
**LAKE GASTON SHOPPING PLAZA
LEASE**

**2467 Eaton Ferry Rd.
Littleton, N.C. 27850**

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EXHIBITS

- A Site Plan/Leased Area Location
- B Description of Tract of Land
- C Stipulation of Term of Lease
- D Landlord's Work
- E Tenant's Work
- F Sign Criteria

AGREEMENT made this _____ day of _____, 200_, by and between Raymond Hippele dba Zim Realty & Development Co. with offices at 50 Acorn Dr., Diamond Pt., New York, 12824 hereinafter referred to as the "Landlord," and _____ hereinafter referred to as the "tenant."

ARTICLE 1

Premises

1.1 – Premises

Landlord hereby demises and leases to Tenant and Tenant hereby rents from Landlord those certain premises in the Lake Gaston Shopping Plaza (hereinafter the "Plaza"), which is located in the Town of Littleton, County of Warren and State of North Carolina, which premises consists of approximately _____ square feet (hereinafter the "Premises"). The Premises are shown crosshatched on the copy of the Site Plan of the Plaza attached as Exhibit A. The Premises shall not be deemed to include either the land lying thereunder or the roof of the building in which said Premises are located or any area beyond the midpoint of any interior wall. Landlord reserves unto himself, his successors and assigns, the use of said land, walls and roof of the building, together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and structural elements leading through the Premises in locations which will not materially interfere with Tenant's use of the Premises.

1.2 – Plaza

Landlord is the owner of a tract of land (sometimes herein referred to a "Landlord's Tract") described in Exhibit B attached. The depiction of the Plaza in Exhibit A does not constitute a representation, covenant or warranty of any kind by Landlord. Landlord reserves the right to change the size and dimensions of the Plaza, the number and location of buildings, building dimensions, store dimensions, identity and type of other stores and tenancies, and as provided in Paragraph 6.02, the Common Areas and Common Facilities.

1.3 – Use of Premises

Tenant shall use the Premises solely for the purpose of conducting the business of

ARTICLE 2

Term of Lease

2.01 – Initial Term

The initial term of this Lease shall be _____ years.

2.02 – Commencement of Term

(a) The term of this lease shall commence _____. However, if Tenant opens for the conduct of its business in the Premises earlier than the date so determined, the term of this Lease shall commence upon the date Tenant opens for the conduct of its business in the premises. Notwithstanding the foregoing, the Tenant shall be entitled to occupy the premises as of _____.

(b) Lease payments shall commence on _____.

In the event Tenant shall fail to open for business at the premises on or before the date that is set forth in Paragraph 2.02(a) above, Tenant covenants and agrees to pay to Landlord, upon receipt of notice from Landlord of the amount due under this subparagraph 2.02 (c) as liquidated damages occasioned by Landlord due to Tenant's failure to open, a sum (in addition to any rent due hereunder) at the rate of twice the per diem rate (using a thirty (30) day month) of fixed

monthly rent provided in paragraph 3.01 below for each and every business day that Tenant has failed to open for business.

The parties agree to execute and deliver a written stipulation of term of lease in the form attached hereto as Exhibit C prepared by Landlord expressing the commencement and termination dates of the term hereof when such dates have been determined. The date of commencement of the term of this Lease is hereby referred to as the "Term Commencement Date." The word "term" shall, unless otherwise provided to the contrary, be deemed to include the initial and any renewal term.

2.03 – Surrender of Premises

At the expiration of this Lease, Tenant agrees to surrender the Premises in good condition and broom clean, reasonable wear and tear excepted. Walls shall be returned in like condition and painted to the original vanilla box white as accepted by tenant at lease commencement.

ARTICLE 3

Rents, Taxes, Lease Year and Security Deposit

3.01 – Rent

Tenant agrees to pay to Landlord, without and deduction of set-off whatsoever, fixed annual rent, as follows:

Lease Year	Fixed	Fixed	Fixed	Initialed by	
	Rent Per Square Foot	Rent Per Month	Rent Per Year	Landlord	Tenant

1

2

3

4

5

6

7

Payable in equal monthly installments of \$_____ each (sometimes referred to herein as "the fixed monthly rent") in advance upon the first day of each calendar month during the term hereof.

CPI Rent Adjustments- The base rent shall be adjusted yearly at each lease anniversary date in the same percentage as the "Consumer Price Index-All items-U.S. City Average" has changed in the prior year, minimum 3%.

If the term shall commence or terminate upon a day other than the first (or in the case of termination of the last) day of the calendar month, then Tenant shall pay, upon the Term Commencement Date, a pro-rata portion of the fixed monthly rent for the first month.

3.02 – Real Estate Taxes and Common Areas and Mall Charges

(a) Tenant covenants and agrees to pay to Landlord, as additional rent during the term of this Lease, the amount of taxes and assessments levied and assessed upon the demised premises (including a proportionate share of the land and improvements comprising the Common Areas). All taxes assessed prior to but payable in whole or in installments after the Commencement Date, and all taxes assessed during the term but payable in whole or in installments after this Lease terminates, shall be adjusted and prorated, so that Tenant shall pay its pro rata share for the Lease term. The additional rent provided for in this Paragraph shall be an estimated charge which shall be payable in equal monthly installments in advance without prior demand being made therefore and without offset of any kind. Tenant's share of real estate taxes shall be adjusted annually to reflect the actual real estate taxes incurred during the receding tax year. In the event the monthly installments are not sufficient to meet the actual expenses for the tax year, Tenant shall pay a pro rata share of the additional amount within ten (10) days of receipt of an invoice showing proof of the amount paid and calculation of the Tenant's portion thereof. Any overpayments shall be adjusted annually and credited to the amount due for the next successive year. **Estimated Cam charges for the first lease year are \$ per sf.**

In the event the demised premises (including a proportionate share of the land and improvements comprising the Common Areas) are not separately assessed but are part of a larger parcel for assessment purposes, Tenant shall pay Tenant's proportionate share of said taxes and assessments on the larger parcel, which shall be determined by multiplying the total taxes and assessments by a fraction, the numerator of which shall be the floor area of the demised premises and the denominator of which shall be the floor area of the shopping center. As used herein, the term "floor area" shall be deemed to mean and include all areas for the exclusive use and occupancy by a tenant of Landlord, measured from the exterior surface of exterior walls and from the center of interior walls serving as partitions between tenants, including any and all mezzanine, storage, office, and employee areas.

If for any reason whatsoever Landlord shall protest any such tax or assessment relating to the demised premises or the Shopping Center, Tenant agrees to pay Landlord, regardless of whether such protest is successful or unsuccessful, within thirty (30) days after receipt of a written statement from Landlord in this regard, an amount equal to (i) all costs relating to such protest if the contested taxes or assessments are levied on the demised premises only or (ii) Tenant's proportionate share of such costs if the contested taxes or assessments are levied on the Shopping Center.

(b) Tenant agrees to, and shall, pay to Landlord, before any fine, penalty, interest or cost is added thereto for the non-payment thereof, any tax that may be levied, assessed or imposed, by way of license or otherwise, upon the rent reserved herein and/or this lease and/or the demised premises by any governmental authority acting under any present or future law, statute, ordinance or the like.

(c) Tenant agrees to pay to Landlord, as additional rental, Tenant's proportionate share of the costs ("Operating Costs") of maintaining, operating, repairing, replacing and insuring the "Common Areas" (hereafter defined), which amount (hereafter called the "Common Area Charge") shall be computed by multiplying such costs for the calendar year in question by a fraction, the numerator of which is Tenant's floor area and the denominator of which is the leaseable floor area in the Shopping Center. Such Common Area Charge shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord at the beginning

of each twelve (12) month period, Commencing and ending on dates designated by Landlord, each installment being due on the first day of each calendar month. At any time during each twelve (12) month period, Landlord may re-estimate Tenant's proportionate share of Landlord's operating costs and adjust Tenant's monthly installments payable thereafter during such twelve (12) month period to reflect more accurately, Tenant's proportionate share of the Operating Costs.

The term "Operating Costs" means all costs and expenses of every kind and nature paid or incurred by Landlord (including reasonable and appropriate reserves) in operating, managing, equipping, policing (if and to the extent security services are provided by Landlord), lighting, repairing, replacing, maintaining and insuring all parking facilities, and all other common areas of Shopping Center (including, but without limitation, all landscaping and gardening). Such costs and expenses shall likewise include, but shall not be limited to, water and sewer charges, storm water charges, premiums for liability, property damage, fire (with "all risk" endorsement if applicable), rent loss, workmen's compensation, and other insurance (including all insurance, hazard, rent and otherwise, carried by Landlord on all structures in the Shopping Center) and the cost of heating, ventilating and air conditioning any enclosed areas which are a part of the common Areas and the cost of maintenance, repair and replacement of such equipment; the cost to Landlord for management; all repairs to the buildings of the Shopping Center including roof repairs and all other equipment used in the operation of the Common Areas; and administrative costs equal to ten percent (10%) of the total costs of operating and maintaining the Common Areas (less appropriate reserves and cost for management); but there shall be excluded costs of equipment or property chargeable to capital accounts and depreciation of the original costs of constructing said buildings, parking facilities, enclosed malls and other areas. Within one hundred eighty (180) days after the end of each calendar year or partial calendar year of the Lease term, Landlord will furnish to Tenant a statement showing in reasonable detail the Shopping Center's operating cost for the prior year and Tenant's monthly installments on the common areas and facilities charge for the then calendar year. Tenant shall pay any deficiency in Tenant's common areas and facilities charge with respect to both the prior calendar year or partial calendar year and the then calendar year (as a result of any delay in adjusting the monthly common areas and facilities charge for then Calendar Year) contemporaneously with the next regular installment of Tenant's common areas and facilities charge, which shall be adjusted to reflect Landlord's estimate of the Shopping Center's operating cost for the then calendar year. Landlord shall credit any excess payments made by Tenant against the next regular installment of Tenant's common areas and facilities charge.

3.03 – Past Due Rent

If during the term of this Lease Tenant shall fail to pay the fixed monthly rent when the same is due and payable, Tenant shall pay to landlord, as liquidated damages for such late payment in addition such fixed monthly rent, without notice or demand by Landlord, a sum equal to one tenth (1/10th) of the amount thereof. If Tenant's failure to pay continues for more than thirty (30) days, Landlord shall have the right to impose as additional liquidated damages a sum equal to one tenth (1/10th) of the amount then due. Nothing contained in this paragraph shall be construed to be a limitation of or in substitution of Landlord's rights and remedies under Article 14.

3.04 – Definition of Lease Year and Partial Lease Year

The term "lease year" is defined to mean a period of twelve (12) consecutive calendar months, the first full lease year commencing on the first day of the month following the Term Commencement Date, and each succeeding lease year commencing on the anniversary of the commencement of the first full lease year. Any portion of the term, which is less than a lease

year, shall be deemed a “partial lease year” and computations requiring proration shall be prorated on a per diem basis using a 365-day year.

3.05 – Security Deposit

Tenant agrees to deposit with Landlord upon execution of this Lease the sum of \$ _____ not as prepayment of rent but as security for the faithful performance and observance by Tenant of the obligations and duties required of Tenant by this Lease. In the event Tenant defaults in respect of any of such obligations and duties including, but not limited to, the payment for construction items, if any, the payment of fixed monthly rent or part of the security so deposited to the extent required for the payment of any fixed monthly rent, for any sum which Landlord may expend or may be required to expend by reason of Tenant’s default in respect of any of the terms, covenants and conditions of this Lease. Upon notice by Landlord, Tenant shall pay to Landlord, within ten (10) days after demand therefore; any part of the security so used or applied by Landlord so the security may be restored to its original amount.

In the event that Tenant shall fully and faithfully comply with all the terms, provisions, covenants and conditions of this Lease, the security shall be returned to Tenant after the date of termination of the term of this Lease and after delivery of entire possession of the premises to Landlord. In the event of a sale or lease of the Plaza, Landlord shall have the right to transfer and assign the security to the vendee, assignee or lessee and Landlord shall thereupon be automatically released by Tenant from all liability for the return of such security; and Tenant shall look solely to the new landlord for the application or return of said security. Tenant will not assign or encumber the security, and neither Landlord nor his successors or assigns shall be bound by any such assignment or encumbrance.

ARTICLE 4

Construction of Improvements

4.01 – Tenant’s Obligation

Tenant shall at its cost and expense perform the work described in Exhibit E attached hereto (herein referred to as “Tenant’s Work”) in accordance with the Outline Specifications set forth in Exhibit F attached hereto. Tenant acknowledges its ability to perform such work and no delay in its performance shall cause or be deemed to cause any delay or postponement in the commencement of the term of this Lease. Tenant agrees at Tenant’s expense to obtain and maintain for so long as Tenant’s Work continues public liability insurance and Worker’s Compensation insurance adequate to fully protect Landlord as well as Tenant from and against any and all liability for death of or injury to person or damage to property caused in or about, or by reason of the construction of Tenant’s Work. Tenant shall furnish to Landlord certificates evidencing said coverage prior to the commencement of said Tenant’s Work.

ARTICLE 5

Conduct of Business by Tenant

5.01 – Use of Premises

Tenant shall use the Premises solely for the purposes as set forth in Paragraph 1.03. Tenant shall occupy the Premises on and after Term Commencement Date and shall conduct continuously in the Premises the business above stated. Tenant shall not conduct Internet or catalogue sales in or from the Premises except of merchandise which Tenant is permitted to sell “over the counter” in or at the Premises.

5.02 – Operation of Business

Tenant shall operate the Premises during the entire term of this Lease with due diligence. Tenant shall conduct its business in the Premises during the regular customary days and hours of such type of business in the trade area in which the Plaza is located. In the event Tenant ceases operation prior to the Termination Date of this Lease, Landlord shall have the option to seek specific performance of the operating covenant hereinabove set forth of to require Tenant to pay as liquidated damages, and not as a penalty, a sum equal to the greater of the amount of the fixed annual rental paid by Tenant during the expired portion of the term, or double the fixed annual rent for the remainder or unexpired portion of the term.

5.03 – Other Business Practices

(a) Tenant shall keep the Premises and all show windows and signs and loading area and other areas allocated for the sole use of Tenant in a good, neat and clean condition. Tenant shall keep store lobbies, windows, and window frames clean (inside & out) at all times and wash them weekly. Tenant shall keep any sidewalks and service area contiguous to or part of the Premises free of debris, rubbish and/or garbage and snow, upon two (2) days notice by Landlord of Tenant's failure to do so, Landlord may remove such debris, rubbish and/or garbage and charge Tenant therefore the actual cost of such removal plus eighteen percent (18%) for administration.

(b) Tenant shall load and unload its merchandise, equipment and supplies and remove its rubbish only by way of the truck loading area and service doors designated for Tenant/s use in the rear of the Premises.

(c) Tenant shall permit no act or practice which may tend to damage the building occupied by Tenant or its equipment, or be a nuisance to other tenants, or keep merchandise on or obstruct the sidewalks or areas outside the Premises, or conduct or permit any fire, bankruptcy, auction or going-out-of-business sales, or change the exterior color of the Premises or the color, size or location of any sign approved by the Landlord, or install any exterior lighting, or permit any loudspeakers, radio or televisions broadcasts to be heard outside the Premises, or sell or display merchandise outside the Premises or in or on the Plaza.

(d) In all printed material referring to the location of Tenant's Premises and in all advertising by newspaper, radio, television or otherwise, Tenant shall include in any reference to Tenant's place of business the name and, where appropriate, the symbol of the Plaza.

(e) Tenant shall comply with all further rules and regulations for the use and occupancy of the Plaza as Landlord from time to time promulgates for the best interest of the Plaza.

(f) Tenant agrees to store in the Premises only such merchandise as is to be offered for sale at retail within a reasonable time after receipt; to store all trash and refuse in adequate containers within the Premises and to maintain such containers in a healthy, safe, neat, odor free and clean condition and in a location so as not to be visible to members of the public shopping in the Plaza, and to attend to the daily disposal thereof in the manner designated by Landlord; and to conform to all rules and regulations which Landlord may make in the management and use of the Plaza requiring such conformance by Tenant and Tenant's employees. If the Premises are used for the sale of food for consumption therein, such as for a restaurant or snack bar, Tenant shall store all trash, refuse and garbage in a garbage storeroom or compartment which Tenant shall install and keep in repair at its sole expense.

ARTICLE 6

Common Areas and Common Facilities

6.01 – Definitions

The Term "Common Area" shall include that part of the Plaza which, by its nature, is not leasable to a Tenant for the purpose of sale of merchandise or the rendition of services to the general public within a fully Enclosed area.

The "Outside Area" shall mean that of the Plaza that is neither (a) leased to a tenant or which by

Its nature is not leasable to a tenant for the purpose of sale of merchandise, or the rendition of services to the general public within a fully enclosed area nor (b) part of the Common Area. The Outside Area shall include, but not necessarily be limited to, all areas, (other than the "Common Area") including parking areas, access road, driveways, retaining walls, landscaped areas, truck service ways or tunnels, utilities, pedestrian walks and outside courts, roofs, space, equipment, signs and special services provided by Landlord for the common or joint use and benefit of all tenants in the Plaza (including any expansion thereof to adjacent and contiguous land) their employees, agents, customers and other invitees.

6.02 – Use of Common Areas and Common Facilities

Landlord may at any time close temporarily any Common Areas to make repairs or changes, to prevent the acquisition of public rights therein, or to discourage non-customer parking, and may do such other acts in and to the Common Areas as in its judgment may be desirable to improve the convenience thereof. Tenant shall upon request furnish to Landlord the license numbers and descriptions of the cars operated by Tenant and its permitted concessionaires, officers, agents and employees. Tenant shall not at anytime interfere with the rights of Landlord and other tenants, and their permitted officers, employees, agents, customers, and invitees, to use any part of the parking area and other Common Areas. Landlord reserves the right to impose and collect parking charges. Tenant shall cooperate with Landlord to permit Landlord to remove snow, ice and debris from the Common Areas.

Article 7 Utilities

7.01 – Energy Costs and Water

(a) Tenant shall be responsible for, and shall promptly pay, all utility costs used by Tenant for Tenant's premises including, but not limited to, electric, natural gas, water, telephone and cable services.

(b) Tenant shall be responsible for, and shall promptly pay for, Tenant's refuse removal. All refuse shall be stored and removed in a clean and safe manner. If Landlord determines that Tenant, or Tenant's refuse hauler, fails to either store or remove Tenant's refuse in a clean and safe manner, Landlord may direct that Tenant engage a specified refuse hauler, in which event Tenant shall engage such refuse hauler and Tenant shall pay all charges therefor.

(c) Tenant agrees that Landlord shall not be responsible for any interruption of business or damages to the Premises resulting from interruption of utility service caused by any utility company or governmental regulatory agency.

Article 8 Fixtures, Alterations, Signs

8.01 – Installation by Tenant

All fixtures installed by Tenant shall be new or completely reconditioned. Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any trade fixtures, exterior sign, floor covering, interior or exterior lighting, plumbing fixtures, shades or awnings, or make any changes to the store front without first obtaining Landlord's written approval and consent. Tenant shall present to Landlord plans and specifications for such work at the time approval is sought.

8.02 – Removal and Restoration by Tenant

All alterations, decorations, and additions made by Tenant, or made by Landlord on Tenant's behalf by Agreement under this Lease, the cost of which is borne by Tenant, shall remain the property of the Tenant for the term of the Lease. Such alterations, decorations and additions shall not be removed from the Premises prior to the end of the term hereof without prior consent in writing from Landlord. Upon expiration of the term of this Lease and upon Tenant's vacating the premises, all such alterations, decorations and additions not so removed shall

become the property of Landlord. Tenant shall repair or cause to be repaired any damage to the Premises caused by such removal and shall leave the Premises broom clean and in good order, repair and condition, reasonable wear and tear and damage by fire or other unavoidable casualty expected. Tenant shall surrender all keys for the Premises. Any personal property of Tenant not removed, as hereinabove provided within five (5) days following the termination of this Lease shall, at Landlord's option, become the property of Landlord.

Article 9

Repairs and Maintenance

9.01 – Landlord's Obligation to Repair

Landlord agrees to repair and maintain in good order and serviceable condition the outside walls, structures and foundation of the building containing the Premises. There is excepted from this covenant the following, which shall be Tenant's responsibility:

- (1) Repair or replacement of broken plate or window and door glass;
- (2) Repair of damage caused by the act or omission of Tenant, its employees, agents contractors, customers, invitees and licensees;
- (3) Interior repainting and redecoration
- (4) Repairs to any loading areas not used in common with others; and
- (5) Repairs, which are the responsibility of Tenant in accordance with Paragraph 9.02.

Landlord shall not be required to commence any such repair until a reasonable time after written notice from Tenant that the same is necessary.

9.02 – Tenant's Obligation to Repair

Tenant shall repair and maintain in good order and condition the Premises, including but not limited plate and window glass, ceilings and floor coverings, and the plumbing, heating, air conditioning, fire alarm, sprinkler, electric and sewage systems, facilities, appliances and lighting fixtures. Further, Tenant shall make all repairs, alterations, additions or replacements to the Premises required by any order or regulation or any public authority; shall keep the Premises by Tenant.

Tenant agrees to maintain during the entire term of this Lease, at its cost, heating and air conditioning systems. Further, Tenant agrees during the entire term of this Lease to use the sprinkler service company designated by Landlord for any repairs or maintenance required under this paragraph.

If repairs are required to be made by Tenant pursuant to the terms hereof, Landlord may demand that Tenant make the same forthwith, and if Tenant refuses or neglects to commence such repairs and complete the same with reasonable dispatch after such demand, Landlord may make or cause such repairs to be made and shall not be responsible to Tenant for any loss or damage that may accrue to its stocks or business by reason thereof, and if Landlord makes or causes such repairs to be made, Tenant agrees that it will forthwith, on demand, pay to Landlord the cost thereof and if it shall default in such payment, Landlord shall have the remedies provided in Article 14 hereof.

9.03 – Article Not Applicable to Fire or Condemnation

The provisions of this Article shall not apply to the repair or damage caused by fire or casualty, nor shall these provisions apply to the taking under the power of Eminent Domain, which matter is covered under Article 13.

Article 10

Indemnity

10.1 – Indemnification

Tenant indemnifies Landlord (and such other persons as are in privity of estate with Landlord) and saves Landlord harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, from or out of the occupancy or use by Tenant of the Premises or any part thereof, or occasioned

wholly or in part by any act or omission of Tenant, its agents, contractors, employees, lessees or concessionaires. In case Landlord (and such other persons as are in privity of estate with Landlord) shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant agrees to protect and hold landlord harmless and to pay all costs, expenses and reasonable attorney's fees incurred or paid by landlord in connection with such litigation. Tenant agrees also to pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements in this Lease.

Article 11 Insurance

11.01 – Liability Insurance

At all times during the term of this lease Tenant shall, for the mutual benefit of Landlord and Tenant, maintain personal injury and property damage liability insurance against claims or bodily injury, death or property damage occurring on, in or about the Premises during the term of this Lease of not less than ONE MILLION DOLLARS (\$1,000,000.00) in respect of personal injury or death and of not less than TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) property damage and an aggregate of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) property damage. Within thirty (30) days after the execution of this lease Tenant shall provide Landlord with a Certificate containing evidence of such coverage.

11.02 – All Risk Insurance

The "Premises" for purposes of this paragraph and Article 12 shall be deemed to mean the building in which the Premises are situate, the appurtenances thereto, the equipment and other improvements constructed by Landlord and Tenant pursuant to Exhibits D and E, excluding Tenant's merchandise, trade fixtures, furnishings, equipment and personal property, wall coverings, carpeting and drapes. Tenant shall provide Landlord with a certificate setting forth the cost of Tenant's Work no less than fifteen (15) days prior to the Term Commencement Date as herein- above defined.

11.03 – Increase in Fire Insurance Premiums

Tenant covenants and agrees to promptly pay to Landlord, upon demand, the amount of any increase in the rate of insurance on the Premises or on any other part of the Plaza that (but for Tenant's act(s) of Tenant's permitting certain activities to take place which result in an increase in said rate of insurance) would otherwise have been in effect.

11.04 – Waiver of Subrogation

Each party hereto hereby waives on behalf of the insurers of such party's property and all claims or rights of subrogation of any such insurer against the other party hereto for loss of or damage to the property so insured other than loss or damage resulting from the willful act of such other party, and each party hereby agrees to maintain insurance upon its property, it being understood, however (a) that such waiver shall be ineffective as to any insurer whose policy of insurance does not authorize such waiver, (b) that it shall be the obligation of each party seeking the benefit of the forgoing waiver to request the other party (i) to submit copies of its insurance, and (ii) in case such waiver from the insurer thereunder, any additional charge for such waiver to be paid by the party requesting the benefit of said waiver; and (c) that no party shall be liable for the other under clause (b) hereof except for willful failure to comply with any request pursuant to said clause (b).

ARTICLE 12 Damage by Fire

12.01 – Restoration of Premises

The parties hereto mutually agree that if the Premises are partially or totally destroyed or damaged by fire or other hazard, then Landlord shall repair and restore the Premises as soon as is reasonably practicable to substantially the same condition in which the Premises were before such damage; provided that if the insurance proceeds collected or collectible and available to Landlord to pay the cost of such repairs and restoration by Landlord as a consequence of such destruction or damage are less than the estimated cost of such repairs and restorations, Landlord shall not be obligated to commence or perform such repairs and restorations and this Lease upon notice by Landlord to Tenant shall at the option of Landlord terminate unless Tenant undertakes (in form and upon terms satisfactory to Landlord) to pay the difference between such estimated cost and such insurance proceeds. If, however, the Premises are completely destroyed or so damaged that Landlord cannot reasonably restore or rebuild in four (4) months to substantially the same condition to which the Premises were before such damage, then Landlord shall receive the insurance proceeds, this Lease may be terminated by Tenant serving notice upon Landlord following the expiration of such sixty (60) days, but in no event may Tenant terminate this Lease after such repairs have been commenced by Landlord.

In the event the Premises are completely or partially destroyed or so damaged by fire or other hazard that they cannot be reasonably used by Tenant or can only be partially used by Tenant, and this Lease is not terminated as above provided, there shall be no abatement of rent, it being understood and agreed that Tenant shall at its discretion, cost and expense procure necessary insurance to protect itself against any interruption of its business.

12.02 – Restoration During Last Three Years

Anything in Article 12.01 to the contrary notwithstanding, if within three (3) years of the expiration of the initial term, or at any time during renewal term (if any) of this Lease, the Premises shall be damaged or destroyed by fire or otherwise, and the estimated cost of restoration exceeds Twenty-five Thousand Dollars (\$25,000.00), Landlord shall be under no obligation to repair and restore the Premises and at the election of Landlord by notice to Tenant the Lease shall terminate and Tenant shall not be entitled to any portion of the insurance proceeds, all of which shall become the property of Landlord unless Tenant shall notify Landlord in writing within thirty (30) days after receipt of such notice from Landlord that Tenant elects to enter into a modification of this Lease and within thirty (30) days thereafter: (a) Landlord and Tenant enter into a modification of this Lease by the terms of which the term of this Lease shall be extended ten (10) years beyond the scheduled end of the initial term (or renewal term if such damage or destruction occurs at any time during the renewal term) upon the same terms and conditions except that (b) the fixed annual rent effective upon the date of such modification agreement shall be, and Tenant covenants and agrees to pay, an amount equal to the product resulting from multiplying the fixed annual rent in effect at the date of the occurrence of such damage or destruction by the percentage (which shall in no event be less than 100%) found by dividing the index for the calendar month in which falls the Term Commencement Date under this Lease, said rent to be payable as the fixed annual rental thereafter. The “index” is defined as the “Consumer Price Index, All items” of the United States Department of Labor’s Bureau of Labor Statistics in effect and generally published for the same calendar month in which the damage or destruction occurred.

ARTICLE 13

Eminent Domain

13.01 – Eminent Domain

If the Premises, or such portion thereof as to render the balance wholly unsuitable for the purposes of Tenant, shall be taken by condemnation or the right of eminent domain, or by agreement between Landlord and those authorized to exercise such right (herein collectively referred to as the “condemnation proceedings”) either party upon written notice to the other shall be entitled to terminate this Lease provided that such notice is given

within thirty (30) days after Tenant has been deprived of possessions or use by such taking. Should any part of the Premises be so taken and should this Lease not be terminated in accordance with the foregoing provisions, Landlord agrees, promptly after such taking, to expend so much as may be necessary of the net amount which may be awarded to and received by it in such condemnation proceedings to restore the Premises to an architectural unit as nearly like its condition prior to such taking as shall in the judgment of Landlord be practicable with an appropriate abatement to be made in Tenant's fixed annual rent. Should the net amount so awarded to and received by Landlord be insufficient to cover the cost of restoring the Premises as estimated by Landlord's architect, Landlord may at its election supply the amount of such insufficiency and restore said Premises as above provided with all reasonable diligence, or terminate this Lease. Where

Tenant has not already exercised any right of termination accorded to it under this paragraph, Landlord shall notify Tenant of Landlord's election within ninety (90) days after the final determination of the amount of the award.

13.02 – Landlord Entitled to Award

Out of any award for any such taking of the Premises or any part thereof, Landlord shall be entitled to receive and retain the amounts awarded for such Premises, except that Tenant shall be entitled to receive and retain only such amounts which may be specifically awarded to it in any such condemnation proceedings because of the taking of its trade fixtures and its leasehold improvements which have not become a part of the realty. In the event of termination of this Lease as aforesaid, Tenant shall have no claim against the Landlord for the value of any unexpired term of its Lease as aforesaid, Tenant shall have no claim against the Landlord for the value of any unexpired term of its Lease and no right or claim to any part of the award on account thereof and Tenant hereby waives each such claim or right.

ARTICLE 14

Bankruptcy and Default Provisions

14.01 – Conditional Limitations

This Lease is subject to the limitation that if, at any time prior to or during the term, any one or more of the following events (herein called an "event of default") shall occur:

- (a) If Tenant or Tenant's guarantor, if any, shall make an assignment for the benefit of creditors, or
- (b) If the leasehold estate hereby created in Tenant shall be taken by execution or by other process of law, or
- (c) If any petition shall be filed against Tenant or Tenant's guarantor, if any, in any court whether or not pursuant to any statute of the United States or of any State, or any bankruptcy, reorganization, composition extension, arrangement or insolvency proceedings, and Tenant or Tenant's guarantor shall thereafter be adjudicated bankrupt, or such petition shall be approved by the Court, or the Court shall assume jurisdiction of the subject matter and if such proceedings shall not be dismissed within ninety (90) days after the institution of the same; or if any such petition shall be so filed by Tenant, or Tenant's guarantor; or
- (d) If, in any proceedings, a receiver or trustee is appointed for Tenant's property or the property of Tenant's guarantor and such receivership or trusteeship shall not be vacated or set aside within ninety (90) days after the appointment of such receiver or trustee; or
- (e) If Tenant shall vacate or abandon the Premises and permit the same to remain unoccupied or closed for business for more than twenty (20) days within any ninety (90) consecutive day
- (f) If Tenant or Tenant's guarantor, if any, shall fail to pay any installment of the fixed annual rent when the same shall become due and payable, and such failure shall continue for ten (10) days without notice from Landlord; or

- (g) If Tenant or Tenant's guarantor, if any, shall fail to pay any other charge required to be paid by Tenant, and such failure shall continue for ten (10) days without notice thereof from Landlord; or
- (h) If Tenant or Tenant's guarantor, if any, shall fail to perform or observe any other requirement of this Lease (not hereinbefore in this paragraph specifically referred to) on the part of Tenant to be performed or observed and such failure shall continue for thirty (30) days after notice thereof from Landlord to Tenant;

Then, upon the happening of any one of the aforementioned events of default, and the expiration of the period of time prescribed above, Landlord, in addition to the other rights and remedies it may have, shall have the right to immediately declare this Lease terminated, and all of the right, title and interest of Tenant hereunder shall wholly cease and expire upon receipt by Tenant of a Notice of Termination. Tenant shall then quit and surrender the Premises to Landlord; but Tenant shall remain liable as hereinafter provided.

ARTICLE 15

Compliance with Governmental Orders

15.01 – Ordinances and Violations

Throughout the term the Tenant will execute and comply with all laws, rules, orders, ordinances and regulations at any time issued or in force (except those requiring structural alterations), applicable to the demised premises or to the Tenant's occupation thereof, of the Federal, State and Local Governments, and of each and every department, bureau and official thereof, and of the New York Board of Fire Underwriters.

ARTICLE 16

Entry to Premises

16.01 – Entry to Premises

Throughout the term the Tenant will permit, at all times during usual business hours, Landlord and representatives of the Landlord to enter the demised premises for the premises for the purpose of inspection, and to exhibit them for purposes of sale or rental; suffer the Landlord to make repairs and improvements to all parts of the building, and to comply with all orders and requirements of governmental authority applicable to said building or to any occupation thereof; and suffer the Landlord to erect, use, maintain, repair, and replace pipes and conduits in the demised premises and to the floors above and below.

During seven (7) months prior to the expiration of the term hereby granted, applicants shall be admitted to all reasonable hours of the day to view the premises until rented; and the Landlord and the Landlord's agents shall be permitted at all times during the term to visit and examine them at any reasonable hour of the day, and workmen may enter at any time when authorized by Landlord or Landlord's agents, to make or facilitate repairs in any part of the building; and if Tenant shall not be personally present to open and permit and entry into said premises, at any time, when for any reason an entry therein shall be necessary or permissible hereunder, Landlord or Landlord's agents may forcibly enter the same without rendering the Landlord or such agents liable to any claim or cause of action for damages by reason thereof (if during such entry Landlord shall accord reasonable care to Tenant's property) and without in any manner affecting the obligations and covenants of this Lease; however, the right and authority hereby reserved does not impose, nor does the Landlord assume by reason thereof, any responsibility or liability whatsoever for the care or supervision of said premises, or any of the pipes, fixtures, appliances or appurtenances therein contained or therewith in any manner connected.

ARTICLE 17

Mortgages

17.01 – Mortgages

This lease shall be subject and subordinate at all time to the lien of any mortgages now on the demised premises, and to all advances made or hereafter to be made upon the security thereof, and subject and subordinate to the lien of any mortgage or mortgages which at any time may be made a lien upon the premises. The Tenant will execute and deliver such further instruments subordinating this Lease to the lien of any such mortgage or mortgages as shall be desired by any mortgagee or proposed mortgagee. The Tenant hereby appoints the Landlord the attorney-in-fact of the Tenant, irrevocably, to execute and deliver any such instrument or instruments for the Tenant.

ARTICLE 18

Notices

18.01 – Notices

Any notice or demand which under the terms of this Lease or under any statute must or may be given or made by the parties hereto shall be in writing and shall be given or made by mailing the same by certified or registered mail addressed to the respective parties at the addresses set forth in this Lease.

ARTICLE 19

Assignment

19.01 – Assignment

Tenant will not, without the written consent of the Landlord, either sell, assign, mortgage or transfer this lease, underlet the demised premises or any part thereof, or permit the same or any part thereof to be occupied by anybody other than the Tenant and the Tenant's employees.

ARTICLE 20

Covenant of Quiet Enjoyment

20.01 – Covenant of Quiet Enjoyment

Tenant, subject to the terms and provisions of this lease, and upon payment of the rent, and observing, keeping and performing all of the terms and provisions of this Lease on its part to be observed, kept and performed, shall lawfully, peaceably and quietly have, hold and enjoy the Premises during the term hereof on and after the Term Commencement Date; but this covenant, and his successors only with respect to breaches occurring during his and their respective ownership of Landlord's interest hereunder. If Landlord shall be unable to place Tenant in possession of the Premises at the Term Commencement Date by reason of the possession of the Premises by another tenant holding over under a lease, such inability by Landlord shall not constitute a default under this Lease and the Term Commencement Date shall be postponed until such date as such holdover tenant shall give up possession of the Premises and the term of this Lease shall be deemed to commence on the Term Commencement Date as postponed.

ARTICLE 21

Miscellaneous Provisions

21.01 – Holdover

Unless Tenant exercises a right to renew the Term expressly granted elsewhere herein or unless Landlord demands possession of the Premises before the end of the original or any renewal Term of this Lease, then this Lease shall automatically renew itself month to month, at twice the highest Base Rent rate, plus Percentage Rent and all other charges accruing under this Lease, and subject to all covenants, provisions and conditions herein contained. Landlord and Tenant shall both have the right to terminate the holdover tenancy upon thirty (30) days written notice. Tenant shall not interpose any counterclaim(s) in a summary proceeding or other action based on holdover.

21.02 – Limitation on Personal Liability

- (a) So Long as the Landlord is a corporation, Tenant shall look solely to the estate and property of the Landlord in the Premises for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of the Lease to be observed and/or performed by Landlord and any other obligation of Landlord created by or under this Lease, and no other property or assets of any officers, directors or shareholders shall be subject to levy, executive or other enforcement for the satisfaction of Tenant's remedies.
- (b) The term "Landlord" is limited to mean and include only the owner or owners at the time in question of the Premises and Lease and in the event of any transfer of title to the said Lease and/or the Premises, Landlord shall be automatically freed and relieved, from and after the date of such transfer and conveyance, of all liability with respect to the performance of any covenants and agreements on the part of the Landlord. Landlord or the grantor shall turn over to the grantee all right, title and interest of Landlord or such grantor thereto. The covenants and agreements contained in this Lease shall, subject as aforesaid, be binding on Landlord, its successors and assigns.

21.03 – Force Majeure

The period of time during which either party is prevented or delayed in the performance of the making of any improvements or repairs or fulfilling any obligation, other than the payment of fixed annual rent or any other payments required under this Lease, due to unavoidable delays caused by fire, catastrophe, strikes or labor trouble, civil commotion, Acts of God or the public enemy, governmental prohibits or regulations or inability to obtain materials by reason thereof, or other causes, beyond such party's reasonable control, shall be added to such party's time for performance thereof, and such party shall have no liability by reason thereof.

21.04 – Changes and Additions

Landlord hereby reserves the right at any time to make alterations or additions to, and to build additional stories on the building in which the Premises are located and to build adjoining the same. Landlord also reserves the right at any time, to construct decks or elevated parking facilities, and to install, maintain, use, repair and replace ducts, wires, pipes and conduits passing through or under the Premises serving other parts (now existing or hereafter added) of the Plaza, and to sell or lease any party of the land comprising the Plaza, as shown on the Site Plan attached hereto as Exhibit "A". The purpose of the attached Site Plan is to show the approximate location of the Premises within the Plaza and Landlord reserves the right at any time to relocate the various buildings, parking areas and other common areas show on said Site Plan; provided however, that there shall be no unreasonable obstruction of Tenant's right of access to the Premises or unreasonable interference with Tenant's use of the Premises.

21.05 – Attornment by Tenant

If at any time during the term if this Lease Landlord hereunder shall be the holder of a Leasehold estate covering the premises, and if such leasehold estate shall be cancelled or otherwise terminated prior to the expiration date thereof and prior to the expiration of the term of this Lease, or in the event of a surrender thereof; whether voluntary, involuntary or by operation of law, Tenant shall make full and complete attornment to the lessor of such leasehold estate for the balance of the term of this Lease, upon the same covenants and conditions as contained herein, so as to establish direct privity between the lessor and Tenant and with the same force and effect as though this Lease was made directly between lessor and Tenant. Tenant shall then make all rent payments thereafter directly to such lessor.

21.06 – Tenant Authorized to Do Business

Tenant represents, warrants and covenants that it is upon the date of execution hereof and throughout the term of this Lease that it shall continue to be authorized to do business in the state in which the Premises are located. Tenant, if a partnership, LLC or corporation, agrees to furnish to Landlord, upon request, evidence of authority for entering into this Lease.

21.07 – Law Governing, Effect and Gender

This lease shall be construed in accordance with the laws of New York and shall be binding upon the parties hereto and their respective legal representatives, successors and assigns.

21.08 – Complete Agreement

The lease contains and embraces the entire agreement between the parties hereto and it or any part of it may not be changed, altered, modified, limited, terminated, or extended orally or by any agreement between the parties unless in writing, signed and acknowledged by the parties hereto, their legal representatives, successors or assigns.

21.09 – Invalidity of Particular Provisions

If any term or provision of this lease shall be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this lease shall be valid and be enforced to the fullest extent permitted by law.

21.10 – Relationship of the Parties

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating a relationship of principal and agent, or partnership or joint venture between the parties. Neither the method of computation of rent, nor any other provision herein contained, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the Landlord and Tenant.

21.11 – The parties hereto acknowledge that this agreement was brought about through the procurement efforts of _____ and _____ and Landlord hereby agrees to pay to _____ rental commission in accordance with a certain listing agreement between Landlord and _____.

21.12 - In the event the center is operating, Landlord reserves the right to relocate Tenant within the Shopping Center at Landlord's sole expense. Such relocation shall not substantially interfere with Tenant's business operations.

21.13 – Tenant shall keep outdoor overhead sign and lights on in show windows or store from 10am until 9pm.

21.14 – No outside mailboxes or lockboxes are to be attached to the exterior of the building for any reason. Mail slots are to be utilized through glass entry doors if needed.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date first above written.

LANDLORD: RAYMOND HIPPELE

By: _____

TENANT:

By: _____

EXHIBIT A

EXHIBIT B

LEGAL DESCRIPTION

ALL THAT certain piece or parcel of land, with the buildings and improvements thereon and appurtenances thereunto belonging, situate, lying and being in the County of Warren, North Carolina, more particularly described and designated as "14.297 Acres Total" on that certain plat entitled "14.297 ACRES TOTAL RECOMBINATION FINAL PLAT SURVEYED AND MAPED FOR LAKE GASTON SHOPPING CENTER, L.L.C., ROANOKE TOWNSHIP, WARREN COUNTY, NORTH CAROLINA", dated September 29, 2003, prepared by Harry M. Williams, III, Professional Land Surveyor, which plat is recorded in the Office of the Register of Deeds of Warren County, North Carolina (the "Register's Office") in Plat Cabinet 1, Slide 212A, Plat 10, LESS AND EXCEPT that certain piece or parcel of land, with any buildings and improvements thereon and any appurtenances thereunto belonging, situate, lying and being in the County of Warren, North Carolina, more particularly described and designated as "Parcel "C", 1.180 Acres to Centerline", on that certain plat entitled "FINAL PLAT SURVEYED AND MAPPED FOR LAKE GASTON SHOPPING CENTER, L.L.C., ROANOKE TOWNSHIP, WARREN COUNTY, NORTH CAROLINA", dated September 16, 2003, prepared by Harry M. Williams, III, Professional Land Surveyor, which plat is recorded in the Register's Office in Plat Cabinet 1, Slide 212A, Plat 15.

Together with all rights and benefits set forth in that certain Declarations of Easements, Covenants and Restrictions, made March 3, 2004, by Lake Gaston Shopping Center, L.L.C. recorded March 18, 2004 in Book 770, Page 439, Warren County Registry, North Carolina.

Or (Lake Gaston II)

All that certain piece or parcel of land, with the buildings and improvements thereon and appurtenances thereunto belonging, situate, lying and being in the County of Warren, North Carolina, more particularly described and designated as "Parcel "C", 1.180 acres to Centerline", on that certain plat entitled "Final Plat surveyed and mapped for Lake Gaston Shopping Center, L.L.C., Roanoke Township, Warren County, North Carolina", dated September 16, 2003, prepared by Harry M. Williams, III, Professional Land Surveyor, which plat is recorded in the register's office in Plat Cabinet 1, Slide 212A, Plat 15.

EXHIBIT C

Stipulation of Term of Lease

Occupancy Date:

Initial Term Rent
Commencement Date:

Initial Term Rent
Expiration Date:

First Option
Renewal Date:

First Option
Expiration Date:

Second Option
Renewal Date:

Second Option
Expiration Date:

EXHIBIT D
Landlord's Work

Landlord, at its sole cost and expense unless otherwise provided, shall perform all labor, services and management and furnish all the labor, materials, plant and equipment necessary to complete, in a good, substantial and approved manner, the work described below in accordance with the Outline Specifications contained in Exhibit F attached hereto and made a part hereof.

EXHIBIT E
Tenant's Work

Tenant, at its sole cost and expense and in accordance with the Outline Specifications attached hereto as Exhibit F, shall perform all labor, services and management and furnish all the labor, materials, plant and equipment necessary to complete, in good substantial and approved manner, the work described herein, and shall bring the Premises to a finished condition ready for the conduct of Tenant's business therein. Said "Tenant's Work shall supplement that work to be performed by the Landlord herein referred to a "Landlord's Work, as set forth in Exhibit D.

EXHIBIT G SIGN CRITERIA

All tenants shall be required to install one sign meeting the following criteria:

1. Restrictions on Copy

- A. The wording of the sign shall be limited to store name only. Reference to merchandise or activity is prohibited.
- B. No logos will be allowed as a part of any sign unless approved by Landlord.
- C. Style of copy shall be determined by tenant; however, no script lettering shall be allowed.
- D. Color of copy shall be at Tenant's option, with Landlord's approval.

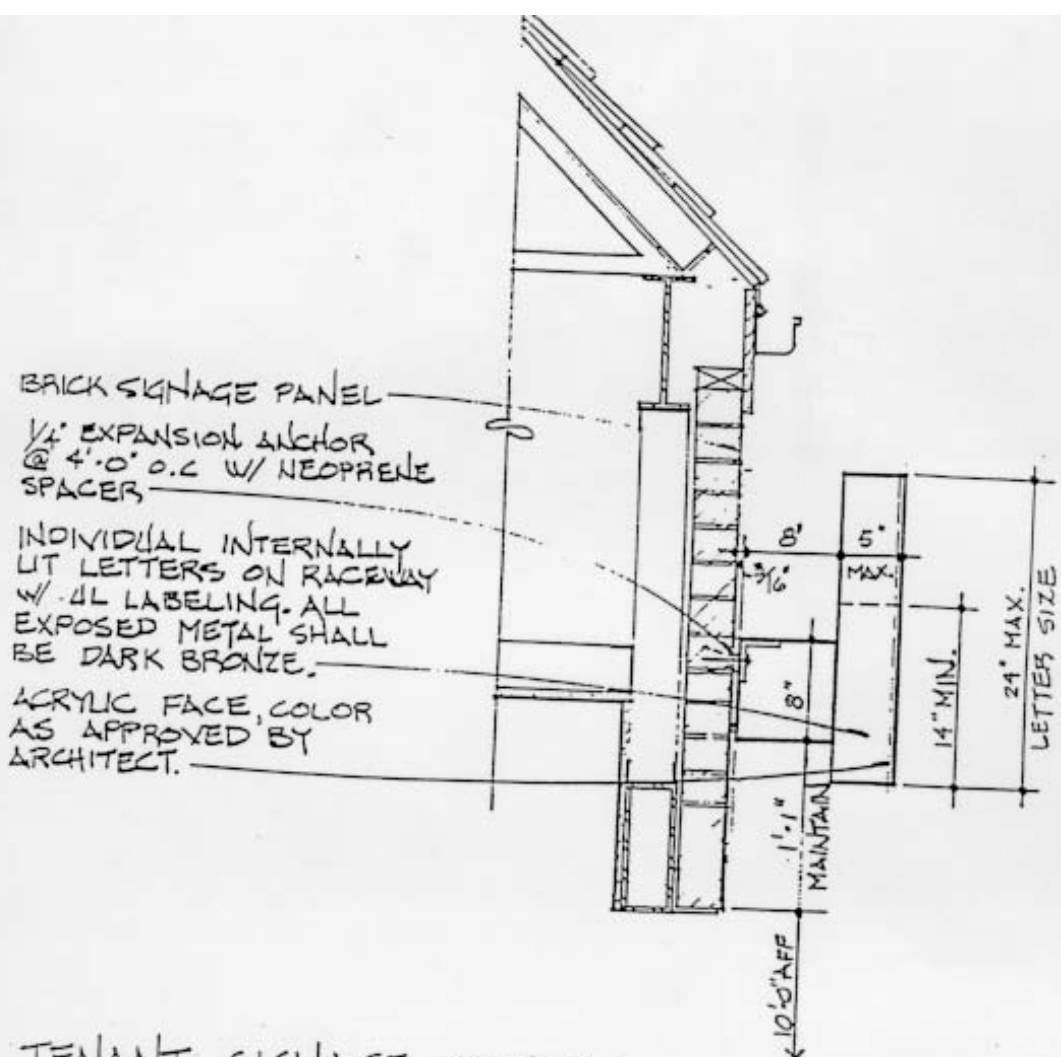
2. Materials and Conditions

- A. All signs shall be individual letters internally illuminated. No box or can type signs will be allowed. Exposed raceways are required (see sketch).
- B. All exposed metal parts shall be a non-corrosive material/aluminum.
- C. Letter faces shall be plastic, Rolm & Hass or equal, at least 3/16" thick.
- D. Illumination shall be internal, using a single white neon 15 m.m. tubing.
- E. UL labels will be required.
- F. Backs of all letters shall be closed.
- G. All exposed metal, including, but not limited to, letter sides and raceway, shall be dark bronze in color.
- H. See attached sketch for further information.

3. Configuration, Location and Installation

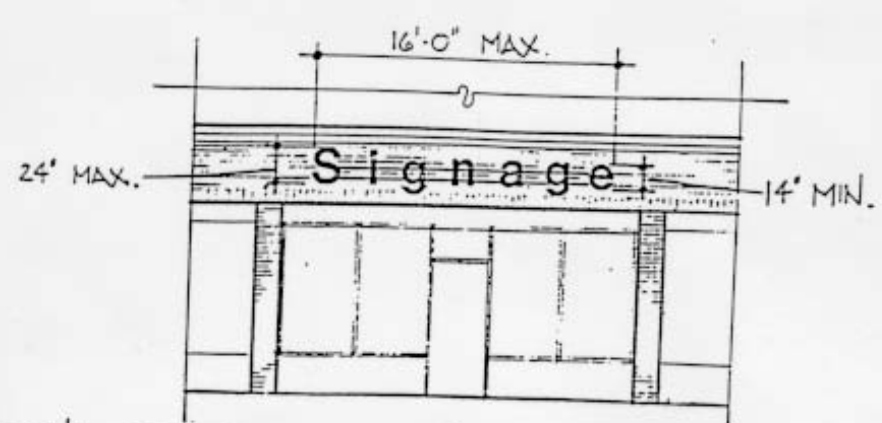
- A. Sign length shall be determined by City codes. In no event shall the length of the sign exceed 80% of the length of the storefront.

- B. Letter sizes shall be a maximum of 24" and a minimum of 14".
 - C. Use of exposed raceway is mandatory.
 - D. See attached sketch for further information.
4. Approval
- A. All tenants shall submit two (2) copies of their proposed sign to Landlord for approval. Drawing should show size of letters, depth of letters, method of installation, color of letter faces, all materials used and color of exposed metals.
5. General Notes
- A. Any signs installed without Landlord's approval which do not meet the sign criteria set forth above, shall be removed by Tenant at Landlord's request. If Tenant does not remove and replace within thirty (30) days from the date of written request to do so, Landlord shall remove at Tenant's expense.



TENANT SIGNAGE CRITERIA

SCALE: 1" = 1'-0"



SIGNAGE ELEVATION