

LEASE AGREEMENT

FACE PAGE

LEASE DATE:

April 1, 2024

LANDLORD:

DYNAMO 31 PROPERTIES, LLC, a North Carolina limited liability company, and BELMONT LAND AND INVESTMENT COMPANY, LLC, a North Carolina limited liability company, as tenants in common, or their assignees

LANDLORD'S NOTICE ADDRESS:

100 Main Street
McAdenville, North Carolina 28101
Attn: Fred Erickson

WITH COPY TO:

DYNAMO 31 PROPERTIES, LLC &
BELMONT LAND AND INVESTMENT COMPANY, LLC
c/o MECA Commercial Real Estate
2216 Monument Street
Charlotte, North Carolina 28208
Attn: Kathy Pressley

LANDLORD'S RENT PAYMENT ADDRESS:

DYNAMO 31 PROPERTIES, LLC &
BELMONT LAND AND INVESTMENT COMPANY, LLC
c/o MECA Commercial Real Estate
2216 Monument Street
Charlotte, North Carolina 28208
Attn: Kathy Pressley

TENANT:

Gaston County, NC

TENANT'S NOTICE ADDRESS:

Prior to the Rent Commencement Date:

Gaston County Manager's Office
128 West Main Avenue
Gastonia, NC 28052
Attn: Infrastructure & Asset Manager

From and after the Rent Commencement Date:

Same as above with copy to:

102 Main Street, Suite 120
McAdenville, North Carolina 28101
Attn: Tourism Director

PROJECT:

That certain project known as the Pharr Office Complex, with an address of 100 and 102 Main Street, McAdenville, North Carolina 28101, which is generally depicted on Exhibit A-2 attached hereto (the

“Project”), located on that certain real property bearing Gaston County Tax Parcel Number 209771, which is generally depicted on Exhibit A-1 attached hereto (the **“Real Property”**)

PREMISES:

Suite 120 containing approximately 4185 square feet (**“SF”**), located within the building on the Real Property having an address of 102 Main Street, McAdenville, North Carolina 28101 and more particularly depicted on Exhibit A-3 (**“Premises”**)

PERMITTED USE:

Professional Office Space

LANDLORD’S WORK:

None

TENANT’S WORK:

Alterations to the Premises that are required for the Permitted Use. As an accommodation to Tenant, Landlord to complete Tenant’s Work as documented in a Space Plan developed by Mills Planning & Design based on specifications provided by Tenant, which is generally depicted on Exhibit C-1 (**“Space Plan”**) at a total estimated cost not to exceed \$400,000 at Tenant’s expense.

TENANT IMPROVEMENT ALLOWANCE:

Up to \$25.00 per SF (i.e., \$104,625.00)

RENT COMMENCEMENT DATE:

The **“Rent Commencement Date”** shall mean the first day of the calendar month following the date Landlord completes Tenant’s Work (which shall be deemed to be completed when a certificate of occupancy (or temporary certificate of occupancy) is made available by the applicable governmental authority).

EXPIRATION DATE:

End of the month which is 120 months following the Rent Commencement Date.

INITIAL TERM:

A period beginning on the Rent Commencement Date and ending on the Expiration Date.

RENEWAL TERMS:

Two (2) additional periods of sixty (60) months each.

ANNUAL BASE RENT:

\$87,885.00 (based on \$21.00 per approximate SF); in addition, over the Initial Term, Base Rent shall include payments of the **“Financed Tenant Improvement”** in connection with Landlord’s funding up to \$295,375.00 on behalf of Tenant for Tenant leasehold improvements in addition to Landlord’s Tenant Improvement Allowance. The total amount of Financed Tenant Improvement funded by Landlord shall be limited to no more than Tenant’s total cost of its leasehold improvements less the amount of Tenant Improvement Allowance, with a maximum amount of \$295,375.00. If such Financed Tenant Improvement is less than \$295,375.00, Landlord shall amend the monthly Base Rent based on such lesser amount amortized over one hundred twenty (120) months at a 7.5% interest rate. [\$295,375

AMOUNT IS BASED ON LANDLORD'S REVIEW OF TENANT'S IMPROVEMENT PLAN AND AN ESTIMATE OF \$400,000 FOR THE TOTAL COST THEREOF; THE AMOUNT OF FINANCED TENANT IMPROVEMENT SHALL BE ADJUSTED FOR THE ACTUAL COST INCURRED BY LANDLORD BUT SHALL NOT EXCEED \$400,000.]

MONTHLY BASE RENT:

\$7,323.75, plus Financed Tenant Improvement payment in the amount of \$3,506.15 [BASED ON FINANCED TENANT IMPROVEMENT OF \$295,375.00; AMOUNT TO BE AMENDED BASED ON FINAL FINANCED AMOUNT]

**ANNUAL ESCALATION
PERCENTAGE:**

Three percent (3%), which for the Initial Term results in Monthly Base Rent (for this purpose, Monthly Base Rent excludes the Financed Tenant Improvement payment obligation which remain constant throughout the Initial Term) of \$7,543.46 beginning one year after the Rent Commencement Date; \$7,769.77 beginning two years after the Rent Commencement Date; \$8,002.86 beginning three years after the Rent Commencement Date; and so on.

**TAXES, INSURANCE &
COMMON AREA
MAINTENANCE (TICAM):**

Landlord estimates that Tenant's Proportionate Share of Property Taxes, Property Insurance and Common Area Maintenance for calendar year 2024 shall be \$5.23 per SF, equal to \$1,823.96 payable per month. Future rates will be determined based on annual budgets, with an adjustment to actual expenses following the end of each year beginning with the year ending December 31, 2024.

PROPORTIONATE SHARE:

17.56% (determined by dividing 4,185 square feet of space in the Premises by 23,827 square feet of total space in the Project)

SECURITY DEPOSIT:

\$9,091.91 (which equals a Monthly Base Rent of \$7,323.75 plus the initial monthly TICAM amount of \$1,768.16.

GUARANTOR:

None.

PARKING SPACES:

Twelve (12) unassigned parking spaces (which is approximately three (3) parking spaces for each 1,000 square feet of space in the Premises) during normal business hours (i.e., between 8:00 AM and 6:00 PM) on Monday through Friday; and at all other times, parking is on a first-come first serve basis.

SIGNAGE:

Signage for Dynamo 31 is to be provided by Landlord. Tenant shall not be provided exterior signage for the building. Interior wayfinding signage to be provided and installed by Landlord.

BROKERS:

ERIC R. CLAY with MECA Commercial Real Estate, as Landlord's broker.

ADDITIONAL TERMS:

Tenant to provide, promptly upon demand and in a form satisfactory to Landlord, appropriate documentation evidencing the due authorization of Tenant to enter into this LOI and the Lease Agreement.

LEASE AGREEMENT

This Lease Agreement including the Face Page and all exhibits and attachments hereto (“**Lease**”) is made, entered into and in full force and effect as of the date set forth on the Face Page, by and between **DYNAMO 31 PROPERTIES, LLC**, a North Carolina limited liability company, **BELMONT LAND AND INVESTMENT COMPANY, LLC**, a North Carolina limited liability company, as tenants in common, or their assignees (hereinafter referred to as “**Landlord**”), and **GASTON COUNTY**, a political subdivision of the State of North Carolina (hereinafter referred to as “**Tenant**”).

SECTION 1 PREMISES, PROPORTIONATE SHARE AND TERM

1.1. Premises; Common Areas. Landlord hereby demises and leases to Tenant, and Tenant hereby accepts and leases from Landlord, the Premises (defined on the Face Page of this Lease) together with all rights, privileges, easements, appurtenances, and amenities belonging to or in any way pertaining to the Premises. Tenant, its employees, agents, and invitees shall have the right, in common with others and subject to the exclusive control and management thereof at all times by Landlord, to the nonexclusive use of such of the areas as are from time to time designated by Landlord as the common areas of the Property, which shall include to the extent provided, any parking areas, sidewalks, roadways, loading platforms, restrooms, ramps, maintenance and mechanical areas, lobbies, corridors, elevators, stairwells and landscaped areas, and subject to such restrictions on the use thereof as Landlord may reasonably require. Landlord reserves the right to reasonably alter, add to or reduce the common areas.

1.2. Proportionate Share. Tenant’s proportionate share (“**Proportionate Share**”) shall be equal to a fraction which has as its numerator the SF of the Premises and as its denominator the total SF of the Project. Tenant’s Proportionate Share is shown on the Face Page of this Lease. Should the SF of the Project change at any time during the Term, as a result of a recalculation, reconfiguration or addition to the Project by Landlord, Landlord shall notify Tenant in writing of the new SF of the Project and Tenant’s new Proportionate Share, which new Proportionate Share shall replace the Proportionate Share in effect at such time and shall be used for all relevant calculations under this Lease.

1.3. Term; Renewal Terms. The term of this Lease (“**Initial Term**”) shall begin on the Rent Commencement Date and end at midnight on the Expiration Date. For the purposes of this Lease any reference to “**days**” shall be deemed to refer to calendar days unless specifically noted as “**business days**”. Provided that no Event of Default exists, Tenant shall have the option to renew and extend this Lease for the number of additional periods as shown on the Face Page of this Lease each under the same terms and conditions (each a “**Renewal Term**” and together the “**Renewal Terms**”), except that the Rent shall continue to increase during any Renewal Term on each anniversary of the Rent Commencement Date by the Annual Escalation Percentage. Tenant shall give Landlord written notice at least one hundred eighty (180) days prior to the expiration of the then current term of this Lease of Tenant’s election to renew and extend this Lease. The Initial Term and any Renewal Terms are hereinafter collectively referred to as the “**Term**”.

1.4. Preparation for Occupancy. Prior to the Rent Commencement Date, Landlord shall complete (or cause to be completed) the improvements set forth on Exhibit C that are designated as Landlord’s Work. As an accommodation to Tenant, Landlord shall complete (or cause to be completed) the improvements set forth on Exhibit C that are designated as Tenant’s Work.

1.5. Possession. Taking of possession by Tenant shall be deemed conclusively to establish that the Premises are in good and satisfactory condition, as of such date of possession. Tenant acknowledges that no representations or warranties as to the condition or repair of the Premises have been made by Landlord, unless such are expressly set forth in this Lease; and no representations or warranties have been made by Landlord as to the suitability of the Premises for the Permitted Use. Tenant acknowledges, represents and warrants that upon taking possession of the Premises, Tenant will have fully examined and inspected the Premises and will have accepted and will be fully satisfied in all respects and that the Premises will be accepted by Tenant “AS IS, WHERE IS.”

SECTION 2

MONTHLY BASE RENT AND ADDITIONAL RENT

2.1. Monthly Base Rent. Tenant agrees to pay to Landlord Monthly Base Rent (as defined on the Face Page of this Lease) for the Premises, in advance, without demand, deduction or set off, for the entire Term. One (1) such monthly installment shall be due and payable on the date hereof, and this payment shall be applied to the first payment due and payable under this Lease. On the one-year anniversary of the Rent Commencement Date and on each anniversary thereafter throughout the Term, Monthly Base Rent shall increase by the Annual Escalation Percentage (as defined on the Face Page of this Lease). Each installment of Monthly Base Rent shall be due and payable on or before the first day of each calendar month during the Term. The payment for any fractional calendar month at the commencement or end of the Term shall be prorated.

2.2. Additional Rent. Any payments due Landlord hereunder with respect to Operating Expenses (as defined in Section 5.1 of this Lease), or any other payment or reimbursement other than Monthly Base Rent shall be defined as additional rent (“**Additional Rent**”). Payments of Additional Rent shall be due and payable within twenty (20) days of the date of Landlord’s invoice to Tenant unless specified otherwise in Section 5 of this Lease.

2.3. Payment.

2.3.1. All Monthly Base Rent and Additional Rent shall be paid by Tenant directly to Landlord by check delivered to Landlord’s Rent Payment Address (as set forth on the Face Page of this Lease) or ACH (pursuant to any ACH instructions or requirements provided by Landlord). Tenant shall deliver installments of Monthly Base Rent to the Landlord, monthly, in advance, on the first day of each calendar month during the Term, except that Monthly Base Rent for the first month of the Term for which Monthly Base Rent is payable hereunder shall be paid simultaneously with the execution and delivery by Tenant of this Lease, and this Lease shall not be deemed executed and delivered until such first month’s Base Rent shall be so paid.

2.3.2. Landlord’s acceptance of any such sum or sums after the due date shall not excuse a delay in any future payment or constitute a waiver of any of Landlord’s rights hereunder. Tenant’s obligation to pay any installment of Monthly Base Rent or Additional Rent and the obligations of Landlord hereunder are independent obligations and Tenant’s obligation to pay such amounts shall not be deemed satisfied until such payments have been actually received by Landlord. In the event any check, draft or other instrument of payment given by Tenant is dishonored for any reason, Tenant agrees to pay to Landlord the sum of **\$50.00** on demand as Additional Rent in addition to any administrative fee or interest that may be due hereunder.

SECTION 3 LATE PAYMENT AND SECURITY DEPOSIT

3.1. Late Payment. In addition to all other rights and remedies provided Landlord, all Monthly Base Rent, Additional Rent and any other amount payable hereunder which remains unpaid for five (5) days after its due date shall be subject to an immediate administrative fee of ten percent (10%) of the unpaid amount, and in addition, shall bear interest from the date that the same became due and payable to and including the date of payment, whether or not demand is made therefor, at the rate of twelve percent (12%) per annum or, if lower, the maximum rate permitted by applicable law. The provision for such administrative charge and interest shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner.

3.2. Security Deposit. Tenant agrees to deposit with Landlord on the date hereof the Security Deposit (as defined on the Face Page of this Lease). The deposit shall be submitted directly to Landlord by check delivered to Landlord's Rent Payment Address (as set forth on the Face Page of this Lease). Landlord will hold the Security Deposit, without obligation for interest, as security for the performance of Tenant's covenants and obligations under this Lease. The Security Deposit will not be deemed an advance payment of any installment of Monthly Base Rent or Additional Rent, nor will the Security Deposit be deemed a measure of Landlord's damages for any Tenant default. Upon the occurrence of any Event of Default (as defined in Section 18 herein) by Tenant which is continuing beyond an applicable notice and cure period, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the Security Deposit to the extent necessary to make good any arrearages of Monthly Base Rent, Additional Rent or other payments due Landlord hereunder, and any other damage, injury, expense (including, without limitation, court costs and reasonable attorneys' fees) or liability caused by such Event of Default by Tenant; and Tenant shall pay to Landlord on demand the amount so applied in order to restore the Security Deposit to its original amount. Any remaining balance of such Security Deposit shall be returned to Tenant at such time after termination of this Lease that all of Tenant's obligations under this Lease have been fulfilled.

SECTION 4 SURRENDER OF PREMISES AND HOLDOVER

4.1. Surrender of Premises. Upon the expiration or termination of this Lease or the termination of Tenant's right of possession of the Premises, Tenant shall surrender and vacate the Premises immediately and deliver possession thereof to Landlord in a clean, good and tenantable condition, ordinary wear excepted. If the Premises are not surrendered in such condition and in accordance with Landlord's standard move-out policy, Landlord may undertake all necessary cleaning, trash removal and repair work, including, without limitation, removal of Tenant's equipment (including telecommunications equipment and wiring) and fixtures, all at the expense of Tenant, which expense Tenant shall pay on demand by Landlord. Without limiting its remedies, Landlord may apply any Security Deposit of Tenant against the cost of such work. Upon any termination which occurs other than by reasons of Tenant's default, prior to such termination Tenant shall be entitled to remove from the Premises all unattached and movable trade fixtures and personal property of Tenant without credit or compensation from Landlord, provided Tenant immediately shall repair all damage resulting from such removal and shall restore the Premises to a good and tenantable condition. If Tenant shall fail to remove any unattached and movable trade fixtures and personal property which Tenant is entitled to remove prior to any termination, Landlord may remove the same without any liability to Tenant. Any fixtures and personal property not so removed

upon the vacancy of the Premises by Tenant shall be conclusively presumed to have been abandoned by Tenant, and to the extent Landlord elects to accept the same, title to such property shall pass to Landlord without any payment or credit. Landlord may, at its option and at Tenant's expense, store and/or dispose of any such property remaining in the Premises.

4.2. Holdover. Tenant will, at the termination of this Lease by lapse of time or otherwise, yield up immediate possession of the Premises to Landlord, in accordance with Landlord's standard move-out policy, with all repairs and maintenance required herein to be performed by Tenant completed in accordance with Section 12 (e.g., with a contractor selected or approved by Landlord). If Tenant remains in possession after such termination without Landlord's written consent, such holdover shall not be deemed to be a renewal of this Lease but shall be deemed to create a month-to-month term which may be terminated by either party on the seventh (7th) day after written notice is delivered to the other party. In the event that any such holdover exists, all of the terms and provisions of this Lease shall be applicable during such holdover period, except that Tenant shall pay Landlord two hundred percent (200%) of the Monthly Base Rent in effect on the termination date, computed on a daily basis for each day of the holdover period. Tenant agrees to indemnify, defend and hold Landlord harmless from any and all claims, loss or damage arising from Tenant's holdover. Nothing contained in this Section 4.2 is intended to create any right on the part of Tenant to remain in possession of the Premises after the expiration or termination of the Term.

SECTION 5

TAXES, INSURANCE EXPENSE, AND OPERATING EXPENSES; UTILITIES

5.1. Operating Expenses Defined. The charges outlined in this Section 5.1, relating to the operation, maintenance and repair of the Project shall be referred to collectively as operating expenses ("**Operating Expenses**"). Operating Expenses shall include without limitation all taxes, assessments and governmental charges of any kind or nature whatsoever levied or assessed against the Project and any land, buildings or other improvements located on the property of which the Project is a part ("**Property**"), by any municipality, county, or other governmental authority ("**Taxes**"), the Insurance Expense (as such term is defined in Section 14.1 of this Lease), and any costs and expenses associated with the operation, maintenance, repair or replacement (including parts) of, without limitation: water and sewer services, electricity (excluding, however, any electricity that is separately metered (or sub-metered) pursuant to the terms of Section 5.7.1.), exterior window washing, exterior pest control, landscaping, irrigation and lawn maintenance, weekly garbage removal, sidewalks, curbs and gutters, parking lots and driveways, common signs for the Project, common area maintenance, common area lighting, common area and exterior painting, security services (if elected by Landlord), property management services (including administrative and operating costs), snow and ice removal (if Landlord elects to provide; it being understood and agreed that Landlord has no obligation to provide such services but may do so in coordination with its tenants), fire alarm system maintenance and monitoring, miscellaneous maintenance and repair expenses, fees or dues paid to any property owner's association, any and all storm water related fees and charges and any other fees or charges levied against the Project by an agency or other authority having jurisdiction, adequate reserve allowances for future expenses relating to the aforementioned costs, and a reasonable overhead charge for the administration of all such work.

5.2. Payment of Operating Expenses. Tenant shall pay to Landlord its Proportionate Share of Operating Expenses in accordance with the terms and conditions of this Section 5.

5.3. Monthly Payments. Landlord estimates that Tenant's Proportionate Share of Operating Expenses for calendar year 2024 shall be \$5.23 per SF (i.e. \$1,823.96 per month). Prior to the start of

each subsequent full or partial calendar year, Landlord shall give Tenant a written estimate of the amount of Tenant's Proportionate Share of Operating Expenses. During each month of the Term, on the same date that Monthly Base Rent is due, Tenant shall pay Landlord (as Additional Rent) an amount equal to 1/12th of Tenant's Proportionate Share of the estimated annual Operating Expenses. If Landlord has not furnished its written estimate for any calendar year by the time set forth above, Tenant shall continue to pay monthly Tenant's Proportionate Share of the estimated annual Operating Expenses in effect during the prior calendar year; provided that when the new estimate is delivered to Tenant, Tenant shall, at the next monthly payment date, pay any accrued estimated Tenant's Proportionate Share of the Operating Expenses based upon the new estimate.

5.4. Annual Reconciliation. After the completion of each calendar year during the Term, Landlord shall provide written notice to Tenant showing the actual Operating Expenses incurred by Landlord during such calendar year (the "**Actual Operating Expenses Amount**"). If Tenant's payments during such calendar year exceeded Tenant's Proportionate Share based on the Actual Operating Expenses Amount, Tenant shall receive a credit against its next due installment or Landlord may pay same directly in Landlord's discretion. If Tenant's payments during such calendar year were less than Tenant's Proportionate Share based on the Actual Operating Expenses Amount, Tenant shall pay as Additional Rent the amount owed to Landlord within twenty (20) days after written notice from Landlord. Any delay or failure by Landlord in delivering the written notice described herein shall not constitute a waiver of Landlord's right to require Tenant to pay any amount owed hereunder. Notwithstanding anything in this Section 5 to the contrary, commencing January 1, 2024, in no event shall the Actual Operating Expenses Amount (excluding, however, Non-Controllable Expenses) exceed the Actual Operating Expenses Amount (excluding, however, Non-Controllable Expenses) for the prior calendar year by more than five percent (5%). "**Non-Controllable Expenses**" shall mean Taxes, the Insurance Expense, costs for the utilities described above as being included in Operating Expenses, and costs for snow and ice removal.

5.5. Proration. If the first year and/or the final year of the Term do not coincide with the calendar year, all of Tenant's obligations hereunder to pay Tenant's Proportionate Share of Operating Expenses for such year(s) shall be prorated.

5.6. Final Year Adjustments. Prior to the expiration or earlier termination of this Lease, Landlord shall have the option to update its estimate of Operating Expenses for the calendar year of such expiration or termination, and Tenant shall pay to Landlord the amount, so estimated by Landlord, of Tenant's obligation hereunder for Tenant's Proportionate Share of Operating Expenses for the year in which the Lease expires or terminates. All such amounts shall be used and held by Landlord for payment of such obligations of Tenant hereunder, with Tenant being liable for any additional costs therefor upon demand by Landlord, or with any excess to be returned to Tenant after all such obligations have been determined and satisfied, as the case may be.

5.7. HVAC.

5.7.1 "HVAC" shall mean heating, ventilating, and air-conditioning systems. Pursuant to the terms of Exhibit C, Landlord shall provide HVAC to the Premises. The electricity serving the HVAC within the Premises may be separately metered (or sub-metered) so that Tenant's consumption can be measured. If so directed by Landlord, Tenant shall make any applications and connections necessary for this electricity serving the HVAC in the name of Tenant. Tenant shall be solely responsible for paying all electricity charges as they become due (whether billed to the Tenant by the Landlord or billed to the Tenant by the utility provider).

5.7.2. Landlord shall contract with an HVAC service company for the maintenance of the HVAC servicing the Premises. Tenant shall pay Landlord, within ten (10) days, for all costs actually incurred in connection with commercially reasonable maintenance of the HVAC pursuant to the terms of this HVAC service contract.

5.8. Utilities. For the avoidance of doubt, other than the services and utilities described above and included in Operating Expenses or described in Section 5.7., Landlord shall not supply any other services or utilities. All other applications and connections for necessary utility services to the Premises shall be made in the name of Tenant including without limitation services such as telephone, cable, internet, and janitorial. Tenant shall be solely responsible for paying these utility charges as they become due.

SECTION 6 USE AND COMPLIANCE

6.1. Use. The Premises shall be used and occupied for the Permitted Use only and for no other purpose without the prior written consent of Landlord. Outside storage, including without limitation, trucks and other vehicles, is prohibited without Landlord's prior written consent.

6.2. Compliance. Tenant covenants that it (a) shall comply with all governmental laws, ordinances and regulations (including specifically all zoning, access, and safety regulations) applicable to the operation of Tenant's business or use of the Premises, at Tenant's sole expense, (b) shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of any violations and any nuisances in, upon or connected with the Premises, all at Tenant's sole expense, (c) shall not permit any party acting by or through Tenant to take nor shall Tenant take any action, which would constitute a nuisance or would disturb or endanger any other tenants or occupants of the Project or unreasonably interfere with their use of their respective premises or the common areas of the Project, (d) shall not commit waste, overload the floor or structure of the Premises, and (e) shall (and cause its agents, contractors, employees and invitees to) abide by and conform to the Rules and Regulations attached hereto as Exhibit B and such further reasonable modifications thereof and additions thereto as Landlord may from time to time make or adopt so long as such are uniformly enforced against all tenants or occupants in the Project and do not materially increase Tenant's obligations to Landlord as set forth in this Lease or otherwise violate or contradict the terms of this Lease. Tenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, orders, judgments, ordinances, rules, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "**Legal Requirements**"). Tenant shall, at Tenant's sole expense, make any alterations or modifications, inside the Premises that are required by Legal Requirements related to Tenant's use or occupation of the Premises in accordance with Section 12 (e.g., with a contractor selected or approved by Landlord. Any occupation of the Premises by Tenant prior to the Rent Commencement Date shall be subject to all obligations of Tenant under this Lease. The failure to mention any specific statute, ordinance, rule, code, regulation, order, directive or requirement shall not be construed to mean that Tenant was not intended to comply with such statute, ordinance, rule, code, regulation, order, directive or requirement.

SECTION 7 HAZARDOUS SUBSTANCES

7.1. Definitions. As used in this Section, “**Hazardous Substance**” means any pollutant, contaminant, toxic or hazardous substance, hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, hazardous, ignitable, explosive, toxic or radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, petroleum products or any other substances the removal of which is required, or the manufacture, production, generation, use, maintenance, disposal, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized, by any federal, state or local statute, law, regulation or other legal requirement now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (U.S.C. 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. 1251 *et seq.*), the Clean Air Act (42 U.S.C. 7401 *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. 2601 *et seq.*), and the Occupational Safety and Health Act (29 U.S.C. 651 *et seq.*), as these laws and legal requirements have been or are in the future amended or supplemented.

7.2. Tenant Covenants. Neither Tenant nor anyone acting through Tenant shall use the Premises or any other part of the Project for the production, generation, manufacture, treatment, transportation, storage or disposal of any Hazardous Substance, except with the prior written consent of Landlord and in compliance with any and all applicable legal requirements. Tenant covenants with Landlord that it will: (a) deliver promptly to Landlord true and complete copies of all notices received by Tenant from any governmental authority with respect to the generation, storage or use by Tenant of any Hazardous Substance on, in or near the Premises; (b) permit entry onto the Premises by Landlord or Landlord’s representatives at any reasonable time during normal business hours to verify Tenant’s compliance with the provisions of this Section 7 and to monitor Tenant’s generation, storage or use of any Hazardous Substance, including, but not limited to the performance of testing required by Landlord, any governmental agency or lender to determine the status of any Hazardous Substance on or in the Premises; (c) pay to Landlord as Additional Rent, all of Landlord’s actual costs and expenses in connection with such entries, verification, monitoring and testing as well as the reporting therefor; and (d) complete fully, truthfully and promptly any questionnaires sent by Landlord with respect to Tenant’s generation, storage or use of any Hazardous Substance and any affidavits, representations and the like from time to time at Landlord’s request with respect to Tenant’s generation, storage or use of any Hazardous Substance.

7.3. Indemnity. Tenant hereby indemnifies, defends and holds harmless Landlord from and against any and all liabilities, expenses (including, without limitation, court costs and reasonable attorney fees), demands, damages, costs, losses, clean-up costs, actions, causes of action, claims for relief, penalties, fines and charges incurred, assessed, resulting from or arising out of the presence of any Hazardous Substance on, in or under the Premises or the Project (and any off-site property when such Hazardous Substance emanated from the Premises) resulting from the activities, operations or occupancy of Tenant or any act or omission of Tenant or Tenant’s employees, agents, visitors or invitees, regardless of whether Landlord shall have consented to, approved of, participated in or had notice of such act or omission or the presence of such Hazardous Substance. The provisions of this Section 7.3 shall survive the expiration or earlier termination of this Lease.

SECTION 8

LANDLORD’S REPAIRS AND MAINTENANCE

Landlord shall repair and maintain in good order and condition, reasonable wear and tear excepted, the common areas, foundations, structural components and exterior walls of the Project, along with the electrical, plumbing, mechanical, fire protection and heating, air conditioning and ventilation

systems and any other repair, maintenance or replacement for the Project included in the definition of Operating Expenses in Section 5.1, provided, however that Tenant shall repair and pay for any damage caused by the negligence or intentional actions of Tenant or Tenant's employees, agents, visitors or invitees, or caused by Tenant's default hereunder. All costs associated with the repair and maintenance obligations of Landlord under this Section shall be included in and constitute Operating Expenses.

SECTION 9 TENANT'S REPAIRS AND MAINTENANCE

9.1. Tenant's Responsibility. Tenant shall maintain the Premises in good repair and in a clean, attractive and first class condition, ordinary wear and tear excepted. Without limiting the generality of the foregoing, Tenant shall be required to replace all light bulbs and repair any light fixtures in its Premises, at Tenant's sole cost, using a vendor selected or approved by Landlord. Except as provided in Section 8 of this Lease, Landlord shall have no maintenance obligations concerning the Premises and no obligations to make any repairs or replacements in, on or to the Premises, and Tenant shall assume the full and sole responsibility for the condition, operation, repair, replacement and maintenance of the Premises, including all improvements through the Term except as specifically set forth in Section 8.

9.2. Litter and Damage. If Tenant is identified as causing excessive litter or an unsightly mess outside of the Premises or for any damage to the common areas of the Project (such as an obstruction of a common sewer line, damage to concrete or asphalt paving, damage to the landscaping or grounds, etc.), and Tenant refuses to (i) clean up such litter or mess and/or (ii) commence to repair or replace such damage using a contractor selected or approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, within two (2) business days of receipt of notice from Landlord, then Tenant, as Landlord shall reasonably determine, shall pay as Additional Rent the entire cost to clean up such litter or mess and repair or replace such damage. Tenant acknowledges and agrees that pallets may not be left with the general garbage pickup and that Tenant is responsible for proper disposal of pallets and any other items not taken with general garbage.

SECTION 10 INSPECTION

10.1. Entry. Landlord and Landlord's agents and representatives shall have the right to enter, pass through and/or inspect the Premises at any reasonable time during normal business hours (unless in the opinion of Landlord an emergency exists, in which event Landlord shall have immediate access), for the purpose of (a) inspecting same, (b) showing the Premises to actual or prospective purchasers or mortgagees of the Project or providers of capital to Landlord and its affiliates and all consultants and advisors relating therefor, or (c) making any repairs Landlord considers reasonably necessary or desirable.

During the period that is nine (9) months prior to the end of the Term, Landlord and Landlord's agents and representatives shall have the right to enter the Premises at any reasonable time during business hours for the purpose of showing the Premises and shall have the right to erect on or in front of the Premises, a suitable sign indicating the Premises are available.

10.2. Inspection on Termination. Upon the expiration or earlier termination of this Lease, Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating the Premises and shall arrange to meet with Landlord for a joint inspection of the Premises prior to vacating. In the event Tenant fails to give such notice or arrange such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration.

SECTION 11 SERVICES, UTILITIES AND PARKING

11.1. Services Provided. Landlord shall furnish the following services to the Project: (a) reasonable amounts of cold and hot running water to the Premises and common areas; (b) electricity for the Premises and the common areas; and (c) regular garbage pickup from a dumpster located in the common areas, but only if roll out garbage containers are not available.

11.2. Excess Services. To the extent Tenant's usage of any service or utility in the Premises or Project exceeds the normal amounts of such services generally used by tenants in the Project, Tenant shall pay as Additional Rent the cost for such excess as reasonably estimated by Landlord. Landlord reserves the right, in the event Landlord reasonably determines that Tenant's usage level of a utility is disproportionate compared with other tenants in the Project, then Landlord may (at Landlord's sole discretion) install a separate meter for such utility to the Premises. Tenant shall pay as Additional Rent all charges for the installation of such meter.

11.3. Interruption of Services or Utilities. In no event shall Landlord be liable for any failure or interruption of any service or utility furnished by Landlord under this Lease, and no such failure or interruption shall entitle Tenant to terminate this Lease or abate any payment of Monthly Base Rent or Additional Rent hereunder.

11.4. Customer and Employee Parking. Landlord agrees to allocate to the Premises the number of parking spaces set forth on the Face Page of this Lease; provided, however, that such parking spaces shall not be assigned or marked. Landlord reserves the right from time to time without notice to Tenant to (i) change the location or configuration of the parking areas, (ii) change the number of parking spaces located within the parking areas, (iii) make repairs, alterations, and improvements to the parking areas, (iv) modify the parking rules, and (v) enforce the parking rules by appropriate legal action including without limitation, towing of vehicles parked in violation of the parking rules; provided, however, the number of parking spaces in the Project shall comply with the requirements of applicable zoning ordinances. Landlord further reserves the right to specify certain areas of the limited, common-parking area to be used by employees so as to not take all of the prime spaces for potential customers of other tenants of the Project. Tenant shall not (a) use, block or otherwise interfere with the loading areas of other occupants in the Project, or (b) use more than Tenant's share of parking which is available at the Project. Without limiting the generality of the foregoing, Tenant shall not park any vehicle that is larger than the standard parking spaces as currently marked. At no time will outside storage be permitted at the property without the express written consent of Landlord. Only vehicles essential to the operation of Tenant's business may be left in the parking area on an ongoing basis. For example, vehicles used primarily for signage purposes are prohibited from being parked at the Project unless specifically approved by Landlord in writing prior to such vehicles being parked at the Project.

11.5. 24/7 Access; Security Systems and Locks. Tenant and Tenant's employees and agents shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week, subject to Tenant's reasonable security requirements for after-business-hours-access. Notwithstanding the foregoing, Landlord shall have the right to close the Project (or any portion thereof) and deny access to any person otherwise entitled thereto in the event of an emergency or other situation that threatens a danger to persons or property. Tenant acknowledges that Landlord does not provide a security system for the Premises. Further, Tenant acknowledges that if any such security service is already available at the Premises, Landlord does not represent or warrant the security system to be complete or functioning. If

Tenant shall desire, it shall be solely the responsibility, and expense, of Tenant to activate any such system; provided further, Tenant acknowledges and agrees that any such systems shall remain the property of Landlord. Tenant shall not, without Landlord's prior written consent, alter or install any security system, and unless otherwise agreed to in writing by Landlord, Tenant may not remove any such system installed in the Premises. Tenant hereby releases Landlord from any loss, suit, claim, charge, damage or injury resulting from lack of security or failure of a security system.

SECTION 12 ALTERATIONS

12.1. Alterations to Premises. Tenant shall not make any alterations, additions or improvements ("Alterations") to the Premises without the prior written consent of Landlord which consent shall not be unreasonably withheld; provided however, Tenant acknowledges and agrees that Landlord may condition its consent on receiving an additional Security Deposit to defray the cost of restoring the Premises to its original condition at the expiration or earlier termination of this Lease. All such Alterations must be made at Tenant's sole cost and expense by a contractor selected or approved in writing by Landlord and in accordance with any and all Legal Requirements, including, but not limited to, any additional change or modification required by any and all Legal Requirements as a result or related to any such Alteration. Any Tenant request to make Alterations to the Premises shall be in writing accompanied with construction drawings (and any additional materials reasonably requested by Landlord) and a review fee of **\$250.00**. Tenant agrees to pay Landlord all reasonable professional and legal fees incurred by Landlord in connection with Landlord's review of Tenant's request, whether or not Landlord consents to Tenant's request, including but not limited to any fees charged pursuant to any covenants or restrictions of record. Upon completion of any such Alterations, if applicable and requested by Landlord, Tenant will provide Landlord with (a) a copy of the Certificate of Occupancy issued by the applicable governmental authority, (b) final lien waivers and contractors' affidavits from all contractors and subcontractors providing work or materials to the Premises, and (c) final "As-Built" drawings or plans together with Architectural CAD Drawings of such Alterations.

12.2. Construction. Before any Alterations are undertaken by or on behalf of Tenant (other than Landlord's Work but specifically including Tenant's Work), Tenant shall obtain and maintain, at its expense, or Tenant shall require any contractor performing work on the Premises to obtain and maintain, at no expense to Landlord, special form builder's risk insurance in the amount of the replacement cost of the applicable Alterations, automobile and commercial general liability insurance (including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage coverage, and contractor's protective liability) written on an occurrence basis with a minimum limit of \$2,000,000 per occurrence limit, \$2,000,000 general aggregate limit, and \$2,000,000 products/completed operations limit, which limits may be accomplished by means of an umbrella policy.

12.3. Ownership of Alterations; Indemnity. All Alterations erected by Tenant shall be and remain the property of Tenant during the Term, and Tenant shall, unless Landlord otherwise elects as hereinafter provided, remove all such Alterations erected by Tenant and restore the Premises to its original condition, reasonable wear and tear excepted, by the expiration or earlier termination of this Lease; provided however, that if Landlord so elects, such Alterations shall become the property of Landlord as of the expiration or earlier termination of this Lease and shall be delivered up to Landlord with the Premises. Notwithstanding the foregoing sentence, all shelves, bins, machinery (including telecommunications equipment and wiring) and trade fixtures installed by Tenant shall be removed by Tenant prior to the termination of this Lease unless Tenant notifies Landlord in writing that such items will remain in the Premises, and Landlord consents in writing, in which event all such items shall become

the property of Landlord. Upon the removal of any Alterations, Tenant shall restore the Premises to its original condition, reasonable wear and tear expected and shall repair any damage to the Premises and Project caused by such removal. Tenant agrees to indemnify, defend and hold Landlord, and its agents and employees forever harmless against all claims, liabilities and expenses (including reasonable attorney fees) of every kind, nature and description that may arise out of or in any way be connected with any of the work described in this Section 12.

SECTION 13 SIGNS

Tenant shall not place or permit to be placed or maintained on any portion of the Project, or Premises, including on any exterior door, wall or window of the Project or Premises or within the interior of the Premises if visible from the exterior of the Premises, any signage or advertising matter of any kind, without the prior written consent of Landlord which may be granted, withheld, or conditioned in Landlord's sole and absolute discretion. All Tenant signage shall comply with the local sign ordinances and governmental regulations. For the avoidance of doubt, other than a spot on the marquee, Tenant will not be permitted any signage outside the Premises (e.g., yard signage) unless specifically approved by Landlord in writing prior to installation of any such signage which approval may be granted, withheld, or conditioned in Landlord's sole and absolute discretion. Interior wayfinding signage shall be provided and installed by Landlord.

SECTION 14 PROPERTY AND CASUALTY DAMAGE

14.1. Insurance. Landlord agrees to maintain insurance covering the Project in an amount deemed appropriate by Landlord, insuring against the perils of Fire, Lightning and Extended Coverage, Vandalism and Malicious Mischief, extended by Special Extended Coverage Endorsement to insure against all other Risks of Direct Physical Loss, casualty, liability and business income and such additional reasonable coverages as Landlord may elect to further protect its interest in the Premises and the Project; such coverages and endorsements to be as defined, provided and limited in the standard bureau forms prescribed by the insurance regulatory authority for the state of North Carolina for use by insurance companies admitted in North Carolina for the writing of such insurance on risks located within North Carolina. Subject to the provisions of Sections 14.4, 14.5 and 14.6 below, such insurance shall be for the sole benefit of Landlord and under its sole control. Under no circumstances shall such insurance include nor shall Landlord have any responsibility to insure, repair, or replace Tenant's personal property, Tenant's fixtures or any Alterations or improvements made by Tenant or by Landlord on behalf of Tenant to the Premises. Landlord (subject to the provisions of Section 5.2 of this Lease) agrees to pay before they become delinquent, the costs or premiums and deductibles in connection with arranging, procuring and maintaining such policies of insurance (all of which costs or premiums and deductibles shall collectively be defined as the "**Insurance Expense**").

14.2. Adjustments. If any increase in the insurance premiums to be provided by Landlord under Section 14.1 above is caused by Tenant's use or occupancy of the Premises, then Tenant shall pay to Landlord as Additional Rent, on demand, the amount of such increase.

14.3. Notice of Casualty. If the Project or Premises should be damaged or destroyed by any peril covered by the insurance to be provided by Landlord under Section 14.1 above, Tenant shall give immediate written notice thereof to Landlord.

14.4. Substantial Damage. If the Premises should be totally destroyed by any peril covered by the insurance to be provided by Landlord under Section 14.1 above or if the Premises should be so damaged thereby that rebuilding or repairs cannot in Landlord's reasonable estimation be completed within one hundred eighty (180) days after the date upon which Landlord is notified by Tenant of such damage, this Lease shall terminate, and the Monthly Base Rent and Operating Expenses shall be abated during the unexpired portion of this Lease, effective upon the date of the occurrence of such damage.

14.5. Minor Damage. If the Premises should be damaged by any peril covered by the insurance to be provided by Landlord under Section 14.1 above, but only to such extent that rebuilding or repairs can in Landlord's reasonable estimation be completed within one hundred eighty (180) days after the date upon which Landlord is notified by Tenant of such damage, this Lease shall not terminate, and Landlord shall at its sole cost and expense (but only to the extent insurance proceeds are actually received by Landlord) thereupon proceed with reasonable diligence to rebuild and repair the Premises to substantially the condition in which the Premises existed prior to such damage, except that Landlord shall not be required to rebuild, repair or replace any part of Tenant's personal property, Tenant's fixtures or any Alterations or improvements made by Tenant to the Premises. If the Premises are untenable in whole or in part following such damage, the Monthly Base Rent and Operating Expenses payable hereunder during the period in which they are untenable shall be reduced to such extent as may be fair and reasonable under all of the circumstances. In the event that Landlord should fail to complete such repairs and rebuilding within one hundred eighty (180) days after the date upon which Landlord is notified by Tenant of such damage, Tenant may at its option terminate this Lease by delivering written notice of termination to Landlord as Tenant's exclusive remedy, whereupon all rights and obligations hereunder shall cease and terminate.

14.6. Proceeds to Mortgagee. Notwithstanding anything herein to the contrary, in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises or the Project requires that the insurance proceeds paid as a result of a loss covered under the insurance to be provided under the terms of Section 14.1 above be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon all rights and obligations hereunder shall cease and terminate.

SECTION 15 LIABILITY

15.1. Injury to Persons or Property. Landlord shall not be liable to Tenant or Tenant's employees, agents, invitees, customers or visitors, or to any other person whomsoever, for any injury to person or damage to property on or about the Premises or Project except for such injury or damage which results solely from the negligence or willful misconduct of Landlord or Landlord's employees or agents, and Tenant hereby covenants and agrees that it will at all times indemnify, defend and hold safe and harmless the Premises or Project, Landlord, Landlord's employees, agents and lender(s) from any loss, liability, claim, suit, or expense, including without limitation attorney fees and damages, both real and alleged, arising out of or relating to any such damage or injury; except injury to persons or damage to property the sole cause of which is the negligence or willful misconduct of Landlord or Landlord's employees, agents or lenders.

15.2. Tenant Insurance. Tenant shall, at Tenant's sole expense, procure and maintain throughout the Term a policy or policies of: (a) commercial general liability insurance, insuring against all claims, demands or actions arising out of or in connection with Tenant's liability assumed under this

Lease, covering injury to persons (including death), and property damage (including loss of use thereof) in the amount of at least \$2,000,000 per occurrence with an aggregate limit of at least \$2,000,000; (b) all risk (special form) property insurance in an amount equal to the full replacement cost of the covered property, including, but not limited to all Alterations or improvements made by Tenant or by Landlord on behalf of Tenant or for Tenant's benefit to the Premises (including without limitation carpeting, floor coverings, millwork, finishes, paneling, decorations), and all furniture, fixtures, equipment and other personal property of Tenant or any property in the care, custody or control of Tenant and located in the Premises; (c) Business Automobile liability insurance for all owned (Symbol 1), non-owned (Symbol 9), hired, rented and/or borrowed (Symbol 8) vehicles used by Tenant, its employees or agents (such policy shall include a combined single limit of liability of at least \$1,000,000 per claim for bodily injury and property damage and will provide that employees are insureds); (d) Workers Compensation coverage with an Employers Liability limit of at least \$500,000 providing statutory benefits for the state where the property is located; (e) Business interruption and/or loss of rental insurance in an amount equivalent to twelve (12) months' Monthly Base Rent which shall not contain a deductible greater than \$1,000; and (f) insurance providing coverage for all actual, alleged or threatened abuse, molestation or exploitation of anyone by Tenant, or its employees, agents, visitors and/or invitees in the amount of at least \$1,000,000 per occurrence. All such policies procured by Tenant shall be issued by an insurance company authorized to transact business in North Carolina with a minimum rating of "A-VIII" or its equivalent from one of the major rating agencies (e.g., AM Best, Moody's, Standard and Poor's). Certified copies of such policies or valid certificates of insurance evidencing same, naming Landlord, the Project property manager and (at Landlord's sole discretion) Landlord's partners, direct affiliates, subsidiaries, parent, officers and directors, lender(s) as additional insureds on the Commercial General Liability and Business Automobile Liability policies, together with a receipt evidencing payment of premiums therefor, shall be delivered to Landlord prior to the Rent Commencement Date of this Lease. Not less than thirty (30) days prior to the expiration date of any such policies, certified copies of the renewal policies or valid certificates of insurance evidencing such renewal (bearing notations evidencing the payment of renewal premiums) shall be delivered to Landlord. Such policies shall further provide that not less than thirty (30) days written notice shall be given to Landlord before such policy may be canceled or changed to reduce insurance provided thereby. If Tenant shall not comply with this covenant, Landlord may at its option, cause insurance as aforesaid to be issued, and in such event Tenant agrees to pay the premium for such insurance promptly upon Landlord's demand.

SECTION 16 WAIVER OF SUBROGATION

16.1. Landlord Waiver. Tenant shall not be responsible or liable to Landlord for any loss from any event, act or omission to the extent actually paid by the proceeds of insurance obtained and maintained by Landlord in connection with the Project. Landlord shall cause its policy or policies of insurance to contain effective waivers of subrogation for the benefit of Tenant.

16.2. Tenant Waiver. Landlord and the Project property manager shall not be responsible or liable to Tenant for any loss, event, act or omission to the extent covered by insurance required to be obtained and maintained by Tenant with respect to the Premises and its use and occupancy thereof (whether or not such insurance is actually obtained or maintained) or otherwise covered by the proceeds of such other insurance as is obtained and maintained by Tenant. Tenant shall from time to time provide Landlord with effective waivers of subrogation by its insurers for the benefit of Landlord and the Project property manager in a form reasonably satisfactory to Landlord. The waiver of subrogation is for all insurance policies of Tenant including those required in Section 15.2.

16.3. Survival. The terms and provisions of this Section 16 shall supersede any provisions to the contrary contained in this Lease and shall survive the expiration or earlier termination of this Lease with respect to any occurrences before the effective date of such termination or expiration.

SECTION 17 CONDEMNATION

17.1. Complete Taking. If the whole or any substantial part of the Premises should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof and the taking would prevent or materially interfere with the use of the Premises for the purpose for which it is being used, this Lease shall terminate, and the Monthly Base Rent and Operating Expenses payable hereunder shall be abated during the unexpired portion of the Term, effective when the physical taking of the Premises shall occur.

17.2. Partial Taking. If part of the Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, and this Lease is not terminated as provided in Section 17.1 above, this Lease shall not terminate, but the Monthly Base Rent and Operating Expenses payable hereunder during the unexpired portion of the Term shall be reduced to such extent as may be fair and reasonable under all of the circumstances.

17.3. Proceeds. In the event of any such taking or private purchase in lieu thereof, Landlord shall be entitled to the proceeds arising out of any such acquisition of the Premises, or portion thereof, under the power of eminent domain; provided, however, that nothing herein contained shall be construed so as to prevent Tenant from making a claim for a separate award permitted under applicable law, including without limitation for any relocation expense, or for such losses as it may sustain in connection with any items belonging to Tenant and not a part of the Premises; provided, however, any separate award does not reduce the value of Landlord's award.

SECTION 18 EVENTS OF DEFAULT

Any of the following events shall be deemed to be an “**Event of Default**” by Tenant under this Lease:

18.1. Tenant shall fail to pay any installment of Monthly Base Rent or any Additional Rent herein reserved when due, including, but not limited to any administrative fee or interest required herein when due.

18.2. Tenant shall abandon, desert or otherwise vacate all or any substantial portion of the Premises.

18.3. Tenant shall fail to comply with any term, provision or covenant of this Lease, other than (a) the payment to Landlord of Monthly Base Rent, Additional Rent and/or other monetary payments or reimbursements, or (b) Tenant's obligations pursuant to Section 27 herein, and shall not cure such failure within fifteen (15) days after written notice thereof to Tenant.

18.4. Any Guarantor of this Lease shall default in the terms of his, her and/or its Guaranty or shall declare bankruptcy or insolvency or shall make an assignment for the benefit of creditors.

18.5. Tenant shall become insolvent or shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors.

18.6. Tenant or any Guarantor of Tenant's obligations under this Lease shall file a petition or have an involuntary petition filed against it under any section or chapter of the United States Bankruptcy Code, as amended or under any similar law or statute of the United States or any State thereof or Tenant or any guarantor of Tenant's obligations of this Lease shall be adjudged bankrupt or insolvent in any such proceedings filed against Tenant or any such Guarantor.

18.7. A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant or Guarantor of Tenants obligations under this Lease.

18.8. Tenant shall do or permit to be done anything which creates a lien upon the Premises.

18.9. The business operated by Tenant shall be closed or otherwise caused to cease operations for failure to pay any applicable State or Federal tax as required, or shall be closed or cease to operate for any other reason.

SECTION 19 REMEDIES

Upon the occurrence of any Event of Default by Tenant under Section 18 above, which is continuing beyond any applicable notice and cure period, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

19.1. Termination of Lease. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in Monthly Base Rent or Additional Rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying such Premises or any part thereof, without being liable for prosecution or any claim of damages therefor; and Tenant agrees to pay to Landlord, including without limitation (a) the Monthly Base Rent and Additional Rent for the balance of the Term, discounted to present value at the then-current Prime Rate, and (b) all other damages described in Section 19.4 below. "**Prime Rate**" shall mean the prime rate of interest published in the "Money Rates" column of The Wall Street Journal on the first business day of each month, or a reasonably comparable substitute reasonably identified by Landlord.

19.2. Termination of Possession. Without terminating the Lease or releasing Tenant in whole or in part, from any obligation, including without limitation, Tenant's obligation to pay Monthly Base Rent and Additional Rent, Landlord may terminate Tenant's right to possession by entering upon and taking possession of the Premises and expelling or removing Tenant and any other person(s) who may be occupying such Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; provided, however, that Landlord shall not be deemed to be under any duty by reason of this provision or otherwise to take any action to mitigate damages due to an Event of Default by Tenant and shall expressly have no duty to mitigate any damages caused by Event of Default by Tenant. Following such entry, Landlord may recover from Tenant damages incurred by Landlord, including without limitation (a) the Monthly Base Rent and Additional Rent under this Lease for the balance of the stated Term, discounted to present value at the then-current Prime Rate, and (b) all other damages as described in subsections 19.4 and 19.5 below.

19.3. Performance of Tenant's Obligations. Enter upon the Premises without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord, on demand, for any expenses which Landlord may incur in this effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise.

19.4. Damages. The damages that Landlord may recover from Tenant include without limitation the following: (a) reasonable costs of recovering and entering the Premises, including reasonable attorneys' fees and expenses; (b) reasonable costs of placing the Premises in leasable condition and re-leasing the same, including reasonable brokerage and attorneys' fees; (c) unpaid Monthly Base Rent and Additional Rent under this Lease for the period prior to any termination or re-leasing and, if this Lease is terminated, for the period needed to re-lease the Premises; (d) the remaining unamortized cost to Landlord, determined on a straight line basis over the original Term, of any Tenant Improvement Allowance, if any, paid to Tenant; (e) any Monthly Base Rent concessions or offsets allowed to Tenant; (f) any work performed by Landlord in the Premises to prepare the same for Tenant; and (g) reasonable brokerage and attorneys' fees and expenses for this Lease. All damages shall be payable by Tenant to Landlord within thirty (30) days of billing as Additional Rent under this Lease.

19.5. Miscellaneous Provisions. Pursuit of any remedies defined in this Lease shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law including, but not limited to summary proceedings, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any payment due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by Landlord or its agents during the Term shall be deemed an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of the Premises shall be valid unless in writing signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default by Tenant shall not be deemed or construed to constitute a waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default. Tenant agrees that in the event Landlord must bring an action or proceeding to enforce any provision of this Lease or otherwise engages legal counsel to assist with the enforcement of any provision of this Lease or the collection of any amounts due hereunder, Tenant shall pay all costs associated with any such action or effort to enforce, including, without limitation, reasonable attorney fees. No right or remedy of Landlord under this Lease shall be waived unless the waiver is in writing and signed by Landlord, and such waiver shall not be interpreted as a continuing waiver or a waiver of any prior Event of Default by Tenant. If Landlord shall at any time accept any installment of Monthly Base Rent or Additional Rent after the same shall become due and payable, including partial payments, such acceptance shall not waive any then-existing Event of Default or breach of this Lease by Tenant and shall not excuse a delay upon subsequent occasions, or constitute or be construed as a waiver of any of Landlord's rights under this Lease or applicable law.

SECTION 20 LANDLORD'S LIEN

In addition to any statutory lien for rent in Landlord's favor, Landlord shall have and Tenant hereby grants to Landlord a continuing security interest for all rents and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper and other personal property of Tenant situated on the Premises, and such property shall not be removed therefrom without the consent of Landlord until all arrearage in Monthly Base Rent or Additional Rent as well as any and all other sums of money then due to Landlord hereunder shall first have been paid and discharged. Products and proceeds of collateral are also covered. In the event of a default under this Lease, Landlord shall have, in addition to any other remedies provided herein or by law, all rights and remedies under the Uniform Commercial Code, including without limitation the right to sell the property described in this Section 20 at public or private sale upon five (5) days' notice to Tenant. Tenant hereby agrees to execute such financing statements and other instruments necessary or desirable in Landlord's discretion to perfect the security interest hereby created. Any statutory lien for Monthly Base Rent and Additional Rent is not hereby waived; the express contractual lien herein granted being in addition and supplementary thereto.

SECTION 21 MECHANIC'S LIENS

Tenant shall not permit any lien or claim for lien of any mechanic, laborer or supplier or any other lien to be filed against the Premises arising out of work performed, or alleged to have been performed by, or at the direction of, or on behalf of Tenant. With respect to any such work, Tenant or its general contractor shall file or caused to be filed an appointment of a mechanic's lien agent as and when required by applicable legal requirements and post notice thereof at the Premises, all in accordance with N.C.G.S. § 44A-11.1 and § 44A-11.2. If any lien or claim for lien is filed, Tenant shall within fifteen (15) days after such filing either have such lien or claim for lien released of record or shall deliver to Landlord a bond or other security in form, content, amount, and issued by a company satisfactory to Landlord indemnifying Landlord against all costs and liabilities resulting from such lien or claim for lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien or claim for lien so released or to deliver such bond to Landlord, Landlord, without investigating the validity of such lien, may pay or discharge the same and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees actually incurred.

SECTION 22 ASSIGNMENT AND SUBLETTING

22.1. Landlord's Consent.

22.1.1. Tenant shall not, voluntarily, by operation of law, or otherwise, assign, transfer, mortgage, pledge or encumber this Lease, or sublease the Premises or any part thereof, or allow any person other than Tenant, its employees, agents, patrons, customers and invitees to occupy or use the Premises or any portion thereof, without the express written consent of Landlord, which consent may be granted or withheld in Landlord's sole and absolute discretion, and any attempt to do any of the foregoing without such written consent shall be null and void and shall constitute an Event of Default by Tenant under this Lease.

22.1.2. Landlord's consent to any assignment or sublease hereunder does not constitute a waiver of its right to consent to any further assignment or sublease.

22.1.3. Notwithstanding the foregoing, provided that the use of the Premises does not change from that described in Section 6 of this Lease, Tenant shall have the right to assign this Lease, or to sublet all or any portion of the Premises to: (a) any party controlling, controlled by or under common control with Tenant; (b) any entity with which Tenant is merged or consolidated; or (c) to any party that purchases all or substantially all of Tenant's assets in the geographical region where the Premises are located (collectively, a "**Permitted Transfer**"), provided that subsequent to such Permitted Transfer, Tenant and Guarantor shall both remain liable for the payment and performance of Tenant's obligations under this Lease. Provided however, that in the event of a Permitted Transfer, Tenant shall provide Landlord with proper documentation of such assignment or sublease within thirty (30) days of said assignment or sublease, including audited financials (to the extent they exist) or certified financials of the new entity.

22.2. Consent Process. If Tenant desires to assign this Lease or sublet the Premises or any part thereof, Tenant shall give Landlord written notice of such desire at least thirty (30) days in advance of the date on which Tenant desires to make such assignment or sublease, together with a non-refundable fee of Five Hundred Dollars (\$500) (the "**Transfer Fee**") to defray Landlord's costs of review and due diligence, including without limitation outside advisor costs. Landlord shall then have a period of fifteen (15) days following receipt of such notice within which to notify Tenant in writing that Landlord elects (a) to terminate this Lease as to the space so affected as of the date so specified by Tenant, in which event Tenant shall be relieved of all further obligations hereunder as to such space, (b) to permit Tenant to assign this Lease or sublet such space (provided, however, if the monthly rent agreed upon between Tenant and subtenant is greater than the Monthly Base Rent due from Tenant hereunder, any such excess shall be deemed Additional Rent owed by Tenant and payable to Landlord), or (c) to refuse to consent to Tenant's assignment or sublease of such space and to continue this Lease in full force and effect as to the entire Premises. If Landlord shall fail to notify Tenant in writing of such election within the fifteen (15)-day period, Landlord shall be deemed to have elected option (c) above.

22.3. Tenant Liability. Tenant agrees to use Landlord's standard assignment or sublease consent forms and to pay Landlord's reasonable attorney fees associated with Landlord's review and documentation of any requested assignment or sublease hereunder regardless of whether Landlord consents to any such assignment or sublease. No assignment or sublease by Tenant shall relieve Tenant of any obligations under this Lease, and Tenant shall remain primarily liable for the payment of all amounts due and for the performance of all obligations of Tenant under this Lease. Any transfer of this Lease by merger, consolidation or liquidation or any change in a majority of the voting rights or other controlling rights or interests of Tenant shall be deemed an assignment for the purposes of this Lease.

SECTION 23

SALE, ASSIGNMENT OR TRANSFER OF LANDLORD'S INTEREST

Landlord may freely sell, assign and transfer its rights under this Lease or its interest in the Project and/or Premises. In the event of the sale, assignment or transfer by Landlord of its interest in the Project and/or Premises or of its rights in this Lease (other than a collateral assignment to secure debt) to an assignee or successor in interest who shall expressly assume the obligations of Landlord hereunder, said purchaser or assignee shall become Landlord under this Lease and Landlord shall be released from all of its covenants, liabilities and obligations under this Lease, except such obligations which have accrued prior to any such sale, assignment or transfer, and Tenant agrees to look solely to such assignee or successor in interest of Landlord for performance of such obligations.

SECTION 24 QUIET ENJOYMENT

Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, upon paying the Monthly Base Rent, Additional Rent and other payments herein set forth and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord, subject to the terms and provisions of this Lease.

SECTION 25 LANDLORD'S RIGHT TO RELOCATE TENANT

Landlord shall have the right, at its option, upon at least thirty (30) days prior written notice to Tenant, to relocate Tenant and to substitute for the Premises other space in the Project or in the immediate vicinity of where the Project is located, containing a comparable SF area to the Premises. Such substituted space shall be improved by Landlord, at its expense, with improvements comparable in quantity and quality to those in the Premises. Landlord shall reimburse Tenant for all reasonable out-of-pocket expenses actually incurred with such relocation (including telephone installation, moving of equipment and furniture, and printing of stationery with Tenant's new address) within sixty (60) days following receipt from Tenant of invoices or receipts marked "paid in full". In no event shall Landlord be liable to Tenant for any consequential damages as a result of any such relocation, including, but not limited to, loss of business income or opportunity. Prior to Tenant's occupancy of the replacement premises, Landlord and Tenant shall amend this Lease to change the description of the Premises and any other matters affected by such change.

SECTION 26 LIMITATION OF LANDLORD'S LIABILITY

Tenant agrees that (a) any money judgment resulting from any default or other claim arising under this Lease shall be satisfied only out of the Monthly Base Rent and profits received by Landlord from the operation of the Project and from Landlord's right, title, and interest in the Project, (b) no other real, personal, or mixed property of Landlord or any of its principals, shareholders, owners, trustees, beneficiaries, members, officers, directors, or agents, wherever situated, will be subject to levy on any such judgment, and (c) Landlord shall not have any personal liability whatsoever under this Lease. Tenant agrees that if the Monthly Base Rent and profits from, and Landlord's interest in, the Project are insufficient for the payment of any such judgment, Tenant shall not institute any further action, suit, claim, or demand, in law or in equity, for or on account of such deficiency, and Tenant hereby waives any right to a money judgment against Landlord except to the extent the same can be satisfied from such Monthly Base Rent, profits, and interest.

SECTION 27 SUBORDINATIONS AND ESTOPPELS

27.1. Subordination and Attornment. Tenant accepts this Lease subject and subordinate to any mortgages and/or deeds of trust now or at any time hereafter constituting a lien or charge upon the Premises or the improvements situated thereon; provided, however, that if the mortgagee, trustee, or holder of any such mortgage or deed of trust elects to have Tenant's interest in this Lease superior to any such instrument, then by notice to Tenant from such mortgagee, trustee or holder, this Lease shall be deemed superior to such lien, whether this Lease was executed before or after said mortgage or deed of

trust. In the event of the foreclosure of any such mortgage by voluntary agreement or otherwise, or the commencement of any judicial action seeking such foreclosure, Tenant, at the request of the then Landlord, shall attorn to and recognize such mortgagee or purchaser in foreclosure as Tenant's Landlord under this Lease. Within ten (10) days following written notice from Landlord, Tenant covenants and agrees that it shall execute any instruments, releases, subordinations or other documents which may be required by any mortgagee for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage. Tenant also agrees to execute a commercially reasonable subordination non-disturbance and attornment agreement with Landlord's lender(s) if requested by Landlord. It is understood and agreed that Tenant's obligation to furnish such subordination non-disturbance and attornment agreements in a timely fashion is a material inducement for Landlord's execution of this Lease and Tenant's failure to execute and deliver such agreements within the time required shall, at Landlord's election, be an Event of Default by Tenant.

27.2. Estoppel Certificate. Tenant covenants and agrees that it shall, within ten (10) days following written notice from Landlord, execute and deliver to Landlord an estoppel certificate: (a) ratifying this Lease; (b) confirming the Rent Commencement Date and Expiration Date; (c) reciting the advance rent, if any, paid by Tenant and the date to which such rent has been paid; (d) reciting the amount of security deposited with Landlord, if any; and (e) certifying (i) that this Lease is in full force and effect and has not been assigned, modified, supplemented, or amended except as stated; (ii) that all conditions and agreements under this Lease to be performed by the parties have been satisfied except as stated; (iii) that to the best of Tenant's knowledge, Landlord is not in default under this Lease except as stated; (iv) that to the best of Tenant's knowledge, it has no defenses or offsets against the enforcement of this Lease except as stated; and (v) any other factual information relating to the Lease reasonably requested by Landlord. Any such estoppel certificate may be relied upon by Landlord, by a lender or prospective lender or purchaser of the Project. Any such estoppel certificate may be relied upon by Landlord, by a lender or prospective lender or purchaser of the Project. It is understood and agreed that Tenant's obligation to furnish such estoppel certificates in a timely fashion is a material inducement for Landlord's execution of this Lease and Tenant's failure to execute and deliver such agreements within the time required shall, at Landlord's election, be an Event of Default by Tenant.

SECTION 28 MISCELLANEOUS PROVISIONS

28.1. Notices. Any notice or document required or permitted to be delivered hereunder shall be deposited with (a) the United States Postal Service, certified mail, return receipt requested, postage pre-paid, or (b) Federal Express or a comparable bona fide overnight courier, for delivery on the next business day with all postage and/or charges paid by sender and addressed to the parties hereto at the respective addresses set out on the Face Page of this Lease, or at such other address as the parties may specify from time to time by at least fifteen (15) days written notice delivered to the notifying party. Notice shall be deemed given as of the date of receipt or rejection or inability to deliver shown on the return receipt or similar advance delivery or attempted delivery.

28.2. Processing and Review Fees. In the event Tenant requests Landlord to process, review and/or execute any third party documents, including, but not limited to, lien waivers, telecommunication access agreements, or other service provider agreements, then Tenant shall submit such documentation to Landlord with the payment of an administrative fee of Five Hundred Dollars (\$500.00). Tenant agrees to pay as Additional Rent all reasonable legal costs and professional costs actually incurred by Landlord in connection with Landlord's review of such documents.

28.3. Survival. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of this Lease shall survive the expiration or earlier termination hereof, including without limitation all obligations with respect to Additional Rent payments and any other payments due Landlord hereunder and all obligations concerning the condition of the Premises.

28.4. Captions. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

28.5. Enforceability. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

28.6. Authority. Each party agrees to furnish to the other, promptly upon demand, a resolution, proof of due authorization by partners, or other appropriate documentation evidencing the due authorization of such party to enter into this Lease.

28.7. Lease Amendment. Any amendment or agreement of this Lease shall be ineffective to change, waive, amend, modify, supplement, discharge or terminate this Lease in whole or in part unless such amendment or agreement is in writing and signed by Landlord and Tenant.

28.8. Time is of the Essence. Time is of the essence and all performance due dates, time schedules, and conditions precedent to exercising a right shall be strictly adhered to without delay except where otherwise expressly provided.

28.9. Governing Law. This Lease and the rights of parties hereunder shall be construed and enforced in accordance with the laws and judicial decisions of the State of North Carolina.

28.10. Tenant Financials. Tenant acknowledges that the financial capability of Tenant to perform its obligations hereunder is material to Landlord and that Landlord would not enter into this Lease but for its belief, based on its review of Tenant's financial statements, that Tenant is capable of performing such financial obligations. Prior to the Lease Date, Tenant shall provide to Landlord a current financial statement and financial statements of the two (2) years prior to the current financial statement, which statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. At any time during the Term, if Tenant shall be in default of this Lease beyond any applicable notice and cure period, then upon Landlord's written request to Tenant, and in addition to all rights and remedies provided to Landlord under this Lease and applicable law for such default, Tenant shall within ten (10) days after such request, provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year, which statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Tenant hereby represents, warrants and certifies to Landlord that any financial statements furnished to Landlord hereunder shall be true and correct in all material respects.

28.11. Entire Agreement. This Lease, including the Face Page and all exhibits and attachments hereto contains the entire agreement between Landlord and Tenant concerning the Premises, and there are

no other agreements, either oral or written, regarding the lease of the Premises by Tenant (any prior agreements being merged into this Lease). Neither Landlord nor any agent of Landlord has made any representations, warranties or promises with respect to the Premises, the Project or the existence or use of any amenities or facilities, except as expressly set forth in this Lease.

28.12. Brokers. Tenant warrants that all negotiations with respect to this Lease (including, without limitation, preliminary consideration of the Premises, relevant economics and final Lease provisions) were accomplished without the aid, intervention or employment of any broker or finder, of any kind other than the broker identified on the Face Page of this Lease (the “**Broker**”), which Broker shall be compensated by Landlord pursuant to a separate agreement between Landlord and Broker. Tenant shall indemnify, protect, defend, and hold Landlord (and its partners, joint venturers, affiliates, shareholders, and property managers, and their respective officers, directors, employees, and agents) harmless from and against any and all claims arising out of or in connection with any claims made by any person or firm claiming to be a broker or finder with regard to this Lease as a result of the activities or agreements of Tenant, including, without limitation, claims for commissions and all costs of enforcing this indemnity against Tenant, other than such claims asserted by Broker. Landlord shall indemnify, protect, defend, and hold Tenant (and its partners, joint venturers, affiliates, shareholders, and property managers, and their respective officers, directors, employees, and agents) harmless from and against any and all claims arising out of or in connection with any claims made by any person or firm claiming to be a broker or finder with regard to this Lease as a result of the activities or agreements of Landlord, including, without limitation, claims for commissions and all costs of enforcing this indemnity against Landlord and including payment of a commission to Broker. Landlord shall only be responsible for the payment of commissions to Broker, if any, specified in this Section 28.12, if Landlord has entered into a separate written agreement with such Broker, and then only as provided in such agreement.

28.13. Successors and Assigns. The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon Landlord and Tenant and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise expressly provided in this Lease.

28.14. Incorporation of Face Page and Exhibits. The Face Page, the Real Property set forth in Exhibit A-1, the Project set forth in Exhibit A-2, the Premises set forth in Exhibit A-3, the Rules and Regulations set forth in Exhibit B, the Special Provisions set forth in Exhibit C, and the Space Plan set forth in Exhibit C-1, hereto are incorporated herein by reference.

28.15. Landlord’s Consent or Approval. With respect to any provision of this Lease that provides that Tenant shall obtain Landlord’s prior consent or approval, Landlord may withhold such consent or approval for any reason at its sole discretion, unless the provision specifically states that the consent or approval will not be unreasonably withheld. With respect to any provision of this Lease which provides that Landlord shall not unreasonably withhold or unreasonably delay any consent or any approval, Tenant, in no event, shall be entitled to make, and Tenant shall not make, any claim for, and Tenant hereby waives any claim for money damages; nor shall Tenant claim any money damages by way of setoff, counterclaim or defense based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval; but Tenant’s sole remedy shall be an action or proceeding to enforce any such provision or for specific performance, injunction or declaratory judgment.

28.16. Force Majeure. Except as otherwise expressly provided in this Lease, neither party shall be liable for any delay or failure of performance under this Lease resulting from inclement weather of

unusual severity or duration, strikes or labor disputes, war, terrorist acts, riots or civil disturbances, government regulations, acts of civil or military authorities, or acts of God (each, a “**Force Majeure**”), provided the party whose performance has been delayed under this Lease promptly takes all steps necessary to resume full performance. If any such Force Majeure shall cause a party’s performance hereunder to be delayed or prevented, such party shall notify the other party in writing specifying such Force Majeure and an estimate of when such party shall resume full performance. Notwithstanding any other provision of this Section 28.16, in no event shall Tenant’s obligation to pay any installment of Monthly Base Rent or Additional Rent in a timely manner be delayed or excused as a result of Force Majeure, and such obligation shall remain absolute and unconditional.

28.17. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO EACH WAIVE TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT CREATED BY THIS LEASE, TENANT’S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM FOR INJURY OR DAMAGE.

28.18. Prohibited Persons and Transactions. Tenant represents and warrants that neither Tenant nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control (“**OFAC**”) of the Department of the Treasury (including those named on OFAC’s Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not Transfer this Lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with such persons or entities.

28.19. Submission of Lease. Submission of this Lease to Tenant shall not constitute an offer to lease the Premises, and this Lease will become effective only upon execution and delivery of this Lease by both Landlord and Tenant.

28.20. Drafting. Landlord and Tenant acknowledge that this Lease was negotiated at arm’s length and that no presumptions in favor of or against the drafter shall apply to the interpretation of this Lease.

28.21. Signing Authority. Tenant shall provide, promptly upon demand and in a form satisfactory to Landlord, appropriate documentation evidencing the due authorization of Tenant to enter into this Lease.

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IN WITNESS WHEREOF, each party hereto has executed this Lease under seal, acknowledging and signifying its authority to enter into this Lease, by its duly authorized officer, manager, or representative, in two or more counterparts on the day and year first written above.

LANDLORD:

DYNAMO 31 PROPERTIES, LLC,
a North Carolina limited liability company

By: _____ (SEAL)
Name: William P. Carstarphen
Its: President

BELMONT LAND AND INVESTMENT COMPANY, LLC,
a North Carolina limited liability company

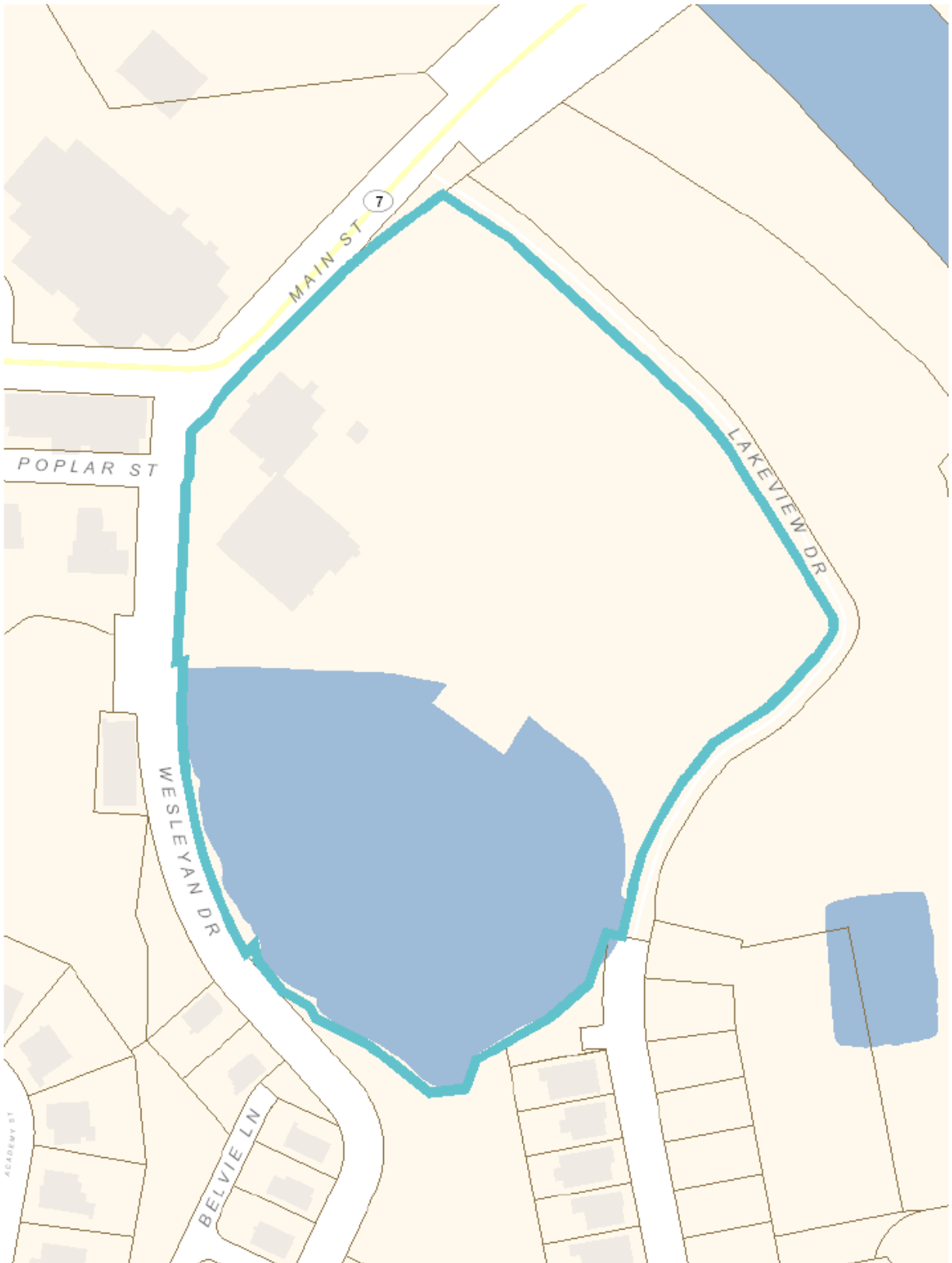
By: _____ (SEAL)
Name: William P. Carstarphen
Its: President

TENANT:

GASTON COUNTY, NC

By: _____ (SEAL)
Name: Ray Maxwell
Its: Infrastructure & Asset Manager

**EXHIBIT A-1
DEPICTION OF REAL PROPERTY**



**EXHIBIT A-2
PROJECT**

**EXHIBIT A-2
PROJECT**

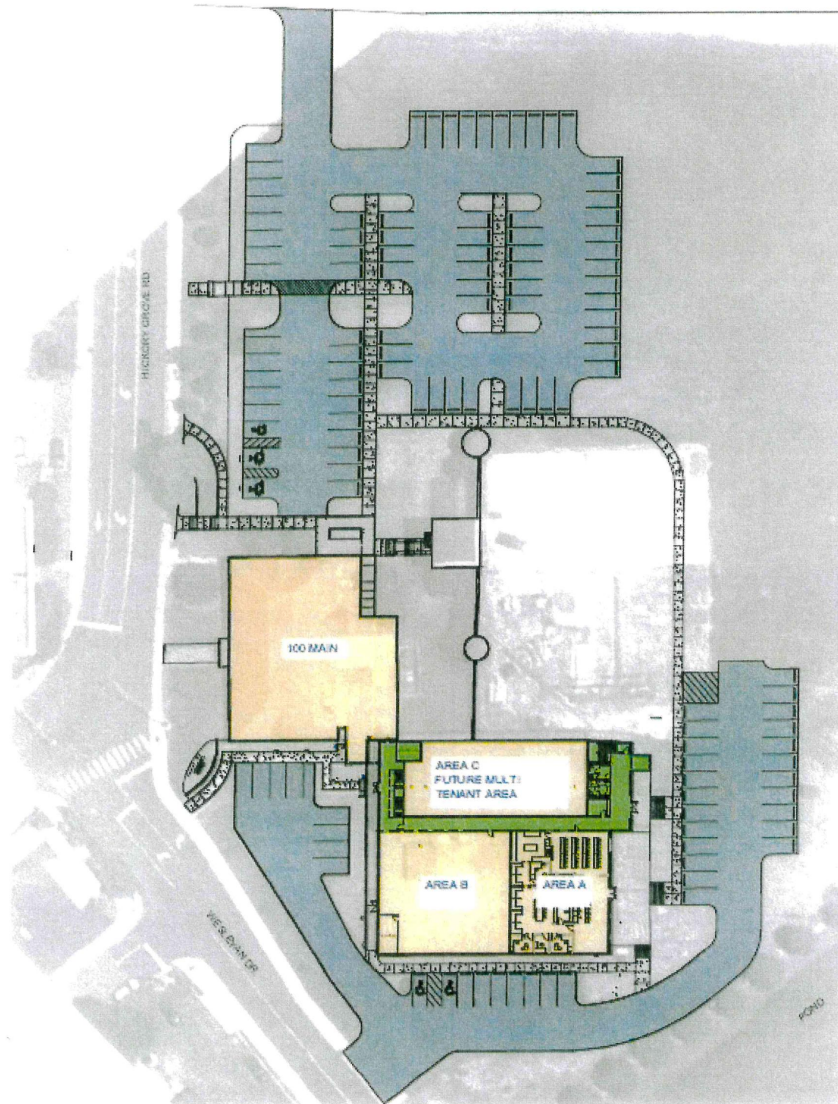


EXHIBIT A-3
PREMISES

EXHIBIT A-3
PREMISES

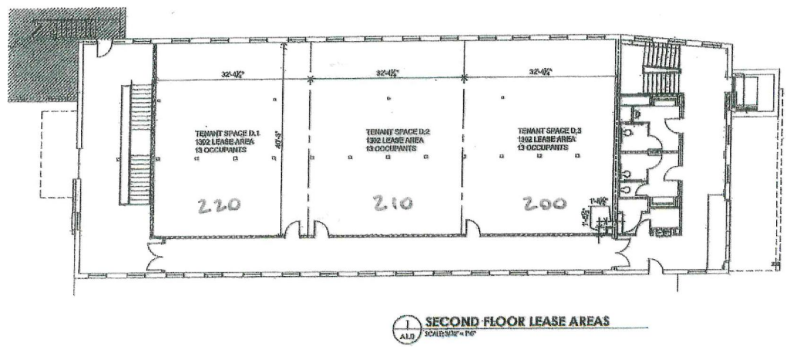


EXHIBIT B
RULES & REGULATIONS

Landlord shall control and operate the common areas, and the facilities furnished for the common use of tenants in such manner as Landlord deems best for the benefit of the tenants generally. Adherence to the rules and regulations listed below will aid in each tenant's full use and enjoyment of the common areas.

- A. The common areas of the Project shall not be obstructed by Tenant or used for any purpose other than ingress and egress to and from Tenant's Premises or as otherwise permitted by Landlord. No tenant shall permit the visit to its Premises of persons in such number or under such conditions to interfere with the use by other tenants of the common areas.
- B. Tenant shall not permit nor take any action that would constitute a nuisance or would disturb or endanger any other tenants of the Project or unreasonably interfere with their use of their respective premises or the common areas.
- C. Tenants and their employees, agents, guests and invitees shall not use common area restrooms for any purpose other than the customary use of public restrooms in a commercial office building, and such persons shall not congregate in restrooms or any other common areas of the Project.
- D. Tenants and their employees, agents, guests and invitees shall be mindful of other tenants with respect to the sharing of the common areas and shall use commercially reasonable efforts to maintain the cleanliness of the common areas.
- E. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the operation of its business in the Premises and to the use of the Premises and the common areas and shall promptly comply with all Landlord orders and directives, as well as governmental orders and directives, for the correction, prevention and abatement of nuisances in or upon, or connected with, the Premises, all at Tenant's sole cost and expense.
- F. Outside storage of any kind is strictly prohibited without Landlord's written consent.
- G. Tenant, its servants, agents, invitees, employees and/or licensees shall only park on or utilize parking and loading areas directly related to such Tenant's premises. No parking space shall be designated reserved or marked for special use without Landlord's written consent. Tenant shall not park in a manner which would block or restrict the access of other tenants to their leased premises.
- H. Tenant will not inscribe, affix or otherwise display signs, advertisements or notices in, on, or behind any windows, walls, doors, partitions or other part of the exterior of the Project without prior written consent of Landlord. Any sign of a temporary nature will not be permitted.
- I. Tenant will not attach or place awnings, antennas, satellites or other projections on the outside walls or any exterior portion of the Project without prior written consent of Landlord.
- J. No curtains, blinds, shades or screens will be attached to, hung in or used in connection with any window or door of the Premises unless previously approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.
- K. Tenant shall not receive, store or otherwise handle any product, material or merchandise which is explosive or highly flammable without prior written consent of Landlord.
- L. The plumbing facilities will not be used for any purpose other than that for which they are constructed, and no foreign substance of any kind will be disposed into them. The cost and expense of any breakage, stoppage, damage or excessive usage resulting from a violation of this provision by Tenant, its employees, agents or invitees will be borne by Tenant.

- M. Tenant agrees that the point pressure resulting from Tenant's racking system, inventory, forklifts and/or equipment shall not exceed allowable design floor loading for the floor slabs in the Premises.
- N. Tenant will not permit the Premises to be used for any purpose or in any manner that would render the insurance thereon void or the insurance risk more hazardous.
- O. Smoking (defined hereinafter) is not permitted in the Premises or any of the common areas. Tenant shall be responsible to replace any damaged property due to Smoking, at replacement value. A minimum cleaning fee of \$3,500.00 will be charged if Smoking related damage is found on the Premises upon expiration or termination of the Term. Smoking shall only be permitted in outside areas that have been specifically designated by Landlord for Smoking (if any). Tenant shall provide appropriate receptacles for disposal of Smoking debris at the back entrance of the Premises, and Tenant is responsible for properly disposing of any Smoking debris in a timely manner. Landlord reserves the right to relocate or remove Smoking areas from time to time. The term "**Smoking**" means inhaling, exhaling, burning or carrying of any lighted cigar, cigarette or other tobacco or other plant-based smoking product in any manner or in any form. The term "**Smoking**" shall include any and all vapor- or moisture-based smoking simulation devices, including, but not limited to, electronic cigarettes.
- P. Tenant shall comply with Landlords standard move-out policy upon vacating the Premises.
- Q. Except following Landlord's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), and excluding ADA certified service animals (such as seeing eye dogs or other animals which have been professionally and individually trained to do work or perform tasks for the benefit of an individual with a disability and which are in fact aiding and assisting an individual with a disability), no birds or animals shall be brought into or kept in or about the Premises or the Project.

EXHIBIT C
SPECIAL PROVISIONS

The following terms and provisions are hereby incorporated into this Lease. Where these Special Provisions conflict with any provision in the body of the Lease, these Special Provisions shall govern.

1. Landlord's Work: None.

2. Tenant's Work:

- (a) Premises. Tenant shall have the right to make Alterations (as defined in Section 12) to the Premises that are required for the Permitted Use (i.e., to take the Premises from the warm lighted shell condition to the condition necessary for Tenant to obtain a certificate of occupancy from the applicable governmental authority) (collectively, "**Tenant's Work**").
- (b) Tenant Improvement Allowance. Upon the Lease Date, Landlord shall provide Tenant with a tenant improvement allowance not to exceed One Hundred Four Thousand Six Hundred Twenty-Five Dollars (\$104,625.00) (the "**Tenant Improvement Allowance**"). It is understood and agreed that the Tenant Improvement Allowance shall be applied towards Tenant's Work; provided, however, none of the Tenant Improvement Allowance shall be used for costs incurred by Tenant in acquiring and/or installing furniture, trade fixtures and equipment for/in the Premises. As an accommodation to Tenant, Landlord shall complete Tenant's Work as documented in the Space Plan developed by Mils Planning & Design on Exhibit C-1 ("Space Plan") at a total estimated cost not to exceed \$400,000 to be funded in total by the Tenant Improvement Allowance and the Financed Tenant Improvement.
- (c) Financed Tenant Improvement. Landlord agrees to fund up to \$295,375.00 of the cost of Tenant's Work exceeding the Tenant Improvement Allowance, in return for an additional monthly payment to be included in Base Rent, referenced herein as the Financed Tenant Improvement.

EXHIBIT C-1 SPACE PLAN

EXHIBIT C-1 SPACE PLAN

