

RENTAL AGREEMENT

This **Rental Agreement** ("Agreement") is made as this _____ day of _____ 2017 by and between the **TOWN OF HUNTERSVILLE**, a North Carolina Municipal Corporation, (hereafter, "Town") and **HUNTERSVILLE MUSIC ACADEMY, LLC**, a North Carolina Limited Liability Company (hereafter, "Academy").

WITNESSETH

WHEREAS, Town is the owner of a building located at 104 Gilead Road, Huntersville, North Carolina, designated as the Annex Building ("Building" or "Premises"); and

WHEREAS, Town finds that Academy's proposed use would be appropriate for the Building; and

WHEREAS, Town is willing to lease to Academy the Building on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, Town leases to Academy and Academy leases from Town the Building and appurtenant parking spaces, on the following terms and conditions:

1. **PREMISES.** Town hereby leases to Academy, and Academy agrees to rent from Town the Premises located at 104 Gilead Road, Huntersville North Carolina.
2. **RENTAL.** Academy shall pay to Town as rental the sum of ~~Nine Hundred One~~ Thousand Two Hundred and Thirty-nine Dollars (\$1,239.00) per month throughout the term of this Agreement. The rent for the first month of the lease shall be paid on or before the first day of the initial term of the lease and thereafter payable in advance on the same date of each succeeding month for the term of the lease as extended. For example, if the beginning date of this lease is September 1, 2017, the rent for the first month shall be paid on or before that date, and the rent for each month thereafter shall be due and payable on the 1st day of each succeeding month throughout the term of the lease, as extended.
3. **TERM, OPTIONS.** The term of this Agreement shall begin on the 1st day of September 2017, and continue for eleven consecutive months and shall end on the 31st day of July 2018. At the end of the term of this Agreement, Academy shall remove its personal property from the Premises and assure that any of its sub-users or sub-tenants remove any of their personal property. Any such property which remains after thirty (30) days from the end of the lease without the consent of Town shall become property of the Town. Upon no default of either party, Town reserves the right to terminate this Agreement if

the Premises are needed by the Town. In the event of such early termination Town shall give Academy a sixty (60) day notice of termination.

4. **USE OF PREMISES.** Academy shall use the Premises only for conducting or operating an academy or school offering music lessons and instructions or for related or similar artistic, literary or educational endeavors. Such instructions and/or services may be provided by Academy or its employees or by other independent instructors or providers engaged by Academy (herein referred to as “sub-user” or “sub-tenant”). Any use other than that described without the express written consent of Town (which shall not unreasonably be withheld) shall be deemed a default in this Agreement and entitle Town to pursue all remedies it has in the event of default.
5. **INSURANCE.** Personal property placed by Academy in the Building shall at all times be the personal property of Academy, and Academy shall provide its own insurance coverage for same in such conditions as Academy may desire for its own benefit and protection, and at its own expense. Academy shall carry premises liability insurance in an amount of at least One Million (\$1,000,000.00) Dollars, naming Town as an additional insured and insuring against the acts of itself, its employees, invitees and participants and those of its Sub-tenants. Town agrees that it shall be responsible for maintaining insurance on the Building at all times during the terms of this Agreement.
6. **DAMAGE, DESTRUCTION.** In the event of damage or destruction of the Building so that Academy cannot continue its business, Town may terminate this Agreement as of the date of the damage or destruction and any pre-paid rent for the period after termination shall be returned to Academy. In no event shall Town be required to rebuild or repair the damage.
7. **UTILITIES.** Academy shall be responsible for and pay utilities charges for the Building, specifically for water and sewer, electric, and gas. Academy is responsible for cost of any garbage disposable services, and Academy shall be responsible for having such charges billed directly to Academy. If Academy wishes to have telephone, internet, or cable service, it shall be responsible for installation and payment of such service. Academy shall assure that all utility or similar payments for which it is responsible are promptly paid and not permit any delinquent payments to become a lien on the Premises.
8. **CONDITION OF PREMISES.** Academy acknowledges it has examined the Premises and accepts them in the condition as of the date of this Agreement.
9. **MAINTENANCE, ALTERATIONS, MODIFICATIONS.** Town shall be responsible for the lawn and grounds maintenance for the Building, and shall determine its frequency. Town shall be responsible for, at its expense, general interior and exterior maintenance and care, including minor HVAC system maintenance. Town shall be responsible for major HVAC maintenance and repair which is not a result of Academy’s negligence. Academy shall not make any alterations or modifications to the Premises, either interior or exterior, without the prior written consent of Town. All such alternations or

modifications, whether interior or exterior, shall be at the sole expense of Academy which shall not permit any lien for labor and materials to attach to the Premises.

10. **ADDITIONAL SPACE USAGE.** Additionally, Academy shall be entitled to use, without additional consideration, the large gathering space in the adjacent Robert B. Blythe Building for one Saturday each calendar month for the purpose of holding performances or recitals as determined by Academy. Academy will coordinate with the Huntersville Parks and Recreation Department (hereafter, "HPR") to determine the particular Saturday of each month which it wishes to use the additional space, which may vary from month to month. When using the additional space, Academy will be responsible for setting up the space for its use and cleaning and breaking down its set-up when completed, but shall not be responsible for utilities in that building. Failure of Academy to request use of the additional space in any one month shall not necessarily give it a right to "make up" in another month, unless agreed to by HPR. Upon request to HPR, Academy may be given the right to additional Saturday uses, but HPR could impose a charge for maintenance.
11. **PARKING.** Academy and its sub-tenants of the Premises shall have six (6) designated parking spaces as assigned or designated by the Town, which spaces shall be on the northerly side of the Building. There shall not be any overnight parking or vehicle storage on the Premises.
12. **SIGNAGE.** Any exterior signs erected by Academy shall be pre-approved by the Town and be in compliance with the Town of Huntersville Sign Ordinance. The installation of any approved signage shall be at the expense of Academy.
13. **INDEMNITY.** Academy will indemnify and hold harmless the Town for any loss, claim, suit, or damages (including reasonable attorney fees) proximately caused by the negligent or willful conduct of its officers, directors, employees and invitees and those of its sub-tenants and users of the Building and associated areas.
14. **ASSIGNMENT, SUBLETTING.** Academy shall not assign this Agreement or sublet the Premises without the express written consent of Town, which shall not be unreasonably withheld. However, Academy can offer space for rent for Sub-tenants offering similar instructions and services as mentioned in subparagraph 4 hereinabove without pre-approval by Town, and so long as such sub-tenants are lawfully conducting their business and are not in violation of any laws and ordinances, including the zoning ordinances of the Town. Academy shall notify all sub-tenants of the length and duration of this lease and at the end of the term, as may be extended, such sub-tenant's rental period will also expire.
15. **EVENT OF DEFAULT.** The happening of any of the following shall constitute and Event of Default on the part of Academy during the term of this Agreement: (a) failure to pay the rental payments when due which remains uncured after ten (10) days from the due date; (b) any non-monetary violation of this Agreement after thirty (30) days notice to Academy; (c) Academy vacates or abandons the Premises (it being agreed that failure

to operate the business for sixty (60) consecutive days shall be deemed an abandonment). Upon the occurrence of an Event of Default which remains uncured, Town shall have all remedies available to it, including terminating this Agreement, regaining full possession of the Premises, and maintaining an action to recover unpaid rent or other amounts due it.

16. **RETURN OF PREMISES UPON TERMINATION.** Upon termination of this Agreement, whether at end of term or otherwise, Academy shall return the Premises to Town in a similar condition as at the inception, reasonable wear and tear excepted. The Premises shall be in a clean, vacant condition and all personal property of Academy and its sub-tenants shall have been removed.
17. **CONTROLLING LAW, FORUM.** This Agreement shall be controlled and interpreted by the Laws of the State of North Carolina. The sole venue for the resolution of any dispute hereunder shall be a State or Federal court sitting in Mecklenburg County, North Carolina.
18. **NOTICES.** All notices required or permitted under this Agreement shall be in writing and shall be personally delivered (with acknowledgement of receipt) or sent by U.S. certified mail, return receipt requested, or by a nationally recognized overnight delivery service (Fed Ex, UPS, etc.) to the following addresses (provided that such notice addresses may be changed by written notice to the other):

If to Academy: Dawn-Marie W. Colozzi
10130 Rose Brook Lane, Apt. 107
Huntersville, NC 28078

If to Town: Gerald D. Vincent, Town Manager
Town of Huntersville
Post Office Box 664
Huntersville, NC 28070

With copy to: Robert B. Blythe, Town Attorney
Town of Huntersville
Post Office Box 664
Huntersville, NC 28070

19. **ACCESS.** Town shall have access to the Building for the purpose of fulfilling its obligations under the Lease during normal business hours, but shall not unreasonably interfere with Academy's use of the premises in doing so. If Town needs to access the Building after normal business hours, it shall attempt to give Academy reasonable prior notice of its intent to do so except in emergency situations requiring immediate access. In the event Town is unable to notify Academy prior to entry, or in the event of emergency entry, Town will make every reasonable effort to notify Academy of such entry as promptly as possible thereafter. Academy shall give Town copies of keys and access codes and any replacements for them which it has or obtains for the Building.

IN WITNESS THEREOF, the parties have executed this Agreement by authority duly given as of the date first above written.

HUNTERSVILLE MUSIC ACADEMY LLC

By: _____
Dawn-Marie W. Colozzi, Executive Manager

TOWN OF HUNTERSVILLE

ATTEST:

Janet Pierson, Town Clerk

By: _____
Gerald D. Vincent, Town Manager

(SEAL)

Approved as to Form:

Robert B. Blythe, Town Attorney

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, _____, a Notary Public of the State and County aforesaid, certify that Dawn-Marie W. Colozzi, Executive Manager of Huntersville Music Academy LLC, and by authority duly given and as the act of said company, the foregoing instrument was executed in its name by her, as its Executive Manager.

WITNESS my hand and official seal this _____ day of _____ 2017.

Notary Public

My Commission Expires: _____

(SEAL)

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, _____, a Notary Public of the State and County aforesaid, certify that Janet Pierson personally came before me this day and acknowledged that she is the Clerk to the Board of Commissioners of the Town of Huntersville, a North Carolina Municipal Corporation, and that by authority duly given and as the act of the Town, the foregoing instrument was signed in its name by Gerald D. Vincent, Town Manager, and sealed with its Town Seal, and attested by her as the Clerk to the Town.

WITNESS my hand and official seal this _____ day of _____ 2017.

Notary Public

My Commission Expires: _____

(SEAL)