

NORTH CAROLINA

LEASE

HARNETT COUNTY

THIS LEASE AGREEMENT, effective the 18 day of March, 2022, by and between MPB CO., LLC of Harnett County, North Carolina, hereinafter called "LESSOR" and SSP of ERWIN, INC. of Harnett County, North Carolina, hereinafter called "LESSEE" and ISHTROOP SINGH PANNU, hereinafter called "GUARANTORS":

WITNESSETH:

Subject to the terms and conditions hereinafter set out, Lessor does hereby lease to Lessee, and Lessee does hereby accept as tenant of Lessor, the land and that portion of the building consisting of the front portion owned by the Lessor at **925 South 13th Street**, Erwin, Harnett County, Harnett County, North Carolina 28339, together with the tangible personal property described on Exhibit "A" on the following terms.

1. **TERM.** The term of this Lease shall be for five (5) years, beginning as of the 10th day of April, 2022 and continuing through the 10th day of April, 2027 unless sooner terminated as provided herein. Lessor and Lessee agree to negotiate to extend the lease term for an additional five (5) years after April 10, 2027 as described in paragraph 28 below, and agree to negotiate to extend the lease term for a third additional five (5) years after April 10, 2032 as described in paragraph 27 below.

2. **RENTAL.** The rental to be paid by Lessee to Lessor for the use and occupancy of the premises during the term of this Lease shall be TWO HUNDRED FOURTY THOUSAND DOLLARS (\$240,000.00), payable FOUR THOUSAND DOLLARS (\$4,000.00) upon execution of this Lease for the first month's rental, and FOUR THOUSAND DOLLARS (\$4,000.00) payable by the 10th day of each month thereafter through April 10, 2027. Should Lessor and Lessee negotiate to extend the lease term for a second five (5) years beginning April 10, 2027 and extending through April 10, 2032, the rental during the second five (5) years shall increase based on a FOUR THOUSAND DOLLARS (\$4,000.00) per month rental for the first five (5) years, effective April 10, 2027 in the same percentage as the cost of living from April 10, 2022 through April 10, 2027, all as determined by the Consumer Price Index – all items (1967=100) published by the Bureau of Labor Statistics, such increased rental to then be applicable for such second five (5) years and to be paid monthly on or before the 10th day of each month. In the event the Consumer Price Index shall decrease during such period the rent for the second five (5) years shall be payable at FOUR THOUSAND DOLLARS (\$4,000.00) per month.

Should Lessor and Lessee negotiate to extend the lease term for a third five (5) years, April 10, 2032 through April 10, 2037, the rental during the third additional five (5) years of the lease term shall be on the identical basis as the second five (5) years with the sole change being that the rent shall increase effective April 10, 2032 in the same percentage as the cost of living from April 10, 2027 through April 10, 2032, all as determined by the Consumer Price Index – all items (1967=100) published by the Bureau of Labor Statistics, such increased rental to then be applicable for the third five (5) years and to be paid monthly or as otherwise agreed to by Lessor and Lessee for the remainder of the Lease term. In the event the Consumer Price Index has not increased during such period, the rent shall remain the same as for the second five (5) years term.

3. **LATE CHARGES.** Any rent not paid by the 15th day of the month shall be deemed past due and shall include a late payment penalty of five percent (5%) of the overdue amount as additional rent plus \$25.00 for any returned or dishonored check. As used herein, the term "month" shall mean that period beginning the 5th day of the calendar month and extending through the 5th day of the following calendar month.

4. **SECURITY DEPOSIT.** Lessee will deposit with Lessor a security deposit in the amount of FIFTEEN THOUSAND DOLLARS (\$15,000.00) to be paid to Lessor upon the execution of this lease. Said deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this Lease to be kept and performed by Lessee. Such deposits may be commingled with Lessor's other assets. If at any time during the term of this Lease any of the rent herein reserved shall be overdue and unpaid, or any other sum payable by Lessee to Lessor hereunder shall be overdue and unpaid, then Lessor may (at the option of the Lessor, but Lessor shall not be required to), appropriate and apply for any portion of said deposit to the payment of any such overdue rent or other sum. In the event of the failure of the Lessee to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Lessee, then the Lessor at his option may appropriate and apply the said entire deposit, or so much thereof as may be necessary, to compensate the Lessor for loss or damage sustained or suffered by Lessor due to such breach on the part of Lessee. Should the entire deposit, or any portion thereof, be appropriated and applied by Lessor for the payment of overdue rent or other sums due and payable to Lessor by Lessee hereunder, the Lessee shall, upon written demand of Lessor, forthwith remit to Lessor a sufficient amount in cash to restore said security to the full amount deposited, and Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Should Lessee comply with all of said terms, covenants and conditions and promptly pay all of the rent herein provided for as it falls due, and all other sums payable by Lessee to Lessor hereunder, the said deposit shall be returned in full to the Lessee at the end of the term of this Lease, or upon earlier termination of this Lease.

5. **LESSOR DOES NOT WARRANT PROPERTY.** The premises is leased by Lessor to Lessee in and "as is" condition with no guarantees, warranties, either express or implied, except for as otherwise set forth herein. Lessee acknowledges that he has been given the opportunity to make a full and complete investigation and inspection of the building and external premises and the operation thereof. Lessee has had an opportunity to make full inquiry of Lessor as to all matters deemed relevant by Lessee in evaluating the premises. Lessee expressly acknowledges that the premises is being leased "as is", "where is" and "with all faults".

6. **MAINTENANCE AND REPAIR OBLIGATIONS.** Lessee hereby agrees, at Lessee's sole cost and expense, (except as it relates to repairs to the roof which shall be maintained by Lessor) to maintain, repair, restore, and replace all portions of the premises, as necessary to keep the same in reasonably good order, condition and repair, ordinary wear and tear excepted, including, but not limited to all portions of the building on the leased premises, (except as set forth herein), all systems and equipment serving the premises including specifically the heating, ventilation and air conditioning systems, plumbing, equipment and facilities. Lessee shall also maintain and repair the driveway, parking lots and landscaped areas located on and surrounding the premises. Lessee shall maintain all equipment on "Exhibit A" in good state of repair. In the event any equipment on "Exhibit A" becomes incapable of repair during the lease term the Lessee agrees to replace at his cost the equipment with a similar item of equal or greater value, and such items shall be the property of the Lessor and subject to the lease agreement hereunder. All maintenance and repairs required to be performed by Lessee hereunder shall

be completed and accomplished in a good and workmanlike manner and in conformity with all applicable laws, statutes, rules and regulations of any and all applicable government authorities relating thereto. It is the intention of Lessor and Lessee in this regard that Lessee shall take any and all actions as deemed necessary to maintain all portions of the premises in an attractive and fully operative condition. The parties intend by this agreement that Lessee shall be one hundred percent (100%) responsible for any and all repairs, maintenance and replacement costs during the entire lease term with the exception of the roof which will be maintained by the Lessor, except as otherwise provided herein, and the Lessor has no responsibility whatsoever regarding the same.

7. **ALTERATIONS TO PREMISES.** Lessee during the term of this Lease may make such repairs and alterations to the leased premises as may be desired by Lessee, so long as such repairs do not lessen the value of the building or cause any environmental hazards. All additions to the property made by Lessee which attach to the real estate shall become the property of the Lessor at the expiration of the Lease term or upon its earlier termination, but Lessee may remove any shelving, counters, showcases or other mercantile appliances belonging to the Lessee which can be removed without injury to the building at the termination of this Lease if at the time Lessee has complied with all other provisions of this Lease.

8. **LIABILITY INSURANCE.** Lessee agrees to carry at its expense public liability insurance on the leased premises with a contractual liability endorsement in favor of Lessor on the policy with a company qualified to transact business in North Carolina, stipulating limits of liability of not less than \$500,000.00 for an accident affecting one person; not less than \$1,000,000.00 for an accident affecting more than one person; and not less than \$100,000.00 for property damage. Lessee shall obtain an endorsement that provides that such coverage cannot be canceled without thirty (30) days prior notice to the Lessor, and Lessee agrees to provide proof of timely payment of all insurance premiums payable hereunder (whether liability insurance or fire and casualty or other insurance) to Lessor so as to insure that no coverage hereunder is allowed to lapse. Lessee shall provide a copy of said liability insurance policy to Lessor at Lessor's request. Additionally, Lessee covenants to indemnify and hold Lessor harmless from any and all claims whatsoever relating to or arising on the lease premises during the lease term whether for personal injury or damage to property or otherwise.

9. **FIRE, OTHER CASUALTIES AND FIRE INSURANCE.** Lessee shall pay to Lessor as and when due, the property and casualty insurance premiums covering the Lease premises to the full extent of replacement value. Lessee shall additionally insure for Lessee's benefit any personal property belonging to Lessee to the extent Lessee so wishes and Lessor shall have no responsibility to Lessee for any damages arising from fire or other casualty.

If, during the term of this Lease, or any extension thereof, the building on the Leased premises is damaged by fire or other casualty to such a degree that it can be repaired or otherwise restored to its condition immediately prior to such fire or other casualty within one hundred-twenty (120) days immediately succeeding the date of such fire or other casualty, then this Lease shall not terminate, and the Lessor shall promptly repair or otherwise resort the premises to its condition immediately prior to such fire or other casualty, and the rental shall abate for the period of time said premises are untenable; provided, however, that Lessor's obligation to repair or restore shall be limited to the amount of insurance proceeds available for the same.

However, if the demised premises are damaged by fire or other casualty to such an extent that they cannot be repaired or restored within one hundred-twenty (120) days from the date of such fire or other casualty, then either Lessor or Lessee shall have the option to declare this Lease terminated and

thereby terminate any and all liability for this Lease Agreement by giving written notice to the other party within sixty (60) days from the date of such fire or casualty. In the event Lessor or Lessee shall not declare this Lease terminated, then Lessor shall repair or otherwise restore said premises to their condition immediately prior to such fire or other casualty as promptly and expeditiously as possible and the rental provided herein shall abate for the period of time said premises are untenable; provided, however, that Lessor's obligation to repair or restore shall be limited to the amount of insurance proceeds available for the same. If this Lease is terminated by reason of fire or other casualty, the entire amount of recoverable insurance shall be paid to Lessor free and clear of any claim of Lessee.

10. **QUIET ENJOYMENT.** Lessor agrees that it has full power and right to execute and perform this Lease and that Lessee, upon paying the rent provided for in this Agreement and performing the agreements made herein, shall peacefully and quietly have and enjoy the leased premises.

11. **TAXES.** All ad valorem real estate taxes assessed upon the leased premises during the Lease term shall be paid by the Lessee to the Lessor when the tax bills are presented by the Lessor to the Lessee, and in any event so that the taxes can be timely paid. Lessee shall pay all ad valorem personal property taxes assessed upon the leased premises, including equipment or fixtures and other personal property installed or used by Lessee for its operation thereon.

12. **DEFAULT.** If Lessee defaults in the payment of the rental provided for herein or in event of any other breach by Lessee or default in the performance of any of its agreements in this Lease, and if such default continues after five (5) days written notice by Lessor to Lessee of such default or breach, Lessor shall have the right to re-enter the leased premises and terminate this Lease without prejudice to Lessor's other rights and remedies against Lessee under law, all of which are reserved by Lessor.

13. **TERMINATION.** Upon termination of this Lease, Lessee agrees to return the premises to Lessor in as good condition as they now are, except for ordinary wear and tear and except for damage by fire or other casualty not caused by Lessee's negligence.

14. **ENVIRONMENTAL COSTS AND FEES.** Lessee agrees to pay during the Lease term for all annual line and tank tightness tests and all underground storage tank (UST) fees. Lessee agrees to keep proper inventory control records for the underground storage tanks, and to make those available to the Lessor at any time upon Lessor's request. Lessee agrees to maintain sufficient product in all of the UST's so that the inventory control records will produce valid results. Any fines, penalties or costs resulting from the failure of the Lessee to pay and comply with the terms of this paragraph, or to pay the taxes and insurance as provided herein, shall be payable to the Lessor upon demand as additional rent.

15. **UNLAWFUL, OFFENSIVE OR PROHIBITED USE OF PREMISES.** Lessee agrees to make no unlawful or offensive use of the premises, nor to allow any illegal activity to take place on the premises. Lessee shall not store or place Uhaul vehicles or like kind vehicles on the premises.

16. **CONDEMNATION.** If, during the term of this Lease, the leased premises shall be condemned or otherwise taken for public purpose, and such condemnation or other taking results in the inability of Lessee to use the premises for the purposes intended under this Lease, then this Lease shall immediately terminate without any resulting liability from either of the parties to the other for any unfulfilled portion of this Lease. In the event of such condemnation or other taking, Lessor shall not be required to extend its objection to such taking by instituting any legal action in order to prohibit same. All proceeds resulting from the taking of any freehold interest or easement in all or any portion of the

demised premises by such condemning authority shall be the sole and absolute property of the Lessor; provided, however, that this provision shall not prevent Lessee from exercising any of its rights against the condemning authority which arise under law in favor of the Lessee.

17. **UTILITIES**. Lessee agrees to pay all charges for telephone, electric, water, gas and other utilities used by Lessee on the leased premises during the Lease term. Lessor shall only be responsible for utility and telephone charges that were incurred prior to the beginning of the Lease term. Lessee agrees to have all electrical and other utility charges for the premises transferred to the Lessee's name along without obligation on the Lessor as to the payment of Lessee's utility charges.

18. **INSPECTION OF PREMISES**. Lessor may enter the leased premises at reasonable intervals during normal business hours for the purpose of inspection of the premises and for other reasonable purposes.

19. **COLLECTION COSTS**. Lessee agrees to pay the cost of collection, including attorney's fee as to any rental that may be collected by suit or by an attorney, after the same is past due.

20. **RIGHT OF FIRST REFUSAL**. In the event Lessor shall sell the leased property at any time during the Lease term to someone other than one or more of the members of the Lessor, Lessor shall give the Lessee the right, for a period of fifteen (15) days following the notice, to purchase the leased premises on the same terms which Lessor proposes to contract to sell to a third party.

Lessor may transfer the leased property to a family limited partnership, without giving Lessee any notice or rights as a result of the transfer.

21. **ASSIGNMENT AND SUBLETTING**. Lessee shall not assign this agreement or any interest hereunder, or sublet the premises or any part thereof or permit the use of the premises by any party other than Lessee, without first obtaining the prior written consent of Lessor.

22. **NOTICES**. Any notice or demand which by any provision of this agreement is required to be given to any party by the other shall be deemed to have been sufficiently given for all purposes when made in writing and sent in the United States Mail as certified or registered mail, return receipt requested, postage prepaid and addressed to (a) if to Lessee to 925 South 13th Street, Erwin, North Carolina 28339 (b) if to Lessor to 201 Red Hill Church Road, Dunn, North Carolina 28334.

23. **HEIRS AND ASSIGNS**. The provisions of this Lease shall bind and inure to the benefit of Lessor and Lessee, and their respective successors, heirs, legal representatives, and assigns. It is understood and agreed, however, that the term "Lessor" as used in this Lease, means only the owner or the Lessor for the time being of the property, so that in the event of any sale or sales (including, without limitation, any judicial sale, any sale in foreclosure, any pursuant to a power of sale contained in a mortgage or deed of trust affecting all or any part of the building or the land) of said property or of any lease thereof, the Lessor named herein shall be and hereby is entirely and relieved of all covenants and obligations of Lessor hereunder accruing thereafter and it shall be deemed without further agreement that the purchaser of the premises, as the case may be, has assumed and agreed to carry out any and all covenants and obligations of Lessor hereunder during the period such party has possession of the premises.

24. **SEVERABILITY**. If any part of this Lease is determined to be unenforceable, the remainder of the lease shall be unaffected.

25. **INTEGRATION AND BINDING EFFECT**. The entire agreement, intent and understanding between Lessor and Lessee as contained in the provisions of this lease and offer to purchase and any stipulations, representations, promises or agreements, written or oral made prior to or contemporaneous with this Lease shall have no legal or equitable effect or consequence unless reduced to writing herein. This Lease shall be governed by and construed pursuant to the laws of the State of North Carolina.

26. **NON-WAIVER**. Failure of the Lessor to insist upon the strict performance of the terms, covenants, agreements, and conditions herein contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of the Lessor's rights thereafter to enforce any such terms, covenants, agreements, or conditions, but the same shall continue in full force and effect.

27. **ENVIRONMENTAL REPRESENTATIONS**. Lessor and Lessee acknowledge that Lessor previously utilized the leased premises for storage of gasoline and other liquid fuels and chemicals. Lessee acknowledges that the premises are now free from any known environmental hazard or contamination. Lessee shall be solely responsible for the maintenance and operation of any gasoline, kerosene or other liquid fuels or chemicals on the premises during the lease term and shall be responsible for the cleanup of any spills, leaking, or other contamination of the leased premises or adjoining property. Lessee covenants to indemnify and hold Lessor harmless from claims from any and all persons for personal injury or property damage arising out of or in connection with any kerosene, gasoline, or other fuel storage tanks, or any contamination under any environmental protection law arising during the term of this lease. Lessee agrees to comply with all environmental laws relative to the leased property and to hold Lessor harmless from any claims under such laws, except as set forth otherwise herein.

28. **OPTION TO EXTEND**. In the event that Lessee shall have fulfilled all of the terms of the initial lease agreement through April 10, 2027, Lessor agrees that Lessee may extend the term of the lease hereunder for an additional five (5) years beginning April 10, 2027 at the rental provided in Paragraph 2 above and otherwise on the terms set forth herein. In the event that Lessee shall have fulfilled all of the terms of the second five (5) years lease agreement through April 10, 2032, Lessor agrees that Lessee may extend the term of the lease hereunder for an additional five (5) years beginning April 10, 2032 at the rent payment set forth in Paragraph 2 above and otherwise on the same terms as set forth herein. If the Lessee is to exercise the option to extend he shall give written notice to the Lessor at least one hundred twenty (120) days prior to the end of the then existing term.

29. **GUARANTORS**. The individuals signing as Guarantors hereunder do jointly and severally guarantee the obligations of the Lessee pursuant to this lease and agree to indemnify and hold harmless the Lessor as to all matter provided herein. This Guaranty Agreement shall apply to any option to extend the lease agreement that is exercised by the Lessee as well as to the initial term.

IN WITNESS WHEREOF, each of the parties hereto has executed this Lease the day and year first set forth above.

LESSOR:

Daren Lee Mclamb (SEAL)
DAREN LEE MCLAMB, Manager
MPB CO., LLC

LESSEE:

ishtroop Singh Pannu (SEAL)
ISHTROOP SINGH PANNU, CEO of
SSP of ERWIN, INC

GUARANTORS:

ishtroop Singh Pannu (SEAL)
ISHTROOP SINGH PANNU

NORTH CAROLINA
Harnett COUNTY

I, Angela W. Jones, a Notary Public for Harnett County, North Carolina, do hereby certify that DAREN LEE MCLAMB, MEMBER/MANAGER OF MPB CO., LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 18 day of March, 2022.

Angela W. Jones
Notary Public

My Commission Expires: 10-11-25



NORTH CAROLINA
Harnett COUNTY

I, Angela W. Jones, a Notary Public of the County and State aforesaid, certify that ISHTROOP SINGH PANNU, CEO of ERWIN, INC. came before me this day and acknowledged the due execution of the foregoing on instruments for the purposes expressed herein.

This the 18 day of March, 2022

Angela W. Jones
Notary Public

My Commission Expires: 10-11-25



NORTH CAROLINA
Harnett COUNTY

I, Angela W. Jones, a Notary Public for Harnett County, North Carolina, do hereby certify that ISHTROOP SINGH PANNU personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 18 day of March, 2022

Angela W. Jones
Notary Public

My Commission Expires: 10-11-25



EXHIBIT "A"

1 Microwave

1 Warmer with trays

2 Stainless steel tables

1 Stainless steel 2 compartment sink

1 General Electric Oven

1 Big Deep Fat Fryer (Roaster Chicken Cooker)

1 Small Deep Fat Fryer

8 Four seat booths

1 Seven and one-half ton AC/Heat Unit

1 Walk-in freezer

1 Walk-in cooler

6 Tokheim Gas Dispensers

1 Kerosene Suction Pump

1 Two hose Diesel Pump