

STATE OF NORTH CAROLINA
COUNTY OF HARNETT

COMMERCIAL LEASE

THIS LEASE AGREEMENT entered into as of the 1 day of February 2019 by and between RAY B. MASON and wife, CAROLYN J. MASON, of Harnett County, North Carolina ("Lessor"), and Lions Den Power House Gym of Harnett County, North Carolina ("Lessee").

WITNESSETH: Lessor leases to Lessee and Lessee hereby leases from Lessor approximately 2000 sq. ft. in the front of the building located at 4319 Ray Road, Spring Lake, North Carolina 28390 ("Premises").

Section 1. Acceptance of Lease. Lessee accepts said letting and agrees to pay to the order of Lessor the Base Rent and additional rents stated below for the full term of this Lease, in advance, at the times and in the manner aforesaid.

Section 2. Term. The initial term on this Lease shall be for a period of 5 1/2 (b) year commencing February 1, 2019 and ending at midnight on January 31, 2025 (the "Initial Term").

Section 3. Base Rent/Security Deposit.

(a) Base Rent for the first three (3) months of the Initial Term shall be \$700.00 per month. Base Rent for the remainder of the Initial Term shall be \$800.00 per month. Rent shall be paid in advance on the first (1st) day of each month during the Term to Ray B. Mason and Carolyn J. Mason, 4281 Ray Road, Spring Lake, North Carolina 28390.

Lessee may, at Lessee's option, extend the Lease for one (1) additional period of one (1) year (a "Renewal Term"), commencing on the day immediately following the last day of the Initial Term (or current Renewal Term, as the case may be) of this Lease. Such option to extend the term shall be exercised, if at all, by Lessee's delivery of written notice to Landlord on or before the date that is at least thirty (30) days prior to the last day of the term of the Lease. All the terms, covenants, provisions and conditions of this Lease shall apply during each Renewal Term except that Base Rent for the Renewal Term shall increase by ten percent (10%) over the immediately preceding Initial Term.

The Initial Term and the Renewal Term is sometimes referred to herein as the "Term".

(b) It is also further agreed that the Lessor may collect a "late charge" equal to four percent (4%) of any monthly payment which is not received within ten (10) days of the due date thereof, to cover the extra expense involved in handling delinquent payments.

Section 4. Taxes/Utilities/Operating Costs.

(a) Lessor shall timely pay all real property taxes and assessments assessed against the Premises during the Term; provided, however that Lessee shall reimburse Lessor for real property taxes but only to the extent they exceed that amount assessed for the 2018 calendar year.

(b) Lessee shall pay for all heat, light, water, power, telephone and other services or utilities, and utility assessments, with respect to the Premises during the term.

(c) Lessee shall pay for all casualty insurance paid by the Lessor with respect to the Premises.

Section 5. Use of Premises.

(a) Lessee shall use said Premises during the term of this Lease for any legal purpose.

(b) Lessee will not make any unlawful, improper or offensive use of said Premises; it will not permit any objectionable noise or odor to escape or to be emitted from said premises or do anything or permit anything to be done upon or about said Premises in any way tending to create a nuisance.

Section 6. Repairs and Improvements.

(a) Lessee hereby agrees to maintain and keep said Premises, including all heating and air conditioning systems, plate glass, plumbing (toilets, sinks and drainage) and interior wiring and plumbing, in good order and repair during the entire Term of this Lease at Lessee's own cost and expense. Lessee may make alterations, additions or improvements to or upon said Premises provided such alterations, additions or improvements don't materially adversely impact the value of the Premises.

Section 7. Lessor's Right of Entry. It shall be lawful for Lessor, his agents and representatives, during business hours and upon reasonable notice, to enter into or upon said Premises for the purpose of inspecting same.

Section 8. Right of Assignment/Liens. Lessee will not assign, transfer, pledge, hypothecate, surrender or dispose of this Lease, or any interest herein, or permit any other person or persons whomsoever to occupy the Premises without the consent of Lessor being first obtained, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Lessee may sublet the Premises or any part thereof without the consent of Landlord. Lessor shall not be under any obligation, reasonably or otherwise, to consent to an assignment where an intended use of the Premises shall be other than the Permitted Use. Lessor shall have the right to charge Lessee an administrative fee in connection with consideration of any requested assignment as compensation to Lessor for its time and expense incurred in such consideration. Lessee shall not create or permit to be created any lien, encumbrance or charge against the Premises or any part of the Premises.

Section 9. Casualty & Fire Damage: Duty to Repair. If the buildings shall be damaged or destroyed by fire or other casualty, Lessee shall promptly repair or rebuild them to substantially the same condition as existed immediately prior to such damage or destruction, and all insurance proceeds payable as a result of such damage or destruction shall be made available to Lessee to be applied to the cost of such repair. In the event such damage or destruction shall render the buildings unLesseeable, then the rent herein required to be paid shall not abate during the period of unLesseeability. In the event that such damage or destruction shall occur during the last year of the Initial Term (or a Renewal Term, as applicable), then at Lessee's option, Lessee may terminate this Lease in which event Lessor shall receive all insurance proceeds payable as a result of such damage or destruction and terminate this Lease.

Section 10. Default. If default shall at any time be made by Lessee in the payment of rent when due to Lessor as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Lessor, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Lessee, and such default shall continue for thirty (30) days after notice thereof in writing to Lessee by Lessor without correction thereof then having been commenced and thereafter diligently prosecuted, Lessor may declare the term of this Lease ended and terminated by giving Lessee written notice of such intention, and if possession of the Leased Premises is not surrendered, Lessor may reenter said premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Lessee default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

Section 10. Eminent Domain. In case of the condemnation or appropriation of all or any substantial part of the said Premises by any public or private corporation under the laws of eminent domain, this Lease may be terminated at the option of either party hereon on twenty (20) days' written notice to the other and, in that case, Lessee shall not be liable for any rent after the date of Lessee's removal from the Premises. All proceeds of such condemnation or appropriation shall be the sole property of Lessor.

Section 11. Quiet Enjoyment. Lessor warrants and represents that Lessor is the owner of the Premises, has full authority and right to lease the Premises and enter into this Lease. Lessor will defend Lessee's right to quiet enjoyment of the Premises from the claims of all persons during the Lease term.

Section 12. Miscellaneous.

(a) This Lease is the sole agreement between the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party. This Lease may be amended only by a writing executed by all parties.

(b) Lease shall be interpreted in accordance with the substantive laws of the State of North Carolina, without regard to its principles of conflicts of laws.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

LESSOR:

Roy B. Mason [SEAL]
 RAY B. MASON

Carolynn Mason [SEAL]
 CAROLYNN MASON

LESSEE:

Lions Den Power House Gym [SEAL]
 Amy Annette Mason

Hornutt Co
 Hornutt
 Rowena T. Dwyer
 Roy B. Mason and



My commission expires
 Jun 18 2020
 11th day of January 2019