

**LEASE AGREEMENT**  
**FUNDAMENTAL LEASE PROVISIONS**

Lease Date: June 10th, 2023

Landlord: VP Spout Springs LLC  
A North Carolina limited liability company.

Address of Landlord: Post Office Box 843, Wilkesboro, NC 28697.


Tenant: American Promotional Events Inc. - East dba TNT  
Fireworks  
  
P.O Box 1318  
  
4511 Helton Drive Industrial Park, Florence, AL 35630


Premises: A portion of VP Spout Springs property: Buffalo Lake Rd,  
Spout Springs, NC. See Exhibit A attached hereto  
(Yellow Highlight)


Permitted Use: The Display, Promotion, and Sale of Fireworks.

Lease Terms: The Term shall be from June 15<sup>th</sup> to July 15<sup>th</sup> during the  
Calendar Years: 2023, 2024, and 2025.

Rent:

2023: 

2024: 

2025: 

## Lease Agreement

THIS LEASE entered into this the 10 day of June, 2023, by and between VP Spout Springs, LLC a North Carolina limited liability company, hereinafter referred to as "Lessor", and American Promotional Events Inc. East dba TNT Fireworks, hereinafter referred to as "Lessee";

### WITNESSETH:

WHEREAS, Lessor is the owner of certain property, known as Outparcel #1 at Rockfish Commons and situated on Rockfish Road, Hope Mills, North Carolina, and more particularly described on Exhibit "A" attached hereto and made a part hereof ("Shopping Center"); and

WHEREAS, it is the desire of the Lessor to rent the portion of the described property more fully described on the site plan attached hereto.

NOW THEREFORE, it is agreed by and between the parties as follows:

1. Premises

That the Lessor does hereby lease to the Lessee that portion of the property generally located as shown on the attached Exhibit "A" ("The Premises").

2. Rent

During the term of the Lease, Lessee shall pay to Lessor the following rent:

2023:

2024:

2025:

Rent shall commence on the execution of this Lease. Lessee shall prepay 2023 rents in the amount of \$ [REDACTED] execution of this Lease. Lessee shall pay rents for each consecutive calendar year in the amount prescribed above by May 15<sup>th</sup> each year, e.g., by May 15, 2024 for the 2024rent.

3. Term

The Term of this Lease is for a period of Three (3) periods, according to the Fundamental Lease Provisions attached hereto, and shall commence on the execution of this Lease, and shall expire at 11:59 p.m. July 15th, 2023. Lessee shall have the right to renew this lease for an additional Three (3) periods of like duration upon 6 month written notice to Landlord (i.e., on or before January 15, 2024), provided (i) The Lot has not been sold, or (ii) This Lease has not been terminated subject to Section 8. If Lessee so chooses to renew this Lease; the Lease will be renewed upon the same terms and conditions as this lease. IF LESSEE IS UNABLE TO OBTAIN AN OPERATOR FOR THE LOCATION, LESSEE MAY ELECT NOT TO OPERATE ON THE PREMISES BUT, IF LESSEE PAYS THE RENT REQUIRED, THE LEASE AGREEMENT WILL **REMAIN IN FORCE**

4. PREMISES MODIFICATION

Lessor hereby grants to the Lessee the right to place One (1) Fireworks Tent, hereafter called "Tent." Placement of Tent, shall be in accordance with Exhibit "B". The Tent shall not become part of the realty but shall at all times remain the personal property of the Lessee and may be removed at any time by Lessee and shall not be subject to any claim of lien whatsoever by Lessor. Lessee shall have no rights to extend Lessor's power or utilities of any kind to Leased Premises, but Lessee shall have the right to utilize portable power generators/light towers for the Tent, at Lessee's risk and expense. Lessee shall have rights to display on Tent and leased area only, signage and advertisements, as long as all signage and advertisements adhere to and meet any and all applicable rules, codes, and any and all applicable permits pertaining to said signage has first been obtained.

The Lessee further agrees that at the end of period of use during the Term, Lessee shall promptly remove the Tent and shall restore the Premises to the condition and order which they were at the beginning of period of use, ordinary wear and tear excepted. The Lessee acknowledges that Landlord has made no representation to perform any work to or around the Premises in order to secure this Lease, and that Lessee shall keep Premises in good condition and free from trash, refuse, or waste. Lessee shall promptly upon notice take immediate care to dispose of any trash, refuse or waste at Premises or trash, refuse or waste generated by presence on Premises.

5. LIABILITY INSURANCE

Lessee shall provide and keep in force, for the protection of the general public and Lessor, with Lessor to be included as an additional insured, the following liability insurance coverages: (A) Against claims for bodily injuries or death to any one person upon or near the Premises, to the extent of not less than \$500,000; (B) Against claims for bodily injuries or death to any number of persons arising out of one accident or disaster, occurring upon or near the above described areas, to the extent not less than \$1,000,000.00; (C) Against property damage with limits of not less than \$100,000.00. Insurance may be provided under a comprehensive liability insurance policy maintained



by Lessee covering all of its business locations and meeting the required single limit amount of coverage specified.

6. PROTECTION OF LESSOR

- (A) Lessee shall indemnify and save harmless Lessor from and against all liability, damage, penalties or judgment arising from injury to person or persons or property resulting from Lessee's use of the Premises during the Term of this agreement. The Lessee shall at its own costs and expense, defend any and all suits or actions which may be brought against Lessor or in which Lessor may be impleaded with others upon any such aforementioned matter or claim except as may result from the acts set forth in subparagraph (B) of this paragraph 6.
- (B) Except for its negligence of its officers, agents, employees or contractors, Lessor shall not be responsible or liable for any damage or injury to any property, fixtures, or other improvements or to any person or persons at any time on the Premises, including any damage or injury to Lessee or to any of Lessee's officers, agents, employees, contracts, customers, or sublessees.

7. ASSIGNMENT AND SUBLETTING

Lessee shall have no rights to assign this lease or sublet any part of the Premises, or otherwise transfer any right or interest hereunder, except that Lessee, at its sole discretion, may allow a third party under Lessee's control to operate the fireworks sales location at the Premises.

8. LESSOR'S RIGHT TO TERMINATE

Lessor, upon THIRTY (30) days written notice, may terminate this lease for any cause provided such termination may not occur between May 30 and July 15 of any year during the Term. If Lessor exercises this termination right, then no rent shall be due or payable for that year; and, if rent has already been paid by Lessee for that year, then the rent shall be fully refunded within ten (10) days.

9. LESSEE'S RIGHT TO TERMINATE

Lessee may terminate this agreement by providing written notice between March 1<sup>st</sup> and April 30th of each calendar year. If Lessee exercises this termination right, then no rent shall be due or payable for that year.

10. NOTICES AND REPORTS

Any notice, report, statement, approval, consent, designation, demand or request to be given, by a party under the provisions of this lease shall be effective only when made in writing and sent by United States Certified or Registered Mail, postage prepaid, to the other party at the applicable address set forth below:

Landlord:

VP Spout Springs, LLC  
P.O. Box 843  
Wilkesboro, NC 28697

Tenant:

American Promotional Events Inc. East  
dba TNT Fireworks  
4511 Helton Dr.  
Florence AL, 35360  
Attn: Director, Stand and Tent Division—NC

#### 11. PERMITS

It is agreed that this lease is subject to the Lessee obtaining, at Lessee's expense, necessary permits and licenses from any and all appropriate governmental authorities for the placement of its Tent and to advertise and operate its business. IF LESSEE FAILS TO SECURE LOCAL AND STATE LICENSES FOR SUCH LOCATION, LESSEE SHALL HAVE THE RIGHT TO TERMINATE THIS LEASE AT ANY TIME AND NO RENT SHALL BE DUE OR PAYABLE. If paid in advance, Lessee shall give notice to Lessor on or Before June 1 of each calendar year, if it unable to secure local and state licenses. If Lessee does not give notice to Landlord on or before June 1 of the calendar year, then this section shall be of no effect.

#### 12. CONSTRUCTION OF LEASE

This lease shall be construed according to the laws of the State of North Carolina. In the absence of specific provisions to the contrary, the party upon whom an obligation is imposed by this lease shall perform the obligation at its own expense. Paragraph headings relating to the contents of particular paragraphs are inserted only for the purpose of convenience and are not to be construed as parts of the particular paragraphs to which they refer. The failure of the Lessor to insist upon strict performance of any of the covenant or conditions of this lease or to exercise any option herein conferred in any one or more instances shall not be construed as a waiver or relinquishment of any such covenants, conditions or options, but the same shall remain in full force and effect.

If any term, covenant or condition of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms, covenants and conditions shall not be affected thereby and each term, covenant or condition of this lease shall be valid and be enforced to the fullest extent permitted by law.

#### 13. IDENTITY OF INTEREST

The execution of this lease or the performance of any act pursuant to the provisions thereof shall not be deemed or construed to have the effect of creating between Lessor and Lessee the relationship of principal or agent or partnership or of Joint venture and the relationship between them shall be that only of Lessor and Lessee.

#### 14. MISCELLANEOUS

This lease contains all of the agreements and conditions made between the parties hereto may not be modified orally, or in any other manner other than by an agreement, in writing, signed by the parties hereto or their respective successors in interest.

Lessor and Lessee, respectively, warrants to the other party that the person whose signature appears hereon for such party is duly authorized and empowered to execute this lease agreement and thereby bind such party to the terms and conditions hereof.

#### 15. PEDESTRIAN AND VEHICULAR TRAFFIC

Lessee shall at no time interfere with or impede such pedestrian or vehicular traffic in the shopping center.

#### 16. COMPLIANCE WITH LAWS

Lessee, at its sole cost and expense, shall comply with (a) all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances applicable to Lessee's occupancy or use of the Premises, or any part thereof.. Lessee shall not cause or permit any hazardous substances (excluding 1.4G, UN0336 consumer fireworks) to be used, stored, generated or disposed of on or in the Premises, and Lessee shall indemnify and hold harmless Lessor from any and all claims, damages, fines, judgments, penalties, costs liability or losses whatsoever resulting from Lessee's breach of this Section 16.or from any such use, storage, generation or disposal by Lessee or its agents, vendors or customers pertaining to its use of the Premises. Lessor warrants and represents that to the best of Lessor's knowledge any use, storage, treatment or transportation of Hazardous materials that has occurred in or on the Premises prior to the date hereof has been in compliance with all applicable federal, state and local laws, regulations and ordinances. Lessor additionally warrants and represents that to the best of Lessor's knowledge no release, leak, discharge, spill, disposal, or emission of Hazardous materials has occurred in, on, or under the Premises, and that the Premises are free of Hazardous Materials as of the date hereof.

#### 17. EXCLUSIVITY:

Lessor represents and warrants that there is no agreement presently in place that would permit any third party to promote, advertise or sell consumer fireworks from any location on the Shopping Center. Notwithstanding anything previous, nothing in this section shall abridge, constrain, or infringe on Food Lion's rights as Tenant in any way, nor will Food Lion exercising any right violate this exclusivity clause in any way.

IN TESTIMONY WHEREOF, this lease has been duly executed by the parties hereto, intending to be legally bound thereby, under seal, as of this day and year first above written.

LESSOR:

VP Spout Springs, LLC

BY:  (SEAL)

Martin D. Koon, Member

LESSEE:

American Promotional Events Inc. East dba TNT  
Fireworks

Preston Platt 5/30/2023

BY: \_\_\_\_\_ (SEAL)

DocuSigned by:

Preston Platt

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