

RENTAL AGREEMENT

This **Rental Agreement** ("Agreement") is made as of this ____ day of _____ 2017, by and between the **TOWN OF HUNTERSVILLE**, a North Carolina Municipal Corporation, (hereafter, "Town") and **FOSTER'S FRAME DESIGN AND GALLERY, INC.**, a North Carolina corporation (Tenant).

WITNESSETH

WHEREAS, Town is the owner of a commercial building located at 102 N. Old Statesville Road, Huntersville, North Carolina, and is willing to lease to Tenant a portion of the property on the terms and conditions hereinafter set forth; and

WHEREAS, Town finds that Tenant's proposed use would be appropriate for a portion of the property; and

AGREEMENT

NOW, THEREFORE, Town leases to Tenant, and Tenant leases from Town a portion of the property at 102 N. Old Statesville Road, Huntersville, NC 28078, on the following terms and conditions:

1. **PREMISES.** The property is located at 102 N. Old Statesville Road, Huntersville North Carolina, a portion of which contains retail space consisting of 1,600 square feet located in the front of the building ("Premises"), as depicted on Exhibit A entitled "retail area", which is attached hereto and incorporated herein by reference. Tenant shall have access to the restrooms in the common area of the Premises, which is outside of the 1,600 square foot retail area.
2. **RENTAL.** Tenant shall pay to Town as rental the sum of One Thousand Three Hundred Dollars (\$1,300.00), per month, throughout the term of this Agreement. The rent shall be paid on the first (1st) day of each month, but no later than the tenth (10th) day of each month, beginning January 1, 2018 for the term of the lease.
3. **SECURITY DEPOSIT.** Tenant does hereby assign to Town its interest the security deposit presently held by the Town in the amount of Five Hundred Dollars (\$500.00), to be held in a separate account for the assurance of compliance with the terms of this Agreement. If Tenant is in compliance with this Agreement at the end of the term, Town shall refund the deposit to, or as directed by, Tenant.
4. **TERM, OPTIONS.** The term of this Agreement shall begin on the 1st day of January 2018, and end on the 31st day of December 2018. At the end of the term of this Agreement, Tenant shall remove its personal property and inventory from the Premises. 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.

5. **USE OF PREMISES.** Tenant shall use the Premises solely as a commercial retail space. Any use other than that described without the express written consent of Town (which shall not be reasonably withheld) shall be deemed a default in this Agreement and entitle Town to pursue all remedies it has in the event of default.
6. **RIGHT OF ENTRY:** Town hereby reserves the right to enter the Premises during reasonable hours for the purpose of inspecting the Premises, and/or making major repairs as the Town may deem appropriate. Tenant acknowledges and understands that in the case of an emergency, the Town may need to enter the Premises at any hour to cause repairs to be made to preserve or prevent further damage from occurring to the Premises, and the Tenant agrees to cooperate reasonably with the Town in the event of any such emergency.
7. **INSURANCE.** Personal property placed by Tenant in the Premises shall at all times be the personal property of Tenant, and Tenant shall provide its own insurance coverage for same in such conditions as Tenant may desire for its own benefit and protection, and at its own expense. Tenant 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. Town agrees that it shall be responsible for maintaining insurance on the property at all times during the terms of this Agreement.
8. **DAMAGE, DESTRUCTION.** In the event of damage or destruction of the Premises so that Tenant cannot continue occupancy, 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 Tenant. In no event shall Town be required to rebuild or repair the damage.
9. **UTILITIES.** Tenant shall be responsible for and pay utilities charges for the entire building, specifically for water and sewer, gas and electric. If Tenant wishes to have telephone, internet, or cable service, Tenant shall be responsible for installation and payment of such service. Tenant may elect to install a security system for the entire commercial building, and Town will consider participating with Tenant in the cost of installation and maintenance to the system. Tenant 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.
10. **CONDITION OF PREMISES.** Tenant acknowledges it has examined the Premises and accepts them in the condition as of the date of this Agreement.
11. **MAINTENANCE, ALTERATIONS, MODIFICATIONS.** Town shall be responsible for repairing the roof, and maintaining the partition wall between the 1600 square feet of leased space (the Premises), and the remaining portion of the building that is occupied by Town. Town shall be responsible for the lawn and grounds maintenance for the Premises, and shall determine its frequency. Tenant shall be responsible for, at its expense, general interior maintenance and care of the Premises, including any upfitting

for the Tenant's retail use, and minor HVAC system maintenance. Town shall be responsible for major HVAC maintenance and repair which is not a result of Tenant's negligence. Tenant shall not make any alterations or modifications to the Premises, either interior or exterior, without the prior written consent of Town. All such alterations or modifications, whether interior or exterior, shall be at the sole expense of Tenant which shall not permit any lien for labor and materials to attach to the Premises.

12. **PARKING.** Tenant shall share the parking lot with the Town as depicted in Exhibit B, which is attached hereto and incorporated herein by reference. Parking shall be for Tenant, its clients and customers, and the Town. The Town may assign spaces for Tenant's customers. All other spaces shall be jointly used by Tenant and Town, excluding the area indicated on Exhibit B as No Parking, which shall be strictly adhered to.
13. **SIGNAGE.** Any exterior signs erected by Tenant 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 Tenant.
14. **INDEMNITY.** Tenant 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, employees, and invitees.
15. **ASSIGNMENT, SUBLETTING.** Tenant shall not assign this Agreement or sublet the Premises.
16. **EVENT OF DEFAULT.** The happening of any of the following shall constitute and Event of Default on the part of Tenant during the term of this Agreement: (a) failure to pay the rental payments when due; (b) any non-monetary violation of this Agreement after thirty (30) day notice to Tenant. 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. Tenant shall not be held in default for vacating the Premises before the end of the term under this Agreement, and rents paid will be prorated for the month in which the Tenant vacates the premises. Town shall not be held in default for requesting the vacating of the Premises by Tenant before the end of the term under this Agreement, and rents paid will be prorated for the month in which the Tenant vacates the premises.
17. **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 Tenant: Foster's Frame Design and Gallery, Inc.
102 N. Old Statesville Road
Huntersville, NC 28078

If to Town: Town Manager
Town of Huntersville
Post Office Box 664
Huntersville, NC 28070

18. RETURN OF PREMISES UPON TERMINATION. Upon termination of this Agreement, whether at end of term or otherwise, Tenant 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 property of Tenant shall have been removed, and keys returned.

19. 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.

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

**FOSTER'S FRAME DESIGN AND
GALLERY, INC.**

By: _____
John E. Foster, Treasurer

TOWN OF HUNTERSVILLE

By: _____
Gerald D. Vincent, Town Manager

EXHIBIT A

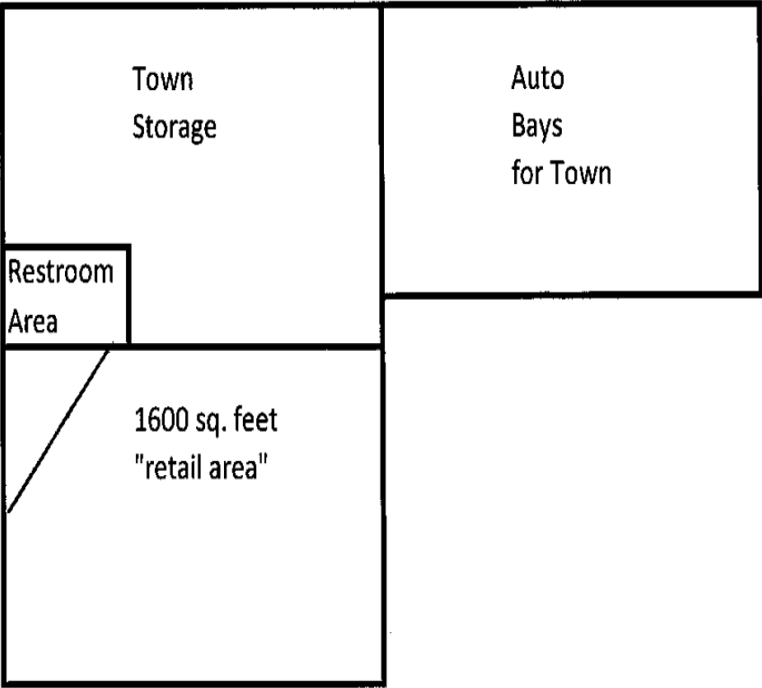


EXHIBIT B

