

NORTH CAROLINA

LEASE EXTENSION AGREEMENT

CHATHAM COUNTY

THIS LEASE EXTENSION AGREEMENT (this “Extension Agreement”), dated and made effective this 1st day of July, 2014 by and between Chatham County, a body politic and corporate of the State of North Carolina (“Landlord”), whose mailing address is Post Office Box 1809, Pittsboro, North Carolina 27312 and Young Men’s Christian Association of the Triangle Area (“YMCA”), (“Tenant”), whose mailing address for notices is 801 Corporate Center Drive, Suite 200, Raleigh, North Carolina 27607.

WITNESSETH:

WHEREAS, on or about the 21st day of April, 2005, Tenant leased certain space in the Performance Building located at 964 East Street in Pittsboro, North Carolina (the “Performance Building”) from Performance Investment Company, LLC, a copy of which lease is attached hereto as Appendix 1, and incorporated herein by reference (the “Lease”); and

WHEREAS, on or about the 28th day of October, 2008, Landlord purchased the Performance Building, including the space leased to Tenant, from Performance Investment Company, LLC, and by virtue of such purchase, and the assignment of the Lease, became Landlord under the Lease; and

WHEREAS, the Lease did not contain a legal description for the spaced leased to Tenant under the Lease (the “YMCA Premises”), but Landlord and Tenant subsequently agreed on a description for the YMCA Premises in a Lease Extension Agreement dated the 19th day of March, 2012 (the “2012 Lease Extension”); and

WHEREAS, the initial five (5) year term of the Lease was extended by the 2012 Lease Extension until the 30th day of June, 2014, the rent for the YMCA Premises was reduced to \$3,600 per month in exchange for Landlord’s employees and family members paying discounted YMCA dues, and, in addition, Office Number 206 (the “Upstairs Office”) was leased to Tenant for \$250 per month; and

WHEREAS, Landlord and Tenant have agreed that the term of the Lease should be extended until the 30th day of June, 2017; and

WHEREAS, Landlord and Tenant have further agreed that in consideration of Tenant’s operating a wellness program (the “Wellness Program”), the lease to Tenant of an additional 1,077 square feet, more or less, in the Performance Building, (the “Wellness Space”) and the lease of certain exercise equipment hereinafter defined (the “Exercise Equipment”) to Tenant, and Tenant’s providing additional discounts for Landlord’s employees and family members, that the rent due under the Lease for the YMCA Premises should be reduced to \$2,750 per month; and

WHEREAS, Landlord and Tenant wish to memorialize in writing their agreement with respect to the extension of the Lease, the increase in square footage in the YMCA Premises, the lease of the Equipment, the Wellness Program , the reduction in rent, and the discounted YMCA dues structure;

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. Premises. The original leased space of approximately 3,553 square feet located in the northwest corner on the first floor of the Performance Building and the Upstairs Office Number 206 is increased by the Wellness Space, consisting of approximately 1,077 square feet, located on the first floor of the Performance Building to provide space for the Wellness Program. The Wellness Space is depicted on Appendix 2, attached hereto and incorporated herein, by reference. The YMCA Premises is 4,630 square feet, more or less, plus the Upstairs Office Number 206. The Wellness Space shall be available to Tenant each morning before 12:00 noon and Monday through Friday from 5:00 p.m. to 8:00 p.m., and all day on weekends and Chatham County government holidays.
2. Equipment Lease: Landlord leases to Tenant the Equipment described in Appendix 3, attached hereto and incorporated, herein by reference.
3. Wellness Program: Tenant agrees to operate a Wellness Program, which will include scheduling and development of instructor-led exercise programs, approved by Landlord, not less than two times per week between the hours of 12:00 noon and 1:00 p.m. and not less than three times per week, between the hours of 5:00 p.m.-8:00 p.m. Monday-Friday in the Wellness Space. On days when instructor-led classes are not conducted between 12:00 noon and 1:00 p.m., Tenant shall make the Wellness Space available for self-directed exercise classes and Chatham County recreation programs between 12:00 noon and 5:00 p.m. On days when instructor-led classes are conducted between 12:00 noon to 1:00 p.m., Tenant shall make the Wellness Space available for self-directed exercise classes and Chatham County recreation programs between 1:00 p.m. and 5:00 p.m. Tenant shall be responsible for maintaining a schedule of activities and shall give Chatham County recreation programs first priority for scheduling.
4. Term. The term of the Lease is extended to the 30th day of June 2017, at midnight (the "Term"), unless sooner terminated as provided in the Lease. The effective date of this Extension Agreement is July 1, 2014.
5. Rental. Tenant shall pay Landlord rental in the amount of \$2,750.00 per month, which includes the \$250 monthly rent for the Upstairs Office Number 206 in advance on or before the first day of each calendar month during the Term without demand, deduction or set off. All rental payments shall be made to Landlord at the address provided above.

6. Discounted YMCA Membership for Chatham County Employees and their families. Chatham County employees and their families may join the YMCA without an initiation fee during the Term of the Lease, or may opt for a one-time only fee to participate in wellness activities offered by the YMCA, and shall pay discounted monthly dues, or one-time fee during said Term as follows:

MEMBERSHIP	Adult	Couple	Family
FULL MEMBERSHIP INCLUDING WELLNESS ACTIVITIES	\$10.00 MONTHLY	\$15.00 MONTHLY	\$20.00 MONTHLY
WELLNESS ACTIVITY ONLY	\$5.00 ONE TIME ONLY FLAT FEE for NON-MEMBERS Chatham County Employees with expired YMCA memberships are eligible to participate in Wellness Program at no cost.		

7. Other Terms and Conditions. Except as expressly modified by this Lease Extension Agreement, the Lease Agreement attached hereto as Appendix 1 shall continue and remain in full force and effect.
8. Status of Parties: Nothing contained in this Agreement shall be construed as establishing a partnership or joint venture relationship between Landlord and Tenant. Tenant and its employees and representatives are independent contractors, solely responsible for its or their performance under this Agreement and shall have no legal authority to bind Landlord.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day and year first written above.

CHATHAM COUNTY

By: 
Charlie Horne, County Manager

YOUNG MEN'S CHRISTIAN
ASSOCIATION OF THE TRIANGLE
AREA, INC.

By: William H. Watson, Jr.
William H. Watson, Jr., CFO

Digitally signed by William H. Watson, Jr.
DN: cn=William H. Watson, Jr., o=YMCA of the Triangle
Area, ou=CFO, email=bill.watson@ymcatriangle.org,
c=US
Date: 2014.07.09 17:09:49 -04'00'

Re/Max Southern Advantage
P.O. BOX 1427
290 E. Street
Pittsboro, North Carolina 27312
Phone: 919-542-6966, Fax: 919-542-2051

COMMERCIAL LEASE AGREEMENT

THIS LEASE, made this 21st day of April, 2005, by and between
Performance Investment Company, LLC

("Landlord") whose address is
964 East Street, Pittsboro, North Carolina 27312

and

Chapel Hill-Carrboro Young Men's Christian Association

("Tenant") whose address is
980 Airport Road, Chapel Hill, North Carolina 27514

WITNESSETH:

PREMISES

1. Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and covenanted to be paid, kept and performed by Tenant, leases and rents unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property, together with all rights and privileges appurtenant thereto (hereinafter called the Premises), to wit:

Address:
964 East Street, Suite 100, Pittsboro, North Carolina 27312

Legal Description:

See attached Exhibit A for legal description of Premises.

Landlord shall further provide Tenant, as appurtenant to the Premises, twenty (20) reserved parking spaces adjoining the building in which the Premises are located for the exclusive use of Tenant's employees and visitors.

TERM

2. The Tenant shall have and hold the Premises for a term of five years (5) beginning on the 1st day of July, 2005, and ending on the 30th day of June, 2010, at midnight, unless sooner terminated as hereinafter provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month of the term hereof and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary. Provided that Tenant is not in default under any provisions of this Lease and provided further that Tenant shall have given written notice to Landlord of its election to extend this Lease not fewer than one hundred and eight (180) days prior to the expiration of the then current term of this Lease, this Lease may be extended, at the option of the Tenant, for one (1) additional term of five (5) years, such additional five (5) year term to commence at the expiration of the just previous term.

RENTAL

3. Tenant agrees to pay Landlord or its Agent without demand, deduction or set off, rental described in this Section 3 in advance on the first day of each calendar month during the term hereof. For the first month of the term of the Lease, Tenant shall pay a monthly installment of rent in the amount of \$2,500. For the second month of the term of the Lease,

Tenant shall pay a monthly installment of rent in the amount of ~~\$3,000~~. Beginning with the third month of the term of the Lease and continuing thereafter for the remainder of the Lease term, Tenant shall pay an amount of ~~\$3,000~~ payable in monthly installments of \$4,600. Upon execution of this Lease, Tenant shall pay to Landlord the first month's rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly rental due. Tenant shall pay all rental to Landlord's Agent at the following address:
Barrett Powell c/o RE/MAX Southern Advantage, PO Box 1427, 288 East Street, Pittsboro, NC 27312

LATE CHARGES

4. If Landlord fails to receive any rent payments within 30 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to five percent (5.00%) of the overdue amount or \$ 50 whichever is greater, plus any actual bank fees incurred for returned or dishonored checks. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Tenant shall deposit with Landlord or its Agent upon execution of this Lease \$4,600 as a security deposit which shall be held as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. If any of the rents or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord or its Agent may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant shall upon demand restore the security deposit to the original sum deposited. In the event Tenant furnishes Landlord with proof that all utility bills have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned in full to Tenant within thirty (30) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease. The Security Deposit may be placed in an interest bearing account and any interest thereon shall be the property of the party holding the same.

UTILITY BILLS

6. (a) Tenant shall pay the following utilities:

Electricity over and above Average Office Space Usage, which is defined as the electrical requirement of standard office equipment. The parties acknowledge that Tenant shall be operating 220 electric treadmills on the Premises. Tenant shall be responsible for payment for electricity usage beyond Average Office Space Usage.

(b) Landlord shall pay the following utilities:

Water, Sewer and Average Office Space Usage of electricity.

Responsibility to pay for a utility service shall include all metering, hook-up fees or other miscellaneous charges associated with the installation and maintenance of such utility in said party's name.

COMMON AREA COSTS; RULES AND REGULATIONS

7. The Premises are part of a larger building ("the Building"). A copy of the Rules and Regulations, if any, governing use of the common areas in and around the Building is attached hereto as Exhibit B are made a part of this Lease. Tenant agrees to perform and abide by these Rules and Regulations, if any, and such other reasonable Rules and Regulations, if any, as may be made from time to time by Landlord. Tenant and its employees, agents, guests, licensees and invitees shall have the right to use all common areas in and around the Building for their intended purposes, subject to the Rules and Regulations.

USE OF PREMISES

8. The Premises shall be used for
YMCA Facility

purposes only and no other. The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises. In the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

TAX AND INSURANCE ESCALATION

9. Tenant shall pay upon demand as additional rental during the term of this Lease, and any extension or renewal thereof:

(a) The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year 2005. The tax

for any such year applicable to the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable floor area of the entire property assessed. If the final year of the Lease term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the property for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease year.

(b) The excess cost of fire and extended coverage insurance including any and all public liability insurance on the building over the cost of the first year of the Lease term for each subsequent year during the term of this Lease. The cost of insurance payable by Tenant for the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable floor area of the Building. Tenant shall pay all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon.

INDEMNITY; INSURANCE

10. (a) Tenant's Indemnification and Insurance. Tenant shall indemnify Landlord and hold Landlord harmless from and against any and all claims by any person or entity for property damage, bodily injury or death sustained in or about the Premises and arising from Tenant's use of the Premises. At all times during the term of this Lease, Tenant shall, at its sole expense, maintain: (a) public liability and property damage insurance in the form commonly known as "Comprehensive Commercial General Liability Insurance," with limits not less than \$500,000.00 per occurrence and \$1,000,000.00 in the aggregate; and (b) hazard insurance upon all personal property of Tenant located at any time in, on or around the Premises, in such amount as necessary to cover the replacement cost thereof. The insurance to be maintained by Tenant pursuant to this section shall be by means of valid and enforceable policies issued by insurers of recognized financial responsibility. Within ten (10) days of the date of execution of this Lease, Tenant shall furnish to Landlord certificates of such insurance, which shall name Landlord as an additional insured. Each policy of insurance maintained by Tenant pursuant to this section shall provide that Landlord shall be given thirty (30) days written notice prior to the cancellation of the policy.

(b) Landlord's Insurance. During the term of this Lease, Landlord shall maintain hazard insurance covering the entire Building. Such insurance shall be in an amount sufficient to cover the replacement cost of the Building, and shall provide fire and extended peril coverage, the equivalent of All Risk Property Insurance.

(c) Mutual Releases and Waivers of Subrogation. Each party hereby releases the other from any liability for any loss, cost or damage coverable by the insurance to be obtained by the applicable party pursuant to this Lease. Each party shall look solely to the insurance coverage required hereunder to be carried by that party for recovery for any loss, cost or damage coverable by such insurance. All insurance policies required to be carried by either party hereunder shall include waivers of subrogation to any and all claims against the other party.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation and exterior walls of the Building and of the Premises (exclusive of all glass in the Premises and exclusive of all exterior doors to the Premises) and underground utility and sewer pipes outside the exterior walls of the Building, except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its agents, employees or invitees. Landlord shall maintain the HVAC system serving the Premises (including but not limited to replacement of parts, compressors, air handling units and heating units). Landlord shall maintain the grounds surrounding the Building, including paving, the mowing of grass, care of shrubs and general landscaping. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

REPAIRS BY TENANT

12. Tenant accepts the Premises in their present condition and as suited for the uses intended by Tenant. Tenant shall, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, maintain in good order and repair the interior of the Premises, and other improvements located thereon, except those repairs expressly required to be made by Landlord hereunder. Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as when first received, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Tenant, Tenant's employees, agents, contractors or subcontractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. All alterations, additions and improvements shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

REMOVAL OF FIXTURES

14. Tenant may (if not in default hereunder) prior to the expiration of this Lease, or any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided Tenant repairs all damage to the Premises caused by such removal.

DESTRUCTION OF OR DAMAGE TO PREMISES

15. If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date. If the premises are damaged but not wholly destroyed by any such casualties, rental shall abate in such proportion as effective use of the Premises has been affected and Landlord shall restore Premises to substantially the same condition as before damage as speedily as is practicable, whereupon full rental shall recommence. If such damage cannot be repaired within one hundred eighty (180) days as estimated by Landlord's insurer, then either party may terminate this Lease upon thirty (30) days written notice to the other. If such damage occurs during the last Lease year of the original term or any renewal term hereof, then this Lease shall automatically terminate.

GOVERNMENTAL ORDERS

16. Tenant agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of the Premises. Landlord agrees to comply promptly with any such requirements if not made necessary by reason of Tenant's occupancy. It is mutually agreed, however, between Landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be; shall exceed a sum equal to one year's rent, then Landlord or Tenant, whichever is obligated to comply with such requirements, may terminate this Lease by giving written notice of termination to the other party by registered mail, which termination shall become effective sixty(60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements by giving such notice unless the party giving such notice of termination shall, before termination becomes effective, pay to the party giving notice all cost of compliance in excess of one year's rent, or secure payment of said sum in manner satisfactory to the party giving notice.

CONDEMNATION

17. If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes herein leased, is condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that Tenant shall not have any rights in any award made to Landlord by any condemnation authority.

ASSIGNMENT AND SUBLETTING

18. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. Any assignee of Tenant shall become directly liable to Landlord for all obligations of Tenant hereunder.

EVENTS OF DEFAULT

19. The happening of anyone or more of the following events (hereinafter anyone of which maybe referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay the rental as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be reduced or payment thereof deferred; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UNDER DEFAULT

20. Upon the occurrence of Event of Default, Landlord may pursue anyone or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) if the Event of Default involves nonpayment of rental and Tenant fails to cure such default within five (5) days after receipt of written notice thereof from Landlord, or if the Event of Default involves a default in performing any of the terms or provisions of this Lease other than the payment of rental and Tenant fails to cure such default within fifteen (15) days after receipt of written notice of default from Landlord, Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) if the Event of Default involves any matter other than those set forth in item (a) of this paragraph, Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages as may be permitted under applicable law, without terminating this Lease, enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and on commercially reasonable terms, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting. In the event Landlord hires an attorney to enforce its rights upon default, Tenant shall in addition be liable for reasonable attorney's fees and all costs of collection.

EXTERIOR SIGNS

21. Tenant shall place no signs upon the outside walls or roof of the Premises, except with the express written consent of the Landlord. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

22. Landlord may advertise the Premises "For Rent" or "For Sale" 90 days before the termination of this Lease. Landlord may enter the Premises at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord under the terms hereof or to make repairs to Landlord's adjoining property, if any.

EFFECT OF TERMINATION OF LEASE

23. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

MORTGAGEE'S RIGHTS

24. Tenant's rights shall be subject to any bonafide mortgage, deed of trust or other security interest which is now or may hereafter be placed upon the Premises by Landlord. Tenant shall, if requested by Landlord, execute a separate agreement reflecting such subordination, and shall be obligated to execute such documentation as may facilitate Landlord's sale or refinancing of the Premises, including, but not limited to, estoppel certificates, subordination or attornment agreements.

QUIET ENJOYMENT

25. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof. Provided, however, that in the event Landlord shall sell or otherwise transfer its interest in the Premises, Tenant agrees to attorn to any new owner or interest holder and shall, if requested by Landlord, execute a separate agreement reflecting such attornment, provided that said agreement requires the new owner or interest holder to recognize its obligations and Tenant's rights hereunder.

HOLDING OVER

26. If Tenant remains in possession of the Premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at will at the rental rate which is in effect at end of this Lease and there shall be no renewal of this Lease by operation of law. If Tenant remains in possession of the Premises after expiration of the term hereof with out Landlord's acquiescence, Tenant shall be a tenant at sufferance and commencing on the date following the date of such expiration, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the premises, be twice the monthly rental otherwise payable under Paragraph 3 above.

ATTORNEY'S FEES

27. In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of Landlord or Tenant, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees and costs.

RIGHTS CUMULATIVE

28. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

WAIVER OF RIGHTS

29. No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof.

ENVIRONMENTAL LAWS

30. (a) Tenant shall not bring onto the Premises any Hazardous Materials (as defined below) without the prior written approval by Landlord. Any approval must be preceded by submission to Landlord of appropriate Material Safety Data Sheets (MSD Sheets). In the event of approval by Landlord, Tenant covenants that it will (1) comply with all requirements of any constituted public authority and all federal, state, and local codes, statutes, ordinances, rules and regulations, and laws, whether now in force or hereafter adopted relating to Tenant's use of the Premises, or relating to the storage, use, disposal, processing, distribution, shipping or sales of any hazardous, flammable, toxic, or dangerous materials, waste or substance, the presence of which is regulated by a federal, state, or local law, ruling, rule or regulation (hereafter collectively referred to as "Hazardous Materials"); (2) comply with any reasonable recommendations by the insurance carrier of either Landlord or Tenant relating to the use by Tenant on the Premises of such Hazardous Materials; (3) refrain from unlawfully disposing of or allowing the disposal of any Hazardous Materials upon, within, about or under the Premises; and (4) remove all Hazardous Materials from the Premises, either after their use by Tenant or upon the expiration or earlier termination of this lease, in compliance with all applicable laws.

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

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, from time to time, and regulations promulgated thereunder, any so-called state or local "Superfund" or "Superlien" law, or any other federal, state or local statute, law or ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Materials) paid, incurred or suffered by, or asserted against, Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials brought onto the Premises by Tenant and caused by Tenant or Tenant's agents, employees, invitees or successors in interest. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) If Tenant fails to comply with the Covenants to be performed hereunder with respect to Hazardous Materials, or if an environmental protection lien is filed against the premises as a result of the actions of Tenant, its agents, employees or invitees, then the occurrence of any such events shall be considered a default hereunder.

(e) Tenant will give Landlord prompt notice of any release of Hazardous Materials, reportable or non-reportable, to federal, state or local authorities, of any fire, or any damage occurring on or to the Premises.

(f) Tenant will use and occupy the Premises and conduct its business in such a manner that the Premises are neat clean and orderly at all times with all chemicals or Hazardous Materials marked for easy identification and stored according to all codes as outlined above.

(g) The warranties and indemnities contained in this Paragraph shall survive the termination of this Lease.

TIME OF ESSENCE

31. Time is of the essence in this Lease.

ABANDONMENT

32. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the premises or be dispossessed by process of law, any Personal Property belonging to Tenant and left on the Premises shall, at the option of Landlord, be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

DEFINITIONS

33. "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 34, its heirs

representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned, shall include also Tenant's assignees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

NOTICES

34. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof.

All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

ENTIRE AGREEMENT

35. This Lease contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein shall be of any force or effect. This Lease may not be modified except by a writing signed by all the parties hereto.

AUTHORIZED LEASE EXECUTION

36. Each individual executing this Lease as director, officer, partner, member, or agent of a corporation, limited liability company, or partnership represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of such corporation, limited liability company, or partnership.

TRANSFER OF LANDLORD'S INTEREST

37. In the event of the sale, assignment or transfer by Landlord of its interest in the Premises or in this Lease (other than a collateral assignment to secure a debt of Landlord) to a successor in interest who expressly assumes the obligations of Landlord under this Lease, Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, assignment or transfer; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, assignment or transfer. Landlord's assignment of this Lease, or of any or all of its rights in this Lease, shall not affect Tenant's rights or obligations hereunder, and Tenant shall attorn and look to the assignee as Landlord, provided Tenant has first received written notice of the assignment of Landlord's interest.

EXCLUSIVE USE

38. Throughout the term of this Lease, including any renewals or extensions thereof, Landlord shall not lease any space or consent to any sublease, assignment or transfer of interest in any space in the Building to a fitness or health club or a business providing fitness or health club-related services.

SPECIAL STIPULATIONS

39. NONE

MEMORANDUM OF LEASE

40. Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of rent and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

EXHIBIT A

Legal description of the Premises

EXHIBIT B
Rules and Regulations

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the date and years first above written.

LANDLORD:

Individual

Debra H. Hauer (SEAL) *Manager*

(SEAL)

Business Entity

Performance Investment Co LLC
(Name of Firm)

By: *Debra H. Hauer* (SEAL)

Title: *Manager*

TENANT:

Individual

Michael White (SEAL)

(SEAL)

Business Entity

Chond Hill-Caribbean YIPKA
(Name of Firm)

By: *Michael White* (SEAL)

Title: *Executive Director/CEO*