

COMMERCIAL LEASE AGREEMENT

THIS LEASE, made this 1st day of April, 2021 by and among Regal Oaks, LLC, Charles Knox, Colette Knox, Steve Knox and Antonio Aiello, (hereinafter called “**Landlord**”); and Cain Center for the Arts, 501c3 non-profit corporation; (hereinafter called “**Tenant**”);

WITNESSETH:

1. PREMISES. Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and contained to be paid, kept and performed by Tenant, leases and rents unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property (hereinafter called the “**Premises**”): Unit 1&2 containing approximately 6,696 rentable square feet and adjacent parking in common located at 19725 Oak Street, Cornelius, Mecklenburg County, North Carolina 28031. No easement for light or air is included in the Premises.

2. TERM. The Tenant shall have and hold the Premises for a term of Twenty-four (24) months beginning on the 1st day of May, 2021, and ending on the 30th day of April, 2023, at midnight, unless terminated as hereafter provided.

3. RENTAL. Tenant agrees to pay to Landlord, at the address of the Landlord’s agent as stated in this lease, without demand, deduction or set off, a rental as follows:

5/1/2021 – 4/30/2022	\$4,900/month
5/1/2022 – 4/30/2023	\$5,000/month

Payable in advance on the first day of each calendar month during the initial term hereof.

4. LATE CHARGES. If Landlord fails to receive any rent payment with five (5) days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to ten percent (10%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such later payment.

5. SECURITY DEPOSIT. Tenant shall deposit with Landlord upon execution of this lease **\$ 6,500** as a security deposit which shall be held by Landlord, without liability to Tenant of any interest thereon, as security of the full and faithful performance by tenant of each and every term, covenant and condition of this lease by Tenant. If any of the rents or other charges or sums payable by Tenant to Landlord shall be overdue and unpaid or should Landlord make payments 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 Landlord toward the payment of the rents, charges or other sums due from Tenant, or towards any loss on the part of Tenant; and in such event Tenant shall upon demand restore the security deposit to the original sum deposited. In the event the Tenant furnishes Landlord with proof that all utility bills have been paid through the date of Lease termination, and performs all of Tenant’s other obligation under this Lease, the security deposit shall be returned in full to Tenant within thirty (30) days after 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 provision of this Lease. It is acknowledged and agreed that Landlord shall not be required to place the deposit in a separate escrow or trust account and said funds may be commingled with other funds of Landlord.

6. SERVICES. In addition to rental, Tenant shall pay Landlord a prorated share of the operating costs which shall mean all costs, expenses, taxes, disbursements which Landlord shall pay or become obligated to pay in connection with the ownership, management, operation, maintenance, replacement and repair of all building systems, components and appurtenances. Such costs will include but not limited to: water, sewer, storm water, gas, electricity, heat, and other utilities and janitorial services for the common areas, management, advertising,

maintenance of common areas, landscaping, taxes, insurance, and for trash disposal (the "Services"). Tenant's prorated share of the total cost of services for each calendar year during the term of this lease shall be that fraction the numerator of which is the area of the Premises and the denominator of which is the total leasable space within Landlord's warehouse building, together with Tenant's proportional share of limited common elements. Tenant acknowledges that Landlord may increase the charge for the aforesaid services in the event of excessive use by the Tenant, and such amount will be adjusted during any renewal term of this Lease. The initial sum of \$ 1,306.00 per month allowance (prorated for any partial month) will be paid in monthly installments, due and payable at same time and conditions as monthly rental. The total amount paid by the Tenant for the above during the calendar year will be credited toward the total actual prorate share of expenses incurred, and an adjusting payment will be made each January by the Tenant. Any credit will be applied to the following year's expenses for services.

7. UTILITIES. Tenant shall pay for all separately metered utilities to the Premises and its prorated share of all common utilities including all water, gas, electricity, telephone, sewer, sprinkler charges, refuse and trash collection and other utilities. No interruption or failure of the utilities shall result in termination of this lease or abatement of rent.

8. RULES AND REGULATIONS. Tenant agrees to perform and abide by the rules and regulations which are attached hereto and which may be amended from time to time by Landlord.

9. USE OF PREMISES. The Premises shall be used for **operation of artistic programming, community events, corporate events and parties specifically related to the arts** and no other purpose. The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to violate the insurance or increase the rate of insurance on the Premises. In the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any increase. Landlord reserves the right to restrict Tenant's use of paved parking area.

10. ABANDONMENT OF THE PREMISES. Tenant agrees not to abandon or vacate the Premises during the term of this lease and agrees to use the Premises for the purposes herein until the expiration hereof.

11. INDEMNITY; INSURANCE. Tenant agrees to and hereby does indemnify and save Landlord harmless against all claims for damages to persons or property by reason of Tenant's use or occupancy of the Premises, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs. Supplementing the foregoing and in addition thereto, Tenant shall during all times of this Lease and any extension or renewal thereof, and at Tenant's expense, maintain in full force and effect a business general liability policy in the amount of \$2,000,000 aggregate per year, \$1,000,000 per occurrence, which insurance shall contain a special endorsement recognizing and insuring any liability accruing to Tenant under the first sentence of this paragraph 11, and naming Landlord as additional insured. Tenant shall provide evidence of such insurance to Landlord prior to the commencement of the term of this Lease and at anniversary date of this Lease. Landlord and Tenant each hereby release and relieve the other, and waive any right of recovery, for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors and/or invitees, to the extent that such loss or damage is within the policy limits of said comprehensive general liability insurance. Landlord and Tenant shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

12. REPAIRS BY LANDLORD. Landlord agrees to keep in good repair the roof, foundations and exterior walls of the Premises (exclusive of all glass and exclusive of all exterior doors), except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its agents, employees or invitees.

13. REPAIRS BY TENANT. Tenant accepts the Premises in their present condition and as suited for the uses intended by Tenant. Tenant shall, throughout the initial term of this lease and

any extension or renewal thereof, at its expense, maintain in good order and repair the Premises, including but not limited to, all HVAC systems/equipment, electrical and plumbing systems. Tenant agrees to return the Premises to Landlord at the expiration, or prior to termination of this Lease, in as good condition and repair as when first received, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted.

14. ALTERATIONS. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph 14 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 or approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions, or improvements (whether or not made with Landlord's consent) at the termination of this Lease and to restore the Premises to its prior condition, 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 machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

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

16. DESTRUCTION OF OR DAMAGE TO PREMISES. If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date. If the Premises are damaged but not wholly destroyed by any such casualties and Landlord elects to repair, then rental shall abate in proportion to the reduction in use of the Premises until such time as the Premises has been restored to substantially the same condition as before damage, Landlord to repair as speedily as is practicable.

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

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

19. ASSIGNMENT AND SUBLETTING. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant. Consent to any assignment or sublease shall not impair this

provisions and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. The assignee of Tenant, at option of Landlord, shall become directly liable to Landlord for all obligations of Tenant hereunder, but no sublease or assignment by Tenant shall relieve Tenant of any liability hereunder. If this Lease is assigned by Tenant or if the Tenant sublets the Premises for rent in excess of the Rent payable hereunder, Tenant shall pay any such excess to Landlord as Additional Rent. Any assignment or subletting under this Lease automatically cancels any options to extend the term of this Lease which may have been granted hereunder.

20. EVENTS OF DEFAULT. 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; (1) Tenant fails to pay the rental as provided for herein; (2) Tenant abandons or vacates the Premises; (3) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease; (4) Tenant is adjudicated bankrupt; (5) 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; (6) 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; (7) Tenant makes an assignment of benefit of creditors; or (8) 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.

21. REMEDIES UPON DEFAULT. 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; (1) if the Event of Default involves nonpayment of rental and Tenant fails to cure such default within five (5) days after receipt of written notice thereof from Landlord, or if the Event of Default involves a default in performing any of the terms of provisions of this Lease other than the payment of rental, and Tenant fails to cure such default within fifteen (15) days after the receipt of written notice of default from Landlord, Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (2) if the Event of Default involves any matter other than those set forth in item (1) of this Paragraph 21, 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 then due and the present value (discounted at ten percent (10) per annum) of 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 (3) upon any Event of Default, 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 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. In the event Landlord hires an attorney to enforce its rights upon default, Tenant shall in addition be liable of reasonable attorney’s fees and all costs of collection.

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

23. LANDLORD’S ENTRY OF PREMISES. Landlord may advertise the Premises “For Rent” or “For Sale” ninety (90) days before the termination of this Lease. Landlord may enter the Premises at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord under the terms hereof or to make repairs to Landlord’s adjoining property, if any.

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

25. MORTGAGEE'S RIGHTS. Tenant's rights shall be subject to any bond fide mortgage or deed of trust to secure debt which is now or may hereafter be placed upon the Premises by Landlord. Tenant shall, if requested by Landlord, execute a separate agreement reflecting such subordination.

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

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

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

29. RIGHTS CUMULATIVE. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those allowed by law.

30. WAIVER OF RIGHTS. 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.

31. ENVIRONMENT LAWS. Landlord represents the best of its knowledge and belief, (1) the Premises are in compliance with all applicable environment laws, and (2) there are not excessive levels (as defined by the Environmental Protection Agency) of radon, toxic waste or hazardous substances on the Premises. Tenant represents and warrants that Tenant shall comply with all applicable environmental laws and that Tenant shall not permit any of his employees, agents, contractors or subcontractors, or any person present on the Premises to generate, manufacture, store, dispose or release on, about, or under the premises any hazardous substances which would result in the Premises not complying with any applicable environmental laws.

32. TIME OF ESSENCE. Time is of the essence of this Lease.

33. DEFINITIONS. "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title the Premises. "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 subleases as to the Premises covered by such assignment or sublease. "Landlord" and "Tenant" include male and female, singular and plural, corporation, partnership, or individual, as may fit the particular parties.

34. NOTICES. All notices and rent required or permitted under this Lease shall be in writing and shall be personally delivered, by electronic mail or by overnight mail. Notices to Tenant shall be delivered or sent to the address shown below, except that upon Tenant's taking possession of the Premises, then Premises shall be Tenant's address for such purposes. Notice to Landlord shall be delivered or sent to the addresses hereinafter stated, to wit:

Landlord: Knox Group/Oak St Mill
19824 W. Catawba Avenue
Suite G
Cornelius, NC 28031

Tenant: Cain Center for the Arts
PO Box 1443
Cornelius NC 28031
Attn. Executive Director

All notices shall be effective upon delivery. Any party may change his notice address upon written notice to the other party.

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

36. SPECIAL STIPULATIONS. Any special stipulations are set forth in the attached Exhibit A in so far as said Special Stipulations conflict with any of the foregoing provisions, said Special Stipulations shall control.

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

LANDLORD:

Regal Oaks, LLC BY: _____ (SEAL)

Charles Knox BY: _____ (SEAL)

Colette Knox BY: _____ (SEAL)

Steve Knox BY: _____ (SEAL)

Antonio Aiello BY: _____ (SEAL)

TENANT:

Cain Center for the Arts BY: _____ (SEAL)

BY: _____ (SEAL)

**RULES AND REGULATIONS
OF
OAK STREET MILL**

1. No Tenant will store supplies or equipment temporarily or permanently in any of the common areas of the building.
2. Any debris will be discarded in the dumpster provided at the rear of the building.
3. In the event of an inclement weather such as, but not limited to, ice and snow, the Tenant will be responsible for any removal or handling of such ice and snow on all parking areas, walking areas and steps as they deem necessary. The Landlord assumes no responsibility or liability for the removal or handling of any snow, ice, rain water or other conditions caused by inclement weather results or the consequence that may occur due to such inclement weather.
4. Tenant shall establish and post operating hours, and shall use/occupy The Premises continuously and fully stocked and staffed throughout the term of the Lease during said operating hours, which shall be at least Monday-Friday 10:00 A.M. to 6:00 P.M. and Saturday 10:00 A.M. -5:00 P.M.
5. Tenant shall not disturb the occupancy of the project or adjoining buildings or Tenants by the use of any radio, electronic or musical instrument or by the making of loud of improper noises.

Exhibit A

Personal Guaranty

In consideration of the execution of the foregoing lease by Landlord and in further consideration of \$10 and other valuable consideration paid to the undersigned receipt whereof is hereby acknowledged, the undersigned, _____, jointly, severally and unconditionally due hereby guarantee the timely payment of all rentals and other payments required of Tenant by the terms of this Lease and the due and timely performance of each and every obligation or duty required of Tenant by this Lease. This guaranty shall be irrevocable and shall survive the expiration or other termination of this Lease including any renewals or extensions thereof. In the event of any breach or default by Tenant, Landlord may immediately call upon the undersigned to perform under this guaranty without having first exercised its rights against Tenant. The undersigned hereby waive any notice of any extensions or renewals of this Lease, any forbearance extended by Landlord to Tenant and any other dealings between Landlord and Tenant and agree that their Liability hereunder shall be absolute and unconditional.

In witness whereof the undersigned have set their hands and seals intending this to be a sealed instrument, this ____ day of _____, 20__.

_____ (Seal)

_____ (Seal)