

NORTH CAROLINA
HARNETT COUNTY

COMMERCIAL LEASE

THIS LEASE is made and entered into this 15 day of September, 2018, by and between SHARDA HOLDING OF NC LLC(SANJEEV CHOPRA), referred to as "Landlord", and SM HOLDING INCORPORATED, hereinafter referred to as "Tenant"; SURMEET KAUR JAYYIA, hereinafter referred to as "Guarantor".

WITNESSETH:

WHEREAS, SHARDA HOLDING OF NC LLC owns the premises described below; and,

WHEREAS, Tenant desires to lease the premises;

NOW, THEREFORE, in consideration of the rents to be paid and the mutual covenants and agreements hereinafter recited, Landlord does hereby rent and lease to Tenant and Tenant does hereby take as tenant from Landlord those certain premises located at 205 E Jackson Blvd. Erwin NC 28339.

TO HAVE AND TO HOLD the Premises unto the Tenant upon the following terms and

conditions:

1. PREMISES. The premises (hereinafter "Premises") consists of a lot, containing approximately .35 acres, and a building, located at 205 E Jackson Blvd Erwin NC 28339, Harnett County

2. TERM AND RENT.

Term: The initial term of this Lease shall be for five (5) years, commencing on the September 15 2018 (the "Commencement Date") and ending at 12:00 midnight on September 14, 2023, unless sooner terminated as herein provided.

B. Rent. During the initial term of this Lease, Tenant shall pay Landlord the sum of Four Thousand and no/100 Dollars per month.

\$4000.00 per month from September 15, 2018, until September 14, 2023.

The monthly payments shall be due on the 1st day of each month, beginning September 1st, 2018. If the lease term begins on any date other than the first day of the month, the Tenant shall pay a pro-rata rent for the first month of the lease term. There will be a late payment penalty of 4% of the monthly payment for any monthly payment which is made after the 5th of each month.

C. Security Deposit. Tenant shall deposit with the Landlord the sum of \$8000.00 as security for the performance of the Tenant's obligations under this agreement, including nonpayment of rent, damage to the premises, non fulfillment of the rental period, costs of re-renting the premises after any breach by the Tenant, and costs of any summary ejectment proceedings. Landlord shall refund the said security deposit to the Tenant upon termination of this Lease Agreement provided the Tenant has fulfilled all the Tenant's obligations under this agreement.

D. Renewal Option. At the expiration of the original term of this Lease, provided that the Tenant shall give the Landlord written notice of its intent to

renew at least 120 days prior to the expiration of the original term of lease

and provided further that Tenant is substantially in compliance with all material terms and conditions of this Lease, the Tenant shall have the option to renew for two (2) additional terms of five (5) years each to begin at the expiration of the original term of Lease at an annual rent as follows:

\$4500.00 per month for first renewal term, 2023 to 2028; and,

\$5000.00 per month for second renewal term, 2028 to 2033.

In addition to the increase in rent during the option terms, the Tenant shall also pay all ad valorem property taxes on the Premises and the insurance premium for fire and extended coverage on the Premises at replacement value. The intent is that the lease during any option terms will be a triple net lease.

3. USE OF PREMISES. The Premises shall be used as a convenience store and gasoline business. The Premises shall not be used for any other purposes without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

4. LANDLORD'S RIGHT OF ENTRY. Tenant agrees that Landlord, Landlord's agents of other representatives, shall have the right to enter into and upon the Premises, or any part thereof, during normal daytime hours for the purpose of examining the Premises as may be necessary for the safety and preservation thereof, provided, however, that such examinations, repairs or alterations (unless of an emergency nature) shall be made so as to cause the minimum of interference to the Tenant.

5. INSURANCE

A. Property. During the term of this Lease, Tenant, at its sole cost and expense, shall carry and maintain fire and extended coverage insurance to cover the premises against loss or damage by fire and against loss or damage by other risk, now or hereafter embraced by the term "extended coverage". Tenant shall be responsible for carrying any and all insurance coverage desired for the coverage of its personal property and contents located on the Premises.

B. Liability. The Tenant shall provide and keep in force during the term of this Lease for the benefit of the Landlord and Tenant a comprehensive liability insurance policy with policy limits of \$1,000,000.00 per person and \$1,000,000.00 per accident. Tenant shall insure that the Landlord is named as an insured on the said liability insurance policy and that a copy of the said policy is provided to the Landlord within 5 days after it is issued.

6. INDEMNIFICATION. Tenant covenants and agrees that, at its sole expense, it will protect Landlord and save Landlord harmless from all claims of all

persons whomsoever arising from or out of the use or occupancy of the Premises by Tenant, including the reimbursement to Landlord of all reasonable expenses incurred in defending such claim, including attorney fees.

7. TAXES. Tenant shall pay all Harnett County and Town of Erwin ad valorem taxes or assessments levied and assessed on the Premises for all lease years beginning on or after September, 2018. Tenant shall pay all taxes on any of Tenant's personal property maintained, stored, or located on the Premises.

8. UTILITIES. Tenant shall pay all charges for gas, electricity, water, sewer, and telephone or other communication or utility used, rented or supplied upon or in connection with the Premises and shall indemnify Landlord against any liability or damages on such account.

9. REPAIR AND MAINTENANCE.

A. The Premises are being leased in "AS IS" condition. During the term of this Lease, the Landlord shall only be obligated to repair the roof structure at its sole cost and expense within a reasonable time after demanded to do so by Tenant, unless such repairs are required as the result of the negligent use of the Premises by Tenant, and, in that event, such necessary repairs shall be made by Tenant at its sole expense.

B. Except as above provided, Landlord shall not be obligated to repair, maintain, or alter the Premises or any part thereof. Tenant shall keep the Premises, including all the HVAC system, overhead lighting, plumbing and sewage systems, wiring and electrical systems, smoke detectors, sprinkler systems and windows, in good condition and repair and in a good, clean and safe condition at all times during the term of this Lease Agreement and return the same to the Landlord at any termination hereof in as good condition and state of repair as the same are in as of the commencement of the term hereof, except for loss, damage

depreciation occasioned by anable wear and tear and damage by accidental other casualty.

10. ALTERATIONS. Tenant may not make any alterations or changes to the Premises unless approved in advance by the Landlord. Any such alterations or changes shall be at the sole expense of the Tenant, and shall be removed or left at the termination of the lease according to the discretion of the Landlord.

11. HAZARDOUS MATERIALS. Tenant shall not use or keep any hazardous substance, as defined by any federal, state, or local regulation, on the Premises unless the same will be used or kept in a manner complying with all laws regulating any such hazardous substance, including, but not limited to, the laws applicable to underground storage tanks. If the presence of any hazardous substance on the Premises, which is caused or permitted by Tenant, results in contamination of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages penalties, fines, costs, liabilities or losses (including, without limitation attorneys' fees, consultant fees and expert fees) which arise during or after the Lease term as a result of such contamination. Tenant shall not be liable to Landlord for any claims, judgments, damages penalties, fines, costs, liabilities or losses (including, without limitation attorneys' fees, consultant fees and expert fees) which arise from any contamination of the Premises prior to or after the Tenant's lease term.

12. EMINENT DOMAIN. Landlord and Tenant shall have the option to terminate this Lease Agreement if the Premises, or any part thereof, are condemned or sold in lieu of condemnation. All proceeds from condemnation by any governmental authority shall be the property of and paid over the Landlord, whatever the source of the claim or damages, and Tenant hereby waives any and all claims thereto.

13. FIRE OR OTHER CASUALTY.

A. In the event that during the term of this Lease, the Premises shall be damaged by fire or other casualty which does not render the Premises or any part thereof, including the parking area, uninhabitable and which shall not have been occasioned by the intentional act of Tenant, or of its servants, agents, or employees, acting for or on behalf Tenant, then Landlord shall (subject to the other provisions of this paragraph) repair the same with reasonable dispatch upon receipt of written notice of the damage from Tenant and payment of insurance proceeds from the policy provided by Landlord. In the intervening time and afterwards, there shall be no abatement of the rent.

B. In the event that during the term of this Lease the Premises shall be damaged by fire or other casualty which renders the Premises or any part of the Premises uninhabitable, and which fire shall not have been occasioned by the intentional act of Tenant or of its servants, agents, or employees, acting for or on behalf of Tenant, Landlord shall within twenty (20) days of such fire or casualty (1) serve written notice upon Tenant of Landlord's intent to repair said damage upon payment of insurance, or (2) if said damage renders so much of the Premises uninhabitable that repair would not be feasible, serve written notice upon Tenant that this Lease is terminated as of the date specified in the notice. Upon termination, the rent shall be paid pro rata to the time of such fire or casualty. Rent owed from Tenant to Landlord under this Lease shall thereafter be abated and canceled.

Except as specified herein, Tenant's obligation to make payment of rent and all other charges on the part of Tenant to be paid and Tenant's obligation to perform all other covenants on the part of Tenant to be performed shall not be affected by any such fire or other casualty. Any obligation of Tenant to Landlord for any sum of money due and fully earned under any provision of this Lease shall survive any such termination of this Lease by Landlord. If, on the other hand, Landlord shall elect to repair such damages, rent shall abate until such damage is repaired to the extent that Tenant can again use the Premises for the purposes set forth hereinabove in paragraph 2(A). Upon completion of such repair, the rent shall thereafter be paid as if no fire or other casualty had occurred.

C. In the event that before or during the term of this Lease the Premises shall be damaged by fire or other casualty which shall have been occasioned by the intentional act of Tenant or its agents or employees, there shall be no apportionment or abatement of the rent. Without prejudice to any other rights and remedies of Landlord and without prejudice to any rights of subrogation of any insurer of Landlord, Landlord shall have the right but shall have no obligation to repair the Premises and Tenant shall reimburse and compensate Landlord within five (5) days of rendition of any statement to Tenant by Landlord for any expenditures made by Landlord in making any such repairs to the extent the same is not reimbursed by insurance. In the event the Premises are damaged by the intentional act of Landlord, or its agent or employees, acting for or on behalf of Landlord, Tenant shall have no obligation to pay further rent under this Lease and shall further reserve all claims against Landlord for damages arising from said intentional act.

D. The other provisions of this Agreement notwithstanding, Landlord shall have no obligation to replace or repair any property on the Premises belonging to Tenant.

14. SUBORDINATION. NON-DISTURBANCE AND ATTORNMENT. The Lease is and shall at all times continue to be subject and subordinate to any mortgage or mortgages affecting the leased Premises. Notwithstanding the provision of the preceding sentence, so long as no default exist beyond any cure period under the Lease, the Lease shall not be terminated nor shall the Tenant's use, possession or enjoyment of the leased Premises be interfered with nor shall the Leasehold estate granted by the Lease be affected in any other manner, in any foreclosure or any action or proceeding instituted under or in connection with any mortgage on the Premises. If the interest of Landlord under the lease shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage, Tenant shall be bound to the purchaser or successor under the mortgage under all of the terms, covenants and conditions of the Lease for the balance of the term and any extensions or renewals thereof with the same force and effect as if the purchaser were the original landlord under the Lease, and Tenant does hereby attom to such purchaser as its landlord.

15. REMEDIES UPON DEFAULT.

A. If one or more of the following events (herein called "Events of Default") shall occur and be continuing at the time any notice required to be given is given as hereinafter provided, the interest of Tenant shall be in default if Tenant shall:

(1) Fail to pay any rent or any other sum when due in accordance with the terms of this Lease and such default shall continue for a period of five (5) days after written notice to Tenant of such default;

(2) Fail to keep or perform or abide by any other term, condition, covenant or agreement hereof and such default shall continue for a period often (10) days after written notice to Tenant of such default; provided, however, that such event shall not be deemed a default if Tenant shall have commenced a cure of such default and shall diligently continue to pursue the same;

(3) File a petition in bankruptcy or take or consent to any other action seeking any such judicial decree or shall make any assignment for the benefit of its creditors or shall admit in writing its inability to pay its debts generally as they become due or if any court of competent jurisdiction shall enter a decree or order adjudicating it bankrupt, insolvent or to be placed in receivership, or if any trustee or receiver for Tenant or for any substantial part of its property be appointed or if any person shall file a petition for involuntary bankruptcy or state receivership against Tenant and such

appointment or petition shall not be stayed or vacated within sixty (60) days of entry there of;

(4) Have its interest in this Lease or the Premises subjected to any attachment, levy or sale pursuant to any order or decree entered against Tenant in any legal proceeding and such order or decree shall not be vacated or bonded within thirty (30) days of entry thereof.

B. Upon any event of default, Landlord without declaring a termination of this Lease (which right is, however, unconditionally and absolutely reserved), may exercise one or more or all of the following remedies:

(1) Landlord may immediately or at any time thereafter prior to cure by Tenant of such Event of Default re-enter the Premises and correct or repair any condition which shall constitute a failure on Tenant's part to keep or perform or abide by any term, condition, or covenant under this Lease and Tenant shall reimburse and compensate Landlord as additional rent within fifteen (15) days of rendition of any statement to Tenant by Landlord for any reasonable expenditures made by Landlord in making such corrections or repairs;

(2) Subject to the rights of Tenant under North Carolina law, Landlord may immediately or at any time thereafter prior to cure of such Event of Default demand in writing that Tenant vacate the Premises and thereupon Tenant shall vacate the Premises and remove therefrom all property thereon belonging to Tenant within three (3) days of receipt by Tenant of such notice from Landlord whereupon Landlord shall have the right to re-enter and take possession of the Premises;

(3) Subject to the rights of the Tenant under North Carolina law and upon the expiration of the period during which Tenant has to vacate the premises and remove its property under sub-paragraph 15(B)(2) hereinabove, Landlord may immediately or at any time thereafter prior to cure of such Event of Default by Tenant re-enter the Premises and remove therefrom Tenant and all remaining property belonging to or placed on the Premises by, at the direction of, or with consent of Tenant, provided that such property shall ren the property of the Tenant and Tenant shall be entitled to possession thereof upon demand and payment of Landlord's expense of removal and storage thereof.

(4) Landlord, upon recovery of possession of the Premises pursuant to North Carolina law, may immediately or at any time thereafter or to cure such Event of Default by Tenant re-let the Premises or any part thereof for such time

or times and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable and Landlord may make the alterations or repairs to the Premises which are necessary to accomplish such re-letting; and Tenant shall pay all costs of such re-letting including the cost of repairs to the Premises due to any Event of Default or due solely to failure of Tenant to repair or properly maintain the Premises, and if this Lease shall not have been terminated, subject to Landlord's obligation to mitigate damages, Tenant shall continue to pay all rent due under this Lease up to and including the date of beginning of payment of rent by any subsequent Tenant of part or all of the Premises and thereafter Tenant shall pay monthly during the remainder of the term of this Lease the difference, if any, between the rent collected from any such subsequent Tenant Tenants and the rent reserved in the Lease but Tenant shall not be entitled to receive any excess of any such rents collected over the rents reserved herein; or

(5) Landlord may immediately or at any time thereafter prior to cure of default by Tenant terminate this Lease (without previous notice or demand to vacate the Premises) and this Lease shall be deemed to have been terminated upon receipt by Tenant of written notice of such termination and upon such termination Landlord shall have and recover from Tenant all damages Landlord may suffer by reason of such termination including without limitation the costs (including expenses and reasonable attorneys' fees) of recovering possession of the Premises, and any damages with respect to breach and default including the costs of any repairs to the Premises which are necessary due to Tenant's failure to maintain the Premises. In addition thereto Landlord at its election shall have and shall additionally recover from Tenant an amount equal to this excess, if any, of the total amount of all rents to be paid by Tenant for the remainder of the term of this Lease over the then reasonable rental value of the Premises for the remainder of the term of this Lease.

C. No course of dealing between Landlord and Tenant or any delay on the part of Landlord in exercising any rights it may have under this Lease shall operate as a waiver of any of the rights of Landlord hereunder nor shall any waiver of a prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

D. The exercise by Landlord of any one or more of the remedies provided in this Agreement shall not prevent the subsequent exercise by Landlord of any one or more of the other remedies herein provided. All remedies provided for in this Lease are

cumulative and may, at the election of Landlord, be exercised alternatively, successively or in any other manner and are in addition to any other rights provided by Law.

16. **BRANDED SUPPLY AGREEMENT.** The Landlord is not obligated under a supply agreement with any oil Company.

17. **LANDLORD'S RIGHT OF ENTRY.** Tenant agrees that Landlord, Landlord's agents or other representatives, shall have the right to enter into and upon the leased land, or any part thereof, during normal daytime hours for the purpose of examining the tract of land as may be necessary for the safety and preservation thereof, provided, however, that such examinations, repairs or alterations (unless of an emergency nature) shall be made so as to cause the minimum of interference to the Tenant

18. **ASSIGNMENT AND SUBLETTING.** Tenant shall not sublet or assign its rights under this Lease Agreement without the express written consent of the Landlo

19. **NOTICES.** All notices, demands, submissions and consents required hereunder shall be in writing and shall be deemed given if sent by certified mail, return receipt requested postage prepaid (a) to Landlord, at the address of Landlord as hereinbelow set forth or such other address as Landlord may designate by notice to Tenant, or (b) to Tenant, at the address of Tenant: as hereinbelow set forth or such other address as Tenant may designate by notice to Landlord.

Landlord:

SHARDA HOLDING OF NC LLC
P.O. BOX 1348, COATS N.C 27521

Tenant:

SM HOLDING INCORPORATED
C/O SURMEET KAUR JAYYIA
32 CORTEZ LANE, NC 27521

20. APPLICABLE LAW. This Lease Agreement shall be construed and interpreted under the laws of the State of North Carolina.

21. SUCCESSORS AND ASSIGNS. The terms, covenants, conditions, provisions, and undertakings in this lease shall extend to and be binding upon the heirs, personal representatives, administrators, successors and assigns of the respective parties hereto.

22. MISCELLANEOUS. All statements contained in this Agreement by or on behalf of the parties pursuant to or in connection with the transactions contemplated hereby shall be deemed warranties hereunder and shall be deemed joint and several, and shall survive execution, except as otherwise expressly stated.

23. GUARANTY. SURMEET KAUR JAYYIA join in this Lease Agreement to guarantee personally the performance of the Tenant, and agree to be held jointly and severally liable for the performance of all of the Tenant's duties and obligations under this Lease Agreement. The consideration for making this guaranty is the Landlord's agreement to lease the Premises to a limited liability company that is owned by the guarantors.

24. ENTIRE AGREEMENT. This Lease contains the entire agreement of the parties and no prior representations, written or oral, shall have or be of any effect whatever.

IN WITNESS WHEREOF the parties have hereunto set their hand and seal on the day and year first above written.

LANDLORD:

 (SEAL)
SANJEEV CHOPRA

SHARDA HOLDING OF NC LLC

TENANT:

SM HOLDING INCORPORATED

By Surmeet Kaur Jayya (SEAL)
SURMEET KAUR JAYYIA
PRESIDENT

GUARANTOR:

Surmeet Kaur Jayya (SEAL)
SURMEET KAUR JAYYIA

NORTH CAROLINA

Cumberland COUNTY

I Lynne H. Byrd Notary Public of the County and State
aforesaid, SANJEEV CHOPRA of SHARDA HOLDING OF NC LLC, personally
appeared before me this day execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 27 day of September 2018.

Lynne H. Byrd
Notary Public

My Commission. Expires: 10/02/2021

NORTH CAROLINA Cumberland COUNTY

I Lynne H. Byrd Notary Public of the County and State aforesaid, SURMEET KAUR JAYYIA President of SM HOLDING INCORPORATED, personally appeared before me this day execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 27 day of September 2018.

Lynne H. Byrd
Notary Public

My Commission. Expires: 10/02/2021