that portion of the parking areas of the Shopping Center designated from time to time by Landlord for employee parking and shall prohibit such persons from using other parking areas of the Shopping Center.

ARTICLE 6

LANDLORD OBLIGATIONS

6.01 Repairs by Landlord. Landlord agrees to keep in good order the common areas of the Shopping Center (exclusive of the storefront of the Premises or any plate or other glass in or about the Premises) provided that the cost of the same shall be included in Common Area Costs and the HVAC unit(s) serving the Premises, including routine maintenance and replacement. Except as otherwise provided in this Lease, Landlord gives to Tenant exclusive control of the Premises and shall be under no obligation to inspect or repair any part of the Premises. Tenant shall at once report in writing to Landlord any defective condition known to Tenant which Landlord is required to repair, and failure to so report such defects shall make Tenant responsible to Landlord for the repair of such defective condition and any liability, cost or expense incurred by Landlord by reason of failure to so report such defective condition. Landlord shall have a reasonable time after receipt of notice from Tenant to commence and complete repairs required of Landlord hereunder.

6.02 Damage or Destruction. (a) In the event that before or during the Term of this Lease, the Premises or the Shopping Center shall be damaged by fire or other casualty which renders the Shopping Center, the Premises or any part of the Shopping Center or the Premises untenable, Landlord within thirty (30) days of such fire or casualty or of receipt of written notice from Tenant of such damage (whichever shall last occur) shall have the right to either (i) serve written notice upon Tenant of Landlord's intent to repair said damage or (ii) if said damage renders so much of either of the Premises or of the Shopping Center untenable that repair would not be feasible as determined in Landlord's sole discretion, or if said damage shall have been occasioned by the act or omission of Tenant, its servants, agents or employees, serve written notice upon Tenant that this Lease is terminated. If Landlord shall so terminate this Lease, such termination shall be effective as of the date therefore set forth in Landlord's notice to Tenant. If Landlord shall elect to repair such damage, such repairs shall be commenced within thirty (30) days of notice to Tenant of such election, and such repairs shall be completed within one hundred eighty (180) days of notice to Tenant of such election. During the period of repair the Rent shall be reduced to an amount which bears the same ratio as the portion of the Premises then available for use bears to the entire Premises. Upon completion of such

repair, the Rent shall thereafter be paid as if no fire or other casualty had occurred. Additional Rent shall not be abated.

(b) The other provisions of this Section notwithstanding, Landlord shall have no obligation to replace or repair any property in the Shopping Center or on the Premises belonging to Tenant or to any one claiming through or under Tenant nor shall Landlord have any obligation hereunder to replace or repair any property on the Premises which Landlord shall have the right to require Tenant to remove from the Premises or any alteration, addition or improvement made to the Premises by, for or at the direction of Tenant.

6.03 Condemnation. In the event the whole or any part of the Shopping Center shall be taken by eminent domain or in any manner for public use, Landlord may at its option terminate this Lease and the estate hereby granted by giving written notice of such termination to Tenant and upon the giving of such written notice by Landlord the estate hereby granted and all rights of Tenant hereunder shall expire as of the earlier of the date when title to or the right to possession of the Shopping Center or a part thereof shall vest in or be taken by public authority as aforesaid and any Rent or other charges paid for any period beyond said date shall be repaid to Tenant. Tenant shall not be entitled to any part of any award or payment which may be paid to Landlord or made for Landlord's benefit in connection with such public use and Tenant shall have no claim or rights as against Landlord for the value of any unexpired Term of this Lease. Tenant may, however, claim and receive from the condemning authority, if legally payable, compensation for Tenants relocation costs and/or business interruption provided that the same shall not reduce amounts otherwise payable to Landlord.

6.04 Quiet Enjoyment and Transfer of Tenants. Tenant shall peaceably and quietly hold and enjoy the Premises during the Term hereof without hindrance or interruption by Landlord so long as Tenant performs and observes all of the terms, covenants and conditions to be performed and observed by Tenant hereunder and pays all sums due from Tenant for Rent, Additional Rent, costs, charges or reimbursement for sums advanced by Landlord on Tenant's behalf in accordance with the provisions hereof; provided, however, Landlord shall have the right, after having given Tenant thirty (30) days written notice of its intention to do so, to transfer and remove Tenant and all property in the Premises from the Premises to any other available premises in the Shopping Center substantially equal in size and area. Landlord shall bear the expense of any renovations or alterations necessary to make the new space substantially conform in layout and appointment with the original Premises.

ARTICLE 7

ADDITIONAL COVENANTS

7.01 Right of Entry. Landlord shall have the right to enter and to grant licenses to enter and/or pass through the Premises at any time and such lengths of time as Landlord shall deem reasonable (a) to inspect the Premises; (b) to exhibit the Premises to prospective tenants or purchasers of the Shopping Center; (c) to make alterations or repairs to the Premises or to the Shopping Center (including the installation and repair of utility lines, including sprinkler lines, which may pass through the Premises to service other areas of the Shopping Center) and to store necessary materials, tools and equipment for such alterations or repairs; (d) for any purpose which Landlord shall deem necessary for the operation and maintenance of the Shopping Center and the general welfare and comfort of its tenants; (e) for the purpose of removing from the Premises any placards, signs, fixtures, alterations or additions not permitted by this Lease; or (f) to abate any condition which constitutes a violation of any requirements, covenant or condition of this Lease or of the Rules and Regulations or of any notice given Tenant by Landlord in accordance with the terms of this Lease. No such entry by Landlord shall in any manner affect Tenant's obligations and covenants under this Lease and no such entry shall of itself render Landlord liable for any loss of or damage to the property of Tenant. Any such entry by Landlord shall not unreasonably interfere with Tenant's business operations on the Premises.

7.02 Surrender of Premises. At the end of the Term of this Lease or upon any earlier termination of this Lease or Tenant's right to possess the Premises, Tenant shall vacate and surrender possession of the Premises to Landlord broom clean and in as good order and condition as the Premises were at the time Landlord shall have delivered possession thereof to Tenant, ordinary wear and tear, damage by fire or other casualty not caused by Tenant, its servants, agents or employees and (subject to the provisions of Article 4 of this Lease) alterations, additions and improvements to the Premises consented to in writing by Landlord excepted. Tenant shall have no right (except as it may be obligated to do pursuant to Article 4 hereof) to remove any betterments and improvements whether made by Tenant or Landlord, including but not limited to, floor and wall coverings, lighting, cooling and ventilating, plumbing and other such fixtures, partitions, alterations, improvements, systems and all such similar apparatus and equipment. If not in default, Tenant shall, however, have the right at the end of the Term hereof to remove any furniture, trade fixtures or other personal property placed in the Premises, provided that Tenant promptly repairs any damage to the Premises caused by such removal and provided further that all such removal and/or repairs are completed by the Expiration Date of this Lease.

7.03 Late Charges. In the event that Tenant fails to pay any sum due under any provisions of this Lease (including, without limitation, Rents, costs, charges, Additional Rents, or reimbursements) when due as herein provided, then, such sum shall bear interest at the highest legal rate not to exceed eighteen (18%) percent per annum calculated from said due date. The payment of such interest shall not excuse or cure any default by Tenant under this Lease. Tenant shall, in addition, pay a late charge of \$50.00 for processing of late payments. Such interest and late charges shall be considered Additional Rent under the provisions hereof, the non-payment of which shall be considered a default on the part of Tenant and shall entitle Landlord to exercise all of its rights and privileges hereunder.

7.04 Notices. All notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been received on the date delivered in person or deposited in the United States Mail, registered or certified, return receipt requested, or by a nationally recognized overnight courier, to the following addresses, or to such other addresses as specified by written notice delivered in accordance herewith:

If to Landlord: PO Box 8386
Asheville, NC 28814

With a copy to: Lindsay P. Thompson, Esq.
Van Winkle, Buck, Wall, Starnes & Davis, P.A.
Post Office Box 7376 (28802)
11 North Market Street
Asheville, North Carolina 28801

If to Tenant: Laurel Park ABC Board
1709 Brevard Road
Hendersonville, NC 28791

With a copy to:

Notices shall be in writing. The time of mailing shall be the time of the notice.

MISCELLANEOUS

8.01 Attorney's Fees. Tenant shall pay reasonable attorney's fees of Landlord in the event Landlord is required to use the services of an attorney for the enforcement against Tenant of any of the terms, covenants or provisions hereof. Additionally, if legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney's fees and court costs incurred in connection with the proceeding.

8.02 Time of Essence. Each of Tenant's covenants herein is a condition and time is of the essence with respect to the performance of every provision of this Lease, and the strict performance of each shall be a condition precedent to Tenant's rights to remain in possession of the Premises or to have this Lease continue in effect.

8.03 Holding Over. Should Tenant, with or without Landlord's written consent, hold over after the expiration or earlier termination of this Lease, Tenant shall become a tenant at will and shall be bound by each and all of the terms herein provided as may be applicable to such tenancy at will. Any such holding over shall not constitute an extension of this Lease by law or otherwise. During such holding over, Tenant shall pay Rent, Common Area Costs, and other charges hereunder, at that rate equal to two hundred fifty percent (250%) of the rate or rates then applicable under the provisions of this Lease.

8.04 Waiver. No waiver by Landlord of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent or continuing breach by Tenant of the same or any other provision. Landlord's consent to or approval of any act by Tenant shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act. No agreement to accept Tenant's surrender of the Premises shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of the Lease or surrender of the Premises.

8.05 Successors and Assigns. Except as otherwise provided in this Lease, all of the covenants, conditions, and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, administrators, successors and assigns, when permitted hereunder; it is understood and agreed, however, that the term "Landlord" as used in this Lease, means only the owner or the landlord for the time being of the Shopping Center of which the Premises are a part, so that in the event of any sale or sales of the Shopping Center or of any lease thereof, Landlord named herein shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder accruing thereafter, and it shall be deemed without further agreement that the purchaser or the tenant, as the case may be, has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder during the period such party has possession of the Land and the Shopping Center.

8.06 Headings, Captions and References. The article and section captions contained in this Lease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms "Landlord" and "Tenant" as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders and, if there be more than one tenant, the obligations herein imposed upon Tenant shall be joint and several.

8.07 Landlord and Tenant Relationship. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any other party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, nor any other provision contained herein nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than that set forth in Section 8.08 hereinbelow.

8.08 No Estate By Tenant. This Lease shall create the relationship of Lessor and Lessee between Landlord and Tenant, no estate shall pass out of Landlord, and this Lease shall not be subject to levy and/or sale and shall not be assignable by Tenant except as provided in Article 4 hereof.

8.09 Entire Agreement and No Offer. This Lease constitutes the entire agreement, intent and understanding between the parties hereto with respect to the subject matter hereof and no prior or contemporaneous agreement or understanding with regard to any matter shall be effective for any purpose unless reduced to writing herein. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successor in interest. The submission of this Lease for examination or consideration by Tenant shall not constitute an offer to lease by Landlord nor a reservation of space and this Lease shall be effective only upon execution and delivery hereof by both Landlord and Tenant.

8.10 Representations. Tenant acknowledges that neither Landlord nor Landlord's employees or contractors have made any representations or promises with respect to the Premises, the Shopping Center, or this Lease except as expressly set forth herein and that Tenant shall have no claim, right or cause of action based on or attributable to any representation or promise allegedly made by Landlord, its agents, employees or contractors which is not expressly set forth herein.

8.11 Jurisdiction. The laws of the State of North Carolina shall govern the interpretation, validity, performance and enforcement of this Lease.

8.12 Landlord's Liability. It is understood and agreed that there shall be no personal liability on Landlord in respect to any of the covenants, conditions or provisions of this Lease, in the event of a breach or default by Landlord of any of its obligations under this Lease, Tenant shall look solely to the equity of Landlord in the Shopping Center.

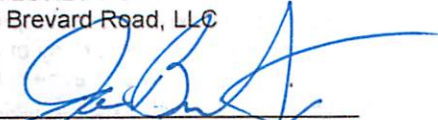
8.13 Estoppel Agreements. Tenant agrees that from time to time, at reasonable intervals, within ten (10) days after written request by Landlord, Tenant will execute, acknowledge and deliver to Landlord or to such other party as may be designated by Landlord, a certificate stating that: this Lease is in full force and effect and has not been modified, supplemented or amended in any way, except as indicated in such certificate; that all conditions and agreements under this Lease to be performed by Landlord have been satisfied or performed, except as set forth in said certificate; that there are no existing defenses or offsets, except as indicated in said certificate; that Tenant has not paid any Rent in advance, except as indicated in said certificate; and that Tenant is not in default in the payment of Rent or any of the other obligations required of Tenant under this Lease.

8.14 Execution By Agent. It is acknowledged and agreed that if this Lease is executed by an agent on behalf of Landlord, such agent is acting solely in his or its capacity as agent for Landlord and neither such agent or its officers, directors, shareholders or employees shall have any liability under this Lease for any act or omission of Landlord hereunder, and Tenant shall look solely to Landlord with respect to all covenants and agreements of Landlord contained in this Lease.

8.15 Termination in the Event of Privatization. In the event that the State of North Carolina should adopt legislation to privatize the ABC system for liquor sales, the Laurel Park ABC store would cease to exist after liquidation of store assets. If this event should occur, the lease agreement between 1715 Brevard Road, LLC, ("Landlord") and the Laurel Park ABC Board ("Tenant") shall be terminated upon written request from the Tenant at no additional costs to the store.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Agreement as of the Lease Date set forth in the Fundamental Lease Provisions.

LANDLORD:
1715 Brevard Road, LLC

By: 
Title: MEMBER / MGR

TENANT:
Laurel Park ABC Board

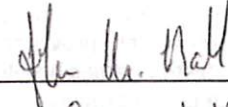
By: 
Title: General Manager

EXHIBIT A

RULES AND REGULATIONS

1. The sidewalks, roadways, and other public portions in the Shopping Center shall be used by each tenant for the purpose solely of ingress and egress to and from the Premises so demised to the tenants, and there shall be no "sidewalk sales" without the prior written consent of Landlord.

2. All waste paper, refuse, and garbage shall be kept by tenant in metal trash cans, with covers to be located at the rear of the store, such waste paper, refuse and garbage to be removed at the Tenant's expense. (Where dumpsters are provided, same shall be used instead of metal trash cans.) Tenant will maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; including keeping any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises until removed; and have such garbage, trash, rubbish and refuse removed on a daily basis;

3. Each tenant shall keep the exterior and interior portions of its store, all windows, doors, and all other glass or plate fixtures in a clean condition. Each tenant shall keep its display window(s) illuminated during such hours as the windows throughout a major portion of the Shopping Center are illuminated. If necessary, replace promptly any cracked or broken glass of the Premises with glass of like grade and quality

4. No tenant shall keep or permit to be kept on its premises any inflammable or combustible fluid, chemical, or explosives, nor shall any tenant keep or permit to be kept on its premises or elsewhere in the Shopping Center a satellite antenna or similar device(s).

5. Each tenant shall conduct its business in an orderly manner in the best interests of the Shopping Center. No tenant shall permit noises from the use of any radios, televisions, loudspeakers, talking machines, phonographs, or other instruments to reach outside its premises, which will in the sole judgment of the Landlord interfere in any way with other tenants in the Shopping Center.

6. No tenant shall burn any trash or garbage of any kind in or about the building(s), or on the grounds of the Shopping Center.

7. The plumbing facilities shall be used for the purposes for which they have been constructed, and no foreign substance of any kind shall be thrown therein. The expense of any breakage, stoppage, or damage resulting from a violation of this provision caused by any tenant, its employees, agents, or invitees shall be borne by such tenant.

8. The Landlord reserves the right to amend, rescind, or waive any of these rules or regulations listed herein, and further to make such other reasonable rules and

regulations as may from time to time seem necessary or desirable, and any such other and further rules and regulations shall be binding upon each tenant.

9. The Landlord reserves the right to control and operate the Common Areas of the Shopping Center in such manner as the Landlord deems necessary or desirable for the best interests of the Shopping Center and the tenants and for the protection of the buildings and other property in the Shopping Center. The Landlord, however, shall not be liable to any tenant for any damages arising out of such control and operation.

10. Tenant shall keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises.

11. Tenant shall comply with all laws, ordinances, rules and regulations of governmental authorities and all recommendations of Landlord's fire insurance rating organization now or hereafter in effect.

12. Tenant shall keep the Premises sufficiently heated to prevent freezing in water pipes.

13. Tenant shall comply with and observe all rules and regulations established by Landlord from time to time which apply generally to all retail tenants in the Shopping Center.

14. Tenant shall maintain sufficient and seasonal inventory and have sufficient number of personnel to maximize sales volume and daily operations in the Premises.

15. Tenant shall conduct its business in all respects in a dignified manner in accordance with high standards of store operation consistent with the quality of operation of the Shopping Center as determined by Landlord and provide an appropriate mercantile quality comparable with the entire Shopping Center.

16. Tenant will not place or maintain any merchandise, trash, refuse or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises so as to obstruct any driveway, corridor, footwalk, parking area or any other Common Areas.

17. Tenant will not use or permit the use of any objectionable advertising medium such as, without limitation, flashing lights, loudspeakers, phonographs, public address systems, sound amplifiers, reception of radio or television broadcasts within the boundaries of the Shopping Center, which is in any manner audible or visible outside of the Premises.

18. Tenant will not cause or permit objectionable odors to emanate or to be dispelled from the Premises.

19. Tenant will not solicit business in the parking area or any other Common Areas.

20. Tenant will not distribute handbills or other advertising matter to, in or upon any automobiles parked in the parking areas or in any other Common Areas.

21. Tenant will not permit the parking of vehicles so as to interfere with the use of any driveway, corridor, footwalk, parking area or other Common Areas.

22. Tenant will not receive or ship articles of any kind outside the designated loading areas for the Premises.

23. Tenant will not use any Common Areas for the sale or display of any merchandise or for any other business, occupation or undertaking; nor conduct or permit to be conducted any auction, fire, going out of business, bankruptcy, or other similar type sale in or connected with the Premises (but this provision shall not restrict the absolute freedom of Tenant in determining its own selling prices, nor shall it preclude the conduct of periodic seasonal, promotional or clearance sales).

24. Tenant will not use or permit the use of any portion of the Premises for any unlawful purpose or for any activity of a type which is not generally considered appropriate for similar shopping centers conducted in accordance with good and generally accepted standards of operation;

25. Tenant will not place a load upon any floor which exceeds the floor load which the floor was designed to carry;