

253-8319

January 4, 2016

Nancy Teed  
114 Gray Farm Rd.  
Morrisville, VT. 05661

Toy Store

Dear Nancy:

Your lease expired as of February 28, 2015. You had one five year option remaining. Since we have not heard from you regarding this matter, we will assume you have decided to take the option. According to the lease extension you signed dated, March 1, 2010, the terms of that option were to be negotiated.

We will keep the rent and common area fees as they were for the first two years, at \$1881.90 and on February 28, 2017 we will discuss terms for years 3, 4 and 5.

Would you please sign the attached copy of this letter acknowledging your agreement, and return to our office.

Sincerely,

*Cassie Baronette*

Cassie Baronette  
Banley Investments LLC

*Nancy Teed*  
1-7-15

Threshold

Feb. 28, 2015  
2016 } 1 yr  
↓  
2017 2  
↓  
2018 3  
↓  
2019 - 4  
↓  
2020 - 5

253.8319  
Nancy Teed

LEASE AGREEMENT

THIS LEASE AGREEMENT made this 1<sup>st</sup> day of March 2005, by and between **Banley N.V.**, a foreign corporation legally registered to do business in the State of Vermont, having an office for the transaction of business c/o Mountain Associates R.E., Stowe, Vermont, 05672 County of Lamoille hereinafter referred to as LANDLORD and **Once Upon a Time**, referred to as TENANT. LANDLORD as used on this lease shall include the first party, his agents, and assigns entitled to the Premises. TENANT shall include the second party, his heirs, successors, and assigns.

Section 1: PREMISES

LANDLORD hereby leases unto TENANT, and TENANT hereby acquires from LANDLORD, the following demised premises (hereinafter sometimes referred to as 'PREMISES' or 'DEMISED PREMISES'):

Being Shop #1 in the so-called Red Barn Shops building, located on the southerly side of Vermont Route 108 in the Town of Stowe, Vermont, said space being approximately 1,344 square feet on the main floor plus 1,344 square feet in the basement area.

As a further aid in this description, reference is hereby made to a floor plan designating the main floor shops of West Branch Shops annexed hereto as Appendix A.

Section 2: Term

The TENANT shall have and hold the premises for a demised term of **five (5) years starting March 1, 2005, and ending February 28, 2010**. In the event that this lease is executed before the demised premises become vacant, or if any present tenant or occupant of the premises holds over, and the LANDLORD cannot acquire possession of the premises prior to commencement date of this lease the LANDLORD shall not be deemed to be in default hereunder and the TENANT agrees to accept possession of the premises at such time as the LANDLORD is able to tender same. LANDLORD does hereby waive payment of any rent covering any period prior to tender of possession to the TENANT hereunder.

### Section 3: RENT

The TENANT shall pay to the LANDLORD, or its designated agent, rent to be paid in advance and in accordance with the schedule hereinafter set forth:

1. Years One - five March 1, 2005 to February 28, 2010, Base rent shall be Sixteen thousand four hundred thirty nine dollars payable in equal monthly installments, in advance, in the amount of \$1,369.90 due on the 1st day of each month for that month's rental plus common area fees (see section 6).

All checks should be made payable to **Banley N.V.** and delivered to Mountain Associates R.E., P.O. Box 9, Stowe, Vermont, 05672, on or before the first of each and every month throughout the term of this lease.

### Section 4: FIRST OPTION TO LEASE:

- A. The TENANT shall have the first (1st) option to lease the demised premises for an additional two years beyond the expiration of the term of this lease. All terms and conditions of said option shall be negotiated.
- B. TENANT shall notify the LANDLORD in writing 120 days prior to the expiration of the current term of the TENANT'S intent to renew. If Tenant does not notify the Landlord within the given time or if Tenant and Landlord have not negotiated a lease that is agreeable to both parties within 90 days prior to the expiration, the Landlord will proceed to market the premises.
- C. See Section 19 regarding "Notice of Termination".

### Section 5: SECURITY/DAMAGE DEPOSIT

In addition to the above rental, the TENANT shall pay to the LANDLORD the sum and amount of Nine Hundred dollars (\$900.00), as a security/damage deposit. Said deposit may be used by the LANDLORD for any of the following purposes (without intending to limit the use of the deposit to only one of the below).

- a. Delinquent rent
- b. Delinquent supplemental and common area charges

- c. Clean up expenses
- d. Damage to the demised premises
- e. Other associated expenses upon vacating the premises

The security/damage deposit shall be returned to the TENANT within 30 days after the premises are vacated, if the premises are clean and all fees and/or other charges have been fully satisfied to the LANDLORD'S satisfaction.

#### Section 6: COMMON AREAS - TAXES, INSURANCE, AND MAINTENANCE

In addition to the demised premises, the LANDLORD shall make available to the TENANT such Common Areas within adjacent to Building and elsewhere upon the Shopping Center, as LANDLORD shall from time to time, deem to be appropriate for the Shopping Center, and LANDLORD shall operate and maintain such Common Areas for their intended purposes. TENANT shall have the non-exclusive right during the term to use, (for their intended purposes), the Common Areas for itself, its employees, agents, customers, and invitees, subject however, to the provisions of this Paragraph Nine. LANDLORD shall have the right, at any time, and from time to time to change the size and/or location and/or elevation and/or nature of the Common Areas, or any part thereof, including without limitation, the right to locate thereon structures of any type. All Common Areas shall be subject to the exclusive control and management of LANDLORD, and LANDLORD shall have the right, at any time and from time to time, to establish, modify, amend and enforce uniform rules and regulations with respect to the Common Areas and the use thereof. TENANT agrees to abide by and conform with such rules and regulations upon notice thereof, to cause its business agents, invitees, licensees, employees, and agents, so to abide and conform. LANDLORD reserves the right from time to time, to utilize portions of the Common Areas for such activities as in the judgment of LANDLORD would promote the business activities of the Shopping Center to the general public.

The LANDLORD shall maintain or cause to be maintained the said Common Areas in a neat, clean, orderly and operable condition, and property lighted, but all expenses in connection therewith shall be charged and prorated in the manner hereinafter set forth. It is understood and agreed that the term "expenses" in the immediately preceding sentence, shall be construed to include but not be limited to, all sums expended or incurred by LANDLORD in connection with said Common Areas for all general maintenance and repairs, (including those made in the performance of LANDLORD'S obligations under and pursuant to Paragraph Three hereof), resurfacing, painting, restriping, cleaning, sweeping, and providing janitorial services, maintenance and repair of sidewalks, curbs, Shopping Center signs, planting and landscaping; providing lighting and other utilities, directional signs and other markers and bumpers; the operation, maintenance and repair of any

fire protection (including sprinkler) systems, lighting systems, storm drainage systems and other utility systems: the cost of all personnel to implement such services including, if LANDLORD deems necessary, the cost of providing security guard service, any and all real estate and personal property taxes and assessments on the land, buildings and improvements comprising the Shopping Center, as well any governmental imposition or surcharge imposed upon LANDLORD or assessed against the or any portion thereof; the costs or expenses, if any, of providing and maintaining any security alarm system for the benefit of the TENANTS of the Shopping Center; depreciation of any machinery and equipment used in the maintenance and the operation of the Common Areas (if owned) and/or the rental paid for such machinery and equipment (if rented); premiums for insurance coverage for the Shopping Center under such policies with such companies, and in such limits as LANDLORD may in its judgment determine or select (including but not limited to fire insurance with extended coverage, liability insurance covering personal injury, death and property damage with a personal injury endorsement covering false arrest, detention or imprisonment, malicious prosecution, libel and slander, and wrongful entry or eviction, workmen's compensation insurance, rent insurance, contractual liability insurance and fidelity bonds), the cost of removing snow, ice rubbish and debris from the Shopping Center, as well as the cost of inspecting the same and regulating traffic thereon; and the gross compensation paid to a manager for the Shopping Center, together with the cost of office overhead expenses allocable to his/her management services.

With regard to fire insurance, only the basic rate premium for the entire Shopping Center shall be deemed an "expense" subject to charge and proration as hereinabove set forth. Any additional premium payable as a result of the assignment of a \_different rate to a rental space due to increased risk related to the use of said space by a particular tenant (e.g., restaurant use) shall be payable by that TENANT.

In consideration of LANDLORD'S agreement to operate and maintain the Common Areas, TENANT covenants and agrees to pay a proportionate share of the expenses advanced and/or incurred by LANDLORD therefore in each calender year during the term of this Lease, as hereinbefore proved. While the TENANT'S proportionate share of such expenses shall be 1/7 (of the total of all expenses advanced or incurred in each calender year (January 1 -Saif / fee 31), the LANDLORD shall annually estimate the total cost of such expenses for the Shopping Center on the basis of its experience and reasonably anticipated expenses therefore, and the TENANT shall pay to the LANDLORD, on the first day of each calender month, together with its monthly installment of minimum rent due hereunder, an amount equal to 1/12 of its proportionate share thereof. As soon as practicable following the close of each calender year, LANDLORD shall submit to TENANT a statement indicating the actual amount of the expenses advanced and/or incurred by LANDLORD in performing its obligations hereunder for the immediately preceding calender year, the actual amount of the TENANT'S proportionate



share thereof, the amount of the LANDLORD'S estimate thereof for such immediately preceding calendar year, and the amount of the resulting balance due thereon, or overpayment thereof, as the case may be. Appropriate adjustment shall thereupon be made between the parties, on demand, on the basis of such statement. Each statement shall be binding upon TENANT, its successors and assigns, as to the matters set forth therein, if no objection is raised with respect thereto within ninety (90) days after submission of each statement to TENANT. TENANT shall have the right to examine LANDLORD'S books and records at the offices of LANDLORD during ordinary business hours for the purpose of verifying the matters set forth in the statement for the immediately preceding calendar year. TENANT covenants and agrees that if this lease is terminated by reason of default on its part, or if fails to take possession of demised premises or vacates the demised premises prior to the expiration of the term hereof, it shall remain liable to pay its proportionate share of such expenses. TENANT agrees that this is not to be construed as a penalty but rather as a portion of the proper measure of LANDLORD'S damages in the event of a breach of this Lease by TENANT as aforesaid, and that TENANT shall be liable therefore only for such period or periods of time as during the term of this lease the demised premises are vacant. Said Capital Improvements other than those described, such as new roof, new siding, new parking area, building additions, shall be the responsibility of the landlord. Said Common Area fee for 2005 is \$6,144.00 annually or \$512.00 per month.

#### Section 7: USE AND OPERATION

- A. The demised premises shall be used solely for the purpose of A Toy Store, with retail sales of Toys, hobby equipment, penny candy, balloons and related items. - GAMES

It is the TENANT'S exclusive responsibility to use the subject premises and operate the business of the TENANT in accordance with all rules, regulations, ordinances, codes, directives, and laws.

- B. CONTINUOUS OPERATION: TENANT agrees that it will conduct its business in the entire premises and in such a manner as will achieve the maximum volume thereof under the name of: TENANT further agrees that it will remain open for business on such days and during such hours that the Shopping Center is open for normal business. Any cessation of business or vacation of the premises in excess of thirty (30) continuous days shall constitute default, unless otherwise specifically agreed upon between LANDLORD and TENANT.

## Section 8: UTILITIES:

### A. TENANT:

1. The TENANT shall pay for and be responsible for all utilities including but not limited to electricity, gas, oil, relative to his leased premises hereunder during the term of the Lease Agreement.
2. TENANT agrees that the lighting serving the Demised Premises controlled by the TENANT, including both inside show window lights and outside sign lights, shall be lit one half hour before sunset on each day and remain lit until 11:00 P.M., said lights to be controlled by a timer.

### B. LANDLORD:

1. Shall provide and be responsible for the provision of water to the leased premises.
2. LANDLORD shall be responsible for providing trash receptacles and timely removal of same.
3. The exterior lights of the leased premises controlled by the LANDLORD shall remain lit at least until 3:00 A.M. Parking lot lights shall be the responsibility of the LANDLORD.

Payment for the above costs shall be made in accordance with Paragraph #6.

## Section 9: SIGNS

A. All signs advertising the business of the TENANT shall be under the complete and absolute control of the LANDLORD. The TENANT shall be responsible for the cost of establishing such sign. The TENANT shall consult with the LANDLORD prior to the design of any such sign. However, should there be a dispute as to the design and construction of said sign, LANDLORD'S sole and absolute discretion shall control. TENANT shall not paint nor place signs on the windows of the premises nor signs on the inside or outside of the walls or the roof of the premises, nor any place upon the premises without written consent of the LANDLORD.

B. Location of all signs shall be at the discretion of the LANDLORD.

## Section 10: INSURANCE

A. TENANT covenants to provide on or before the commencement of the demised term, and to keep in force during the demised terms:

1. Comprehensive general liability insurance (including premises, products, and completed operations, personal injury and medical payment coverage) relating to the demised premises and its appurtenances on an occurrence basis, in an amount no less than \$300,000.00 with a company reasonably acceptable to the LANDLORD.
2. Fire and extended coverage, vandalism, malicious mischief insurance in an amount adequate to cover the full costs of replacement of TENANT'S personal property, trade fixtures, and contents of the demised premises.
3. Plate glass insurance with respect to all plate and other glass in the demised premises. TENANT has the option to replace any plate or other glass at their own expense in lieu of carrying this insurance.
4. Sign insurance with respect to all signs maintained or erected by the TENANT.
5. Adequate Workman's Compensation Insurance
6. If this lease provides for the sale of alcoholic beverages or if the tenant engages in such sales, tenant shall during the term hereof any extensions or renewals hereof obtain and keep in force insurance in an amount not less than \$1,000,000.00, naming both the LANDLORD and the TENANT as insureds to protect said parties from any claims, damages, any claims, damages, penalties, costs, fines, interest, liabilities and/or judgments that may arise or relate to the sale, storage, use and/or possession of alcoholic beverages. Said insurance shall be maintained with a company acceptable to the LANDLORD.

All of the aforesaid insurances and any other insurances required of the TENANT under the terms of this lease or any renewal, extension or amendment hereof shall be issued in the name of the TENANT with the LANDLORD named as an additional insured party. The TENANT shall be solely responsible for payment of all premiums and shall cause the issuing insurance company to send a copy of the aforesaid policy to the LANDLORD and to be obligated to send to the LANDLORD copies of notices provided for under the terms of said policy.

B. The LANDLORD shall obtain and keep in force adequate insurance, including liability, fire and extended coverage on the building and all



common areas not provided for under the terms and conditions of the insurance required of the TENANT hereunder.

#### Section 11: FIRE AND OTHER CASUALTIES

In the event the demised premises or any part thereof shall be destroyed, damaged by fire or other unavoidable casualty so that the same shall be thereby rendered unfit for use, then in such case, the rent reserved or a just proportionate part thereof shall be suspended until such premises shall be placed by the LANDLORD in a condition suitable for use by the TENANT for the purpose herein specified. The LANDLORD shall have the election to repair. If the damages are not so repairable, this lease shall terminate and the rent reserved shall be paid or abated accordingly as the period of occupancy bears to the total time for the particular leasing season existing when such damage occurs. Also, notwithstanding the foregoing provision, this agreement may be terminated at the time of such damage or destruction by agreement of both parties, or the parties may make other arrangements and agreements with respect to the continued leasing hereunder in accordance with their desires at the time.

#### Section 12: REPAIRS, MAINTENANCE, AND ALTERATIONS

##### A. TENANT'S OBLIGATIONS:

1. TENANT shall at his own expense keep and maintain in good order, condition, and repair, the premises, and each and every part thereof, (including without limitation), the repair and maintenance of any air conditioning units and systems, any heating units and systems, plumbing, and sewerage systems inside the building and electrical system except those those matters within the LANDLORD'S obligation to repair.
2. The TENANT shall make no alterations in, or additions to the premises without first obtaining the LANDLORD'S written consent for such alterations or additions, which consent shall not be unreasonably withheld and which shall be the sole cost of the TENANT except as otherwise set forth in this agreement.
3. All approved alterations, additions and improvements and fixtures shall remain upon the property upon surrender of the demised premises and become the property of the LANDLORD at the termination of this lease, unless the LANDLORD requests their removal; in which case the TENANT shall remove same and restore the premises to its original condition at the TENANT'S expense. TENANT installed fixtures may be removed as long as the original or adequate replacements are installed.

4. The TENANT shall be responsible for clearing of snow from the front walk servicing the leased premises of the TENANT, as often as necessary to maintain said front walk in a safe condition.

B. LANDLORD'S OBLIGATIONS:

1. LANDLORD shall make necessary structural repairs to the exterior walls and shall keep in good order, condition, and repair, the exterior foundations and roof of the premises, and the plumbing, sewerage, and utility lines outside the building in which the premises are located, provided such lines are the property of the LANDLORD.
2. The LANDLORD shall not be required to make any such repairs where same were caused or occasioned by any act or omission or negligence of the TENANT and subtenant, concessionaire, or their respective employees, agents, invitees, licensees, visitors, or contractors. But shall have the right to make such repairs and to charge the cost thereof to the TENANT, which said costs shall be considered additional rental due under the terms and conditions of this lease.
3. The LANDLORD shall be responsible for and shall use reasonable methods and efforts for maintenance of parking lots including provision for snow plowing in winter, and shall also be responsible for maintenance of landscaping at the premises and summer ground maintenance, including grading and dust control. The cost thereof shall be born and paid for in accordance with Paragraph #6.

Section 13: ACCESS TO PREMISES

LANDLORD may enter the premises at reasonable hours to exhibit the same to prospective purchasers or tenants, to inspect the premises to see that the TENANT is complying with all his obligations hereunder, and to make necessary repairs required by the LANDLORD under the terms hereof or repairs to the LANDLORD'S adjoining property.

LANDLORD has the right to enter upon said premises at all times in case of an emergency. LANDLORD shall be provided with keys to said leased space for emergency purposes.

#### Section 14: ASSIGNMENT AND SUBLETTING

TENANT covenants and agrees not to assign, transfer, mortgage, nor pledge this lease or sublet the demised premises or any part thereof, without the prior written consent of the LANDLORD. In this regard any sale or transfer of forty percent (40%) or more of the ownership interest in the business of the

TENANT shall constitute a transfer of this lease. The consent of the LANDLORD shall not be unreasonably withheld.

#### Section 15: LICENSES

TENANT shall be responsible for obtaining all necessary licenses and/or permits required by any state, federal, or local agency or sub-division thereof, and to be in compliance with all the rules and regulations promulgated by any state, federal or local agency or subdivision thereof.

#### Section 16: PETS

TENANT shall not allow animals of any kind to be kept on the leased premises, by himself, his employees, or patrons.

#### Section 17: TENANT'S ADDITIONAL AGREEMENTS

The TENANT agrees not to create in any manner any nuisance or trespass, nor vitiate the insurance or cause and increase in the rate of insurance on the leased premises.

#### Section 18: LANDLORD'S RIGHT OF TRANSFER AND/OR SALE

It is agreed and covenanted that the LANDLORD has the full right of transfer of this LEASE to any party or parties that the LANDLORD may so elect without notice to or recourse by the TENANT, and the TENANT shall perfect this LEASE for that party or parties as if they were original LANDLORD.

The TENANT further agrees that the LANDLORD may mortgage, finance, re-mortgage, and re-finance, transfer and sell said real estate without prior notice or agreement by the TENANT to any and all parties that the

LANDLORD may so elect, and the TENANT shall not restrict such actions in any manner whatsoever. The TENANT shall execute all documents necessary for such sale or financing requirements, and in default thereof, does hereby make and appoint the LANDLORD as the Attorney-in-Fact to execute said necessary documents.

#### Section 19: CONDOMINIUM CONVERSION

A. TENANT acknowledges that it has been informed by the LANDLORD, that it is the LANDLORD'S present intention to condominiumize the premises within the next two to three years. However, the TENANT also acknowledges

- 1) that the LANDLORD is not legally bound to do so,
- 2) that the right to do so or not to do so is exclusively with the control of the LANDLORD,
- 3) that the TENANT by the acceptance of this LEASE acquires no vested right or claim to demand or compel the LANDLORD to do so, and
- 4) nor does it have the right to any damages or other claims from the LANDLORD for LANDLORD'S failure to condominiumize the property at any time.

B. Anytime after November 30, 1991 the LANDLORD/OWNER shall have the right to give the TENANT a one (1) year "Notice of Termination" of the lease, for the purpose of condominiumizing the building.

C. In the event that the LANDLORD converts the property to condominiums, the TENANT shall have the first opportunity to purchase the leased premises. The LANDLORD shall give written notice to the TENANT of the proposed conversion and the purchase price for the TENANT'S unit. The TENANT shall accept or reject said offer within 6 months. If the TENANT accepts he/she shall pay a deposit equal to 25% of the sales price within five days of acceptance. The closing shall take place within 60 days of acceptance. At the closing, the TENANT shall pay the balance of the purchase price, together with all other costs of closing appropriately chargeable to the TENANT. A failure on the part of the TENANT to accept or reject LANDLORD'S offer in writing within 6 months, or a failure to pay the required deposit within 5 days of acceptance, shall be deemed a rejection and the LANDLORD shall have the right to negotiate the sale of said space with any and all parties including the TENANT.

## Section 20: NON-LIABILITY OF LANDLORD

LANDLORD shall not be responsible or liable to the TENANT for any loss or damage that may be occasioned by the acts or omissions of third persons or persons occupying any space adjacent to or adjoining the premises, or any part thereof, or for any loss or damage resulting to the TENANT or its property from water, gas, steam, fire, or the bursting, stoppage or leaking of sewer, and other pipes, provided such loss or damage is not occasioned by the negligence of LANDLORD or its agents, contractors, servants, or employees.

## Section 21: INDEMNITY

TENANT agrees to indemnify and save LANDLORD and any ground and underlying LANDLORD(S) of the premises harmless from and against any and all claims and demands for (except such as result from negligence of the LANDLORD or any such ground or underlying LANDLORD(S) or their respective agents, contractors, servants, or employees) or in connection with any accident, injury or damage whatsoever caused to any person or property arising directly or indirectly out of the business conducted in the premises or occurring in, on, or about the premises or on the sidewalks, adjoining the same or arising directly or indirectly from any act or omission of TENANT or any concessionaire or subtenant or their respective licenses, servants, agents, employees or contractors, and from and against any and all cost, expenses and liabilities incurred in connection with any such claim or proceeding brought thereon. The comprehensive general liability coverage maintained by the TENANT pursuant to Section 10 shall specifically insure the contractual obligations of TENANT as set forth in this Section.

## Section 22: DEFAULT OR BREACH

Each of the following events shall constitute a default or breach of this lease by TENANT:

1. If TENANT, or any sucessor or assignee of TENANT while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise or shall make an assignment for the benefit of creditors.
2. If voluntarily proceedings under any bankruptcy law or insolvency act shall be instituted against TENANT, or if a receiver or trustee shall be appointed of all or substantial ly all of the

property of TENANT, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within sixty (60) days after the institution or appointment.

3. If TENANT shall fail to pay LANDLORD any rent or additional rent when the rent shall become due and shall not make the payment within fifteen (15) days after notice thereof by LANDLORD to TENANT.
4. If TENANT shall fail to perform or comply with any of the conditions of this lease and if the nonperformance shall continue for a period of fifteen (15) days after notice thereof by LANDLORD to TENANT or, if the performance can not be reasonably had within the fifteen (15) day period, TENANT shall not in good faith have commenced performance within the fifteen (15) day period and shall not diligently proceed to completion of performance.
5. If TENANT shall vacate or abandon the demised premises.
6. If this lease or the estate of TENANT hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.
7. If TENANT fails to take possession of the demised premises on the term commencement date, or within five (5) days after notice that the demised premises are available for occupancy, if the term commencement date is not fixed herein or shall be deferred as herein provided.
8. If the TENANT or the guarantor of this lease shall default on any agreement, note or notes, security agreement or agreements, or any representation, warranty or covenant made to or with the LANDLORD.

### Section 23: EFFECT OF DEFAULT

In the event of any default hereunder, as set forth in Section 22, the rights of LANDLORD shall be as follows:

1. LANDLORD shall have the right to cancel and terminate this lease, as well as all of the right, title, and interest of TENANT hereunder, by giving to TENANT not less than ten (10) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this lease and the right, title and interest of TENANT hereunder, shall terminate in the same manner and with the same force and effect, except as to LANDLORD'S liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.



2. LANDLORD may elect, but shall not be obligated, to make any payment required by TENANT herein or comply with any agreement, term, or condition required hereby to be performed by TENANT, and LANDLORD shall have the right to enter the demised premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by LANDLORD shall not be deemed to waive or release the default of TENANT or the right of LANDLORD to take any action as may be otherwise permissible hereunder in the case of any default.
3. LANDLORD may re-enter the premises immediately and remove the property and personnel of TENANT, and store the property in a public warehouse or at a place selected by LANDLORD, at the expense of the TENANT. After re-entry LANDLORD may terminate the lease on giving ten (10) days written notice of termination to TENANT. Without the notice, re-entry will not terminate the lease. On termination LANDLORD may recover from TENANT all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the balance of this lease over the reasonable rental value of the premises for the remainder of the lease term, which sum shall be immediately due LANDLORD from TENANT.
4. After re-entry, LANDLORD may relet the premises or any part thereof for any term without terminating the lease, at the rent and on the terms as LANDLORD may choose. LANDLORD may take alterations and repairs to the premises. The duties and liabilities of the parties if the premises are relet as provided herein shall be as follows:
  - a) In addition to TENANT'S liability to LANDLORD for breach of the lease, TENANT shall be liable for all expenses of the reletting, for the alterations and repairs made, and for the difference between the rent received by LANDLORD under the new lease agreement and the rent installments that are due for the same period under this lease.
  - b) LANDLORD shall have the right, but shall not be required, to apply the rent received from reletting the premises
    - (1) to reduce the indebtedness of the TENANT to LANDLORD under the lease, not including indebtedness for rent,
    - (2) to expenses of the reletting and alterations and repairs made,
    - (3) to rent due under this lease, or
    - (4) to payment of future rent under the lease as it becomes

due.

If the new TENANT does not pay a rent installment promptly to LANDLORD, and the rent installment has been credited in advance of payment to the indebtedness of TENANT other than rent, or if rentals from the new TENANT have been otherwise applied by LANDLORD as provided for herein and during any rent installment period are less than the rent payable for the corresponding installment period under this lease, TENANT shall pay LANDLORD the deficiency, separately for each rent installment deficiency period, and before the end of that period. LANDLORD may at any time after a reletting terminate the lease for the breach on which LANDLORD had based the re-entry and subsequently relet the premises.

5. After re-entry, LANDLORD may procure the appointment of a receiver to take possession and collect rents and profits of the business of TENANT, and, if necessary, to collect the rents and profits. The receiver may carry on the business of TENANT, including inventory, trade fixtures, and furnishings, and use them in the business without compensating TENANT. Proceedings for appointment of a receiver by LANDLORD, or the appointment of a receiver and the conduct of the business of TENANT by the receiver, shall not terminate and forfeit this lease unless LANDLORD has given written notice of termination to TENANT as provided herein.

#### Section 24: REMEDIES OF LANDLORD

- A. In the event of a breach or a threatened breach by TENANT of any of the terms or conditions hereof, LANDLORD shall have the right to injunction to restrain TENANT and the right to invoke any remedy allowed by law or in equity, as if the specific remedies of indemnity or reimbursement were not provided herein.
- B. The rights and remedies given to LANDLORD in this lease are distinct, separate, and cumulative, and no one of them, whether or not exercised by LANDLORD, shall be deemed to be in exclusion of any of the others herein by law, or by equity provided.
- C. In all cases hereunder, and in any suit, action, or proceeding of any kind between parties it shall be presumptive evidence of the fact of the existence of a charge being due if LANDLORD shall produce a bill, notice, or certificate of any public official entitled to give that notice to the effect that such charge appears of record on the books in his office and has not been paid.
- D. No receipt of money by LANDLORD from TENANT after default or

cancellation of this lease in any lawful manner shall

- (1) reinstate, continue, or extend the term or affect any notice given to TENANT,
- (2) operate as a waiver of the right of LANDLORD to recover possession of the demised premises by proper suit, action, proceeding, or other remedy. After (1) service of notice of termination and forfeiture as herein provided and the expiration of the time specified therein, (2) the commencement of any suit, action, proceedings, or other remedy, or
- (3) final order or judgment for possession of the demised premises, LANDLORD may demand, receive, and collect any monies due, without in any manner affecting such notice, order or judgment. Any and all such monies so collected shall be deemed to be payment on account of the use and occupation of the demised premises or at the election of LANDLORD, on account of the liability of TENANT hereunder.

#### Section 25: END OF TERM

At the expiration of this lease, the TENANT shall surrender the demised premises in the same condition as it was upon delivery of possession thereto under this lease, reasonable wear and tear accepted, and shall deliver all keys and combinations to locks to the LANDLORD. Before surrendering said premises, TENANT shall remove all of his personal property including all trade fixtures, and shall repair any damage caused thereby. TENANT'S obligations to perform this provision shall survive the end of the term of this lease. If TENANT fails to remove his property upon the expiration of this lease, the said property shall be deemed abandoned and shall become the property of the LANDLORD.

#### Section 26: WAIVER

Failure of the LANDLORD to insist upon the strict performance of any provision of this lease or to exercise any option or any rules and regulations herein contained shall not be construed as a waiver for the future of any such provision, rule, or option.

Section 27: COMPETITION

The LANDLORD shall not lease in the Shopping Center to any other potential TENANT whose **principal** business is similar to any other current TENANT without the current TENANT'S permission.

X note

Section 28: LEASE INTERPRETATION

This lease is a Vermont contract and shall be interpreted and construed under the laws of the State of Vermont.

This lease shall take effect immediately upon signing by the parties hereto.

This lease shall not be filed for record, or recorded in any governmental office. However, an agreement in abbreviated form, referring to this lease and signed by both parties, and duly witnessed and acknowledged, shall be prepared and may be filed for record at the office of the Town Clerk of the Town of Stowe, Vermont.

Section 29

At any time when notices are required to be given hereunder, or when at the option of either party it is felt desireable to give notice, notices shall be addressed as follows:

LANDLORDS AGENT

Banley N.V.  
c/o MOUNTAIN ASSOCIATES  
P.O. BOX 9  
STOWE, VT. 05672

LANDLORD

Banley N.V.  
c/o Peter Doremus  
112 Lake Street  
Burlington, Vermont  
05401

TENANT

Once Upon a Time,  
c/o Jane Christopherson  
P.O. Box 267  
Moscow, Vermont 05662

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

Kimberly Rushford  
WITNESSES FOR THE LANDLORD

Marion Baran (LS)  
DULY AUTHORIZED AGENT  
Banley N.V.

Trine Brisk  
WITNESSES FOR THE TENANT

Jane Chutkowski (LS)  
FOR ONCE UPON A TIME

STATE OF VERMONT  
LAMOILLE, COUNTY

At STOWE, Vermont, this 1st day of March, 2005  
personally appeared MARION BARAN, Authorized Agent for  
BANLEY N.V. and acknowledged this instrument by him sealed and subscribed to be  
his free act and deed, and the free act and deed of said corporation.

Before me Kimberly Rushford  
Notary Public

2/10/07  
COMMISSION EXPIRES

STATE OF VERMONT )  
COUNTY ) SS

At \_\_\_\_\_, Vermont, this \_\_\_\_\_ day of \_\_\_\_\_, 2005  
personally appeared \_\_\_\_\_, Authorized Agent for  
\_\_\_\_\_, and acknowledged this instrument by him sealed and subscribed to be  
his free act and deed, and the free act and deed of said corporation.

Before me \_\_\_\_\_  
Notary Public

COMMISSION EXPIRES