



Youngsville ABC Board
P. O. Box 387
101 N College Street
Youngsville, NC 27596
(919) 556-3590
ABCStore@townofyoungsville.org

**AGENDA
REGULAR MEETING
NOVEMBER 6, 2020
9:00AM**

**YOUNGSVILLE TOWN HALL CONFERENCE ROOM
(TELECONFERENCE AND WEB CONFERENCE WILL BE AVAILABLE)
134 US 1A SOUTH**

If joining via Microsoft Teams, use the following link:
tinyurl.com/abc-2020-11-06

If joining via phone, use the following dial-in info:
Phone Number: **872-240-8002**
Conference code: **341 293 082#**

1. CALL TO ORDER
2. APPROVAL OF AGENDA
3. ETHICS STATEMENT
 - A. In accordance with G.S. 18B-201, it is the duty of every Board Member to avoid both conflicts of interest and appearances of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.
4. CITIZEN'S COMMENTS
5. FINANCIAL REPORT
6. CONSENT AGENDA
 - A. MINUTES FROM THE ABC BOARD REGULAR MEETING – OCTOBER 2, 2020
ACTION REQUESTED: APPROVE CONSENT AGENDA
7. OLD BUSINESS



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- A. CONSIDER SALE OF ABC STORE PURSUANT TO PRICE IN UPSET BID PROCEDURE (\$395,000)

ACTION REQUESTED: APPROVE SALE AS PROPOSED

8. NEW BUSINESS

- A. CONSIDER LEASE AGREEMENT TO RENT ABC STORE PROPERTY

ACTION REQUESTED: APPROVE AS DRAFTED

- B. CONSIDER BUDGET AMENDMENT OF \$3,736.25 TO PROCURE DESIGN SERVICES FOR A NEW ABC STORE

ACTION REQUESTED: APPROVE AS REQUESTED

9. REPORTS AND OTHER BUSINESS

- i. COVID-19 UPDATE / DISCUSSION
- ii. CHAIRMAN
- iii. MEMBERS
- iv. FINANCE OFFICER
- v. STORE MANAGER
- vi. CLERK
- vii. TOWN ADMINISTRATOR

10. CLOSED SESSION

- A. N.C.G.S. 143-318.11 (6) PERSONNEL

11. ADJOURN

This is a public meeting and is subject to North Carolina open meetings and public records law. To preserve the public record and increase transparency, video and audio recordings are performed at all public meetings. Please note these recordings, the clerk's detailed minutes of all meetings, and any documents reviewed during meetings are public domain and may be disclosed to third parties.

Monthly Financial Statements

Youngsville ABC Store

For the period ended September 30, 2020

Prepared on

November 3, 2020

For management use only

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Balance Sheet

As of September 30, 2020

	As of Sep 30, 2020	As of Sep 30, 2019 (PY)	Total
ASSETS			
Current Assets			
Bank Accounts			
100 Checking Account	215,068.83		125,676.59
101 Land Sale Holding Account	19,750.00		
Total 100 Checking Account	234,818.83		125,676.59
110 Imprest Funds	1,318.00		1,318.00
Total Bank Accounts	236,136.83		126,994.59
Other Current Assets			
130 Prepaid Expenses	0.00		6,479.42
140 Inventory	98,139.65		90,795.65
Total Other Current Assets	98,139.65		97,275.07
Total Current Assets	334,276.48		224,269.66
Fixed Assets			
180 Fixed Assets			
181 Land	184,756.00		184,756.00
182 Buildings	66,254.65		66,254.65
183 Leasehold Improvements	5,076.61		5,076.61
184 Furniture & Fixtures	6,962.21		6,962.21
185 Equipment	25,814.60		37,674.78
Total 180 Fixed Assets	288,864.07		300,724.25
190 Accumulated Depreciation	-77,499.74		-99,381.41
Total Fixed Assets	211,364.33		201,342.84
TOTAL ASSETS	\$545,640.81		\$425,612.50
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
200 Accounts Payable	148,810.13		93,104.95
Total Accounts Payable	148,810.13		93,104.95
Credit Cards			
205 Union Bank Credit Card	873.31		763.69
Total Credit Cards	873.31		763.69
Other Current Liabilities			
210 Payroll Taxes	-1.48		0.00
211 Federal Income Tax Withheld	2,471.68		2,427.76
213 NC Income Tax Withheld	322.00		287.00
214 Health Insurance Payable	-95.14		-307.22
Total 210 Payroll Taxes	2,697.06		2,407.54
220 Other Taxes Payable			

	As of Sep 30, 2020	As of Sep 30, 2019 (PY)	Total
224 Liquor Sales Tax Payable	0.02		8.72
Total 220 Other Taxes Payable	0.02		8.72
230 Other Payables	19,750.00		
231 Due to Town of Youngsville	48,000.00		46,166.48
240 Accrued Expenses			
241 Accrued Payroll	1,449.97		0.00
242 Accrued Vacation	9,626.24		7,461.21
Total 240 Accrued Expenses	11,076.21		7,461.21
Total Other Current Liabilities	81,523.29		56,043.95
Total Current Liabilities	231,206.73		149,912.59
Long-Term Liabilities			
260 Non-current Portion of Long-term Debt	173,808.64		184,162.72
Total Long-Term Liabilities	173,808.64		184,162.72
Total Liabilities	405,015.37		334,075.31
Equity			
305 Net Investments in Capital Assets	20,836.28		20,836.28
310 Designated for Working Capital	65,445.50		47,677.76
320 Unrestricted	4,816.00		4,816.00
Net Income	49,527.66		18,207.15
Total Equity	140,625.44		91,537.19
TOTAL LIABILITIES AND EQUITY	\$545,640.81		\$425,612.50

Income Statement

July - September, 2020

	Total
INCOME	
400 Liquor Sales	500,768.99
410 Mixed Beverage Sales	12,750.10
Total Income	513,519.09
COST OF GOODS SOLD	
500 Taxes Based on Revenue	
510 Mixed Beverage Tax (Dept. of Revenue)	114,731.00
520 Mixed Beverage Tax (Dept of Human Resources)	135.44
540 County Rehabilitation Tax – Franklin	1,510.23
Total 500 Taxes Based on Revenue	116,376.67
600 Cost of Sales	
610 Liquor & Wine/Mixer Sales	265,644.99
620 Store Supplies	691.50
630 Bank Credit Card Fees	6,963.84
Total 600 Cost of Sales	273,300.33
Total Cost of Goods Sold	389,677.00
GROSS PROFIT	123,842.09
EXPENSES	
700 Personal Services & Employee Benefits	
705 Salaries and Wages	37,616.15
710 Board Member Compensation	648.96
715 Payroll Tax Expense	2,860.78
720 Health Insurance	3,524.40
730 WC Insurance & Employee Bonds	2,285.00
735 Employee Continuing Ed & Testing	150.00
Total 700 Personal Services & Employee Benefits	47,085.29
750 Contracted Services	
752 Finance Officer Contracted Services	2,100.00
765 Professional Services (Auditor & Attorney)	1,975.00
770 Temporary Labor	720.00
Total 750 Contracted Services	4,795.00
780 Repairs & Maintenance	
785 Repairs and Maintenance – Buildings	1,296.66
790 Repairs and Maintenance – Equipment	60.34
Total 780 Repairs & Maintenance	1,357.00
800 General & Administrative Expenses	
815 Dues and Subscriptions	4,387.40
820 General Liability Insurance	3,056.00
830 Miscellaneous	67.09
835 Office Supplies	901.35
840 Postage & PO Box	165.00
855 Telephone	697.73

	Total
860 Utilities	1,470.57
870 Uniforms	332.01
Total 800 General & Administrative Expenses	11,077.15
950 Other Expense	
951 Profits Paid to the Town	9,999.99
Total 950 Other Expense	9,999.99
Total Expenses	74,314.43
NET OPERATING INCOME	49,527.66
NET INCOME	\$49,527.66

Profit and Loss by Month

July - September, 2020

	Jul 2020	Aug 2020	Sep 2020	Total
INCOME				
400 Liquor Sales	173,735.17	166,331.47	160,702.35	500,768.99
410 Mixed Beverage Sales	4,292.30	4,555.20	3,902.60	12,750.10
Total Income	178,027.47	170,886.67	164,604.95	513,519.09
COST OF GOODS SOLD				
500 Taxes Based on Revenue				0.00
510 Mixed Beverage Tax (Dept. of Revenue)	39,770.00	38,198.00	36,763.00	114,731.00
520 Mixed Beverage Tax (Dept of Human Resources)	44.94	47.75	42.75	135.44
540 County Rehabilitation Tax -- Franklin	524.72	497.59	487.92	1,510.23
Total 500 Taxes Based on Revenue	40,339.66	38,743.34	37,293.67	116,376.67
600 Cost of Sales				0.00
610 Liquor & Wine/Mixer Sales	91,889.94	85,928.30	87,826.75	265,644.99
620 Store Supplies			691.50	691.50
630 Bank Credit Card Fees	2,161.96	2,409.03	2,392.85	6,963.84
Total 600 Cost of Sales	94,051.90	88,337.33	90,911.10	273,300.33
Total Cost of Goods Sold	134,391.56	127,080.67	128,204.77	389,677.00
GROSS PROFIT	43,635.91	43,806.00	36,400.18	123,842.09
EXPENSES				
700 Personal Services & Employee Benefits				0.00
705 Salaries and Wages	12,213.51	12,512.13	12,890.51	37,616.15
710 Board Member Compensation	199.68	249.60	199.68	648.96
715 Payroll Tax Expense	929.19	952.06	979.53	2,860.78
720 Health Insurance	1,174.80	1,174.80	1,174.80	3,524.40
730 WC Insurance & Employee Bonds			2,285.00	2,285.00
735 Employee Continuing Ed & Testing			150.00	150.00
Total 700 Personal Services & Employee Benefits	14,517.18	14,888.59	17,679.52	47,085.29
750 Contracted Services				0.00
752 Finance Officer Contracted Services	700.00	700.00	700.00	2,100.00
765 Professional Services (Auditor & Attorney)			1,975.00	1,975.00
770 Temporary Labor	240.00	240.00	240.00	720.00

	Jul 2020	Aug 2020	Sep 2020	Total
Total 750 Contracted Services	940.00	940.00	2,915.00	4,795.00
780 Repairs & Maintenance				0.00
785 Repairs and Maintenance – Buildings		500.00	796.66	1,296.66
790 Repairs and Maintenance – Equipment	60.34			60.34
Total 780 Repairs & Maintenance	60.34	500.00	796.66	1,357.00
800 General & Administrative Expenses				0.00
815 Dues and Subscriptions	515.49	761.02	3,110.89	4,387.40
820 General Liability Insurance			3,056.00	3,056.00
830 Miscellaneous			67.09	67.09
835 Office Supplies	174.04	679.32	47.99	901.35
840 Postage & PO Box	55.00	110.00		165.00
855 Telephone	233.15	232.29	232.29	697.73
860 Utilities	470.89	500.03	499.65	1,470.57
870 Uniforms	332.01			332.01
Total 800 General & Administrative Expenses	1,780.58	2,282.66	7,013.91	11,077.15
950 Other Expense				0.00
951 Profits Paid to the Town	3,333.33	3,333.33	3,333.33	9,999.99
Total 950 Other Expense	3,333.33	3,333.33	3,333.33	9,999.99
Total Expenses	20,631.43	21,944.58	31,738.42	74,314.43
NET OPERATING INCOME	23,004.48	21,861.42	4,661.76	49,527.66
NET INCOME	\$23,004.48	\$21,861.42	\$4,661.76	\$49,527.66

Profit and Loss PY Comparison

July - September, 2020

	Jul - Sep, 2020	Jul - Sep, 2019 (PY)	Total
INCOME			
400 Liquor Sales	500,768.99	347,889.07	
410 Mixed Beverage Sales	12,750.10	11,168.58	
Total Income	513,519.09	359,057.65	
COST OF GOODS SOLD			
500 Taxes Based on Revenue			
510 Mixed Beverage Tax (Dept. of Revenue)	114,731.00	80,275.00	
520 Mixed Beverage Tax (Dept of Human Resources)	135.44	125.47	
540 County Rehabilitation Tax – Franklin	1,510.23	1,156.22	
Total 500 Taxes Based on Revenue	116,376.67	81,556.69	
600 Cost of Sales			
610 Liquor & Wine/Mixer Sales	265,644.99	191,217.24	
620 Store Supplies	691.50	1,498.60	
630 Bank Credit Card Fees	6,963.84	5,632.53	
Total 600 Cost of Sales	273,300.33	198,348.37	
Total Cost of Goods Sold	389,677.00	279,905.06	
GROSS PROFIT	123,842.09	79,152.59	
EXPENSES			
700 Personal Services & Employee Benefits			
705 Salaries and Wages	37,616.15	32,840.01	
710 Board Member Compensation	648.96	748.80	
715 Payroll Tax Expense	2,860.78	2,491.27	
720 Health Insurance	3,524.40	3,116.88	
730 WC Insurance & Employee Bonds	2,285.00	1,949.00	
735 Employee Continuing Ed & Testing	150.00		
Total 700 Personal Services & Employee Benefits	47,085.29	41,145.96	
750 Contracted Services			
752 Finance Officer Contracted Services	2,100.00	2,100.00	
765 Professional Services (Auditor & Attorney)	1,975.00		
770 Temporary Labor	720.00	120.00	
Total 750 Contracted Services	4,795.00	2,220.00	
780 Repairs & Maintenance			
785 Repairs and Maintenance – Buildings	1,296.66	334.82	
790 Repairs and Maintenance – Equipment	60.34	338.76	
Total 780 Repairs & Maintenance	1,357.00	673.58	
800 General & Administrative Expenses			
815 Dues and Subscriptions	4,387.40	250.50	
820 General Liability Insurance	3,056.00	3,033.00	
830 Miscellaneous	67.09		
835 Office Supplies	901.35	610.01	
840 Postage & PO Box	165.00	110.00	

		Total
	Jul - Sep, 2020	Jul - Sep, 2019 (PY)
855 Telephone	697.73	666.39
860 Utilities	1,470.57	1,486.01
870 Uniforms	332.01	
Total 800 General & Administrative Expenses	11,077.15	6,155.91
950 Other Expense		
951 Profits Paid to the Town	9,999.99	9,999.99
Total 950 Other Expense	9,999.99	9,999.99
Total Expenses	74,314.43	60,195.44
NET OPERATING INCOME	49,527.66	18,957.15
OTHER EXPENSES		
990 Other Miscellaneous Expense		750.00
Total Other Expenses	0.00	750.00
NET OTHER INCOME	0.00	-750.00
NET INCOME	\$49,527.66	\$18,207.15

AP Aging Summary

As of September 30, 2020

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
21st Century Spirits		-3.68				-3.68
B&B Sign Design		67.09				67.09
Bacardi USA	5,364.54					5,364.54
Beam Suntory	12,171.11					12,171.11
Breckenridge Distillery	135.83					135.83
Brown- Forman	5,571.16					5,571.16
Campari America	3,963.90					3,963.90
Castle Brands	174.56					174.56
Chatham Imports	417.15					417.15
Constellation Brands	1,636.01					1,636.01
Dalcom Consulting, Inc.	249.99					249.99
Daytoon, Inc.	162.13					162.13
Deutsch Family Wine & Spirit	598.86					598.86
Diageo NA	14,642.46					14,642.46
Diageo/Casamigos Spirits	151.96					151.96
Disaronno International	164.39					164.39
Duggan's Distillers Prod Corp	67.61					67.61
DV Spirits LLC	151.52					151.52
E&J Gallo Winery	1,943.40					1,943.40
Fifth Generation, Inc	4,430.85					4,430.85
Four Roses Distillery, LLC	697.82					697.82
Franklin County Finance Department	487.92					487.92
Garrison Brothers Distillery	719.88					719.88
Heaven Hill Brands	10,889.23					10,889.23
Hexa Partners	714.80					714.80
Hilton Head Distillery					-93.95	-93.95
Hotaling & Co	126.21					126.21
Infinium Spirits	833.02					833.02
Jaclyn H Patterson CPA PLLC	700.00					700.00
Klin Spirits LLC	61.73					61.73

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Laird	157.12					157.12
Lime Energy Services Co	652.55					652.55
Luxco	1,035.24					1,035.24
M.S. Walker, Inc	117.02					117.02
Marsalle/Stoller Imports	93.95					93.95
Mast-Jagermeister US	941.92					941.92
McCormick	716.73					716.73
MHW/Agave Loco	290.81					290.81
Moet Hennessy USA, Inc.	1,900.60					1,900.60
Montebello Brands, Inc	136.86					136.86
Muddy River Distillery	328.66					328.66
NC ABC Commission - Bailment	1,527.00					1,527.00
NC ABC Commission - Surcharge	1,170.70					1,170.70
NC Dept of Health & Human Services	42.75					42.75
NCDOR - Sales Tax	11,257.88					11,257.88
NCDOR - Spirituous Liquor	36,763.00					36,763.00
Park St Imp/Island Club Brand	51.84					51.84
Park St Imp/Samson & Surrey	125.90					125.90
Park St Imp/Uncle Nearest	158.40					158.40
Pernod Ricard USA	4,442.04					4,442.04
Piedmont Distillers, Inc	71.92					71.92
Proximo Spirits, Inc	5,059.48					5,059.48
Raleigh Rum Company/Oak City Amaretto	77.84					77.84
Remy Cointreau USA, Inc	93.57					93.57
S. Preston Douglas & Associates, LLP	1,975.00					1,975.00
Sans Wine & Spirits	52.16					52.16
SAZERAC	7,528.15					7,528.15
Sazerac NA, Inc	998.99					998.99
Sazerac/375 Park Ave Spirits	119.32					119.32
Serralles USA	61.73					61.73
Show Pros		150.00				150.00
Stoli Group USA LLC	207.34					207.34

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Total Beverage Solution	76.00					76.00
Tri South Mechanical	144.11					144.11
US Distilled Products	136.51					136.51
USDP/Phillips Products	291.21					291.21
Weldon Mills Distillery	727.50					727.50
Western Spirits Beverage Co	549.28					549.28
Whistlepig, LLC	158.36					158.36
William Grant	1,223.19					1,223.19
TOTAL	\$148,690.67	\$213.41	\$0.00	\$0.00	\$ -93.95	\$148,810.13

Budget vs. Actuals 2020-2021 TOTALS

July 2020 - June 2021

	Actual	Budget	over Budget	% of Budget	Total
INCOME					
400 Liquor Sales	660,129.91	1,771,000.00	-1,110,870.09	37.27 %	
410 Mixed Beverage Sales	12,750.10	33,000.00	-20,249.90	38.64 %	
Total Income	672,880.01	1,804,000.00	-1,131,119.99	37.30 %	
COST OF GOODS SOLD					
500 Taxes Based on Revenue					
510 Mixed Beverage Tax (Dept. of Revenue)	114,731.00	397,962.40	-283,231.40	28.83 %	
520 Mixed Beverage Tax (Dept of Human Resources)	135.44	541.20	-405.76	25.03 %	
530 Alcohol Education and Rehabilitation		6,226.04	-6,226.04		
540 County Rehabilitation Tax – Franklin	1,510.23	5,772.80	-4,262.57	26.16 %	
Total 500 Taxes Based on Revenue	116,376.67	410,502.44	-294,125.77	28.35 %	
600 Cost of Sales					
610 Liquor & Wine/Mixer Sales	265,644.99	974,160.00	-708,515.01	27.27 %	
620 Store Supplies	691.50	5,000.00	-4,308.50	13.83 %	
630 Bank Credit Card Fees	9,245.91	27,656.50	-18,410.59	33.43 %	
Total 600 Cost of Sales	275,582.40	1,006,816.50	-731,234.10	27.37 %	
Total Cost of Goods Sold	391,959.07	1,417,318.94	-1,025,359.87	27.65 %	
GROSS PROFIT					
	280,920.94	386,681.06	-105,760.12	72.65 %	
EXPENSES					
700 Personal Services & Employee Benefits					
705 Salaries and Wages	57,108.79	165,501.24	-108,392.45	34.51 %	
710 Board Member Compensation	898.56	2,995.00	-2,096.44	30.00 %	
715 Payroll Tax Expense	4,348.11	13,367.24	-9,019.13	32.53 %	
720 Health Insurance	5,286.60	16,339.20	-11,052.60	32.36 %	
730 WC Insurance & Employee Bonds	2,460.00	3,500.00	-1,040.00	70.29 %	
735 Employee Continuing Ed & Testing	150.00		150.00		
Total 700 Personal Services & Employee Benefits	70,252.06	201,702.68	-131,450.62	34.83 %	
750 Contracted Services					
752 Finance Officer Contracted Services	2,800.00	8,400.00	-5,600.00	33.33 %	

	Actual	Budget	over Budget	% of Budget	Total
765 Professional Services (Auditor & Attorney)	1,975.00	4,120.00	-2,145.00	47.94 %	
770 Temporary Labor	960.00	3,600.00	-2,640.00	26.67 %	
Total 750 Contracted Services	5,735.00	16,120.00	-10,385.00	35.58 %	
780 Repairs & Maintenance					
785 Repairs and Maintenance – Buildings	2,146.66	5,000.00	-2,853.34	42.93 %	
790 Repairs and Maintenance – Equipment	60.34	3,000.00	-2,939.66	2.01 %	
Total 780 Repairs & Maintenance	2,207.00	8,000.00	-5,793.00	27.59 %	
800 General & Administrative Expenses					
805 Bank Services Charges	-1.06		-1.06		
815 Dues and Subscriptions	4,894.89	7,000.00	-2,105.11	69.93 %	
820 General Liability Insurance	3,056.00	3,500.00	-444.00	87.31 %	
830 Miscellaneous	164.04	2,372.42	-2,208.38	6.91 %	
835 Office Supplies	1,101.61	5,500.00	-4,398.39	20.03 %	
840 Postage & PO Box	165.00	300.00	-135.00	55.00 %	
845 Debt Loan Payments	10,000.00	32,312.00	-22,312.00	30.95 %	
850 Small Tools & Equipment		2,500.00	-2,500.00		
855 Telephone	940.22	2,800.00	-1,859.78	33.58 %	
860 Utilities	2,133.56	5,500.00	-3,366.44	38.79 %	
870 Uniforms	332.01		332.01		
Total 800 General & Administrative Expenses	22,786.27	61,784.42	-38,998.15	36.88 %	
950 Other Expense					
951 Profits Paid to the Town	16,666.65	99,073.96	-82,407.31	16.82 %	
Total 950 Other Expense	16,666.65	99,073.96	-82,407.31	16.82 %	
Total Expenses	117,646.98	386,681.06	-269,034.08	30.42 %	
NET OPERATING INCOME	163,273.96	0.00	163,273.96	0.00%	
NET INCOME	\$163,273.96	\$0.00	\$163,273.96	0.00%	

Budget vs. Actuals 2020-2021 TO DATE

July - September, 2020

	Actual	Budget	over Budget	% of Budget	Total
INCOME					
400 Liquor Sales	500,768.99	442,749.99	58,019.00	113.10 %	
410 Mixed Beverage Sales	12,750.10	8,250.00	4,500.10	154.55 %	
Total Income	513,519.09	450,999.99	62,519.10	113.86 %	
COST OF GOODS SOLD					
500 Taxes Based on Revenue					
510 Mixed Beverage Tax (Dept. of Revenue)	114,731.00	99,490.59	15,240.41	115.32 %	
520 Mixed Beverage Tax (Dept of Human Resources)	135.44	135.30	0.14	100.10 %	
530 Alcohol Education and Rehabilitation		1,556.52	-1,556.52		
540 County Rehabilitation Tax – Franklin	1,510.23	1,443.21	67.02	104.64 %	
Total 500 Taxes Based on Revenue	116,376.67	102,625.62	13,751.05	113.40 %	
600 Cost of Sales					
610 Liquor & Wine/Mixer Sales	265,644.99	243,540.00	22,104.99	109.08 %	
620 Store Supplies	691.50	1,250.01	-558.51	55.32 %	
630 Bank Credit Card Fees	6,963.84	6,914.13	49.71	100.72 %	
Total 600 Cost of Sales	273,300.33	251,704.14	21,596.19	108.58 %	
Total Cost of Goods Sold	389,677.00	354,329.76	35,347.24	109.98 %	
GROSS PROFIT					
	123,842.09	96,670.23	27,171.86	128.11 %	
EXPENSES					
700 Personal Services & Employee Benefits					
705 Salaries and Wages	37,616.15	41,375.31	-3,759.16	90.91 %	
710 Board Member Compensation	648.96	748.74	-99.78	86.67 %	
715 Payroll Tax Expense	2,860.78	3,341.82	-481.04	85.61 %	
720 Health Insurance	3,524.40	4,084.80	-560.40	86.28 %	
730 WC Insurance & Employee Bonds	2,285.00	875.01	1,409.99	261.14 %	
735 Employee Continuing Ed & Testing	150.00		150.00		
Total 700 Personal Services & Employee Benefits	47,085.29	50,425.68	-3,340.39	93.38 %	
750 Contracted Services					
752 Finance Officer Contracted Services	2,100.00	2,100.00	0.00	100.00 %	

	Actual	Budget	over Budget	% of Budget	Total
765 Professional Services (Auditor & Attorney)	1,975.00	1,029.99	945.01	191.75 %	
770 Temporary Labor	720.00	900.00	-180.00	80.00 %	
Total 750 Contracted Services	4,795.00	4,029.99	765.01	118.98 %	
780 Repairs & Maintenance					
785 Repairs and Maintenance – Buildings	1,296.66	1,250.01	46.65	103.73 %	
790 Repairs and Maintenance – Equipment	60.34	750.00	-689.66	8.05 %	
Total 780 Repairs & Maintenance	1,357.00	2,000.01	-643.01	67.85 %	
800 General & Administrative Expenses					
815 Dues and Subscriptions	4,387.40	1,749.99	2,637.41	250.71 %	
820 General Liability Insurance	3,056.00	875.01	2,180.99	349.25 %	
830 Miscellaneous	67.09	593.10	-526.01	11.31 %	
835 Office Supplies	901.35	1,374.99	-473.64	65.55 %	
840 Postage & PO Box	165.00	75.00	90.00	220.00 %	
845 Debt Loan Payments		8,078.01	-8,078.01		
850 Small Tools & Equipment		624.99	-624.99		
855 Telephone	697.73	699.99	-2.26	99.68 %	
860 Utilities	1,470.57	1,374.99	95.58	106.95 %	
870 Uniforms	332.01		332.01		
Total 800 General & Administrative Expenses	11,077.15	15,446.07	-4,368.92	71.72 %	
950 Other Expense					
951 Profits Paid to the Town	9,999.99	24,768.48	-14,768.49	40.37 %	
Total 950 Other Expense	9,999.99	24,768.48	-14,768.49	40.37 %	
Total Expenses	74,314.43	96,670.23	-22,355.80	76.87 %	
NET OPERATING INCOME	49,527.66	0.00	49,527.66	0.00%	
NET INCOME	\$49,527.66	\$0.00	\$49,527.66	0.00%	



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MINUTES

OCTOBER 2, 2020

9:00 AM

REGULAR MEETING

YOUNGSVILLE TOWN HALL CONFERENCE ROOM

134 US 1A SOUTH

(Teleconference and Web Conference was available)

Chairman Houser called the Board Meeting of the Town of Youngsville ABC Board to order at 9:05am. In attendance was Chairman Rick Houser (by teleconference), Members Mary Margaret Norman (by teleconference), and Danny Stutzman (by teleconference). Also, in attendance was Town Administrator Phillip Cordeiro, Finance Officer Jaclyn Patterson, ABC Store Manager Laurie Pritchett (by teleconference) and Town Clerk Emily Hurd. Guests included Michael Wallace of 5-Points Shopping Plaza and Lee Grissom of S Preston Douglas & Associates, LLP.

The first item was to approve the Agenda.

MOTION: TO APPROVE THE AGENDA AS SUBMITTED

The motion was made by Member Norman and was seconded by Member Houser. The motion passed unanimously.

Chairman Houser read the Ethics Statement.

In accordance with G.S. 18B-201, it is the duty of every Board Member to avoid both conflicts of interest and appearances of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

There were no conflicts of interest or appearances of conflicts.



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The next item on the agenda was Citizens' Comments. Cordeiro polled those on teleconference and Hurd stated no one had registered to speak. There were no comments.

The next item on the agenda was the Financial Report, including a presentation on the FYE 2020 Audit Reports. Patterson introduced Lee Grissom of S Preston Douglas and Associates, LLP. She explained Mr. Grissom oversaw the ABC Store audit, though she mostly worked with Austin Eubanks.

Mr. Grissom stated his company does the audit for approximately twelve ABC Boards across the state. The Youngsville ABC Board received a clean audit opinion. Overall, the finances were in great shape and well organized. Mr. Grissom stated information was received in a timely manner with no issues from management. There were no new policies or illegal acts. He stated there was positive operating information. Mr. Grissom noted FYE 2019 had the purchase of the land and debt but FYE 2020 was straightforward.

Mr. Grissom stated there was one finding, noting the ABC Board and Patterson could do better with the budget and amendments. Page 18 showed the Budget to Actual Schedule and he noted several instances that could have been corrected with Budget Amendments. Patterson explained, based on her conversations with Laurie Lee of the NC ABC Commission, there was some confusion on the need for accrual books and cash basis budgeting. Now, based on the information received by Mr. Eubanks, she knows it can be handled differently using accrual-based accounting for everything and she will be able to keep it updated going forward. When asked, Patterson stated that everyone knew about the cash register purchase.

Chairman Houser inquired about the \$25,000 for Capital Outlay and Mr. Grissom stated it looked as if everyone was aware of the cash register purchase and approved the expense. Patterson explained that she didn't know the budget was supposed to be done on a cash basis at the time so that is why it was not shown on the budget. Cordeiro inquired if Patterson was going to put the cash registers under capital assets and show depreciation on them instead of expensing them and Patterson stated yes. Patterson stated that was where they were currently located on the balance sheet.

Mr. Grissom stated the distribution for the current fiscal year should be based on historical information to predict the number. He noted the final budget figured was \$80,834 while the previous budget was over \$100,000. Patterson explained the difference was due to the cash basis budget versus accrual accounting again.



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Chairman Houser stated, based on this information, the ABC Board needed to prepare their budgets at the beginning of the year based on what the minimal distribution will be. If they make more money, then it can be amended at that time. Cordeiro stated that was how they budgeted for the current fiscal year.

Mr. Grissom stated operating revenues were \$1,804,548, up 28% from last year. He noted this was trending positively over the past few years. Retail liquor sales were up 28% and the income from operations was \$153,000, up 38% from the prior year. The total distribution to the Town was \$115,693, compared to \$97,363 last year. There were no significant purchases or debt. Mr. Grissom stated inventory went well and there were no issues with the year end walk through and count. He stated Youngsville was better than most. The only problems were related to the budget itself, which has already been discussed.

On page 5, Mr. Grissom stated the investment and capital assets were correct. Capital assets of \$211,364 minus debt of \$173,809 equaled \$37,555. Patterson noted she and Mr. Eubanks had to work to get the financials right. Mr. Grissom stated management did a great job with information sharing. Patterson stated they spent a long time on liabilities. She explained the loan was renewed since it was a construction loan that needed to be shifted over to a regular loan.

Chairman Houser reminded the ABC Board that Laurie Lee and Greg Stallings of the NC ABC Commission had cautioned them on the level of working capital needed. He asked Mr. Grissom how Youngsville compared to the other ABC Boards they audited. Mr. Grissom stated Youngsville was very comparable. He noted the distribution to the Town could be reduced if they wanted to retain more working capital, but Youngsville was very much in line with other ABC Boards. Chairman Houser cautioned the ABC Board that if there was an unexpected expense, they would be hard pressed to cover it. Mr. Grissom agreed, noting it was always better to have a cushion.

MOTION: TO APPROVE THE AUDIT AS PRESENTED

The motion was made by Member Stutzman and was seconded by Member Norman. The motion passed unanimously. Chairman Houser thanked Mr. Grissom for his hard work and joining the meeting to present his findings.



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The next item on the agenda was the approval of the Consent Agenda. The Consent Agenda included Minutes from the ABC Board Regular Meeting on September 4, 2020 and the Minutes from the ABC Board Special Called Meeting on September 14, 2020.

MOTION: TO APPROVE THE CONSENT AGENDA

The motion was made by Member Norman and was seconded by Member Stutzman. The motion passed unanimously.

The next item on the agenda was Old Business. The first item under Old Business was to consider the contract to sell the ABC Store property to the upset bid winner. Cordeiro stated the upset bid process has been completed. He stated there were no upset bids after the first 10-day period. All legal requirements have been satisfied. The current price is \$395,000 and the seller has entered the due diligence portion of the sale, including working with his attorney to prepare the documents for the closing process. At this time, there is no action required other than indicating if the ABC Board is still interested in proceeding. Cordeiro explained the ABC Board would vote during their November Board Meeting to formally accept the offer and direct them to proceed. He anticipates being able to close before Thanksgiving.

Member Norman inquired if there was any way to guarantee the purchaser would build a facility that includes retail space the ABC Store could move back to. Cordeiro stated no, however, they were in negotiations with Mr. Wallace at 5-Points Plaza to move to that location for the short-term. Member Norman stated she didn't want to lose the opportunity by selling the land and possibly be out of the perfect spot. Member Stutzman stated the 5-Points Plaza is still basically in the same downtown area. Member Norman worried that parking would be worse, but Member Stutzman stated he felt it would be better. He explained the delivery truck would be at the back of the building which will solve one of their current problems. Member Stutzman noted the location was also larger than the current ABC Store. He stated he was good with selling the property if they maintain a presence in downtown.

The second item under Old Business was to continue the discussion on the proposed remodel of the ABC Store, with a report from the Store Expansion / Renovation Subcommittee. Chairman Houser noted the 5-Points Plaza lease was for 4,068 square feet, approximately double the current area. The full lease is ten years, with two five-year options to renew, for a total of twenty years. Rent will be approximately \$11 per square feet, with a proposed 3% annual increase, with an estimated shared common area



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maintenance expenses would be equal to \$4 per square foot. With all of that considered, they were looking at approximately \$15 per square foot. Chairman Houser stated renovations could be completed by March of next year. They also needed to follow through with the sale of the property, noting that if the sale fell through, there was no need to rent at 5-Points Plaza. Chairman Houser stated he has posted the public notice sign on the property to get ahead of the game. A proposed drawing will need to be submitted to Rick Turner for the upfit, which will include shelving and fixtures. Mr. Turner charges approximately \$2,500 to do a full layout for the landlord. Once the ABC Board approves the fees, Patterson can engage Mr. Turner.

Chairman Houser stated he has kept Ms. Lee up to date on the progress so far. Cordeiro noted there were a variety of reasons for moving to the 5-Points Plaza. The larger warehouse will help them increase inventory and allow them to service new customers. As there is a new restaurant coming to town, their mixed beverage sales will also increase. There will be more room to allow them to grow.

Cordeiro stated they can delay the sale and still help the purchaser achieve his goals for tax benefits. If the sale is delayed into November through January, this will give the purchaser time to nominate properties and complete the sale in six months. It would help the ABC Store avoid paying rent for a few extra months. Cordeiro stated the purchaser doesn't care as much about the rent as he does acquiring the property for the tax benefits.

Member Norman expressed concerns about the ten-year lease locking them in with the possibility of missing out on moving back across the street. She inquired about penalties should they break the lease. Chairman Houser stated with authorization from the ABC Board, they can continue to negotiate with Mr. Wallace regarding the 5-Points Plaza location. Member Norman felt that five years would be best, noting it would take a few years to get the new building constructed. Chairman Houser stated he would continue to work with Cordeiro and Mr. Wallace in negotiations.

Member Stutzman inquired about the maintenance, especially regarding the HVAC unit. Mr. Wallace explained, per the proposed lease, it would be the responsibility of the tenant to maintain and repair the HVAC unit in order to keep the rent low. However, maintenance can be negotiated into the lease, but it would increase the rent. When asked, Mr. Wallace stated the unit had last been replaced in late 2017. As they last approximately seven to ten years, Cordeiro stated they may be able to go through the entire lease without needing to replace the unit. Mr. Wallace stated the previous owner had the units replaced so he was unsure of the costs.



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Chairman Houser stated this was like what Benchmark Bank did when they rented their facilities. He stated they had the facility inspected to make sure it was in good shape before signing the lease. Chairman Houser noted it was typical for tenants to handle semi-annual maintenance. Member Stutzman expressed concerns about having to pay to replace the entire unit should it go out in a few years. He noted he understood the need to keep rental fees low but felt they may want to discuss this option in detail again. Cordeiro stated he could get the Town's HVAC vendor to inspect the unit and assess any risks. He noted that if they tried to put the maintenance on the realtor, they would see a premium in the lease.

Chairman Houser inquired if Member Stutzman would be allowed to get involved with the negotiations or if that would constitute a quorum. Cordeiro explained with the current three Members, it would create a quorum. He noted there were candidates that would be presented to the Town Board next week that should bring the ABC Board up to four Members, which would allow for a two-person committee.

Member Norman asked for clarification on maintaining / repairing the HVAC unit. Cordeiro explained if only one part failed, they may be able to repair it for a small fee. However, sometimes replacing the unit can be cheaper than fixing it. He stated the responsibility for maintaining it would fall on the ABC Board.

Chairman Houser asked if the ABC Board agreed for them to continue working on getting a proposed layout completed in anticipation for the sale of the property. Everyone agreed to move forward.

The next item on the agenda was New Business. There was no New Business.

The next item on the agenda was Reports and Other Business.

When asked, Pritchett stated most of the customers were wearing masks.

Chairman Houser thanked Hurd, Patterson and Cordeiro for all the work they do for the ABC Board.

Member Norman stated this would be her last meeting. She stated that it has been fun, as well as educational, and thanked everyone. Chairman Houser stated he has enjoyed



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working with her and noted she added a unique perspective to things. Both Pritchett and Member Stutzman also thanked Member Norman for her service.

Member Stutzman stated he was greeted by one of the cashiers when he went into the ABC Store. He noted their customer service was very good. Member Stutzman stated the ABC Store was very busy and looked good.

Chairman Houser inquired how orders were going. Pritchett explained their last order included 746 cases, but they only received 490 of those. She noted there were still supply issues. The tequila shortage has affected the restaurant since the popular items are not coming in. Pritchett stated they have been ordering alternate items and the restaurant understood they were doing their best. Chairman Houser stated he knew there was also a shortage for Crown Royal Apple. Pritchett explained Crown Royal Peach would become a regular item starting in January. She stated they are trying to get the items that customers want but their hands are tied.

Member Norman asked how requests were handled and Pritchett stated she normally calls the person and gave an example. Pritchett stated she often does special orders, noting it was the only way to get bourbons that people haven't seen before.

Chairman Houser asked Pritchett if she could order 1,000 cases to see how many she can get in. He stated he wanted to increase the inventory levels based on sales. Pritchett worried that if she did get the full order, she would not have room in the warehouse. She explained the average order before Covid 19 was 400 cases, now she orders 700 – 800 cases. Pritchett stated she is trying to order extra to make sure they have enough supply between shipments.

Chairman Houser noted Pritchett has done a great job of reducing payroll over the last two months. He understood it would increase again around the holiday season.

Pritchett wanted to mention the shelving for the new ABC Stores should not include a fifth shelf as they were too tall for most customers, using the Franklinton ABC Store as an example. She felt the top shelf should be eye level for the average person. Chairman Houser stated they would have a more in-depth conversation once the plans came back from Mr. Turner.

Cordeiro inquired about ethics training and Member Stutzman stated he would have that completed by the end of the weekend. Cordeiro stated there were additional candidates



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for the General Manager position but he had no further updates at this time. He stated he would forward updates to the ABC Board as he progressed. Cordeiro stated there were also a couple of applications for the ABC Board that will be brought before the Town Board next week. He will keep the ABC Board up to date as that moved forward as well.

Chairman Houser noted the process was very thorough and professional. Cordeiro stated he modeled the process after the professional firms. He stated he would continue to be aggressive in his search to make sure they end up with the most highly qualified individual to help the ABC Board achieve their goals.

The next item on the agenda was Closed Session. Chairman Houser felt there was no need to go into Closed Session at this time. Hurd stated minutes could be approved at a later Closed Session.

The meeting adjourned at 9:54am upon a motion made by Member Norman, seconded by Member Stutzman and passed unanimously.

This instrument prepared by: James S. Warren, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds.

RETURN TO: Warren, Shackleford & Thomas P.L.L.C.

PREPARED BY and RETURN TO: Warren, Shackleford & Thomas P.L.L.C.
343 S. White Street, Wake Forest, NC 27587

TAX IDENTIFICATION #: 005947 AND 008407 REVENUE STAMPS \$ 0.00

NORTH CAROLINA GENERAL WARRANTY DEED

This deed made this 6th day of October, 2020 by and between:

GRANTOR: **YOUNGSVILLE BOARD OF ALCOHOLIC CONTROL**

GRANTEE: **WW PROPERTIES & RENTALS, LLC**
P.O. Box 1528, Henderson, NC 27536

Grantor, for valuable consideration paid by Grantee, receipt of which is hereby acknowledged, does grant, convey and transfer unto Grantee in fee simple the property described as follows:

TOWNSHIP OF _____, COUNTY OF FRANKLIN

SEE ATTACHED EXHIBIT "A"

The above property was acquired by Grantor by instrument recorded in Book 827, Page 490 and Book 2177, Page 363.

All or a portion of the property herein conveyed ___ includes or X does not include the primary residence of a Grantor.

TO HAVE AND TO HOLD the above described property and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

Grantor covenants with Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title to the property against the lawful claims of all others except for the exceptions set out below.

Title to the property described herein is subject to the following exceptions:

- 1. Subject to Easements and Restrictions of record.

IN WITNESS WHEREOF, Grantor has set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by a duly authorized officer.

YOUNGSVILLE BOARD OF ALCOHOLIC CONTROL

By: _____ (SEAL)

_____, Chairman

STATE OF NORTH CAROLINA, COUNTY OF _____

I, _____, a Notary Public for the County of _____ State of North Carolina, certify that _____ personally appeared before me this day and acknowledged that he/she is Chairman of **Youngsville Board of Alcoholic Control, a North Carolina Limited Liability Company** and that by authority duly given, the foregoing instrument was signed by him/her in the Company name as the act of the Company.

Witness my hand and official stamp or seal, this the _____ day of _____ 2020.

Notary Public

My Commission Expires: _____

EXHIBIT "A"

TRACT 1:

Beginning at the point where the center line of U. S. Highway No. 1-A intersects the center line of S. R. #1147, and runs thence along the center line of S. R. #1147 N. 89 deg. 20 min. W. 284.61 feet to an iron pin; thence along the line of Mary C. Corpening N. 00 deg. 40 min. E. 140 feet to an iron stake; thence continuing along the Corpening line S. 89 deg. 20 min. E. 331.45 feet to a point in the center of U. S. Highway No. 1-A; thence along the center of U. S. Highway No. 1-A the following courses and distances: S. 14 deg. 10 min. 51 sec. W. 48.49 feet to a point, S. 18 deg. 53 min. 38 sec. W. 47.85 feet to a point and S. 24 deg. 14 min. 03 sec. W. 51.68 feet to the point of beginning, and containing one (1) acre and designated as "Parcel A on plat entitled "Map Prepared for Baxter E. Patterson Heirs" made by James O. Murohy, R.L.S., August 25, 1983.

See deed recorded in Book 827, Page 490.

TRACT 2:

Being all of the 1.83 acre lot as shown on plat entitled "A & M Investments", a copy of which is recorded in Book of Maps 2014 Page 164 Franklin County Registry.

See deed recorded in Book 2177, Page 363.

**OWNER AFFIDAVIT AND INDEMNITY AGREEMENT
(NO RECENT IMPROVEMENTS AND NO EXECUTORY CONTRACTS FOR IMPROVEMENTS)**

PARTIES: All parties identified in this section must execute this Agreement.

Owner: Youngsville Board of Alcoholic Control

(NOTE: There can be more than one Owner if the Property has been owned by multiple parties or has been conveyed within the 120-Day Lien Period. A separate Agreement is required for each successive owner in the 120-Day Lien Period.)

PROPERTY:

SEE ATTACHED EXHIBIT "A".

(Insert street address or brief description and/or attach a description as Exhibit A. Include here any real estate that is a portion of a larger, previously unsegregated tract when that area is reasonably necessary for the convenient use and occupation of Improvements on the larger tract.)

DEFINITIONS: The following capitalized terms as used in this Agreement shall have the following meanings:

- **Improvement:** All or any part of any building, structure, erection, alteration, demolition, excavation, clearing, grading, filling, or landscaping, including trees and shrubbery, driveways, and private roadways on the Property as defined below.
- **Labor, Services or Materials:** Labor or professional design (including architectural, engineering, landscaping) or surveying services or materials or rental equipment for which a lien can be claimed under NCGS Chapter 44A, Article 2.
- **Contractor:** Any person or entity who has performed or furnished or has contracted to perform or furnish Labor, Services or Materials pursuant to a contract, either express or implied, with the Owner of real property for the making of an Improvement thereon. (Note that services by architects, engineers, landscapers, surveyors, furnishers of rental equipment and contracts for construction on Property of Improvements are often provided before there is visible evidence of construction.)
- **120-Day Lien Period:** The 120 days immediately preceding the date of recordation of the latter of the deed to purchaser or deed of trust to lender in the Office of the Register of Deeds of the county in which the Property is located.
- **Owner:** Any person or entity, as defined in NCGS Chapter 44A, Article 2, who has or has had any interest in the Property within the 120-Day Lien Period. For the purposes of this Agreement, the term Owner includes: (i) a seller of the Property or a borrower under a loan agreement secured by the Property; (ii) a person with rights to purchase the Property under a contract and for whom an Improvement is made and who ordered the Improvement to be made; and (iii) the Owner's successors in interest and agents of the Owner acting within their authority.
- **Company:** The title insurance company providing the title policy for the transaction contemplated by the parties herein.
- **Property:** The real estate described above or on Exhibit A and any leaseholds, tenements, hereditaments, and improvements placed thereon.
- All defined terms shall include the singular or plural as required by context.

AGREEMENT: For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as an inducement to the purchase of the Property by a purchaser and/or the making of a loan by a lender secured by a deed of trust encumbering the Property and the issuance of a title insurance policy or policies by Company insuring title to the Property without exception to liens for Labor, Services or Materials; Owner first being duly sworn, deposes, says and agrees:

1. **Certifications:** Owner certifies that at no time during the 120-Day Lien Period have any Labor, Services or Materials been furnished in connection with a contract, express or implied, for Improvements to the Property (including architectural, engineering, landscaping or surveying services or materials or rental equipment for which a lien can be claimed under NCGS Chapter 44A) nor have any Labor, Services or Materials been furnished on the Property prior to the 120-Day Lien Period that will or may be completed after the date of this affidavit OR only minor repairs and/or alterations to pre-existing Improvements have been made and Owner certifies such repairs and/or alterations have been completed and those providing Labor, Services or Materials for the repairs have been paid in full.

2. **Reliance and Indemnification:** This Agreement may be relied upon by the purchaser in the purchase of the Property, a lender to make a loan secured by a deed of trust encumbering the Property and by Company in issuance of a title insurance policy or policies insuring title to the Property without exception to matters certified in this Agreement. The provisions of this Agreement shall survive the disbursement of funds and closing of this transaction and shall be binding upon Owner and anyone claiming by, through or under Owner.

Owner agrees to indemnify and hold purchaser, lender, and Company harmless of and from any and all loss, cost, damage and expense of every kind, and attorney's fees, costs and expenses, which the purchaser, lender or Company shall or may incur or become liable for, directly or indirectly, as a result of reliance on the certifications of Owner made herein or in enforcement of the Company's rights hereunder.

3. **NCLTA Copyright and Entire Agreement:** This Agreement and any attachments hereto represent the entire agreement between the Owner and the Company, and no prior or contemporaneous agreement or understanding inconsistent herewith (whether oral or written) pertaining to such matters is effective.

THIS IS A COPYRIGHT FORM and any variances in the form provisions hereof must be specifically stated in the blank below and agreed to in writing by the Company.

No modification of this Agreement, and no waiver of any of its terms or conditions, shall be effective unless made in writing and approved by the Company.

PROVIDING A FALSE AFFIDAVIT IS A CRIMINAL OFFENSE

EXECUTION BY OWNER

<p>Youngsville Board of Alcoholic Control</p>	STATE OF NORTH CAROLINA COUNTY OF _____ I, a notary Public of the County of _____ and State aforesaid certify that _____ personally appeared before me this day and acknowledged that he/she is General Manager of Youngsville Board of Alcoholic Control a North Carolina Limited Liability Company and that by authority duly given, the foregoing instrument was signed by him/her in the Company name as the act of the Company.	(Affix Official Notarial Seal)
<p>By: _____</p>	Witness my hand and official stamp or seal, this ____ day of _____ 2020.	
<p>Printed or Typed Name/Title: General Manager</p>	<p>_____ Notary Public</p> <p>My Commission Expires: _____</p>	

EXHIBIT "A"

TRACT 1:

Beginning at the point where the center line of U. S. Highway No. 1-A intersects the center line of S. R. #1147, and runs thence along the center line of S. R. #1147 N. 89 deg. 20 min. W. 284.61 feet to an iron pin; thence along the line of Mary C. Corpening N. 00 deg. 40 min. E. 140 feet to an iron stake; thence continuing along the Corpening line S. 89 deg. 20 min. E. 331.45 feet to a point in the center of U. S. Highway No. 1-A; thence along the center of U. S. Highway No. 1-A the following courses and distances: S. 14 deg. 10 min. 51 sec. W. 48.49 feet to a point, S. 18 deg. 53 min. 38 sec. W. 47.85 feet to a point and S. 24 deg. 14 min. 03 sec. W. 51.68 feet to the point of beginning, and containing one (1) acre and designated as "Parcel A on plat entitled "Map Prepared for Baxter H. Patterson Heirs" made by James O. Murohy, R.L.S., August 25, 1983.

See deed recorded in Book 827, Page 490.

TRACT 2:

Being all of the 1.83 acre lot as shown on plat entitled "A & M Investments", a copy of which is recorded in Book of Maps 2014 Page 164 Franklin County Registry.

See deed recorded in Book 2177, Page 363.

Exhibit B

- Tenant has an option to terminate contract with 60 Day notice at any point during the Lease term with no penalty assessed to Tenant.
- Landlord agrees not to interrupt the tenants' business practice during any development that may take place during this Lease term.



COMMERCIAL LEASE AGREEMENT
(Single Tenant Facility)

(Note: This form is not intended to be used as a Sublease and SHOULD NOT be used in Sublease circumstances)

THIS COMMERCIAL LEASE AGREEMENT, including any and all addenda attached hereto ("Lease"), is by and between
WW Properties and Rentals

a(n) LLC ("Landlord"),
(individual or State of formation and type of entity)

whose address is 715 S Garnett Street, Henderson, NC 27536
Youngsville Board of Alcoholic Beverage Control

a(n) ("Tenant").
(individual or State of formation and type of entity)

whose address is 101 N College St, Youngsville, NC

If this box is checked, the obligations of Tenant under this Lease are secured by the guaranty of
(name(s) of guarantor(s)) attached hereto and incorporated herein by reference.

(Note: Any guaranty should be prepared by an attorney at law.)

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

PREMISES

1. Landlord leases unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the
following described property, including any improvements located thereon (herein after called the "Premises"), to wit:

(Address): 101 N College St, Youngsville, NC

All A portion of the property in Deed Reference: Book 827, Page No. 490, Franklin
County; consisting of approximately acres.

Plat Reference: Lot(s) n/a, Block or Section n/a, as shown on Plat Book or Slide
n/a at Page(s) n/a, n/a County, consisting of .9899 acres.

If this box is checked, Premises shall mean that property described on Exhibit A attached hereto and incorporated herewith by
reference.

(For information purposes only, the tax parcel number of the Premises is: 008407)

Occupancy Limitation: If this box is checked, notwithstanding any greater occupancy of the Premises which may be permitted by
any law, statute, ordinance, regulation, rule (including rules enacted pursuant to any private use restrictions), as the same may be
amended from time to time, Tenant shall not allow occupancy of the Premises to exceed persons per square feet
in the Premises at any one time.

TERM

2. The term of this Lease shall commence on November 6, 2020 ("Lease Commencement Date"), and shall end at
11:59 p.m. (based upon the time at the locale of the Premises) on November 5, 2021, unless sooner terminated as
herein provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full
month immediately following the Lease Commencement Date and successive Lease Year Anniversaries shall be the date twelve (12)
calendar months from the previous Lease Year Anniversary.

If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least
days prior to the end of the then expiring term of this Lease, for additional term(s) of years each.



If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least _____ days prior to the end of the then expiring term of this Lease, for additional term(s) as specified on **Exhibit B**.

Option to Lease- If this box is checked, Tenant, upon the payment of the sum of \$ _____ (which sum is not rental or security deposit hereunder, but is consideration for this Option to Lease and is non-refundable under any circumstances) shall have a period of _____ days prior to the Lease Commencement Date ("Option Period") in which to inspect the Premises and make inquiry regarding such sign regulations, zoning regulations, utility availability, private restrictions or permits or other regulatory requirements as Tenant may deem appropriate to satisfy itself as to the use of the Premises for Tenant's intended purposes. Tenant shall conduct all such on-site inspections, examinations, inquiries and other review of the Premises in a good and workman like manner, shall repair any damage to the Premises caused by Tenant's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Landlord's or any tenant's use and enjoyment of the Premises. In that respect, Tenant shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to the tenant at the Premises of any entry onto the Premises for the purpose of conducting inspections. Upon Landlord's request, Tenant shall provide to Landlord evidence of general liability insurance. Tenant shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Premises and shall be entitled to review such books and records of Landlord that relate directly to the operation and maintenance of the Premises, provided, however, that Tenant shall not disclose any information regarding the Premises (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Tenant shall obtain their agreement to maintain such confidentiality. Tenant assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Option to Lease and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Tenant shall survive the termination of this Option to Lease or this Lease. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant's entry and on-site inspections. **IF TENANT CHOOSES NOT TO LEASE THE PREMISES, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO LANDLORD THEREOF PRIOR TO THE EXPIRATION OF THE OPTION PERIOD, THEN THIS LEASE SHALL TERMINATE AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATIONS HEREUNDER AND LANDLORD SHALL RETURN TO TENANT ANY RENTAL OR SECURITY DEPOSIT PAID TO LANDLORD HEREUNDER.** Tenant shall be deemed to have exercised its Option to Lease and to be bound under the terms of this Lease if (i) Tenant shall occupy the Premises prior to the expiration of the Option Period, whereupon the date of occupancy shall be deemed the Lease Commencement Date, or (ii) Tenant shall not provide written notice to Landlord of its termination of this Lease prior to the expiration of the Option Period.

RENTAL

3. Beginning on November 6, 2020 ("Rent Commencement Date"), Tenant agrees to pay Landlord (or its Agent as directed by Landlord), without notice, demand, deduction or set off, an annual rental of \$ 28,800.00, payable in equal monthly installments of \$ 2,400.00, in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of 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 installment of rental due, based upon a 30 day month.

If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every _____ Lease Year Anniversary by _____ % over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed, or

If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every _____ Lease Year Anniversary by the greater of: (i) _____ percent (_____ %) over the amount then payable hereunder, or, (ii) the percentage increase (but not any decrease) in the numerical index of the "Consumer Price Index for All Urban Consumers" (1982-84 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") for the immediately preceding twelve (12) month period over the amount then payable hereunder.

If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every _____ Lease Year Anniversary by \$ _____ over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed.

If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted as provided on **Exhibit B**.

If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:
PO Box 1528, Henderson NC 27536

LATE CHARGES

4. If Landlord fails to receive full rental payment within 10 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to Ten Point Zero percent 10.000 (%) of the overdue amount or \$ 240.00 whichever is greater, plus any actual bank fees incurred for dishonored payments. 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. Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of \$ _____ as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in this paragraph 5. If any of the rental or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made by Landlord on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord 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 upon demand shall restore the security deposit to the amount set forth above in this paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises 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 to Tenant within sixty (60) 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.

If this box is checked, Agent shall hold the security deposit in trust and shall be entitled to the interest, if any, thereon.

UTILITY BILLS/SERVICE CONTRACTS

6. Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable bills prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Within thirty (30) days of the Lease Commencement Date, Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

<u>Service Obligation</u>	<u>Landlord</u>	<u>Tenant</u>	<u>Not Applicable</u>
Sewer/Septic	X		
Water	X		
Electric	X		
Gas	X		
Telephone	X		
HVAC (maintenance/service contract)		X	
Elevator (including phone line)			X
Security System	X		
Fiber Optic	X		
Janitor/Cleaning	X		
Trash/Dumpster	X		
Landscaping/Maintenance	X		
Sprinkler System (including phone line)			X
Pest Control	X		

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord represents and warrants that the heating, ventilation and air conditioning system(s) and utility installations existing as of the Lease Commencement Date shall be in good order and repair. Subject to the provisions of this paragraph 6, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

RULES AND REGULATIONS

7. If this box is checked, the rules and regulations attached hereto ("Rules and Regulations") are made a part of this Lease. Tenant agrees to comply with all Rules and Regulations of Landlord in connection with the Premises which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by Landlord in its reasonable discretion, provided notice of such new Rules and Regulations is given to Tenant in writing and the same are not in conflict with the terms and conditions of this Lease.

PERMITTED USES

8. The permitted use of the Premises shall be: ABC STORE
("Permitted Use"). The Premises shall be used and wholly occupied by Tenant solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Tenant obtains Landlord's prior written approval of any change in use. Landlord makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that Landlord does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Tenant at the Premises. At Tenant's sole expense, Tenant shall procure, maintain and make available for Landlord's inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Tenant's business in the Premises. Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors or nuisances.

TAXES AND INSURANCE

(Note: The following box should only be checked if there are no boxes checked below in paragraph 9.)

If this box is checked, Tenant shall have no responsibility to reimburse Landlord for taxes or insurance.

9. Landlord shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises and shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises as Landlord in its reasonable discretion may deem appropriate. Tenant shall reimburse Landlord for 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. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof. **If boxes are checked below, the manner of reimbursement shall be as indicated:**

Taxes

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 n/a; or

All taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

If the final Lease Year of the 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 Premises 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.

If this box is checked, Tenant shall reimburse Landlord for taxes by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-

twelfth (1/12) of the then current tax payments for the Premises. Upon receipt of bills, statements or other evidence of taxes due, Landlord shall pay or cause to be paid the taxes. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of taxes paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the tax reimbursements paid hereunder except as provided in this paragraph 9.

Insurance

- the excess cost of commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or
- the cost of all commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises.

If this box is checked, Tenant shall reimburse Landlord for insurance by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current insurance premiums for the Premises. Upon receipt of bills, statements or other evidence of insurance premiums due, Landlord shall pay or cause to be paid the insurance premiums. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of insurance premiums paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the insurance premium reimbursements paid here under except as provided in this paragraph 9.

Provided however, notwithstanding any provision of the foregoing, that 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.

INSURANCE; WAIVER; INDEMNITY

10. (a) During the term of this Lease, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage and with coverage limits of not less than 1,000,000.00 combined single limit, per occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Tenant. Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to the Lease Commencement Date.

(b) Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant arising from any risk generally covered by the "all risks" insurance required to be carried by Landlord and Tenant. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

(c) Except as otherwise provided in paragraph 10(b), Tenant indemnifies Landlord for damages proximately caused by the negligence or wrongful conduct of Tenant and Tenant's employees, agents, invitees or contractors. Except as otherwise provided in paragraph 10(b), Landlord indemnifies Tenant for damages proximately caused by the negligence or wrongful conduct of Landlord and Landlord's employees, agents, invitees or contractors. The indemnity provisions in this paragraph 10 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations in this paragraph 10 shall survive the expiration or earlier termination of this Lease.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the buildings located on the Premises (exclusive of all glass and exclusive of all exterior doors) and, except as may be specifically allocated to Tenant in paragraph 12 herein, Landlord agrees to be responsible for capital replacements on the Premises; provided that Landlord shall not be responsible for repairs or capital replacements rendered necessary by the negligence or intentional wrongful acts of Tenant, its employees, agents, invitees or contractors. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair or replace and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

(Note: Should Landlord and Tenant need to further detail the allocation of responsibility hereunder, the Special Stipulations box at the end of the Lease should be checked and such allocation should be specified on an Exhibit B.)

REPAIRS BY TENANT

12. (a) Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, shall maintain in good order and repair the Premises, (except those repairs expressly required to be made by Landlord hereunder), specifically including but not limited to any building and other improvements located thereon, all light bulb and ballast replacements, plumbing fixtures and systems repairs within the Premises and water heater repairs. Tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping. Tenant shall use only licensed contractors for repairs where such license is required. Landlord shall have the right to approve the contract or as to any repairs in excess of \$ 1,500.00.

If this box is checked, Tenant, at its expense, shall maintain the heating, ventilation and air conditioning system(s) ("HVAC Systems") in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Tenant shall be required to maintain a preventive maintenance contract for the HVAC Systems on terms and with a provider reasonably acceptable to Landlord, which contract shall call for at least semi-annual maintenance, inspection and repair of such HVAC Systems ("HVAC Contract"). Tenant shall provide a copy of the HVAC Contract to Landlord annually. Provided that: (i) Tenant has kept the HVAC Contract in force, and, (ii) Tenant shall have obtained Landlord's prior written approval of the contractor and the repair or replacement expenses for the HVAC Systems, then, for any calendar year, Tenant shall be responsible for the cost of repairing or replacing the HVAC Systems (or any major component thereof) up to \$ _____ per HVAC System with a maximum repair or replacement cost of \$ _____ for all HVAC Systems ("HVAC Cap") in such year. Tenant shall provide Landlord copies of all records related to the servicing, maintenance, repair, and replacement of the HVAC Systems upon the occurrence of any service, maintenance, repair, or replacement of the HVAC Systems. Landlord shall be responsible for paying the repair cost or replacement cost of such HVAC System in excess of the HVAC Cap.

If this box is checked, Landlord, at its expense, shall maintain the heating, ventilation and air conditioning system(s) ("HVAC Systems") in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that, Tenant shall reimburse Landlord for the cost of repairing or replacing the HVAC Systems (or any major component thereof) an amount up to \$ _____ per HVAC System with a maximum replacement cost of \$ _____ for all HVAC Systems ("HVAC Cap") in such year. Landlord shall be responsible for paying the repair cost or replacement cost of such HVAC System in excess of the HVAC Cap. Tenant shall reimburse Landlord for the amount of the HVAC Cap payable hereunder upon the written request of Landlord.

(b) Tenant, Tenant's employees, agents, invitees or contractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph 12.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord, in connection with Landlord's consent to same, may designate any such alterations, additions, or improvements to the Premises as subject to removal upon the expiration or earlier termination of this Lease, in which case, upon Landlord's written notice to Tenant to remove same at the expiration or earlier termination of this Lease, Tenant shall do so and restore the Premises to the condition that existed prior to such alterations, additions, or improvements being made. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this paragraph 13 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. Tenant has no authority to allow, will not permit, and will indemnify Landlord and hold it harmless from, any contractors', laborers', mechanics', or materialmen's liens, or any other similar liens filed against the Premises in connection with any alterations, additions, or improvements to the Premises.

Tenant Initials _____ Landlord Initials _____

SURRENDERING THE PREMISES

14. Tenant shall schedule its move date with Landlord, in writing, in advance of the expiration or earlier termination of this Lease. Tenant agrees to return the Premises to Landlord at the expiration or earlier termination of this Lease, broom clean and in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. By written notice to Tenant, Landlord may require Tenant to remove any alterations, additions or improvements at the expiration or earlier termination of this Lease (whether or not made with Landlord's consent and whether or not designated via paragraph 13 as subject to removal) and to restore the Premises to its prior condition as of the Lease Commencement Date, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove 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 personal property or trade fixtures 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 personal property or trade fixtures.

(Note: Should Landlord and Tenant need to further enumerate their intent/understanding as to the status of items or property as fixtures, trade fixtures, or personal property hereunder, the Special Stipulations box at the end of the Lease should be checked and such enumeration should be specified by listing same by category on an Exhibit B.)

DESTRUCTION OF OR DAMAGE TO PREMISES

15. (a) If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and 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.

(b) If the Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 15(a) above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which Landlord receives applicable permits and insurance proceeds. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Tenant's sole remedy shall be to terminate this Lease.

(c) In the event of any casualty at the Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.

(d) In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

(e) In the event of the termination of this Lease under any of the provisions of this paragraph 15, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

GOVERNMENTAL ORDERS

16. Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time. Landlord and Tenant agree, however, that if in order to comply with such requirements the cost to Tenant shall exceed a sum equal to one (1) year's rent, then Tenant may terminate this Lease by giving written notice of termination to Landlord in accordance with the terms of this Lease, 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, unless, within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance, at its own expense, and commences compliance activity, in which case Tenant's notice given hereunder shall not terminate this Lease.

CONDEMNATION

17. (a) If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

(b) If more than twenty-five percent (25%) of the floor area of any building of the Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Premises is not one undivided space or is rendered unusable for the Permitted Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

(c) Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

(d) If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Premises.

(e) Landlord shall be entitled to the entire condemnation award for any taking of the Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 17, provided Tenant's award does not reduce or affect Landlord's award and provided further, Tenant shall have no claim for the loss of its leasehold estate.

ASSIGNMENT AND SUBLETTING

~~18. Tenant shall not 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, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall pay to Landlord, concurrently with any request for consent to assignment or sublet, a non-refundable fee of \$_____ as payment to Landlord for its review and processing of the request. In addition, Tenant shall pay to Landlord any legal fees and expenses incurred by Landlord in connection with the proposed assignment or sublet, to the extent such amounts exceed \$_____. 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. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.~~

EVENTS OF DEFAULT

19. The happening of any one or more of the following events (hereinafter any one of which may be 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 when due the rental or any other monetary obligation as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any non-monetary obligation imposed upon Tenant under this Lease within thirty (30) days after written notice of such breach; (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 and such proceeding is not dismissed within sixty (60) days of the filing thereof; (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 UPON DEFAULT

20. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) 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) Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) Landlord, as Tenant's agent, without terminating this Lease, may 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 for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. 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. Tenant acknowledges and understands that Landlord's acceptance of partial rental will not waive Tenant's breach of this Lease or limit Landlord's rights against Tenant hereunder or Landlord's right to evict Tenant through a summary ejectment proceeding, whether filed before or after Landlord's acceptance of any such partial rental.

EXTERIOR SIGNS

21. Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the express written consent of the Landlord in Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. 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" 60 days before the termination of this Lease. Landlord may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

QUIET ENJOYMENT

23. 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, subject to the terms hereof.

HOLDING OVER

24. If Tenant remains in possession of the Premises after expiration of the term hereof, Tenant shall be a tenant at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, 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.

ENVIRONMENTAL LAWS

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

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

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

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

(e) The warranties and indemnities contained in this paragraph 25 shall survive the termination of this Lease.

Tenant Initials _____ Landlord Initials _____

SUBORDINATION; ATTORNMENT; ESTOPPEL

26. (a) This Lease and all of Tenant's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from Landlord or any Landlord mortgagee, Tenant shall confirm such subordination by executing and delivering Landlord and Landlord's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to Landlord and Landlord's mortgagee. Provided, however, as a condition to Tenant's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall not be divested by foreclosure or other default proceedings thereunder so long as Tenant shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Tenant acknowledges that any Landlord mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent.

(b) If Landlord sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Landlord mortgagee, upon the request of Landlord or Landlord's successor, Tenant shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Tenant shall, upon the request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and 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, transfer or conveyance; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

(c) Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto noted in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

ABANDONMENT

27. 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, at the option of Landlord, shall 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.

NOTICES

28. 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, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. 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.

BROKERS

29. Except as expressly provided herein, Tenant and Landlord agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Tenant. Tenant and Landlord represent and warrant to each other that: (i) except as to the brokers designated below ("Brokers"), they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Tenant and/or the Landlord.

("Listing Agency"),

("Listing Agent" - License # _____)
Acting as: Landlord's Agent; Dual Agent
and _____ **WW Properties** _____ (Leasing Agency"),
_____ **Daniel White** _____ ("Leasing Agent" - License # _____)
Acting as: Tenant's Agent; Landlord's (Sub)Agent; Dual Agent

GENERAL TERMS

30. (a) "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 3, 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 or sublet, shall include also Tenant's assignees or sublessees 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.

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

(c) **Time is of the essence in this Lease.**

(d) This Lease may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Lease may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Lease constitutes the sole and entire agreement among the parties hereto and no modification of this Lease shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Lease shall not affect the validity of any other provisions hereof and this Lease shall be construed and enforced as if such invalid provisions were not included.

(e) Each signatory to this Lease represents and warrants that he or she has full authority to sign this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Lease are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Lease.

(f) 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 annual rental 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.

(g) If legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

SPECIAL STIPULATIONS

If this box is checked, additional terms of this Lease are set forth on **Exhibit B** attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft lease provisions.)

Tenant Initials _____ Landlord Initials _____

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.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

LANDLORD:

Individual

Date: _____

Date: _____

Business Entity

WW Properties and Rentals LLC

(Name of Firm)

By: _____
Daniel White

Title: **manager**

Date: _____

TENANT:

Individual

Date: _____

Date: _____

Business Entity

Youngsville Board of Alcoholic Beverage Control

(Name of Firm)

By: _____

Title: _____

Date: _____

Design Plus Store Fixtures, Inc
5631 Cannon Drive
Monroe, NC 28110
704-821-7799 Fax-704-821-8823

STORE DESIGN PROPOSAL

CUSTOMER: Youngsville ABC Board

DATE: 10/26/20
SHEET: 1 of 1

DESCRIPTION	
<p><u><i>We propose the following design services for you new shopping center store to include:</i></u></p>	
<p>Lease review and comment Landlord upfit comment and suggestions Store Needs and Operation Consultation to determine your needs/wants Store Fixture Plan and Interior Design Store Fixture Details *Wall and Electrical Plan with specifications *Reflected Ceiling and Lighting Plan *Construction Details as necessary Colors and finishes selections Assist with procuring a contractor for the final upfit Co-ordination with owner, LL and contractor during entire process Up to three in person meetings with board and/or contractor</p>	
Total Cost for services:	\$3,500.00
	NC TAX 6.75%: \$236.25
	TOTAL: \$3,736.25
<p>*Our recent project in Franklin County did not require and architects seal so I assume one will not be necessary for your project. If one is required, I will assist in procuring an architect to provide the necessary drawing and Appendix sheets.</p>	

