

Prepared by and Return to: Durham County Attorney's Office (WD)
200 E. Main St. Durham 2nd Fl., NC 27701

**NORTH CAROLINA
DURHAM COUNTY**

**LEASE OF NON-RESIDENTIAL PROPERTY
IN COUNTY ADMINISTRATION BUILDING II**

THIS LEASE AGREEMENT ("Agreement") is made and entered into on this ____ day of _____, 2020 (the effective date) by and between **DURHAM COUNTY** a political subdivision of the State of North Carolina, (hereinafter referred to as "**LANDLORD**"), and **TIPSY BULL, INC.**, ("**TENANT**") a corporation duly authorized to do business in the state of North Carolina, (hereinafter referred to as "**TENANT**").

RECITALS

A. Landlord is the owner of certain real property and improvements located in Durham North Carolina commonly known as the **COUNTY ADMINISTRATION BUILDING II**, located at 201 East Main Street, Durham, North Carolina 27701.

B. For purposes of this Lease the County Administration Building II has the following address: **COUNTY ADMINISTRATION BUILDING II**, 201 East Main Street, Suite 150, Durham, North Carolina 27701, and is more specifically described in Exhibit "A" (the "Premises" or the "Leased Premises"). The Leased Premises contains approximately 3,057 square feet. A Floor Plan is attached hereto as Exhibit "B" for a more accurate and complete description. Tenant shall have access to a common lobby and restrooms which are not included in the square footage of the Lease space. To prepare the Premises for occupancy by Tenant the Premises shall be upfitted as provided in the "Work Letter", attached hereto as Exhibit "C", "Admin II Work Rules," attached hereto as Exhibit "G", and "Durham County Admin II Tenant Design Criteria," attached hereto as Exhibit "H".

C. Durham County will self-manage the property and Lease. Contact information for each County Department having responsibility related to this lease shall be provided in a commencement letter from the Landlord to the Tenant.

D. Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant.

NOW THEREFORE, in consideration of the mutual covenants, obligations, and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. LEASE. Landlord grants to the Tenant the exclusive right and privilege to occupy and operate the Premises.

2. LEASE TERM: The term of this Lease (the "Term" or "Lease Term") shall be 120 months and the rent shall commence 180 days after Delivery ("Delivery Date") Delivery will occur no later than five (5) days after approval of the Lease by the Board of County Commissioners. Within ten (10) days of a request from Landlord, Tenant shall execute and return to Landlord the Commencement Date Agreement attached hereto as Exhibit "D".

2.1 Opening Date. Tenant agrees that it will open for business for the Permitted Uses on or before one hundred eighty (180) days following the Delivery Date. Notwithstanding any other remedy available to Landlord herein, in the event Tenant is not open to the public for business within 180 days, Landlord shall have the right to declare a breach of this Lease and send a notice to cure within thirty (30) days to the Tenant. If the Tenant fails to cure within thirty (30) days of receiving the notice to cure, Landlord shall have the right to terminate this Lease upon written notice to Tenant.

3. BASE RENT/DEPOSIT.

3.1 Base Rent Payments. During the Lease Term, Tenant's rent shall be paid in advance due and payable to Landlord on the first day of each month as shown below:

Lease Period	Monthly Rent	Annual Total
Year 1	\$5,095.00	\$61,140.00
Year 2	\$5,247.85	\$62,974.20
Year 3	\$5,405.29	\$64,863.43
Year 4	\$5,567.44	\$66,809.33
Year 5	\$5,734.47	\$68,813.61
Year 6	\$5,906.50	\$70,878.02
Year 7	\$6,083.70	\$73,004.36
Year 8	\$6,266.21	\$75,194.49
Year 9	\$6,454.19	\$77,450.32
Year 10	\$6,647.82	\$79,773.83

If the Commencement Date is any day other than the first day of the month in which the Commencement Date occurs, then the partial month in which the Commencement Date occurs shall be included in the first Lease Year. Succeeding Lease Years shall each commence on the first (1st) day following the end of the preceding Lease Year. Rent Commencement will begin on the first full month and tenant is responsible for the pro-rata portion on any partial month.

3.2 Security Deposit. At the execution of the Lease Tenant shall deposit with Landlord a security deposit in the amount of \$5,349.75 as security for Tenants faithful performance of its obligations under this Lease. If Tenant fails to pay Rent or Common Area Cost or otherwise Defaults under this Lease, Landlord may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Landlord or to reimburse or compensate Landlord for any liability, expense, loss or damage which Landlord may suffer or incur by reason thereof. If Landlord uses or applies all or any portion of the Security Deposit, Tenant shall within ten (10) days after written request therefor redeposit monies with Landlord sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent shall be increased above the amounts indicated in Section 3.1 of this Agreement, such increase being contingent upon a written agreement or amendment to this Agreement signed by all Parties, during the term of this Lease, Tenant shall, upon written request from Landlord, deposit additional monies with Landlord so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Landlord shall not be required to keep the Security Deposit separate from its general accounts. Within 14 days after the expiration or termination of this Lease, if Tenant elects to apply the Security Deposit only to unpaid Rent, and otherwise within 30 days after the Premises have been vacated Landlord shall return that portion of the Security Deposit not used or applied by Landlord. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Tenant under this Lease.

4. USE OF THE PREMISES. Tenant shall use the Premises solely for the purposes of conducting the following business ("Permitted Uses"): Full-service restaurant / sports bar open 7 days a week offering lunch and dinner service with a full bar. Premises will have TV's, AV system to broadcast sporting events. Tenant will cease alcohol sales per NC law. Preliminary hours 11-am to 2 am. Premises will not be used as a club, lounge or dance hall nor charge membership fees. However, Tenant will host special events (some with entrance fees i.e. MMA Fights or Boxing), and occasionally have live music and a weekly DJ. Tenant shall continuously operate its business at the Premises in a manner to produce the highest amount of income therefrom. Tenant shall conduct business at least during the following days and hours: Monday through Thursday 11:00 AM – 10:00 PM, Friday and Saturday 5:00 PM to 2:00 AM. Additional times are permitted at Tenants discretion. Tenant will not use or permit or suffer the use of the Premises for any other business or purpose without the Landlord's written approval. Tenant shall use and maintain the Premises in accordance with all laws, ordinances, rules and regulations of all governmental authorities having jurisdiction over the same. It is understood and agreed that Tenant's right to operate as a restaurant on the Premises is a non-exclusive right and privilege to operate as a restaurant.

4.1 Sales Reporting. On a quarterly basis, during the term of the Lease, Tenant shall provide the Property Manager with a copy of its quarterly sales reports no later than the fifteenth day of the following month. In addition, no later than April 30th of each year, Tenant shall provide Property Manager with a copy of its annual financial statement for the preceding year.

4.2 Patio Area. Tenant shall have the right to utilize the outdoor seating area located adjacent to the Premises which area shall not be subject to any calculations set forth in this Lease that are based upon the square footage of the floor area of the Premises, for the use by Tenant's customers as a patio seating area ("Patio"), subject to all other requirements of governmental authorities. Except for the payment of Rent, the Patio shall be deemed to be part of the Premises for all purposes of the Lease, and Tenant's obligations with respect thereto shall expressly include the obligation to procure and maintain with respect to the Patio all insurance required under the Lease. In no event shall Tenant be permitted to enclose the Patio using structural materials (e.g. brick, stucco, drywall) without the prior written consent of Landlord, which may be granted or withheld in the sole and absolute discretion of Landlord. Tenant's customers may use the Patio for on-site consumption of items sold from the Premises in accordance with the first-class standards of customary operation of Tenant's business, subject to the provisions of this Lease. Landlord, at Landlord's expense, shall provide the first set of outdoor furniture ("Furniture") for such Patio, including any fencing or other barrier which may be required by applicable law, statutes, regulations and ordinances (collectively, "Applicable Law"), which shall be new and of a quality consistent with the first-class nature of the Building. Tenant, at Tenant's expense, shall maintain, repair and replace the Patio and the Furniture thereon (including the bricks, pavers or other flooring material comprising the most exterior layer of the floor of the Patio, any railing or fencing and any other fixtures and equipment Tenant places thereon) and keep the same in good order, condition and repair and in a clean, pleasant, sightly, sanitary and safe condition and free from loiterers. Tenant's obligations pursuant hereto shall include, without limitation, the obligations of Tenant to (a) be responsible for cleaning any spills or waste in the Patio and adjacent Common Areas occasioned by the consumption of food and other items sold by Tenant; (b) regularly "bus" all tables to remove food wrappers and containers sold by Tenant and trays and other similar items provided by Tenant, properly disposing of all refuse or waste in waste receptacles and generally keeping the Patio in a "neat" and orderly condition; and (c) power wash the patio pavers as needed, but not fewer than three (3) times per year. Should Tenant fail to satisfy its obligations set forth herein, Landlord shall have the right to perform same, and Tenant shall promptly reimburse Landlord for said costs.

4.3 Licenses and Permits. Tenant shall obtain and maintain any and all governmental licenses, permits, county health permits or approvals necessary for the proper and lawful conduct of Tenant's business. Tenant shall maintain an "A" rating from the County Health Department at all times. Any grade below and "A" that is left uncured for longer than 20 days shall be counted as an event of default. Tenant shall provide Landlord with copies of all inspection reports within 48 hours of receipt.

5 Hazardous Materials. Tenant shall at all times keep the Premises and Common Areas free of Hazardous Materials. Tenant shall not use, generate, manufacture, store, release, or dispose of Hazardous Materials in, on, or about the Premises. "Hazardous Materials" shall include, but

not be limited to, substances defined "hazardous substances," "hazardous materials," or "toxic" substances" in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C.A §§ 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, et seq.; the Resource Conservation and Recovery Act, (CRA) 42 U.S.C. §§ 6901, et seq.; and those substances defined as "hazardous substances or wastes" in N.C. Gen. Stat. 143-215.77 and in the regulations adopted and publications promulgated pursuant to said laws.

5. RETURNED CHECKS. Tenant shall pay thirty dollars (\$30.00) for each check returned for insufficient funds or because the drawer had no account at the bank.

6. EXTENSION OF LEASE TERM. If Tenant shall not be in default hereunder as defined below, Tenant shall have the option to extend this Lease for One (1) additional term of five (5) years, which term, if so extended shall be on the same terms and conditions as during the initial term hereof with the Base Rent at \$6847.25 per month for the first year of the extension period, with rent increasing each lease year by 3.0% over the prior year's rent. If Tenant shall exercise the said option, it shall do so by giving to the Landlord written notice of the exercise at least one hundred and eighty (180) days prior to the termination of the then current term.

7. CONDITION OF PREMISES AND REPAIRS. The Premises shall be delivered by Landlord to Tenant "as is."

(a) The Tenant having inspected the Premises; it is agreed that they are in good repair and are fit as of the beginning of the term. The Tenant shall immediately notify the Landlord of all damage to the Premises, need for repairs, and situations that might reasonably be expected to result in damage. If the Landlord makes repairs that are chargeable to the Tenant, such charges shall be added to and included as part of the rent but shall be paid within fifteen (15) days of billing by the Landlord. This Lease does not give Tenant any authority either to obligate the Landlord to pay any third party for any labor or materials or to suffer liens to be placed on the Premises.

(b) Tenant shall compensate the Landlord for damage to the Premises caused by all negligent, willful, or intentional acts and omissions by the Tenant and any of Tenant's agents, invitees, licensees, and contractors. Nothing within this Section 7 shall affect the Parties agreements and obligations relating to the initial build-out of the premises, as such agreements and obligations are set forth in Exhibit C of this Agreement. In the event that this Section 7 shall conflict with the terms of Exhibit C, then Exhibit C shall control.

8. MAINTENANCE. Landlord shall at its expense maintain the structural portions of the Building, and exterior masonry walls, if any, not including windows, of the Premises, and the Common Areas (as defined herein). Except as provided in the foregoing sentence, Tenant shall conduct all maintenance, repair and replacement of the Premises and its systems (including the HVAC plumbing, electrical wiring, appliances, painting, glass, and all other equipment), to insure the Premises and its systems are in good condition and repair. Notwithstanding the above, Tenant shall have no responsibility for maintenance or repair of building components, including electrical and plumbing system components that serve the Common Areas, or other areas of the building, including those that may be located within the Tenant space. Landlord may, from time to time, require access to make needed repairs and perform maintenance on portions of these systems that may be located within the leased space, and such access will not be unreasonably withheld.

9. USE AND CARE OF THE PREMISES. The Premises shall not be used in any way that exposes the improvements to any unreasonable risk of damage from fire. Without written permission from the Landlord, the Tenant shall not permit or keep any kerosene or gasoline on the Premises unless in properly constructed tanks attached to motor vehicles. The Tenant shall keep the Premises in a presentable condition, including clean of trash and garbage and the lawn, if any, mowed. The Tenant shall not use or allow the use of any illegal drugs on the Premises. No trees or shrubbery shall be removed without first obtaining written permission from the Landlord. The Tenant shall not violate any Applicable Law regarding use of the Premises. No animals may be kept on the Premises.

All automobile parking areas, driveways, entrances and exits thereto and other facilities furnished by the Landlord in or near the Durham County Administration Building II, including but not limited to employee parking areas, loading docks, package pick up stations, pedestrian walkways and ramps, landscaped areas, exterior stairways and other areas and improvements provided by the Landlord for the general use, in common, of all tenants, their officers, agents, employees and customers, shall at all times remain subject to the exclusive control and management of the Landlord. Tenant shall have the right to use jointly with the Landlord and with the tenants of the other units all facilities and areas mentioned herein and agrees that it will cooperate with said other tenants and with the Landlord in maintaining the orderly use of said facilities and areas.

Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned herein, including but not limited to, the right to change the area, location and arrangement of facilities, to temporarily close any portion of the facilities, and to do and perform such acts in and to such areas and improvements and the common facilities referred to herein in such manner as Landlord, in its sole discretion, shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Durham County Administration Building II, and all areas used in common by tenants of the Durham County Administration Building II (the "Common Areas").

10. ALTERATIONS/FIXTURES. Tenant shall not alter the Premises without the Landlord's written consent. Any such work must be done in a workmanlike manner. Tenant may, prior to the expiration of the term of this Lease, remove from the Premises fixtures that Tenant may have installed, except those that are permanently affixed including built-in hood, walk-in refrigeration unit(s), sinks or other built in equipment; provided, however, that any damages done to the Premises by the installation of such fixture or by such removal will be repaired at Tenant's expense. Any fixtures remaining in the Premises after the expiration of the term shall be the property of the Landlord. Any improvements and repairs to the Premises, unless removed pursuant to this Section, shall inure to and be to the benefit of the Landlord.

11. KEYS. The Tenant shall not add or change any locks without the Landlord's written consent. At the end of the term, the Tenant shall give to the Landlord all keys that Tenant has for the Premises, including any keys made from Landlord's keys. Landlord will not retain any keys to the premises during the term of the lease.

12. UTILITIES. Tenant shall procure for its own account and shall pay the cost of all water, gas, electric power and fuel consumed or used in or at said Premises, including appropriate deposits as required. Tenant shall be solely liable for and promptly pay all charges for all water, gas, electric power and fuel and other utilities used or consumed in the Premises. Landlord shall not be liable to Tenant in damages or otherwise for any interruptions, curtailment, or suspension of utility service.

13. USE OF SECURITY DEPOSIT. The security deposit shall be used only as a credit toward these charges: nonpayment of rent, any unpaid bills which become a lien against the Premises due to Tenant's occupancy, damage to the Premises, nonfulfillment of the rental period, costs of re-renting the Premises after breach by the Tenant, costs of removal and storage of property of Tenant after a summary ejectment proceeding, court costs (including to the extent allowed by law, reasonable attorney's fees) in connection with terminating a tenancy, and to the extent allowed by law, all other losses attributable to any breach of any provision of this lease by the Tenant. When Tenant vacates the Premises, if it is not reasonably clean, the Tenant shall be charged to clean it, and the security deposit may be applied to this charge. If the security deposit is insufficient to pay any of the charges referred to in this Section, the Tenant shall be liable for such excess. No part of the security deposit may be retained by the Landlord for normal wear and tear. On termination of the tenancy, the deposit, except any amounts properly retained by the Landlord, shall be refunded to the Tenant with an itemized statement of the amounts withheld, within thirty (30) days after termination of the tenancy and delivery of possession by the Tenant.

14. LATE PAYMENTS. If the full rental payment is not received by the Landlord on or before the tenth day of the month due, Tenant shall pay a late fee of five percent (5%) of the rental payment or one hundred dollars (\$100.00), whichever is greater.

15. POSSESSION. The Landlord shall not be liable for its failure to deliver possession because of a cause beyond its reasonable control, including holdover by a previous tenant. However, the Rent shall be prorated to reduce the Rent for the period during which the Landlord fails to deliver possession.

16. ASSIGNMENT AND SUBLETTING. The Tenant may neither assign nor sublet either any rights in, or any part of, the Premises without the written consent of the Landlord, which shall not be unreasonably withheld or delayed. Any request by Tenant to sublease or assign the Lease shall be in writing and accompanied by a fee of \$1,500.00, of which \$1000 shall be non-refundable, payable to Landlord for the processing of any such request. The Tenant shall remain liable to the Landlord under this Lease regardless of assignments or subleases. Notwithstanding the foregoing, should Landlord agree to assignment or sublease, the Tenant's personal guaranty shall remain in effect for the original guaranty period if any remains, and existing Tenant shall not have any uncured defaults.

17. COMMON AREA MAINTENANCE. Tenant shall pay to the Landlord as additional rent ("Additional Rent") for the use of the Premises its share of all costs and expenses incurred by the Landlord in the operation and maintenance of the common area within the Durham County

Administration Building II, as hereinafter more fully defined. Tenant's share of such costs and expenses shall be determined by the number of retail tenants (100% if Tenant is the only Tenant or 50% if there is another Tenant).

The costs and expenses of the Landlord (including appropriate reserves) for the purposes of this Section shall mean and include the following:

(a) all costs and expenses of every kind and nature whatsoever paid or incurred by Landlord in removal of ice, snow, and refuse, collection and hauling of trash and recycling, maintenance of the grease trap connected to each restaurant lease space, and exterior washing of window glass and mullions.; all to such extent as Landlord shall deem necessary;

(b) The Additional Rent payable by Tenant hereunder shall be determined on a calendar year basis for each full calendar year of the term of the Lease with appropriate adjustments for partial calendar years at the commencement and at the end of the Lease Term. All annual charges such as taxes and insurance premiums shall be prorated on a monthly basis or such parts of calendar years.

Prior to the commencement of the Lease term hereinbefore described, and on or before the 31st day of December of each year during said term, the Landlord shall provide to the Tenant an estimate of the Additional Rent payable hereunder by the Tenant for the remainder of the first calendar year, for the following calendar year or for that portion of the remaining calendar year under the term of this Lease. Such estimated Additional Rent shall be payable by the Tenant prior to the first day of each month in equal monthly installments determined by dividing the estimated Additional Rent by the number of months in the applicable period. Each monthly installment so determined shall be paid in advance on the first day of each calendar month or part thereof, with each payment of Fixed Minimum Annual Rent as hereinabove set forth.

The Estimated Additional Rent for 2020 is \$1.00 per square foot per year, which is \$254.75 per month and payable as stated above in this Section 17. Said charges shall be adjusted at each year end and at the termination of the Lease to reflect the actual costs incurred. Tenant will then be credited or billed accordingly at year end to reflect this adjustment. Any additional amounts owed by Tenant shall be payable within ten (10) days of the date the same are billed.

18. ACCESS. The Landlord and its agents and contractors may enter the Premises, including the interior, in case of emergency or with the consent of the Tenant upon at least 24 hours prior notice. Without limiting its rights under the preceding sentence, the parties agree that the Landlord and its agents and contractors may enter the Premises, excluding the interior, during daylight hours to make surveys, repairs, improvements, inspections, and do other work. During the last six months of the term and until the Premises have been rented beyond the term or sold, Tenant shall permit Landlord to show the Premises, including the interior, to prospective tenants or purchasers, from 8:00 AM - 4:30 PM, Monday - Friday. The Landlord may place and maintain for sale and for rent signs on the Premises.

19. SIGNAGE. Tenant shall not erect, install, maintain, paint, display or permit on any exterior door, wall or window of the premises any exterior or interior sign, lettering, placard, decoration or

make any other changes to the store front without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Any sign erected, installed or painted on the Premises or walls thereof or other change to the store front shall comply with all laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the same. Landlord shall allow Tenant, at Tenant's expense, to install its name and logo on the exterior of the front and side of the Building, in a location approved by Landlord.

20. HOLDOVER/VACATING. Tenant will upon the termination of this Lease by lapse of time or otherwise, yield up immediate possession to Landlord without the requirement of notice by Landlord to Tenant of the termination of this Lease, nor any grace or cure period should Tenant fail to yield up immediate possession to Landlord. Unless the parties hereto will otherwise agree in writing, if Landlord agrees in writing that Tenant may hold over after the expiration or termination of this Lease, the hold over tenancy will be subject to termination by Landlord at any time upon thirty (30) days advance written notice, or by Tenant at any time upon not less than thirty (30) days advance written notice, and all of the other terms and provisions of this Lease will be applicable during that period, except that Tenant will pay Landlord from time to time upon demand, as rental for the period of any hold over, an amount equal to One Hundred Fifty Percent (150%) the Rent plus Additional Rent in effect on the Termination Date, computed on a daily basis for each day of the hold over period. No holding over by Tenant, whether with or without consent of Landlord, will operate to extend this Lease except as otherwise expressly provided. The preceding provisions of this Section 20 will not be construed as Landlord's consent for Tenant to hold over.

Upon the termination of this Lease for whatever reason, Tenant will quit and immediately surrender the Premises to Landlord, broom clean, in good order and condition with all repairs and maintenance required by Tenant hereunder having been performed, ordinary wear and tear excepted, and Tenant will remove its personal property from the Premises in accordance with this Lease. Should any of the personal property or trade fixtures of Tenant remain upon the Premises after the Termination Date, all such property will be deemed abandoned by Tenant, and Landlord may remove same at the cost and expense of Tenant with no liability to Tenant therefore, and Tenant hereby releases Landlord from all liability therefore.

21. LANDLORD'S LIEN. In addition to any statutory lien for Rent in Landlord's favor, Landlord will have and Tenant hereby grants to Landlord a continuing security interest for all rentals and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture, inventory and other personal property of Tenant which shall be located upon the premises, and the proceeds and products thereof situated on the Premises, and such property will not be removed therefrom without the consent of Landlord until all arrearage in Rent as well as any and all other sums of money then due to Landlord hereunder all first have been paid and discharged. In the event of a default under this Lease, Landlord will 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 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 Rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto.

22. DEFAULT.

22.1 Events of Default. Each of the following shall be an Event of Default by Tenant under this Lease:

(a) Tenant will fail to pay any installment of the Rent herein reserved, or payment with respect to taxes hereunder, or any other payment or reimbursement to Landlord required herein, within five (5) days of when due.

(b) Tenant will become insolvent, or will make a transfer in fraud of creditors, or will make an assignment for the benefit of creditors.

(c) Tenant will file a petition under any section or chapter of the Bankruptcy Reform Act, as amended or under any similar law or statute of the United States or any state thereof; or Tenant will be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder.

(d) A receiver or trustee will be appointed for all or substantially all of the assets of Tenant.

(e) Tenant will abandon or vacate all or a portion of the Premises or fail to continuously operate the Premises.

(f) Tenant will fail to yield up immediate possession of the Premises to Landlord upon termination of this Lease.

(g) Tenant will fail to comply with any term, provision or covenant of this Lease (other than the provisions of subparagraphs (a), (b), (c), (d), (e), and (f) of this Section 22), and will not cure such failure within twenty (20) days after written notice thereof to Tenant or such additional period of time as will be reasonably granted by Landlord if Tenant is acting in good faith and with diligence to complete such cure.

(h) Tenant shall breach any provision of this Lease, including, any Rule attached hereto in Exhibit "E", more than twice in any calendar year.

22.2 Remedies. Upon the occurrence of any Event of Default in the preceding Section 22 hereof, Landlord will have the option to pursue any remedy at law or in equity, including, but not limited to, one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Lease, in which event Tenant will 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 arrearage in Rent, enter upon and take possession of the Premises and expel and remove Tenant and any other person who may be occupying the Premises or any part thereof, with or without judicial approval, by any legal means necessary, without being liable for prosecution or any claim of damages therefor; secure the Premises against unauthorized entry; and Tenant agrees to pay to Landlord on demand the amount of all

loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

(b) 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, with or without judicial approval, by any legal means necessary, without being liable for prosecution and receive the Rent thereof; secure the Premises against unauthorized entry; store any property located on the Premises at the expense of the owner thereof and Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such reletting. In the event Landlord is successful in reletting the Premises at a rental in excess of that agreed to be paid by Tenant pursuant to the terms of this Lease, Landlord and Tenant each mutually agree that Tenant will not be entitled, under any circumstances, to such excess rental, and Tenant does hereby specifically waive any claim to such excess rental.

(c) Enter upon the Premises, with or without judicial approval, by any legal means necessary, without being liable for prosecution or any claim for damages therefor, secure the Premises against unauthorized entry, remove all property of Tenant from the Premises and store it at the cost and expense of Tenant, 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 thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord will not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise.

(d) Accelerate and demand the payment of all Rent and other charges due and payable hereunder over the term of this Lease.

If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it will become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay any and all reasonable attorneys' fees so incurred.

Pursuit of any of the foregoing remedies will not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor will pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent 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 hereby granted will be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of the Premises will 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 will be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of an Event of Default will not be construed as a waiver of such default, unless Landlord so notifies Tenant in writing, and no receipt of money by Landlord from Tenant after the termination of this Lease or after service of any notice or after the commencement of any suit or after final judgment for possession of the Premises will reinstate, continue or extend the term of

this Lease or affect any such termination, notice, suit or judgment, unless Landlord so notifies Tenant in writing. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default will not be deemed or construed to constitute waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default.

23. INDEMNIFICATION. Tenant hereby covenants and agrees that it will at all times indemnify, defend (with counsel approved by Landlord) and hold safe and harmless Landlord (including, without limitation, its trustees and beneficiaries if Landlord is a trust), and Landlord's agents, employees, patrons and visitors from any loss, liability, claims, suits, costs, expenses, including without limitation attorney's fees and damages, both real and alleged, incurred by Landlord, its agents, employees, officers, partners, invitees, or licensees arising out of or resulting from the occupancy by Tenant of the Premises, a breach by Tenant of any provision of this Lease, or the conduct by Tenant of its business in the Building.

24. ADA. If Tenant receives any notice or document (i) which alleges any violation of the Americans with Disabilities Act ("ADA") relating to the Premises, or (ii) which pertains to any claim made or threatened relating to the Premises regarding alleged noncompliance with the ADA, or (iii) which pertains to any governmental or regulatory action or investigation instituted or threatened relating to the Premises regarding alleged noncompliance with the ADA, Tenant shall, within ten (10) days after receipt of such notice or document, provide the Landlord with a copy.

25. TERMINATION, CASUALTY, AND EMINENT DOMAIN. (a) If the term ends early, and if Tenant has paid Rent in advance, it shall be entitled to a prorata refund for the Rent attributable to the time after the end of the term. (b) If fire or other casualty renders the Premises uninhabitable, and if the casualty is not the fault of Tenant or any person for whose acts or omissions Tenant is liable, and if Landlord cannot or does not make the Premises reasonably useable for Tenant's purposes within ten days afterwards, Tenant may, by sending notice to the Landlord within fifteen days of the casualty, terminate the term effective as of the date of the casualty. (c) If fire or other casualty substantially damages the Premises, and if the casualty is not the fault of Tenant or any person for whose acts or omissions Tenant is liable, and if Landlord cannot or does not substantially repair the Premises within twenty days afterwards, Tenant may, by sending notice to the Landlord within twenty-five days of the casualty, terminate the term effective as of the date of the casualty. (d) If fire or other casualty renders the Premises unusable for the Tenant's purposes, the Landlord may, by sending notice to the Tenant within twenty days of the casualty, terminate the term effective as of the date of the casualty. (e) If an authority with the power of eminent domain acquires an interest in the Premises that substantially affects their use for Tenant's purposes, Tenant may, by sending notice to the Landlord within thirty days of the taking of possession by the authority, terminate the term effective as of the date of the taking of possession by the authority. (f) Each subsection of this Section is intended to be independent of the other subsections of this Section.

26. INSURANCE. Landlord agrees to maintain standard fire and extended coverage insurance for the Building in an amount not less than the replacement cost, insuring against special causes of loss, including, the perils of fire, and lightning, 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. Subject to the provisions of this Section, such insurance will be for the sole benefit of Landlord and under its sole control.

If the Premises should be damaged or destroyed by any peril covered by the insurance to be provided by Landlord according to this Section, Tenant will give immediate written notice thereof to Landlord. This Lease will not terminate, and Landlord will, at its sole cost and expense, thereupon proceed with reasonable diligence to rebuild and repair the Premises to substantially the condition in which they existed prior to such damage, except that Landlord will not be required to rebuild, repair or replace any part of the partitions, fixtures, additions and other improvements which may have been placed in, on or about the Premises by Tenant. If the Premises are untenantable in whole or in part following such damage, the Rent payable hereunder during the period in which they are untenantable will be reduced to such extent as reasonably determined.

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 requires that the insurance proceeds be applied to such indebtedness, then Landlord will 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 thereafter accruing will cease and terminate.

Landlord and Tenant hereby waives all rights to recover against each other or against any other tenant or occupant of the Building, or against the officers, directors, shareholders, partners, joint ventures, employees, agents, customers, invitees, or business visitors of each other or of any other tenant or occupant of the Building, for any loss or damage arising from any cause covered by any insurance required to be carried by each of them pursuant to this Lease, or any other insurance actually carried by either of them. Landlord and Tenant will cause their respective insurers to issue waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Building or the Premises or the contents of either of them, and any cost for the issuance of such endorsements will be borne by the original insured under such policies.

The obligation of Landlord in this Section to repair and restore the Premises and the Building as provided herein, does not include an obligation of Landlord to repair the fixtures, equipment, or personal property of Tenant, which Tenant will insure for its benefit, and Tenant will have the obligation to repair and restore in the event of a casualty or other loss.

The period of time within which repair and restoration of the Premises must be completed will be extended due to delays occasioned by Force Majeure.

Tenant will procure and maintain, at its expense, (i) all-risk (special form) property insurance in an amount equal to the full replacement cost of Tenant's personal property, equipment, trade fixtures and any improvements performed by Tenant in the Premises; (ii) a policy or policies of commercial general liability insurance applying to Tenant's operations and use of the Premises, providing a minimum limit of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate, naming Landlord as loss payee; (iii) business interruption insurance that will insure against loss of income at the Premises and payment of rent to Landlord in an amount of at least six (6) months of gross income therefrom; and (iv) loss of income/extra expense coverage. Tenant will maintain the

foregoing insurance coverages in effect commencing on the earlier to occur of the Commencement Date and the date Tenant takes possession of the Premises and continuing to the end of the Lease Term.

The insurance requirements set forth in this Section are independent of the waiver, indemnification, and other obligations under this Lease and will not be construed or interpreted in any way to restrict, limit or modify the waiver, indemnification and other obligations or to in any way limit any party's liability under this Lease. In addition to the requirements set forth in this Section, (i) the insurance required of Tenant under this Lease must be issued by an insurance company with a rating of no less than A-VIII in the current Best's Insurance Guide or that is otherwise acceptable to Landlord, (ii) the company issuing the coverage must be authorized to conduct the business of insurance in the state in which the Building is located, (iii) the insurance must be primary insurance for all claims under it and provide that any liability insurance carried by Landlord, Landlord's Property Manager, and Landlord's lenders is strictly excess, secondary and noncontributing with any insurance carried by Tenant, and (iv) provide that insurance may not be cancelled, non-renewed or the subject of change in coverage of available limits of coverage, except upon thirty (30) days' prior written notice to Landlord and Landlord's lenders. Tenant will deliver to Landlord a legally enforceable certificate of insurance on all policies procured by Tenant in compliance with Tenant's obligations under this Lease on or before the date Tenant first occupies any portion of the Premises, at least ten (10) days before the expiration date of any policy and upon the renewal of any policy. Landlord will have the right to approve all deductibles and self-insured retentions under Tenant's policies, which approval will not be unreasonably withheld, conditioned or delayed.

In addition to the insurance required under this Section 26, for such period of time as Tenant shall serve liquor or other alcoholic beverages in or from the Leased Premises, Tenant agrees to maintain minimum limits of coverage of at least \$1,000,000.00 under a policy covering "liquor law" liability (sometimes also known as "dram shop" insurance) which shall insure Tenant and all those claiming by, through or under Tenant, against any and all claims, demands or actions for personal and bodily injury to, or death of, one person or multiple persons in one or more accidents, and for damages to property, as well as for damages due to loss of means of support, loss of consortium, and the like so that Tenant will be protected against claims that may arise by reason of or in connection with the sale and dispensing of liquor and alcoholic beverages in and from the Leased Premises.

27. EFFECTS ON OTHER RIGHTS. The Landlord shall not be liable for any loss or damage occurring to the personal property of Tenant, except through the intentional act of the Landlord, and except as otherwise provided by law or this Lease. Nothing in this Lease shall limit the City or County of Durham's governmental powers regarding the Premises, including eminent domain, zoning, subdivision, and police.

28. RENEWAL. If the parties fail otherwise to agree in writing respecting the extension or renewal of the term, the following shall apply: If the expiring term is one year or longer, and if Tenant has already paid the Rent for the last month of the term, and if Tenant tenders payment to the Landlord in an amount equal to the Rent for the last month of the term, or if Tenant remains in

possession of the Premises after the expiration of that term, the Landlord may, at the Landlord's option, extend the term by one (1) year by sending written notice to the Tenant of such decision at least 180 days prior to the end of the then current term. Acceptance of such payment by the Landlord without giving such notice shall create a lease on the same terms and conditions as this Lease except that the term shall be month-to-month and the number of days in Section 25(a) (TERMINATION, CASUALTY, AND EMINENT DOMAIN) shall be deemed to be ten (10) instead of twenty-five (25). Acceptance of such payment or extension of the Lease shall not constitute a waiver of past-due Rent or of any other rights of the parties. This Section is not intended to limit the Tenant's rights under Section 6 (EXTENSION OF LEASE TERM), and Section 6 (EXTENSION OF LEASE TERM) is not intended to limit the Tenant's rights under this Section.

29. LIABILITY OF LANDLORD. Tenant specifically agrees to look solely to Landlord's (or its successors') interest in the Building for the recovery of any judgment (or other judicial decree) from Landlord. Landlord (or if Landlord is a limited liability company, its members, or if Landlord is a corporation, its directors, officers or any successors in interest) shall never be personally liable for any such judgment. In no event shall Landlord be liable under this Lease for any consequential or punitive damages. This exculpation of liability to be absolute and without exception whatsoever.

Landlord will not be liable to Tenant or Tenant's employees, agents, officers, partners, licensees or invitees, or to any other person whomsoever, for any damage to property on or about the Premises belonging to Tenant or any other person, due to any cause whatsoever, unless caused by the willful or intentional misconduct of Landlord.

30. RULES AND REGULATIONS. Tenant shall comply with the rules and regulations (collectively, the "Rules") promulgated by Landlord from time to time for the Premises. A copy of the Rules is attached hereto as Exhibit "E". The Rules may be modified by Landlord upon written notice to Tenant.

31. ENVIRONMENTAL.

31.1 Tenant's Responsibility. Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically active or other hazardous substances or materials on the Durham County Administration Building II. For the purposes of this Section 31, the term "Durham County Administration Building II" shall include the Premises, Building, all Common Areas, the Land; all personal property (including that owned by Tenant); and the soil, ground water, and surface water of the real estate upon which the Building is located. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or in compliance with the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought onto the Durham County Administration Building II any such materials or substances except to use in the ordinary course of Tenant's business, and then only after notice is given to Landlord of the identity of such substances or materials. No such notice shall be required, however, for commercially reasonable amounts of ordinary office supplies and janitorial supplies.

31.2 Indemnity. Tenant shall indemnify and hold Landlord harmless from any penalty, fine, claim, demand, liability, cost, or charge whatsoever which Landlord shall incur, or which Landlord would otherwise incur, by reason of Tenant's failure to comply with this Section 31 including, but not limited to: (i) the cost of full remediation of any contamination to bring the Durham County Administration Building II into the same condition as prior to the Commencement Date and into full compliance with all Applicable Law; (ii) the reasonable cost of all appropriate tests and examinations of the Premises to confirm that the Premises and any other contaminated areas have been remediated and brought into compliance with law; and (iii) the reasonable fees and expenses of Landlord's attorneys, engineers, and consultants incurred by Landlord in enforcing and confirming compliance with this Section 31. The covenants contained in this Section 31 shall survive the expiration or termination of this Lease, and shall continue for so long as either party and its successors and assigns may be subject to any expense, liability, charge, penalty, or obligation against which the other party has agreed to indemnify it under this Section 31.

31.3 Inspections by Landlord. Landlord and its engineers, technicians, and consultants, from time to time as Landlord deems appropriate, may conduct periodic examinations of the Premises to confirm and monitor Tenant's compliance with this Section 31. Such examinations shall be conducted in such a manner as to minimize the interference with Tenant's Permitted Use; however, in all cases, the examinations shall be of such nature and scope as shall be reasonably required by then existing technology to confirm Tenant's compliance with this Section 31. Tenant shall fully cooperate with Landlord and its representatives in the conduct of such examinations. The cost of such examinations shall be paid by Landlord unless an examination shall disclose a material failure of Tenant to comply with this Section 31, in which case, the reasonable cost of such examination shall be paid for by Tenant within ten (10) days after receipt of Landlord's written demand.

32. ADDRESSES/NOTICES. Any notice sent hereunder shall be in writing and sent to the both below physical addresses by either overnight delivery, or certified mail, return receipt requested:

Landlord:
Durham County
Department of Engineering and Environmental Services
Open Space and Real Estate Division
201 East Main Street
Durham, NC 27701

Tenant:
Topsy Bull, Inc.
Nicholas Pettiford
1007 W. Main Street
Durham, NC 27701

By sending a notice stating its new address, either party may change the address to which notices and Rent may be sent.

33. INTERPRETATION. Unless the context requires otherwise, the singular includes the plural, and vice versa. "Including" and "included" mean including or included but not limited to. Section

headings are not for interpretation of this Lease. In Section 2 (TERM), if the period stated conflicts with the expiration date stated, the period shall control. In case of conflict, Section 23) (INDEMNIFICATION) controls over Section 7 (b) (CONDITION OF PREMISES AND REPAIRS).

34. AMENDMENT. This Lease shall not be amended, except by a written amendment signed by each of the parties hereto.

35. SEVERABILITY. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease will not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease contract a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

36. SUCCESSORS AND ASSIGNS. The terms, provisions and covenants and conditions contained in this Lease will apply to, inure to the benefit of, and be binding upon the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provided.

37. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of North Carolina.

38. AUTHORITY. With its signature below, each party hereby confirms that it is duly authorized to enter into this Lease, and the person signing below on its behalf is duly authorized to do so.

39. FORCE MAJEURE. The performance of each party hereunder shall be excused for such period of time as performance is delayed due to force majeure. If either party hereto is delayed in the completion of its obligations hereunder by the act, delay in providing approval, or default of the other party through no fault of the delayed party, or by acts of God (which shall be deemed to include weather delays caused by rainfall, snow or other factors in excess of such weather for the season in which such performance is to occur that actually cause a delay in performance, fire, strikes, lockouts, unavoidable casualties, war, acts of terrorism, civil commotion, fire or other casualty, theft of materials, unseasonable shortages of materials or supplies, pandemic, epidemic, or any other cause whatsoever beyond the commercially reasonable control of the delayed party (other than the payment of monies) then the time herein fixed for completion of such obligations shall be extended by the number of days that the delayed party has thus been delayed. The delayed party shall provide the other party hereto with written notice of any delay within ten (10) days after commencement of such delay; provided, however, that only one notice is necessary in the case of a continuing delay. Upon the written request of Tenant, Landlord shall provide Tenant a deferral of rent under the Lease where Tenant provides reasonable evidence of loss or damage due to force majeure; provided, further, if any local, state or federal mandate shall prohibit the operation of the Premises, due to no fault of Tenant and provided there is no default by Tenant, then Landlord shall defer rent in proportion to the period Tenant is prohibited from using the Premises in full or in part. If Tenant may use the Premises in part, the deferral of rent shall be fifty percent (50%) of the

then-current base lease rate. The period of deferral and repayment of the deferred rent shall be determined by Landlord. If the deferral of rent, extends for more than 30 consecutive days, the term of the lease will be extended commensurate with the time period calculated according to the percent of deferral.

40. GUARANTY. The performance by Tenant under this Lease shall be guaranteed by Tenant and their spouse pursuant to the Guaranty Agreement attached hereto as Exhibit "F".

41. BROKER. Each party represents and warrants to the other that no brokers have been involved in this transaction other than TradeMark Properties Inc. representing Landlord.

42. NONDISCRIMINATION. Tenant covenants not to discriminate against or segregate any person or group of persons, on account of race, color, creed, religion, sex, marital status, age, national origin, ancestry, or physical tenure, or on any other basis prohibited by law.

43. DISPUTE RESOLUTION. To prevent disputes and litigation, it is agreed by the parties that any claim or dispute between Landlord and Tenant, arising from this Lease Agreement shall be sent in writing to the Durham COUNTY Manager within ten (10) days of the rise of the claim or dispute. If the claim or dispute cannot be resolved informally at this level within an additional ten (10) days, then Landlord and Tenant shall agree to non-binding Mediation. Both parties shall agree on a qualified mediator approved by the Superior Courts of North Carolina to perform mediation to address the issue. Mediation shall be conducted and concluded within forty-five (45) calendar days from the date of the submission of the claim or dispute to the COUNTY Manager. Mediation, pursuant to this provision, shall be a pre-condition to initiating litigation concerning the dispute. During the pendency of any dispute and after a determination thereof, parties to the dispute shall act in good faith to mitigate any potential damages including utilization of schedule changes and alternate means of providing services. The costs of mediation shall be divided equally between the parties to the dispute. If the matter cannot be resolved by mediation, then either party may pursue resolution in the appropriate North Carolina Court. The mediation session shall be private and shall be held in Durham COUNTY, North Carolina.

44. E-VERIFY. Tenant shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, if Tenant provides services to customers utilizing a subcontractor, Tenant shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes as well. Tenant shall verify, by affidavit, compliance of the terms of this section upon request by Landlord.

45. CAPTIONS. The titles and captions contained in this Lease are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease or the intent of any provision hereof. Unless otherwise specified to the contrary, all references to Sections are references to Sections of this Lease and all references to Exhibits are references to Exhibits to this Lease.

46. COUNTERPARTS. This Lease may be executed simultaneously in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute

one and the same instrument.

47. ENFORCEMENT OF CERTAIN RIGHTS. Nothing expressed or implied in this Lease is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto, and their successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Lease, or result in such person, firm or corporation being deemed a third-party beneficiary of this Lease.

48. JURISDICTION AND VENUE. Landlord and Tenant agree and consent that the venue for any legal and/or equitable action concerning this Lease shall be Durham County, North Carolina.

49. ENTIRE LEASE AND AGREEMENT. This Lease and the exhibits attached hereto set forth all the covenants, promises, Leases, conditions, and understandings between Landlord and Tenant concerning the Premises, and there are no covenants, promises, Leases, conditions or understandings, either oral or written, between them, other than those expressly set forth herein. All negotiations and oral Leases have been merged into and are included herein, it being understood that this Lease supersedes and cancels any and all previous negotiations, arrangements, Leases, understandings, representations and brochures, and none thereof shall be used to interpret or construe this Lease.

IN WITNESS WHEREOF, the parties executed this Lease under seal as of the date written above.

For Landlord:

ATTEST:

COUNTY OF DURHAM

Monica Toomer
CLERK TO THE BOARD

BY: _____
Wendell M. Davis
COUNTY MANAGER

For Tenant:

TIPSY BULL, INC.

ATTEST:

BY: _____

Print Name:

Title:

Acknowledgement of Landlord:

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, _____, a Notary Public for _____ County, certify that Monica Toomer personally came before me this day and acknowledged that she is Clerk to the Board of the County of Durham, and that by authority duly given and as the act of the County, the foregoing instrument was signed in its name by its County Manager, sealed with its seal, and attested by herself as its Clerk to the Board.

Witness my hand and official seal, this the _____ day of _____, 20____.

(SEAL)

Notary Public

My commission expires: _____

Acknowledgement of Tenant:

STATE OF _____
COUNTY OF _____

I, a Notary Public in and for the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that he/she _____ of the _____, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____, sealed with its corporate seal and attested by _____ as its _____.

Witness my hand and notarial seal this ____ day of _____, 20____.

Notary Public

(SEAL)

My commission expires: _____