

North Carolina

Lease Agreement

This Lease Agreement made and entered into on the 1st day of August 2019 by and between Tri-South 2 Partners hereinafter called "Lessor", and between Messerly Concrete Southeast hereinafter called "Lessee".

Witnesseth

In consideration of the covenants and agreements herein contained, Lessor does hereby let, lease and demise unto Lessee, and Lessee does hereby accept as Lessee of Lessor, that certain property described as follows: 308 Jarco Drive (Lot 7) Fuquay Varina, NC

To have and to hold said property unto Lessee, together with all right and privileges thereunto belonging upon the following terms and conditions:

1. **PERMISES:** The "Premises" shall be all of the area being leased by Lessor to Lessee as described above.
2. **TERMS AND CONDITIONS:** The terms of this lease shall be for a term of 3 years. The actual commencement and termination dates of the lease will be beginning
August 1, 2019 and ending August 1, 2022.
3. **RENTAL:** Lessee shall pay to Lessor all rental amounts on a monthly basis; each monthly payment shall be due on the first day of the month. See Exhibit A for rent schedule. Should payment not be received by the fifth day of said month, Lessee shall pay as a late fee an amount equal to five percent (5%) of the delinquent payment. Such payment shall be delivered to Lessor at the address in this agreement as set out below, or to such other address as Lessor may notify Lessee of, also in writing.
4. **IMPROVEMENTS:** Lessee may at their own expense make alteration or improvements to the lot provided that written approval of Lessor shall first be obtained as to any change and alteration. Any such improvement shall belong to Lessor upon the termination of this Lease Agreement, unless Lessor directs that it be removed, in which event Lessee shall remove such addition and repair any damage caused by the removal. Lessor shall not unreasonable withhold approval of any request by Lessee for proposed improvement. Lessor will have prerogative of doing any requested improvement work and/or have approval of a contractor selected to do the work.

5. **FIRE OR CASUALTY:** In case of fire and other casualty, Lessee shall give immediate notice to Lessor

6. **INSURANCE AND INDEMNIFICATION:** Lessee will obtain and pay all premiums for and maintain fire and extended coverage insurance on Lessee's equipment and other contents to the extent of the full replacement cost. Lessee does hereby agree to hold Lessor harmless against any and all claims, demands, suits or causes of action or judgments which may be entered therein, brought for damages or alleged damages resulting from any injury to persons or property or from loss of life sustained in, on or about the demised premises and appurtenances thereto resulting from Lessee's occupancy of the demised premises. Lessee shall indemnify Lessor from any expense or payment, including reasonable legal expenses incurred in connection with defending any such action or claim and any legal expenses incurred in enforcing any provision of this lease.

7. **DEFAULT:** In the event that Lessee shall fail or neglect to make any monthly payment of rent or other payments herein provided for; or should Lessee fail to carry out or perform any other covenant herein agreed to by it, and in the further event that Lessee should fail to make good or remedy such default with thirty (30) days after written notice from Lessor; or if Lessee should petition to be or be declared bankrupt or insolvent or make any conveyance or general assignment for the benefit of creditors, or if a receiver be appointed for any of them; then in any of such events, Lessor may immediately or at any time thereafter, without further notice or demand, enter into and upon the said premises and expel Lessee from the premises without such re-entry operating as a forfeiture of the rents to be paid and the covenants to be performed by Lessee for the full term of this lease. Lessor may also, at Lessor's election, lease or sublet said premises or any part thereof without prejudice to any and all other remedies that may be available to Lessor under the law. In any such event, notice to quit possession and every other formality are hereby expressly waived by Lessee. Notwithstanding the foregoing, if any default on Lessee's part cannot, with the exercise of due diligence, be cured within such thirty (30) day period, Lessor shall not have the right to exercise any of the above remedies if Lessee within such thirty (30) day period has taken all necessary steps to begin the cure of such default and proceeds with due diligence so as to effect said cure as soon after the expiration of such thirty (30) day period as may be reasonably feasible.

8. **CONDEMNATION:** If the entire demised premises shall be taken under the power of eminent domain, this lease shall terminate, as of the date possession shall be so taken. The taking of any part of the lot shall be deemed taking the entire premises. If only a portion of the parking area is taken, and such does not substantially interfere with Lessee's operations, this leasehold and reversion shall belong to lessor, but Lessee shall be entitled to claim and receive any award separately allocated for relocation costs, fixtures or other personal property belonging to Lessee.

9. **NON-ASSIGNMENT AND NON-WAIVER:** Lessee may not transfer, assign or sublet any part of the demised premises without the prior written consent of Lessor, which consent may be withheld. The consent of Lessor to any assignment or subletting,

accepting rental, or any other act of Lessor shall not constitute a waiver of the necessity for such consent to any subsequent or subletting. No act of Lessor, except an express written statement, shall constitute a waiver of consent or release Lessee from any of the obligation herein imposed on Lessee. In the event that any rental agreed upon between Lessee herein and subtenant in a subleasing agreement exceeds the rental stipulated in this lease, Lessee shall pay such excess to Lessor.

10. **QUIET ENJOYMENT:** Lessor covenants that, subject to compliance with all terms and obligations herein imposed upon Lessee, Lessee shall hold and enjoy the demised premises during the term of this lease free from the adverse claims of any and all persons.

11. **SUBORDINATION:** This lease and all leasehold rights hereunder shall be, become and remain subordinate to the lien of any bona fide mortgage or deed of trust now or hereafter imposed upon all or any part of the demised premises; and Lessee shall execute and deliver to Lessor upon request any instrument or instruments reasonably requested by Lessor consenting to the full subordination of this lease to any such mortgage or deed to trust upon the condition that Lessee's rights hereunder shall not be disturbed by any foreclosure or otherwise so long as Lessee is not in default.

12. **NOTICE:** All notice by either party to other provided for in this lease shall be in writing

and shall be sent by Registered or Certified mail, or personally delivered as follows:

To Lessor:

Messerly Concrete

308 Jarco Drive

Fuquay Varina, NC 27526

To Lessee:

Tri-South 2 Partners, LLC

100 Ag Drive

Youngsville, NC 27596

13. **ENTRY AND INSPECTION:** Lessor or its authorized representative may enter the demised premises at all reasonable times for the purpose of making inspections, performing any work required, and exhibiting the premises to or for lease, sale, mortgage or financing.

14. **PERSONAL PROPERTY:** All personal property placed or moved in the premises by Lessee shall be at the risk of Lessee or the owner thereof, and Lessor shall not be liable for any damage to said personal property or to Lessee from any act or negligence of any other person whosoever.

Exhibit A

Base rent for Messerly Concrete Southeast is as follows:

For lease year one month \$2,000 per

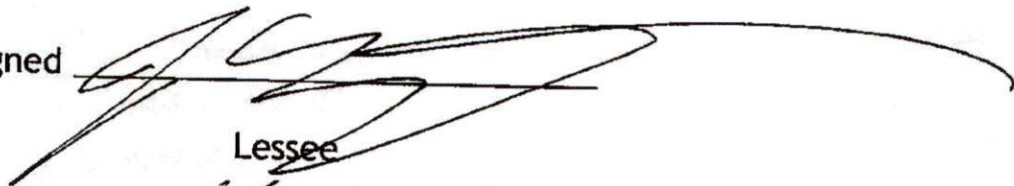
For lease year two month \$2,500 per

Fore lease year three \$3,000 per month

Note: As an incentive for Lessee to purchase Lot 7 after first year, Tri-South 2 Partners will reduce purchase price of Lot 7 from \$175,000 to \$163,000 or 1/2 of first year lease payments paid by Lessee.

Date 07-20-2019

Signed



Lessee

Signed



Lessor