CITY OF MONROE
DOWNTOWN ADVISORY BOARD MEETING
300 W. CROWELL STREET
MONROE, NORTH CAROLINA 28112
Tuesday, January 2, 2024 - 9:00 AM
AGENDA

1. Call to Order
2. Roll Call
3. Approval/Acceptance of Minutes (Action Required)
4. Event Sponsorship Grant for Downtown Community Walk
5. Food Truck Pilot Program Discussion
6. Pronto Grant Application for Smorgansboard
7. Pronto Grant Application for Hayne Street Gastrolounge
8. Facade Incentive Grant Application for 104 S. Main Street
9. Adjourn Meeting (Action Required)

ATTENTION ADVISORY BOARD MEMBERS: Please contact Matt Black at 704-292-1705, Ext. 6040 to confirm your attendance. Thank you.

Regularly scheduled meetings are on the fourth Tuesday of February, April, June, August and October.

AS A COURTESY, PLEASE TURN OFF ALL MOBILE DEVICES WHILE MEETING IS IN PROGRESS.

City of Monroe
Downtown Monroe Advisory Board
300 W Crowell Street, Monroe, NC 28112
City Hall Conference Room
5:30 p.m.

Tuesday, August 22, 2023
Meeting Minutes

DAB Members: Chair: Joyce Rentschler, Kay Klaren, Heather Reagor, Marie Starnes, Caroline Brown, Jason Walle

Staff Present: Matthew Black, Downtown Director

Visitors Present: Richard Ali

Member(s) Absent: None

The Downtown Monroe Advisory Board met on August 2, 2023 at 5:30 pm.

Item 1: Call to order
Joyce Rentschler called the Tuesday, **August 22, 2023** Downtown Advisory Board meeting to order at 5:30 pm.

Item 2: Roll Call
Roll was conducted with a sign- sheet of the members that were present.

Item 3: Approval/Acceptance of Minutes (Action Required)
Joyce Rentschler submitted the Minutes of the Downtown Monroe Advisory Board Special Meeting on **May 1, 2023**and requested a motion to approve minutes.

Motion: Heather Reagor made a motion to accept the **May 1, 2023** Downtown Advisory Board meeting minutes as submitted.

Second: Jason Walle

Action: The motion to accept the **May 1, 2023** Downtown Advisory Board meeting minutes as submitted passed unanimously.

Item 4: Downtown Grant Sponsorship for Monroe Pop Up Festival (Action Required)
Joyce Rentschler introduced this item.

BelaNature has submitted a sponsorship application for the Monroe Pop Up Festival.

The Monroe Pop Up Market is an event put on by downtown Monroe business owners to bring people into Downtown Monroe for one day. The event closes the majority of Main Street to allow for food & retail vendors and fun activities for kids and adults alike to set up booths. There will be at least 10 downtown businesses willing to participate in this event and will be open during the event.

The event is scheduled for the October 14th, 2023 from 12pm to 6 pm.

In order to form a sponsorship plan, which encompasses a fair policy, the Downtown Office has appropriated funding towards these endeavors. The appropriation can fund up to one event each quarter and one application per event each fiscal year, not the exceed $500. This is the first application submitted for the Q3 of FY24.

Action: The motion to approve the Monroe Pop Up- Sponsorship grant as submitted, passed unanimously.

Item 5: Update on Project and New Businesses
Joyce Rentschler introduced this item.

Matthew Black, gave an update on new businesses coming to the downtown area including a new deli and a tapas bar which will both open up in the Monroe warehouse building. Other new businesses which have opened up include a new coffee shop on Main Street and an Italian Deli which will open up where Hilton Vineyards use to be.

The board was also given an update on public projects such as the Morgan-Windsor Alley and Science Center Parking lot improvements.

Item 8: Adjourn (Action Required)
Joyce Rentschler introduced this item.

Motion: Caroline Brown
Second: Kay Klaren

The meeting adjourned at 6:15 p.m.

City of Monroe
Downtown Monroe Advisory Board Special Meeting
300 W Crowell Street, Monroe, NC 28112
City Hall Conference Room
5:30 p.m.

Monday, <u>September 21, 2023</u>
Meeting Minutes

DAB Members: Chair: Joyce Rentschler, Kay Klaren, Jason Walle, Marie Starnes

Staff Present: Matthew Black, Downtown Director; Richard Long, City Attorney; Terry Sholar, Senior Staff Attorney

Visitors Present:

Member(s) Absent: Caroline Brown, Heather Reagor

The Downtown Monroe Advisory Board met on September 21, 2023 at 5:30 pm.

<u>Item 1: Call to order</u>
Joyce Rentschler called the Thursday, **<u>September 21, 2023 Downtown</u>** Advisory Board meeting to order at 5:30 pm.

<u>Item 2: Roll Call</u>
Roll was conducted with a sign- sheet of the members that were present.

<u>Item 3: Future Encroachment of Private Property in Downtown Public Right-of-Way (Action Required)</u>
Joyce Rentschler introduced this item.

The Downtown Director gave an overview of the topic including how the downtown area of the City of Monroe has witnessed a significant increase in development and redevelopment projects over recent years. As a result, there is growing interest from property owners to utilize the public right-of-way for various purposes, including outdoor dining, signage, and retail displays.

The City of Monroe is considering new ordinances that address accessibility, safety, aesthetics, and regulatory compliance for both now and future use.

The Downtown Advisory Board stated that the Morgan-Windsor Alley is a enclosed and unique feature of the downtown area. It should have guidelines specifically for the area to address public safety and comply with ADA guidelines.

Further recommendations include the following:

-Signage: Should flag signs protruding from wall be allowed for businesses? Signs should be uniform in size and appearance. Signs currently in place appear to be appropriate size and appearance. No recommendation regarding design

-Benches: City is providing benches within the alley. No private benches should be allowed due to clutter and impeding EV access and possible ADA access

-Lights: City is providing lights. Additional private lights should be minimal. No neon lights, multicolor lights, spot lights, etc.

Awnings: No awnings should be allowed due to the confined space

Balcony: 3rd floor or higher only. Only protrude enough to provide opening. They should not be wide enough to accommodate chairs or tables.

Fire Escapes: None. Emergency exists should be contained within the building proper. Fire escapes could hinder EV access

No merchandise displays within the alley except for special events such as “Pop Up Markets” or street fairs. They only while providing EV access

There should be no additional doors or access to building opening into the alley.

Item 8: Adjourn (Action Required)
Joyce Rentschler introduced this item.

Motion: Marie Starnes
Second: Jason Walle

The meeting adjourned at 6:10 p.m.

STAFF REPORT

TO:	Downtown Advisory Board
VIA:	Mark Watson, City Manager
DATE:	January 2, 2024
FROM:	Matthew Black, Downtown Director
PREPARED BY:	Matthew Black, Downtown Director
SUBJECT:	Event Sponsorship Grant- Community Walk

SUMMARY STATEMENT

BelaNature has submitted a sponsorship application for the Community Walk.

REVIEW

The Downtown Community Walk is an event put on by downtown Monroe business owners to bring people into Downtown Monroe for one day. The event matches a non-profit with a downtown business and promotes a collaboration supporting the local community. There will be at least 10 downtown businesses willing to participate in this event and will be open during the event.

The event is scheduled for the February 17, 2024 from 12 pm to 4 pm.

Please see application for further details on marketing plan, pre-event plan, and vendor list.

RECOMMENDATION

Staff recommends approval of the grant and sponsorship of the event.

Attachment(s):
Grant Application

Retail Promotions Sponsorship Application

The City of Monroe Downtown pursues an ever growing economic development initiative which emphasizes the need for new and exciting places, events, and people. If you have an event you feel could have a positive impact on the growth of Downtown, we want to help make that dream become a reality. Listed below are questions the City must consider to sponsor an event in Downtown:

All questions must be answered "Yes" for consideration

	Yes	No
Is your business within the Central Business District?	✓	
Will the event produce a positive impact on the Downtown Monroe Community and coordinate well within the existing promotions calendar?	✓	
Will the event encourage visitors to shop at the event and surrounding downtown businesses? (including street closures and new traffic/pedestrian patterns	✓	
Will the event have the financial support necessary to carry out operations of the event or will it require additional funding sources?	✓	
Does the event generate enough interest to draw in people from within the City of Monroe and the surrounding area?	✓	
Are all Downtown businesses offered to participate?	✓	
Are there at least 10 Downtown, retail and/or restaurant businesses participating? **(Please Provide a List)**	✓	
Will the event occur within the Central Business District?	✓	

Please note that the sponsorship may not exceed $500 per event and funds are limited to one per quarter. A person(s) may only apply for one sponsorship per year. The Downtown Advisory Board has the final decision on where these funds are to be allocated.

Contact Information

Name of Person Submitting Event: Sandra Murschel

Email: belanaturenc@gmail.com Phone Number: 630-267-3007

Description of Event

Event Name: 2nd Community Walk

Brief Description below or add attachment:

Downtown businesses will host nonprofit organizations that offer various types of support/help to local community. Public will have a map (created by Bela Nature) to walk around + get to know them. Nonprofits might also get volunteers.

What month(s), day(s), and time of the week do you see the event taking place?

Feb 17, 2024 Saturday 12-4pm

How often do you propose the event will take place? Once, yearly

Is there a direct way to tie this event to the Downtown Monroe businesses? Explain:

1. Shows that downtown businesses support our community
2. Businesses will gain exposure as well
3. Public will be able to shop + dine at local businesses.

Marketing

Who is the target market for this event? Monroe + surrounding area communities/residents

Core message of the campaign: "Stronger Together"

Please describe how this event would be promoted.

With posters displayed in downtown + other local businesses. Thru downtown businesses + nonprofit organization's social media.

Below describe each method of promotion in detail.

Medium or Channel	Length of Time	Start Date of Promotion	Specific Target Group
Social Media	starting soon till	end of event	Monroe residents
(FB, Instagram,			Surrounding area
Next Door, Websites)			residents
Posters	Will get printed	Dec/Jan	

Pre-Planning Management

Please describe the steps involved in the actual pre-planning process- where, when, hours and time, activities involved, groups who will participate in planning.

Bela Nature and InReach are main organizers with support of other downtown businesses. We are working together to encourage local businesses + non profit organizations to participate.

Food: ☐YES ☒NO Will the food be: ☐GIVEN AWAY ☐SOLD (County Permit Required if YES)

*Will the event require street or parking lot closings? ☐YES ☒NO (City Permit Required if YES)

NOTE: ***If yes, please provide a map showing which streets will need to be closed & exactly where barricades will need to be located.***

*Will the event require a tent or temporary structure? ☐YES ☒NO (City Permit Required if YES)

*What is the square feet of the tent or temporary structure?

*Will the tent structure be used by 10 or more occupants? ☐YES ☒NO

NOTE: ***Building and fire permits are required for tents or other temporary structures erected for a period of less than 180 days and that has an area greater than 120 square feet or is to be used by 10 or more occupants.***

Please describe in detail the labor needs on the day of the event. This could range from security, volunteers to clean up.

None

Funding

Please give a budget for expenses related to this event. Attach separate sheet if necessary. Income generators /revenue streams include such activities as ticket sales, vendor space rentals, beverage sales, sponsorships, etc.:

Description of Expenses	Amount
Some signs (#s fiestas)	200
Posters + Flyers	200
Total Expenses	

Description of Income Generators	Amount
Total Income	
Net Income (Total Income minus Total Expenses):	

Have you included sponsorships as one of your income generators? If so do you have the ability to raise these sponsorships? ☐YES ☐NO

List of Vendors and Businesses in Attendance

***NOTE:* Event Organizers and Vendors must complete the applications and permits through the Union County Public Safety Division. Please contact the Environment Health Department for additional information. (704)283-3553**

Businesses Vendors	Food/Merchandise Type	Specific Target Group
Home Brew Taproom		
Bola Nature		
Gingham Girl		
High Octane		
Sweet Union Hemp Comp		
Compassionate Touch Mass.		
Peddlers Paradise		
Main Street Bistro		
3 Chicks		
BB Lash + Beauty		
P		
others		

Thank you for taking the time to share your event idea with us. This information will be shared with the Downtown Department and City of Monroe Committees. You may be asked to attend the scheduled meeting of the committees to further discuss your idea. We appreciate your interest in bringing people to Downtown Monroe!

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: Downtown Advisory Board

VIA: Mark Watson, City Manager

DATE: January 2, 2024

FROM: Matthew Black, Downtown Director

PREPARED BY: Matthew Black, Downtown Director

SUBJECT: Discussion of the Food Truck Pilot Program

SUMMARY STATEMENT

Call for a discussion regarding any proposed revisions to the Food Truck Pilot Program in the Central Business District (CBD).

REVIEW

The Downtown Advisory Board is requested to discuss the current Food Truck Pilot Program in the Central Business District, which was adopted by City Council Nov. 9, 2021. Any suggested changes to the Food Truck Pilot Program will be presented to the City Manager and City Council at a later date. Attached are the documents related to the Food Truck Pilot Program including the Nov 9, 2021 staff report to City Council and the Ordinance and Resolution presented to City Council.

RECOMMENDATION

Staff is requesting the Downtown Advisory board make a recommendation on the existing food truck ordinance, to the City Manager and City Council.

Attachment(s):
Resolution-2021-87
Nov. 9, 2021 City Council Staff Report
Food Truck Application

STAFF REPORT

TO:	City Council
VIA:	Brian Borne, Interim City Manager
DATE:	November 9, 2021
FROM:	Lisa Stiwinter, Director of Planning and Development
SUBJECT:	Pilot Program for Food Trucks in Central Business District (CBD)

SUMMARY STATEMENT

City Council is requested to consider a Pilot Program to allow food trucks to locate on private property, City-owned parking lots and within public right-of-ways in the Central Business District (CBD) for a one (1) year period.

REVIEW

In July 2021, City Council voted to adopt a Food Truck Pilot Program. The purpose of the Pilot Program was to establish standards to allow food trucks on private property, City-Owned parking lots and public right-of-ways in the Central Business District (CBD) of downtown Monroe for a ninety (90) day period. The intent of a Pilot Program was to provide the City an opportunity to evaluate the pros and cons of the program and receive feedback from the public.

Over the past ninety (90) days, the City has received approximately fifteen (15) food truck applications from three different applicants. The majority of the food truck applications were requests to locate on private property with a few requests to locate in the public right-of-way. To date, the Planning and Development Department has not received any complaints and concerns regarding the food trucks operating in downtown Monroe.

The Planning and Development Department reached out to Home Brew, Southern Range and Courthouse Self-Pour (the three food truck applicants) to receive their feedback regarding the Pilot Program. Listed below is the feedback that has been received:

- Food truck rules should not be the same for private property and public property.

- Requiring a permit for every food truck on private property is unsupportive of downtown business and overall growth of a City.
- Understands the rules for food trucks on public property.
- Food trucks not always planned. At times, property owner receives a call from food trucks requesting to locate on property due to a cancellation. Property owner has had to turn down the food truck because they did not get approval through the City.
- Food trucks have to cancel at last minute sometimes and the property owner has already spent time and money on the permit.
- Why can't food trucks operate on Tuesday or Wednesday in downtown Monroe?
- Pilot Program negatively affected private property owner's ability to locate food trucks on property.
- Believe that private property should be exempt from the permit process.

The General Services Committee received the public feedback at their October meeting and voted to recommend the following modifications to the program:

1. Revise the permit process for private property to allow an annual registration with a cost of $100 instead of individual food truck permits.
2. Revise the allowed days of the week to include seven (7) days from Monday to Sunday.

RECOMMENDATION

City Council is requested to consider and adopt Resolution R-2021-87 approving the Pilot Program for Food Trucks in Central Business District (CBD) for a one (1) year period.

Attachments:
Attachment A: Resolution R-2021-87

RESOLUTION APPROVING FOOD TRUCK PILOT PROGRAM FOR CENTRAL BUSINESS DISTRICT (CBD) IN DOWNTOWN MONROE FOR ONE (1) YEAR PERIOD

R-2021-87

WHEREAS, City Council has observed the rapid growth in interest in the "Food Truck" Phenomenon; and

WHEREAS, Food Trucks are defined as a licensed, motorized vehicle or mobile food unit licensed by the NC State Division of Motor Vehicles, designed and equipped to serve food and beverages; and

WHEREAS, Food trucks are currently prohibited in the Central Business District (CBD) of Downtown Monroe except during permitted special events; and

WHEREAS, members of the general public have requested this vibrant and rapidly growing food service be allowed in the Central Business District (CBD) in the City of Monroe; and

WHEREAS, the City has not yet had the opportunity to fully assess the benefits and burdens of this new business model; and

WHEREAS, the most effective manner to fully analyze the concept of allowing Food Trucks in the Central Business District is to allow food trucks into the Central Business District of Downtown Monroe on a temporary basis for a one (1) year period; and

WHEREAS, City staff has developed a Pilot Program to establish standards to allow food trucks on private property, City-Owned parking lots and public right-of-way in the Central Business District (CBD) of downtown Monroe. The Food Truck Pilot Program shall be effective for one (1) year and comply with the program standards; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Monroe recommend adoption of the Resolution Approving Food Truck Pilot Program that shall become effective upon adoption:

A. Food Trucks on Private Property. Food trucks on private property are permitted on lots in the Central Business District (CBD) and are subject to the following:

   1. Must obtain a food truck registration, be located on private property and obtain written permission from the property owner. Food truck registrations is required on an annual basis by July 1st of each year at a cost of $100. Complete the food truck registration form by contacting the City of Monroe Planning and Development Department.

2. To locate on a property in in the Central Business District (CBD), the property must have a primary use. An example of a primary use would be a building with an active use or an improved stand-alone parking lot. An unimproved grass or dirt lot is not a primary use.

B. Food Trucks in City-Owned Parking Lots. Food trucks within the Central Business District (CBD) can locate in the following City-Owned parking lots: Intersection of Franklin Street and Main Street, Intersection of Main Street and W. Talleyrand Ave, Intersection of Hayne Street and Windsor Street or Intersection of N. Church Street and E. Franklin Street.

1. Requires a host business with a physical location be a part of the temporary use permit submitted to the City requesting the food truck services. The host business shall be located within the Central Business District (CBD) and meet the following:
   i. Permitted and has a valid certificate of occupancy.
   ii. Is actively operating.
2. Food trucks shall not impede, endanger or interfere with pedestrian or vehicular traffic.
3. The vendor must possess a valid insurance policy through an insurance carrier authorized or eligible to do business in the State of North Carolina for any damage to the public right-of-way and for any damages for which the City might incur the liability because of property damage or personal injury arising out of the use of the public right-of-way. The minimum liability limit to the policy shall be one million dollars ($1,000,000.00). The City of Monroe shall be listed as an additional insured as its interests may appear on all Certificate of Insurance.
4. The City reserves the right to require any permit holder to cease part or all of its operation, or remove the food truck from the permitted parking space in order to allow for construction, maintenance or repair of any street, curb, gutter, sidewalk, storm drain inlet and any other similar municipal utility.
5. The food truck operator must comply with all other applicable local, state and federal regulations. Any food truck operator in a manner inconsistent with these regulations is illegal.
6. The City may suspend the permit to maintain the health, safety, and welfare of the public. The City may suspend the food truck permit when the street is closed for a special event.
7. If at any time evidence of the improper disposal of liquid waste or grease is discovered, the temporary use permit will be rendered null and void and the food truck business will be required to cease operation immediately.

C. Food Trucks in Public Right-of-Way. Food trucks in the public right-of-way can locate on any street within the Central Business District (CBD).

1. No food truck vendor may utilize the right-of-way to serve customers without obtaining a temporary use permit from the Planning and Development Department.
2. No single food truck operator shall occupy more than one food truck at one given time in the Central Business District (CBD).
3. Requires a host business with a physical location be a part of the temporary use permit submitted to the City requesting the food truck services. The host business shall be located within the Central Business District (CBD) and meet the following:
   i. Permitted and has a valid certificate of occupancy.
   ii. Is actively operating.
4. The vendor must possess a valid insurance policy through an insurance carrier authorized or eligible to do business in the State of North Carolina for any damage to the public right-of-way and for any damages for which the City might incur the liability because of property damage or personal injury arising out of the use of the public right-of-way. The minimum liability limit to the policy shall be one million dollars ($1,000,000.00). The City of Monroe shall be listed as an additional insured as its interests may appear on all Certificate of Insurance.

D. Standards for all Food Trucks.

1. No single food truck operator shall occupy more than one food truck at one given time in the Central Business District (CBD).
2. Food trucks are limited to no more than four (4) food trucks in the Central Business District (CBD) at one given time to include the City-owned parking lots and within the public right-of-way.
3. Hours of operation are limited to the hours between 5 pm and 2 am from Monday to Sunday.
4. Temporary Use Permits for food trucks located in the Central Business District (CBD) shall be valid for a maximum of seven (7) days (Monday through Sunday) a week. A food truck vendor shall not book a seven (7) day period consecutively in order to provide customers with a variety of cuisine.
5. Allowed at special events and on active construction sites with an approved temporary use permit that are exempt from Section (D) (3) and (4).
6. Not allowed one hundred (100) feet from the main entrance of any restaurant or outdoor dining area.

7. All food trucks must be situated to allow at least five (5) feet of unobstructed space for pedestrians on sidewalks, pedestrian paths and other locations intended primarily for pedestrian travel. If any applicable law, including American with Disability Act regulations, shall require a greater distance, the greater distance shall apply.
8. The food truck must be located at least five (5) feet from any utility box, utility vault, handicapped ramp, or emergency call box. Not allowed within fifteen (15) feet from any fire hydrant.
9. The minimum distance requirements are measured in a straight line from the closest point of the proposed food truck location to the closest point of the buffered object, or in the case of a restaurant, measured from the closest point of the restaurant's main entrance.
10. Food truck vendors are responsible for the proper disposal of waste and trash associated with the operation. Vendors shall remove all waste and trash from their location at the end of each day or as needed to maintain the health and safety to the public. City receptacles may not be utilized for this purpose. The vendor shall keep all areas within ten (10) feet of the truck clean of grease, trash, paper, cups or cans associated with the vending operation. No liquid waste or grease is to be disposed into the tree pits, storm drains or onto the sidewalks, streets or other public place. Under no circumstances shall grease be released into or disposed of in the City's sanitary sewer system.
11. There shall be no audio amplifier or similar device to attract the attention of the public.
12. No food truck shall be parked in a location that prohibits or restricts access to a private property. A minimum of five (5) feet spacing is required from any driveway, measured from the driveway apron.
13. Advertising consisting of business name, logo and items available for sale may be displayed onto the food truck. No other form of advertising is permitted.
14. If Union County Environmental Health revokes the permit for the food truck, the City's temporary use permit shall be revoked as well.
15. The food truck operator shall not utilize tables, chairs, free-standing signage or audio amplification in conjunction with the food truck. All equipment shall be contained within or on the food truck.
16. The vendor shall hold the City, its officers, councilors and employees harmless and indemnify them for any loss, liability, damage, costs, and expenses arising from its operations.

Adopted this 9th day of November, 2021

____

Bridgette Robinson, City Clerk

Attest:

____

Bobby G. Kilgore, Mayor

TEMPORARY USE PERMIT APPLICATION
FOOD TRUCKS IN DOWNTOWN MONROE

Applicant Information			
Location	☐ **Private Property**	☐ **City-Owned Parking Lot**	☐ **Public Right-of-Way**

Temporary Use Permit: Private Property

Applicant's Name: ______________________________ Dates of Use: ________________

Applicant's Mailing Address: ____

Applicant's Email: _________________________________ Telephone: ______________

Food Truck Name: ____

Owner's Name: ______________________________ Tax Parcel #: ______ - _________ - _________

Owner's Mailing Address: ____

Owner's Email: ___________________________________ Telephone: ______________

Temporary Use Permit: City-Owned Parking Lot or Public Right-of-Way

Applicant's Name: ______________________________ Dates of Use: ________________

Applicant's Mailing Address: ____

Applicant's Email: _________________________________ Telephone: ______________

Food Truck Name: ____

Food Truck Location Description: ____

Downtown Host Business Name: ___________________________ Telephone: ______________

Downtown Host Business Address: ____

IF THE PROPOSED LOCATION IS IN A CITY-OWNED PARKING LOT OR WITHIN THE PUBLIC RIGHT-OF-WAY, YOU WILL BE REQUIRED TO SUBMIT A CERTIFICATE OF INSURANCE WITH THIS APPLICATION. SEE 3RD PAGE FOR CERTIFICATE OF INSURANCE REQUIREMENTS. FOR QUESTIONS, PLEASE CALL 704-282-4597. FOOD TRUCKS OPERATING IN CITY-OWNED PARKING LOTS AS WELL AS THE PUBLIC RIGHT-OF-WAY MUST BE REGISTERED WITH THE CITY'S DOWNTOWN DEPARTMENT. REGISTRATION CAN BE COMPLETED AT 704-292-1705.

The following items must be attached with the application and fee for any food truck operating in Downtown:

☐ A copy of any permits required by the Union County Department of Environmental Health for food vendors or verified permits from other counties.

☐ Site plan detailing food truck location.

☐ Written permission from property owner ***or*** Downtown host business invitation.

The following supplemental items must be attached with the application and fee for food trucks operating in City-owned parking lots as well as in the public right-of-way:

☐ A copy of the Certificate of Insurance which meets the minimum required limits listed on page three.

☐ Registration by the City of Monroe Downtown Department (704–292–1705).

I hereby certify that the information provided hereon is, to the best of my knowledge, correct and complete. I understand that providing false or incomplete information or violating Resolution R-2021-56, "Food Truck Pilot Program", may be grounds for revocation of the permit.

Operating on private property:

______________________________	______________________________
Applicant's Signature and Date	Property Owner Signature and Date

Operating in City-owned parking lot or public right-of-way:

______________________________	______________________________
Applicant's Signature and Date	Host Business Signature and Date

Certificate of Insurance Requirements:

Applicant shall maintain insurance policies at all times with minimum limits as follows:

COVERAGE	MINIMUM LIMITS
Workers' Compensation	Statutory Limits
Employers' Liability	$500,000
General Liability	$1,000,000 per occurrence/$2,000,000 aggregate
Automobile Liability	$1,000,000
Professional Liability (E & O)	$1,000,000 per occurrence/$2,000,000 aggregate

Applicant shall provide the City with a Certificate of Insurance for review prior to the issuance of any contract or Purchase Order. This should be an ACORD form. All Certificates of Insurance will require thirty (30) days written notice by the insurer or applicant's agent in the event of cancellation, reduction or other modifications of coverage. In addition to the notice requirement above, Applicant shall provide the City with immediate written notice of cancellation, reduction, or other modification of coverage of insurance. Upon failure of the Applicant to provide such notice, Applicant assumes sole responsibility for all loses incurred by the City for which insurance would have provided coverage. The insurance certificate shall be for the initial contract period of one (1) year and shall be renewed by the applicant for each subsequent renewal period of the contract.

The City shall be named as an additional insured and it is required that coverage be placed with "A" rated insurance companies acceptable to the City. Statement should read "City of Monroe is to be added as an additional insured as evidenced by an endorsement attached to this certificate."

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: City Council

VIA: Mark Watson, City Manager

DATE: January 2, 2024

FROM: Matthew Black, Downtown Director

PREPARED BY: Matthew Black, Downtown Director

SUBJECT: Economic Development Incentive Grant for Smorgansbord

SUMMARY STATEMENT

Downtown Advisory Board is requested to consider recommendation of the Downtown economic development incentive to City Council for Smorgansbord,109 S. Hayne Street.

REVIEW

Smorgansbord has signed a 5-year lease for 109 S. Hayne Street and is looking to open a new business in Downtown Monroe. The new business project costs total $180,000 and is located within Downtown Monroe's Central Business District.

Based on stipulations of the Economic development incentive grants City Council is requested to consider the following:

1. The PRONTO grant shall match (50/50) up to $5 per sq. ft. of the assessed sq. footage of 2000 or the max grant match of $10,000.00. Grant funds for the PRONTO is payable over a calendar quarter based on rent paid that quarter.

City will not advance grant funds until proof of rent has been completed each quarter. Once the applicant has submitted required documents as proposed; funds will be made available. Sufficient funding is available in the budget for these grants.

RECOMMENDATION

Staff recommends the Downtown Advisory Board make a motion to recommend approval of the economic development incentive grant to City Council.

Attachment(s):
Application

City of Monroe
Where Heartland Meets High Tech

Downtown Monroe
Downtown Pronto Grant
Application

CITY OF MONROE NORTH CAROLINA

Business Name: MONROE SPORTS BAR LLC
Property Owner: 195 NORTH TRADE LLC **Deed Book:** ________ **Page:** ____

Address of Proposed Downtown Business: 109 N HAYNE ST UNIT 122
Applicant's Mailing Address: 130 LIBRARY LANE
City: MATTHEWS State: NC Zip 28105
Applicant's Phone: 704 806 8455 **Email:** jpkanfield@outlook.com

Select Business Retail **Square Feet:** _____ **Amount Requested** $10,000

Approximate cost to open the business:	$180,000	**Number of new Jobs:** 5-10
Personal Investment	$180,000 (Equity)	**Expected daily traffic:** >50
Bank or other financial commitment	$ 0	**Other:**
Building Rehabilitation	$ 0	

Monthly Rent/Lease $ 2,625 Additional Space provided if

Expansion__________________________Sq. Ft.

Proposed Opening Date of the Business JAN 2024

Description of the Business
ICE CREAM SHOP, DELI SHOP

Please attach the following items in order for City of Monroe to make an appropriate decision on an application: Letter of intent to lease or purchase or a signed lease/purchase contract contingent on receipt of incentives, Business Plan, Financials Statement and/or pro-forma, Marketing Plan, Cost estimates for upfit/equipping the space, Business/personal history.

Signatures: Business Owner: [signature] Date 11-20-2023

Property Owner: [signature] Date 11-20-2023

City of Monroe—Downtown Monroe
113 West Morgan Street Monroe, North Carolina 28112

Monroe Sports Bar LLC
dba Hayne Street Gastrolounge
Upfit costs 109 N Hayne Street unit 100, Monroe NC 28112

Name of vendor	**Description of asset**	**Amount**
Bliss Contracting	GC Monroe	45,000.00
Redclay Design	Architect Monroe	20,191.00
Tile Shop	Bathroom tiles	4,170.00
John Waller	Tiler	18,522.00
Build.com	Bathroom faucets	561.00
Cook and Boardman	Doors and bathroom partitions	17,457.00
All Fire Services	New sprinkler system	22,003.00
City of Monroe	Permit fees	5,622.00
Alex Phillps	Plumber	16,306.00
Charlotte Winnelson	Water heater	5,113.00
Ivey Exterminating	New vapor barrier	2,475.00
Trust Electrical	Electrician	40,000.00
Charlotte Ceiling Contractors	New ceiling grid	17,548.00
Industrial Fans Direct	Dock area fans	1,281.00
Union Mechanical	HVAC	62,500.00
Flooring Clearance Center	Floors	19,246.00
Altitude Sign Company	Ramp and dock platform	28,234.00
Tim Lezette	Bar top and tables	18,664.00
Webstaurant	Hand dryers	1,317.00
Amazon.com	Light pendants	858.00
V&J Drywall	Drywall	7,450.00
Fast Signs	Sign	710.00
Lowes	General supplies	5,777.00
Lowes	Track lighting	5,335.00
As at November 20, 2023		366,340.00

Monroe Sports Bar LLC
dba Hayne Street Gastrolounge
Budget

2024	Revenue	COS		Expenses	Profit
January	5,000.00	(1,500.00)	3,500.00	(20,000.00)	(16,500.00)
February	30,000.00	(9,000.00)	21,000.00	(50,000.00)	(29,000.00)
March	50,000.00	(15,000.00)	35,000.00	(50,000.00)	(15,000.00)
April	60,000.00	(18,000.00)	42,000.00	(50,000.00)	(8,000.00)
May	85,000.00	(25,500.00)	59,500.00	(50,000.00)	9,500.00
June	90,000.00	(27,000.00)	63,000.00	(50,000.00)	13,000.00
July	90,000.00	(27,000.00)	63,000.00	(50,000.00)	13,000.00
August	100,000.00	(30,000.00)	70,000.00	(50,000.00)	20,000.00
September	100,000.00	(30,000.00)	70,000.00	(50,000.00)	20,000.00
October	110,000.00	(33,000.00)	77,000.00	(50,000.00)	27,000.00
November	90,000.00	(27,000.00)	63,000.00	(50,000.00)	13,000.00
December	100,000.00	(30,000.00)	70,000.00	(50,000.00)	20,000.00
	910,000.00	(273,000.00)	637,000.00	(570,000.00)	67,000.00

Marketing plan

Leverage our existing customer base from Matthews and Sun Valley locations.
We will be on all delivery services from day one.
We will be active on social media and our website.

REALTORS® Commercial Alliance
REALTOR® North Carolina Association of REALTORS®

COMMERCIAL LEASE AGREEMENT
(Single Tenant Facility)

(Note: This form is not intended to be used as a Sublease and SHOULD NOT be used in Sublease circumstances)

THIS COMMERCIAL LEASE AGREEMENT, including any and all addenda attached hereto ("Lease"), is by and between 195 NORTH TRADE LLC,
a(n) NORTH CAROLINA LLC ("Landlord"),
(individual *or* State of formation and type of entity)
whose address is 130 LIBRARY LANE MATTHEWS NC 28105, and
MONROE SPORTS BAR LLC AND/OR ITS ASSIGNS,
a(n) NORTH CAROLINA LLC ("Tenant").
(individual *or* State of formation and type of entity)
whose address is 2631 LIVERY STABLE DRIVE MATTHEWS NC 28105

☐ If this box is checked, the obligations of Tenant under this Lease are secured by the guaranty of ______________________ (name(s) of guarantor(s)) attached hereto and incorporated herein by reference.
(Note: Any guaranty should be prepared by an attorney at law.)

For and in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

PREMISES
1. Landlord leases unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property, including any improvements located thereon (hereinafter called the "Premises"), to wit:

(Address): 109 N. MAINE ST UNIT 122 MONROE NC 28112

☐ All ☐ A portion of the property in Deed Reference: Book ________, Page No.________, ____________ County; consisting of approximately ________ acres.

Plat Reference: Lot(s) ____________, Block or Section ____________, as shown on Plat Book or Slide ________ at Page(s) ________, ____________ County, consisting of ________ acres.

☐ If this box is checked, Premises shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference.

(For information purposes only, the tax parcel number of the Premises is: 0923 2062 06)

TERM
2. The term of this Lease shall commence on APRIL 1, 2023 ("Lease Commencement Date"), and shall end at 11:59 p.m. (based upon the time at the locale of the Premises) on MARCH 31, 2028, unless sooner terminated as herein provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month immediately following the Lease Commencement Date and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

☑ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least 90 days prior to the end of the then expiring term of this Lease, for 1 additional term(s) of 5 years each.

☐ **Option to Lease-** If this box is checked, Tenant, upon the payment of the sum of $ __________________ (which sum is not rental or security deposit hereunder, but is consideration for this Option to Lease and is non-refundable under any circumstances) shall have a period of ___________ days prior to the Lease Commencement Date ("Option Period") in which to inspect the Premises and make inquiry regarding such sign regulations, zoning regulations, utility availability, private restrictions or permits or other regulatory requirements as Tenant may deem appropriate to satisfy itself as to the use of the Premises for Tenant's intended purposes. Tenant shall conduct all such on-site inspections, examinations, inquiries and other review of the Premises in a good and workmanlike manner, shall repair any damage to the Premises caused by Tenant's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Landlord's or any tenant's use and enjoyment of the Premises. In that respect, Tenant shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to the tenant at the Premises of any entry onto the Premises for the purpose of conducting inspections. Upon Landlord's request, Tenant shall provide to Landlord evidence of general liability insurance. Tenant shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Premises and shall be entitled to review such books and records of Landlord that relate directly to the operation and maintenance of the Premises, provided, however, that Tenant shall not disclose any information regarding the Premises (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Tenant shall obtain their agreement to maintain such confidentiality. Tenant assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Option to Lease and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Tenant shall survive the termination of this Option to Lease or this Lease. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant's entry and on-site inspections. **IF TENANT CHOOSES NOT TO LEASE THE PREMISES, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO LANDLORD THEREOF PRIOR TO THE EXPIRATION OF THE OPTION PERIOD, THEN THIS LEASE SHALL TERMINATE AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATIONS HEREUNDER AND LANDLORD SHALL RETURN TO TENANT ANY RENTAL OR SECURITY DEPOSIT PAID TO LANDLORD HEREUNDER.** Tenant shall be deemed to have exercised its Option to Lease and to be bound under the terms of this Lease if (i) Tenant shall occupy the Premises prior to the expiration of the Option Period, whereupon the date of occupancy shall be deemed the Lease Commencement Date, or (ii) Tenant shall not provide written notice to Landlord of its termination of this Lease prior to the expiration of the Option Period.

RENTAL

3. Beginning on APRIL 1, 2023 ("Rent Commencement Date"), Tenant agrees to pay Landlord (or its Agent as directed by Landlord), without notice, demand, deduction or set off, an annual rental of $ 31,500, payable in equal monthly installments of $ 2,625, in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly installment of rental due, based upon a 30 day month.

☑ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every 1 Lease Year Anniversary by 3 % over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed, or

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every ________ Lease Year Anniversary by the greater of: (i) ______________________ percent (________ %) over the amount then payable hereunder, or, (ii) the percentage increase (but not any decrease) in the numerical index of the "Consumer Price Index for All Urban Consumers" (1982-84 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") for the immediately preceding twelve (12) month period over the amount then payable hereunder.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every ________ Lease Year Anniversary by $ __________________ over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed,

☑ If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:
ALL PAYMENTS MADE VIA WIRE TRANSFER / ACH TRANSFER

Tenant Initials JPK ________ Landlord Initials ________ ________

LATE CHARGES

4. If Landlord fails to receive full rental payment within 5 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to 5 percent ______ (%) of the overdue amount or $ ______ whichever is greater, plus any actual bank fees incurred for dishonored payments. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of $ N/A as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in this paragraph 5. If any of the rental or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made by Landlord on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant upon demand shall restore the security deposit to the amount set forth above in this paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned to Tenant within sixty (60) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

☐ If this box is checked, Agent shall hold the security deposit in trust and shall be entitled to the interest, if any, thereon.

UTILITY BILLS/SERVICE CONTRACTS

6. Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable bills prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Within thirty (30) days of the Lease Commencement Date, Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

Service Obligation	Landlord	Tenant	Not Applicable
Sewer/Septic	☑	☐	☐
Water	☑	☐	☐
Electric	☐	☑	☐
Gas	☐	☐	☑
Telephone	☐	☑	☐
HVAC (maintenance/service contract)	☐	☑	☐
Elevator (including phone line)	☐	☐	☑
Security System	☐	☑	☐
Fiber Optic	☐	☑	☐
Janitor/Cleaning	☐	☑	☐
Trash/Dumpster	☐	☑	☐
Landscaping/Maintenance	☐	☐	☑
Sprinkler System (including phone line)	☐	☑	☐
Pest Control	☐	☑	☐
INTERNET	☐	☑	☐
HOA FEES	☐	☑	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord represents and warrants that the heating, ventilation and air conditioning system(s) and utility installations existing as of the Lease Commencement Date shall be in good order and repair. Subject to the provisions of this paragraph 6, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

RULES AND REGULATIONS
7. The rules and regulations, if any, attached hereto ("Rules and Regulations") are made a part of this Lease. Tenant agrees to comply with any Rules and Regulations of Landlord in connection with the Premises which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by Landlord in its reasonable discretion, provided such Rules and Regulations are in writing and are not in conflict with the terms and conditions of the Lease.

PERMITTED USES
8. The permitted use of the Premises shall be: RESTAURANT, ICE CREAM SHOP ("Permitted Use"). The Premises shall be used and wholly occupied by Tenant solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Tenant obtains Landlord's prior written approval of any change in use. Landlord makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that Landlord does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Tenant at the Premises. At Tenant's sole expense, Tenant shall procure, maintain and make available for Landlord's inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Tenant's business in the Premises. Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors or nuisances.

TAXES AND INSURANCE
9. Landlord shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises and shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises as Landlord in its reasonable discretion may deem appropriate. Tenant shall reimburse Landlord for all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof. **If boxes are checked below, the manner of reimbursement shall be as indicated:**

Taxes

☐ The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year ____________ ; or

☑ All taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

If the final Lease Year of the term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the Premises for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease Year.

☑ If this box is checked, Tenant shall reimburse Landlord for taxes by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current tax payments for the Premises. Upon receipt of bills, statements or other evidence of taxes due, Landlord shall pay or cause to be paid the taxes. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of taxes paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by

Landlord. Landlord shall have no obligation to segregate or otherwise account for the tax reimbursements paid hereunder except as provided in this paragraph 9.

Insurance

☐ the excess cost of commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or

☐ the cost of all commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises.

☐ If this box is checked, Tenant shall reimburse Landlord for insurance by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current insurance premiums for the Premises. Upon receipt of bills, statements or other evidence of insurance premiums due, Landlord shall pay or cause to be paid the insurance premiums. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of insurance premiums paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the insurance premium reimbursements paid hereunder except as provided in this paragraph 9.

(Note: The following box should only be checked if there are no boxes checked above in this paragraph 9.)

☐ If this box is checked, Tenant shall have no responsibility to reimburse Landlord for taxes or insurance.

Provided however, notwithstanding any provision of the foregoing, that in the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

INSURANCE; WAIVER; INDEMNITY

10. (a) During the term of this Lease, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage and with coverage limits of not less than $1,000,000 combined single limit, per occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Tenant. Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to the Lease Commencement Date.

(b) Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant arising from any risk generally covered by the "all risks" insurance required to be carried by Landlord and Tenant. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

(c) Except as otherwise provided in paragraph 10(b), Tenant indemnifies Landlord for damages proximately caused by the negligence or wrongful conduct of Tenant and Tenant's employees, agents, invitees or contractors. Except as otherwise provided in paragraph 10(b), Landlord indemnifies Tenant for damages proximately caused by the negligence or wrongful conduct of Landlord and Landlord's employees, agents, invitees or contractors. The indemnity provisions in this paragraph 10 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations in this paragraph 10 shall survive the expiration or earlier termination of this Lease.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the buildings located on the Premises (exclusive of all glass and exclusive of all exterior doors) and, except as may be specifically allocated to Tenant in paragraph 12 herein, Landlord agrees to be responsible for capital repairs and replacements on the Premises; provided that Landlord shall not be responsible for repairs or capital repairs or replacements rendered necessary by the negligence or intentional wrongful acts of Tenant, its employees, agents, invitees or contractors. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair or replace and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

(Note: Should Landlord and Tenant need to further detail the allocation of responsibility hereunder, the Special Stipulations box at the end of the Lease should be checked and such allocation should be specified on an Exhibit B.)

REPAIRS BY TENANT

12. (a) Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, shall maintain in good order and repair the Premises, (except those repairs expressly required to be made by Landlord hereunder), specifically including but not limited to any building and other improvements located thereon, all light bulb and ballast replacements, plumbing fixtures and systems repairs within the Premises and water heater repairs. Tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping. Tenant shall use only licensed contractors for repairs where such license is required. Landlord shall have the right to approve the contractor as to any repairs in excess of $ 10,000 .

☐ If this box is checked, Tenant, at its expense, shall maintain the heating, ventilation and air conditioning system(s) in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that Tenant shall have obtained Landlord's prior written approval of the contractor and the repair or replacement expenses for heating, ventilation and air conditioning equipment, Tenant shall not be liable for more than $ ______________ (per occurrence) or $ ______________ (annually), and Landlord shall reimburse Tenant for the amount in excess of the stated amount upon the written request of Tenant.

☐ If this box is checked, Landlord, at its expense, shall maintain the heating, ventilation and air conditioning system(s) in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that, Tenant shall reimburse Landlord an amount up to $ ______________ (per occurrence) or $ ______________ (annually), and Landlord shall be responsible for the amount in excess of the stated amount. Tenant shall reimburse Landlord for the amount of Tenant's obligation hereunder upon the written request of Landlord.

(b) Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Tenant, Tenant's employees, agents, invitees or contractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph 12.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this paragraph 13 upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery, equipment or trade fixtures which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery, equipment or trade fixtures.

DESTRUCTION OF OR DAMAGE TO PREMISES

14. (a) If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

(b) If the Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 14(a) above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which Landlord receives applicable permits and insurance proceeds. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Tenant's sole remedy shall be to terminate this Lease.

(c) In the event of any casualty at the Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.

(d) In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

(e) In the event of the termination of this Lease under any of the provisions of this paragraph 14, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

GOVERNMENTAL ORDERS

15. Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time. Landlord and Tenant agree, however, that if in order to comply with such requirements the cost to Tenant shall exceed a sum equal to one (1) year's rent, then Tenant may terminate this Lease by giving written notice of termination to Landlord in accordance with the terms of this Lease, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements, unless, within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance, at its own expense, and commences compliance activity, in which case Tenant's notice given hereunder shall not terminate this Lease.

CONDEMNATION

16. (a) If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

(b) If more than twenty-five percent (25%) of the floor area of any building of the Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Premises is not one undivided space or is rendered unusable for the Permitted Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

(c) Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

(d) If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Premises.

Tenant Initials JPK ______ Landlord Initials ______

(e) Landlord shall be entitled to the entire condemnation award for any taking of the Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 16, provided Tenant's award does not reduce or affect Landlord's award and provided further, Tenant shall have no claim for the loss of its leasehold estate.

ASSIGNMENT AND SUBLETTING

17. Tenant shall not assign this Lease or any interest hereunder or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

18. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay when due the rental or any other monetary obligation as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any non-monetary obligation imposed upon Tenant under this Lease within thirty (30) days after written notice of such breach; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

19. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof. Tenant acknowledges and understands that Landlord's acceptance of partial rental will not waive Tenant's breach of this Lease or limit Landlord's rights against Tenant hereunder or Landlord's right to evict Tenant through a summary ejectment proceeding, whether filed before or after Landlord's acceptance of any such partial rental.

EXTERIOR SIGNS

20. Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the express written consent of the Landlord in Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

21. Landlord may advertise the Premises "For Rent" or "For Sale" 90 days before the termination of this Lease. Landlord may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs

to the Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

QUIET ENJOYMENT

22. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, subject to the terms hereof.

HOLDING OVER

23. If Tenant remains in possession of the Premises after expiration of the term hereof, Tenant shall be a tenant at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be **twice** the monthly rental otherwise payable under Paragraph 3 above.

ENVIRONMENTAL LAWS

24. (a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). Tenant shall remove from the Premises, all Hazardous Materials that were placed on the Premises by Tenant or Tenant's employees, agents, invitees or contractors, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) The warranties and indemnities contained in this paragraph 24 shall survive the termination of this Lease.

SUBORDINATION; ATTORNMENT; ESTOPPEL

25. (a) This Lease and all of Tenant's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from Landlord or any Landlord mortgagee, Tenant shall confirm such subordination by executing and delivering Landlord and Landlord's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to Landlord and Landlord's mortgagee. Provided, however, as a condition to Tenant's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall

not be divested by foreclosure or other default proceedings thereunder so long as Tenant shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Tenant acknowledges that any Landlord mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent.

(b) If Landlord sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Landlord mortgagee, upon the request of Landlord or Landlord's successor, Tenant shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Tenant shall, upon the request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, transfer or conveyance; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

(c) Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto noted in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

ABANDONMENT

26. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Tenant and left on the Premises, at the option of Landlord, shall be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

NOTICES

27. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof. All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

BROKERS

28. Except as expressly provided herein, Tenant and Landlord agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Tenant. Tenant and Landlord represent and warrant to each other that: (i) except as to the brokers designated below ("Brokers"), they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Tenant and/or the Landlord.

N/A

______________________________ ("Listing Agency"),
______________________________ ("Listing Agent" - License # ______________)
Acting as: ☐ Landlord's Agent; ☐ Dual Agent
and ______________________________ ("Leasing Agency"),
______________________________ ("Leasing Agent" - License # ______________)
Acting as: ☐ Tenant's Agent; ☐ Landlord's (Sub)Agent; ☐ Dual Agent

GENERAL TERMS

29. (a) "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 3, its heirs, representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

(b) No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

(c) **Time is of the essence in this Lease.**

(d) This Lease may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Lease may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Lease constitutes the sole and entire agreement among the parties hereto and no modification of this Lease shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Lease shall not affect the validity of any other provisions hereof and this Lease shall be construed and enforced as if such invalid provisions were not included.

(e) Each signatory to this Lease represents and warrants that he or she has full authority to sign this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Lease are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Lease.

(f) Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (memorandum of lease) in recordable form, setting forth such provisions hereof (other than the amount of annual rental and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.

(g) If legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

SPECIAL STIPULATIONS

☐ If this box is checked, additional terms of this Lease are set forth on **Exhibit B** attached hereto and incorporated herein by reference. **(Note: Under North Carolina law, real estate agents are not permitted to draft lease provisions.)**

TENANT IS RESPONSIBLE FOR ALL UPFIT COSTS.

Tenant Initials JPK ______ Landlord Initials ______ ______

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

LANDLORD:

Individual

____

Date: ______________________________

____

Date: ______________________________

Business Entity

195 NORTH TRADE, LLC
(Name of Firm)

By: [signature]

Title: MEMBER MANAGER

Date: 01-07-2023

TENANT:

Individual

____

Date: ______________________________

____

Date: ______________________________

Business Entity

MONROE SPORTS BAR LLC
(Name of Firm)

By: [signature]

Title: MANAGING MEMBER

Date: 01-07-2023

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO: City Council

VIA: Mark Watson, City Manager

DATE: January 2, 2024

FROM: Matthew Black, Downtown Director

PREPARED BY: Matthew Black, Downtown Director

SUBJECT: Economic Development Incentive Grant for Hayne Street Gastrolounge

SUMMARY STATEMENT

Downtown Advisory Board is requested to consider recommendation of the Downtown economic development incentive to City Council for Hayne Street Gastrolounge,109 S. Hayne Street.

REVIEW

Hayne Street Gastrolounge has signed a 5-year lease for 109 S. Hayne Street and is looking to open a new business in Downtown Monroe. The new business project costs total $355,000 and is located within Downtown Monroe's Central Business District.

Based on stipulations of the Economic development incentive grants City Council is requested to consider the following:

1. The PRONTO grant shall match (50/50) up to $5 per sq. ft. of the assessed sq. footage of 2000 or the max grant match of $10,000.00. Grant funds for the PRONTO is payable over a calendar quarter based on rent paid that quarter.

City will not advance grant funds until proof of rent has been completed each quarter. Once the applicant has submitted required documents as proposed; funds will be made available. Sufficient funding is available in the budget for these grants.

RECOMMENDATION

Staff recommends the Downtown Advisory Board make a motion to recommend approval of the economic development incentive grant to City Council.

Attachment(s):
Application

Downtown Monroe

Downtown Pronto Grant

Application

City of Monroe
Where Heartland Meets High Tech

CITY OF MONROE NORTH CAROLINA

Business Name: MONROE SPORTS BAR LLC
Property Owner: JOHN KELLY **Deed Book:** ________ **Page:** ____

Address of Proposed Downtown Business: 109 N HAYNE ST UNIT 100
Applicant's Mailing Address: 2631 LIVERY STABLE DR.
City: MATTHEWS State: NC Zip 28105
Applicant's Phone: 704 806 8455 **Email:** jpkanfield@outlook.com

Select Business Retail **Square Feet:** 5,000 **Amount Requested** $ 10,000

Approximate cost to open the business:	$355,000	**Number of new Jobs:** 15-20
Personal Investment	$355,000 (Equity)	**Expected daily traffic:** >150
Bank or other financial commitment	$ 0	**Other:**
Building Rehabilitation	$ 0	

Monthly Rent/Lease $ 7,500 Additional Space provided if

Expansion ________________ Sq. Ft.

Proposed Opening Date of the Business JAN 2024

Description of the Business
FULL SERVICE RESTAURANT AND BAR

Please attach the following items in order for City of Monroe to make an appropriate decision on an application: Letter of intent to lease or purchase or a signed lease/purchase contract contingent on receipt of incentives, Business Plan, Financials Statement and/or pro-forma, Marketing Plan, Cost estimates for upfit/equipping the space, Business/personal history.

Signatures: Business Owner: [signature] Date 11-20-2023

Property Owner: [signature] Date 11-20-2023

City of Monroe—Downtown Monroe
113 West Morgan Street Monroe, North Carolina 28112

Monroe Sports Bar LLC
dba Smorgansbord
Upfit costs 109 N Hayne Street unit 122, Monroe NC 28112

Name of vendor	Description of asset	Amount
Bliss Contracting	GC Monroe	35,000.00
Hood, PLLC	Architect Monroe	11,700.00
Cook and Boardman	New entry double doors	16,626.00
All Fire Services	New sprinkler system	23,026.00
City of Monroe	Permit fee	1,408.00
Union County	Permit fee	440.00
Charlotte Winnelson	Plumbing fittings	1,902.00
Fresh Air Technologies	Electrical demo	700.00
Charlotte Ceiling Contractors	New ceiling grid	11,885.00
Reymundo Ramirez	Concrete	2,500.00
Tile Shop	Bathroom tile	4,806.00
Floor and Décor	Floor tile	1,129.00
John Waller	Tiler	3,623.00
Union Mechanical	HVAC	2,000.00
Flooring Clearance Center	Laminate floor	9,499.00
Tim Lezette	Table tops	2,386.00
Webstaurant	Hand dryers	1,317.00
V&J Drywall	Drywall	15,000.00
Fasysigns	Sign	836.00
Lowes	Light tracks	2,566.00
As of November 20, 2023		148,349.00
Still to be billed		
Bliss Contracting	GC Monroe	2,000.00
Alex Phillips	Plumber	10,000.00
Trust Electrical	Electrician	20,000.00
		32,000.00
Estimated total		180,349.00

Monroe Sports Bar LLC
dba Smorgansbord
Budget

2024	Revenue	COS	Gross margin	Expenses	Net profit
January	20,009.97	(6,391.58)	13,618.39	(11,917.21)	1,701.18
February	26,244.58	(7,933.35)	18,311.23	(14,184.70)	4,126.53
March	36,560.49	(10,843.17)	25,717.32	(17,959.28)	7,758.04
April	33,468.29	(9,766.87)	23,701.42	(16,060.90)	7,640.52
May	38,231.32	(10,106.20)	28,125.12	(18,226.52)	9,898.60
June	40,584.16	(12,254.10)	28,330.06	(20,303.50)	8,026.56
July	34,048.74	(10,806.31)	23,242.43	(17,447.84)	5,794.59
August	38,286.96	(10,553.14)	27,733.82	(19,154.89)	8,578.93
September	36,116.48	(10,892.97)	25,223.51	(17,944.26)	7,279.25
October	34,708.23	(10,829.74)	23,878.49	(16,896.14)	6,982.35
November	26,965.73	(8,089.09)	18,876.64	(13,689.15)	5,187.49
December	26,200.28	(7,797.57)	18,402.71	(15,052.87)	3,349.84
	391,425.23	(116,264.09)	275,161.14	(198,837.26)	76,323.88

The above budget is based on actual results from EPD Matthews location in the first 12 months of operation.

Marketing plan

Leverage our existing customer base from various EPD locations.
Leverage existing Local Scoop customers who are already familiar with the ice cream offerings.
We will be active on social media and our website.

REALTORS® Commercial*Alliance*

REALTOR® *North Carolina Association of REALTORS®*

COMMERCIAL LEASE AGREEMENT
(Single Tenant Facility)

(Note: This form is not intended to be used as a Sublease and SHOULD NOT be used in Sublease circumstances)

THIS COMMERCIAL LEASE AGREEMENT, including any and all addenda attached hereto ("Lease"), is by and between ANFIELD INVESTMENTS LLC,
a(n) NORTH CAROLINA LLC ("Landlord"),
(individual *or* State of formation and type of entity)
whose address is 2631 LIVERY STABLE DR, MATTHEWS NC 28105, and
MONROE SPORTS BAR LLC DBA HAYNE STREET GASTRO LOUNGE,
a(n) NORTH CAROLINA LLC ("Tenant").
(individual *or* State of formation and type of entity)
whose address is 2631 LIVERY STABLE DR. MATTHEWS NC 28105

☐ If this box is checked, the obligations of Tenant under this Lease are secured by the guaranty of ______________________ (name(s) of guarantor(s)) attached hereto and incorporated herein by reference.
(Note: Any guaranty should be prepared by an attorney at law.)

For and in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

PREMISES
1. Landlord leases unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property, including any improvements located thereon (hereinafter called the "Premises"), to wit:

(Address): 109 N HAYNE STREET UNIT 114 MONROE NC 28112

☐ All ☐ A portion of the property in Deed Reference: Book ____________, Page No. ____________, ____________ County; consisting of approximately ____________ acres.

Plat Reference: Lot(s) ____________, Block or Section ____________, as shown on Plat Book or Slide ____________ at Page(s) ____________, ____________ County, consisting of ____________ acres.

☐ If this box is checked, Premises shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference.

(For information purposes only, the tax parcel number of the Premises is: 09-232-062-04)

TERM
2. The term of this Lease shall commence on DECEMBER 1, 2023 ("Lease Commencement Date"), and shall end at 11:59 p.m. (based upon the time at the locale of the Premises) on DECEMBER 31, 2033, unless sooner terminated as herein provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month immediately following the Lease Commencement Date and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

☐ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least 90 days prior to the end of the then expiring term of this Lease, for 1 additional term(s) of 5 years each.

☐ **Option to Lease-** If this box is checked, Tenant, upon the payment of the sum of $__________________ (which sum is not rental or security deposit hereunder, but is consideration for this Option to Lease and is non-refundable under any circumstances) shall have a period of ___________ days prior to the Lease Commencement Date ("Option Period") in which to inspect the Premises and make inquiry regarding such sign regulations, zoning regulations, utility availability, private restrictions or permits or other regulatory requirements as Tenant may deem appropriate to satisfy itself as to the use of the Premises for Tenant's intended purposes. Tenant shall conduct all such on-site inspections, examinations, inquiries and other review of the Premises in a good and workmanlike manner, shall repair any damage to the Premises caused by Tenant's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Landlord's or any tenant's use and enjoyment of the Premises. In that respect, Tenant shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to the tenant at the Premises of any entry onto the Premises for the purpose of conducting inspections. Upon Landlord's request, Tenant shall provide to Landlord evidence of general liability insurance. Tenant shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Premises and shall be entitled to review such books and records of Landlord that relate directly to the operation and maintenance of the Premises, provided, however, that Tenant shall not disclose any information regarding the Premises (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Tenant shall obtain their agreement to maintain such confidentiality. Tenant assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Option to Lease and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Tenant shall survive the termination of this Option to Lease or this Lease. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant's entry and on-site inspections. **IF TENANT CHOOSES NOT TO LEASE THE PREMISES, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO LANDLORD THEREOF PRIOR TO THE EXPIRATION OF THE OPTION PERIOD, THEN THIS LEASE SHALL TERMINATE AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATIONS HEREUNDER AND LANDLORD SHALL RETURN TO TENANT ANY RENTAL OR SECURITY DEPOSIT PAID TO LANDLORD HEREUNDER.** Tenant shall be deemed to have exercised its Option to Lease and to be bound under the terms of this Lease if (i) Tenant shall occupy the Premises prior to the expiration of the Option Period, whereupon the date of occupancy shall be deemed the Lease Commencement Date, or (ii) Tenant shall not provide written notice to Landlord of its termination of this Lease prior to the expiration of the Option Period.

RENTAL

3. Beginning on DECEMBER 1, 2023 ("Rent Commencement Date"), Tenant agrees to pay Landlord (or its Agent as directed by Landlord), without notice, demand, deduction or set off, an annual rental of $ 69,600, payable in equal monthly installments of $ 5,800, in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly installment of rental due, based upon a 30 day month.

☑ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every 1 Lease Year Anniversary by 3 % over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed, or

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every ________ Lease Year Anniversary by the greater of: (i) ______________________ percent (________ %) over the amount then payable hereunder, or, (ii) the percentage increase (but not any decrease) in the numerical index of the "Consumer Price Index for All Urban Consumers" (1982-84 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") for the immediately preceding twelve (12) month period over the amount then payable hereunder.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every ________ Lease Year Anniversary by $ __________________ over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed,

☐ If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:

____

____

____

Tenant Initials ________ ________ Landlord Initials JPK ________

LATE CHARGES

4. If Landlord fails to receive full rental payment within 5 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to 5 percent (%) of the overdue amount or $ ______ whichever is greater, plus any actual bank fees incurred for dishonored payments. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of $ ______ as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in this paragraph 5. If any of the rental or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made by Landlord on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant upon demand shall restore the security deposit to the amount set forth above in this paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned to Tenant within sixty (60) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

☐ If this box is checked, Agent shall hold the security deposit in trust and shall be entitled to the interest, if any, thereon.

UTILITY BILLS/SERVICE CONTRACTS

6. Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable bills prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Within thirty (30) days of the Lease Commencement Date, Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

Service Obligation	Landlord	Tenant	Not Applicable
Sewer/Septic	☑	☐	☐
Water	☑	☐	☐
Electric	☐	☑	☐
Gas	☐	☑	☐
Telephone	☐	☑	☐
HVAC (maintenance/service contract)	☐	☑	☐
Elevator (including phone line)	☐	☑	☐
Security System	☐	☑	☐
Fiber Optic	☐	☑	☐
Janitor/Cleaning	☐	☑	☐
Trash/Dumpster	☐	☑	☐
Landscaping/Maintenance	☐	☑	☐
Sprinkler System (including phone line)	☐	☑	☐
Pest Control	☐	☑	☐
INTERNET	☐	☑	☐
HOA ASSESSMENTS	☐	☑	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐
	☐	☐	☐

Tenant Initials ______ ______ Landlord Initials JPK ______

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord represents and warrants that the heating, ventilation and air conditioning system(s) and utility installations existing as of the Lease Commencement Date shall be in good order and repair. Subject to the provisions of this paragraph 6, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

RULES AND REGULATIONS

7. The rules and regulations, if any, attached hereto ("Rules and Regulations") are made a part of this Lease. Tenant agrees to comply with any Rules and Regulations of Landlord in connection with the Premises which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by Landlord in its reasonable discretion, provided such Rules and Regulations are in writing and are not in conflict with the terms and conditions of the Lease.

PERMITTED USES

8. The permitted use of the Premises shall be: RESTAURANT AND BAR, EVENT SPACE ("Permitted Use"). The Premises shall be used and wholly occupied by Tenant solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Tenant obtains Landlord's prior written approval of any change in use. Landlord makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that Landlord does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Tenant at the Premises. At Tenant's sole expense, Tenant shall procure, maintain and make available for Landlord's inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Tenant's business in the Premises. Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors or nuisances.

TAXES AND INSURANCE

9. Landlord shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises and shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises as Landlord in its reasonable discretion may deem appropriate. Tenant shall reimburse Landlord for all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof. **If boxes are checked below, the manner of reimbursement shall be as indicated:**

Taxes

☐ The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year ___________ ; or

☐ All taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

If the final Lease Year of the term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the Premises for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease Year.

☑ If this box is checked, Tenant shall reimburse Landlord for taxes by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current tax payments for the Premises. Upon receipt of bills, statements or other evidence of taxes due, Landlord shall pay or cause to be paid the taxes. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of taxes paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by

Landlord. Landlord shall have no obligation to segregate or otherwise account for the tax reimbursements paid hereunder except as provided in this paragraph 9.

Insurance

☐ the excess cost of commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or

☐ the cost of all commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises.

☑ If this box is checked, Tenant shall reimburse Landlord for insurance by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current insurance premiums for the Premises. Upon receipt of bills, statements or other evidence of insurance premiums due, Landlord shall pay or cause to be paid the insurance premiums. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of insurance premiums paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the insurance premium reimbursements paid hereunder except as provided in this paragraph 9.

(Note: The following box should only be checked if there are no boxes checked above in this paragraph 9.)
☐ If this box is checked, Tenant shall have no responsibility to reimburse Landlord for taxes or insurance.

Provided however, notwithstanding any provision of the foregoing, that in the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

INSURANCE; WAIVER; INDEMNITY

10. (a) During the term of this Lease, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage and with coverage limits of not less than $1,000,000 combined single limit, per occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Tenant. Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to the Lease Commencement Date.

(b) Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant arising from any risk generally covered by the "all risks" insurance required to be carried by Landlord and Tenant. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

(c) Except as otherwise provided in paragraph 10(b), Tenant indemnifies Landlord for damages proximately caused by the negligence or wrongful conduct of Tenant and Tenant's employees, agents, invitees or contractors. Except as otherwise provided in paragraph 10(b), Landlord indemnifies Tenant for damages proximately caused by the negligence or wrongful conduct of Landlord and Landlord's employees, agents, invitees or contractors. The indemnity provisions in this paragraph 10 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations in this paragraph 10 shall survive the expiration or earlier termination of this Lease.

Tenant Initials ________ ________ Landlord Initials JPK ________

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the buildings located on the Premises (exclusive of all glass and exclusive of all exterior doors) and, except as may be specifically allocated to Tenant in paragraph 12 herein, Landlord agrees to be responsible for capital repairs and replacements on the Premises; provided that Landlord shall not be responsible for repairs or capital repairs or replacements rendered necessary by the negligence or intentional wrongful acts of Tenant, its employees, agents, invitees or contractors. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair or replace and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

(Note: Should Landlord and Tenant need to further detail the allocation of responsibility hereunder, the Special Stipulations box at the end of the Lease should be checked and such allocation should be specified on an Exhibit B.)

REPAIRS BY TENANT

12. (a) Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, shall maintain in good order and repair the Premises, (except those repairs expressly required to be made by Landlord hereunder), specifically including but not limited to any building and other improvements located thereon, all light bulb and ballast replacements, plumbing fixtures and systems repairs within the Premises and water heater repairs. Tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping. Tenant shall use only licensed contractors for repairs where such license is required. Landlord shall have the right to approve the contractor as to any repairs in excess of $ ____________ .

☑ If this box is checked, Tenant, at its expense, shall maintain the heating, ventilation and air conditioning system(s) in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that Tenant shall have obtained Landlord's prior written approval of the contractor and the repair or replacement expenses for heating, ventilation and air conditioning equipment, Tenant shall not be liable for more than $ ____________ (per occurrence) or $ ____________ (annually), and Landlord shall reimburse Tenant for the amount in excess of the stated amount upon the written request of Tenant.

☐ If this box is checked, Landlord, at its expense, shall maintain the heating, ventilation and air conditioning system(s) in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that, Tenant shall reimburse Landlord an amount up to $ ____________ (per occurrence) or $ ____________ (annually), and Landlord shall be responsible for the amount in excess of the stated amount. Tenant shall reimburse Landlord for the amount of Tenant's obligation hereunder upon the written request of Landlord.

(b) Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Tenant, Tenant's employees, agents, invitees or contractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph 12.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this paragraph 13 upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery, equipment or trade fixtures which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery, equipment or trade fixtures.

DESTRUCTION OF OR DAMAGE TO PREMISES

14. (a) If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

(b) If the Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 14(a) above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which Landlord receives applicable permits and insurance proceeds. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Tenant's sole remedy shall be to terminate this Lease.

(c) In the event of any casualty at the Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.

(d) In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

(e) In the event of the termination of this Lease under any of the provisions of this paragraph 14, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

GOVERNMENTAL ORDERS

15. Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time. Landlord and Tenant agree, however, that if in order to comply with such requirements the cost to Tenant shall exceed a sum equal to one (1) year's rent, then Tenant may terminate this Lease by giving written notice of termination to Landlord in accordance with the terms of this Lease, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements, unless, within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance, at its own expense, and commences compliance activity, in which case Tenant's notice given hereunder shall not terminate this Lease.

CONDEMNATION

16. (a) If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

(b) If more than twenty-five percent (25%) of the floor area of any building of the Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Premises is not one undivided space or is rendered unusable for the Permitted Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

(c) Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

(d) If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Premises.

Tenant Initials ________ ________ Landlord Initials JPK ________

(e) Landlord shall be entitled to the entire condemnation award for any taking of the Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 16, provided Tenant's award does not reduce or affect Landlord's award and provided further, Tenant shall have no claim for the loss of its leasehold estate.

ASSIGNMENT AND SUBLETTING

17. Tenant shall not assign this Lease or any interest hereunder or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

18. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay when due the rental or any other monetary obligation as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any non-monetary obligation imposed upon Tenant under this Lease within thirty (30) days after written notice of such breach; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

19. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof. Tenant acknowledges and understands that Landlord's acceptance of partial rental will not waive Tenant's breach of this Lease or limit Landlord's rights against Tenant hereunder or Landlord's right to evict Tenant through a summary ejectment proceeding, whether filed before or after Landlord's acceptance of any such partial rental.

EXTERIOR SIGNS

20. Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the express written consent of the Landlord in Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

21. Landlord may advertise the Premises "For Rent" or "For Sale" 90 days before the termination of this Lease. Landlord may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs

to the Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

QUIET ENJOYMENT

22. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, subject to the terms hereof.

HOLDING OVER

23. If Tenant remains in possession of the Premises after expiration of the term hereof, Tenant shall be a tenant at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be **twice** the monthly rental otherwise payable under Paragraph 3 above.

ENVIRONMENTAL LAWS

24. (a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). Tenant shall remove from the Premises, all Hazardous Materials that were placed on the Premises by Tenant or Tenant's employees, agents, invitees or contractors, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) The warranties and indemnities contained in this paragraph 24 shall survive the termination of this Lease.

SUBORDINATION; ATTORNMENT; ESTOPPEL

25. (a) This Lease and all of Tenant's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from Landlord or any Landlord mortgagee, Tenant shall confirm such subordination by executing and delivering Landlord and Landlord's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to Landlord and Landlord's mortgagee. Provided, however, as a condition to Tenant's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall

not be divested by foreclosure or other default proceedings thereunder so long as Tenant shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Tenant acknowledges that any Landlord mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent.

(b) If Landlord sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Landlord mortgagee, upon the request of Landlord or Landlord's successor, Tenant shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Tenant shall, upon the request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, transfer or conveyance; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

(c) Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto noted in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

ABANDONMENT

26. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Tenant and left on the Premises, at the option of Landlord, shall be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

NOTICES

27. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof. All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

BROKERS

28. Except as expressly provided herein, Tenant and Landlord agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Tenant. Tenant and Landlord represent and warrant to each other that: (i) except as to the brokers designated below ("Brokers"), they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Tenant and/or the Landlord.

N/A ("Listing Agency"),
________ ("Listing Agent" - License # ________)
Acting as: ☐ Landlord's Agent; ☐ Dual Agent
and ________ ("Leasing Agency"),
________ ("Leasing Agent" - License # ________)
Acting as: ☐ Tenant's Agent; ☐ Landlord's (Sub)Agent; ☐ Dual Agent

GENERAL TERMS

29. (a) "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 3, its heirs, representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

Tenant Initials ________ Landlord Initials JPK ________

(b) No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

(c) **Time is of the essence in this Lease.**

(d) This Lease may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Lease may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Lease constitutes the sole and entire agreement among the parties hereto and no modification of this Lease shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Lease shall not affect the validity of any other provisions hereof and this Lease shall be construed and enforced as if such invalid provisions were not included.

(e) Each signatory to this Lease represents and warrants that he or she has full authority to sign this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Lease are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Lease.

(f) Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (memorandum of lease) in recordable form, setting forth such provisions hereof (other than the amount of annual rental and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.

(g) If legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

SPECIAL STIPULATIONS

☐ If this box is checked, additional terms of this Lease are set forth on **Exhibit B** attached hereto and incorporated herein by reference. **(Note: Under North Carolina law, real estate agents are not permitted to draft lease provisions.)**

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

LANDLORD:

Individual	**Business Entity**
______________________	ANFIELD INVESTMENTS LLC (Name of Firm)
Date: ______________________	
______________________	By: [signature]
Date: ______________________	Title: MANAGING MEMBER
	Date: 11-6-2023

TENANT:

Individual	**Business Entity**
______________________	MONROE SPORTS BAR LLC (Name of Firm)
Date: ______________________	By: [signature]
______________________	Title: DIRECTOR OF OPERATIONS
Date: ______________________	Date: 11-6-2023

STAFF REPORT

TO:	Downtown Advisory Board
VIA:	Mark Watson, City Manager
DATE:	January 2, 2024
FROM:	Matthew Black, Downtown Director
PREPARED BY:	Matthew Black, Downtown Director
SUBJECT:	Façade Incentive Grant for 104 S. Main Street

SUMMARY STATEMENT

104 S. Main Street, Façade Incentive Grant Application, Design Review.

REVIEW

Staff reviewed the façade application for 104 S. Main Street, on December 15, 2023

The following items were discussed as outlined in the drawings provided:

I. Install 3 windows and a door along Main Street
II. Install 4 windows on the south side
III. Install 2 windows and a door along the Stewart street side

This project is eligible for matching grant funds up to the qualifying $8,000.00, reimbursable upon compliance with grant requirements, guidelines, conditions and City permitting requirements.

RECOMMENDATION

Staff recommends approval of the Façade Incentive Grant

Attachment(s):
Grant Application

Downtown Monroe Facade Incentive Grant Application

City of Monroe
Where Heartland Meets High Tech

Owner's Name: Kerr Main, LLC **Date:** 10 / 30 / 2023
Owner's Mailing Address: **Phone:** 704.242.4110
104 S Main St
Monroe, NC 28112

Building Name:
Building Address:
Building's Physical Address:
104 S Main St Monroe NC 281112
Project Start: 11 / 13 / 2023
Project End: 11 / 30 / 2023

Project Description:
Install the 3 Windows and a door along Main st, 4 windows along the south side and 2 windows and a door along Stewart St as the original 1890s photo show

Project Cost: $ 25,300

Please attach the following:

1) Color photographs of existing conditions of proposed improvement area/historic photos (if available)
2) Samples of paint and wall coverings and floor coverings
3) Description of appliances, light fixtures, etc. to be installed
4) Written specifications outlining scope of work
5) Drawings of proposed renovations
6) Contractors estimate and NC License Number

INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED

Tenant's Name: Mike Calzaretta, Mike Morse **Phone:** 704.661.2729, 704.283.6333
Business Name: Rocko' Deli and Victory Shoe Repair Shop

By providing this **Grant Application** to the City of Monroe, I hereby certify for the company that all the information provided is true and correct. I also agree to cooperate with the City of Monroe by providing such information and such access to our records as may be necessary to verify the enclosed information. I also understand that any facts found to be incorrect or false, will be grounds for termination of the incentive grant agreement.

Authorized Corporate Signature: ______________ **Date:** 10 / 30 / 2023

Please Print Name and Title: James Kerr - Owner

City of Monroe—Downtown Monroe
113 West Morgan Street • Monroe, North Carolina 28112

FIG – Façade Improvement Grant

The **Façade Improvement Grant** (FIG), was created for the purpose of encouraging private investment in the restoration of building façades in downtown Monroe. The grant assists with the costs associated with exterior improvements of buildings that reside within the Central Business District and can significantly reduce these costs by as much as 50%, up to a limit of $4,000. There are many design restrictions, such as exterior colors and awning materials that ensure quality rehabilitation which preserves the architectural character that is unique to Downtown Monroe.

Any property owner of a building or tenant located within the Central Business District of the City of Monroe may apply for a FIG subject to the following:

1. The grant portion of the project must be for the exterior renovation of an existing building **only**.
2. The proposed project must meet all applicable zoning requirements.
3. All required permits (i.e. zoning, building, etc) must be obtained before work begins.
4. The proposed project follows the guidelines for renovation of historic structures or structures within historic districts as outlined herein.
5. At least three years have elapsed since the last grant was awarded and the property is in need of further improvements. Or Downtown Monroe, City of Monroe may judge a property eligible for an additional FIG if: (a) there is a change of property ownership, (b) maximum grant funds were not previously allocated, (c) the building undergoes significant expansion which requires improvement to the façade, or (d) a new business moves in and requires changes in the building's façade.

... the purpose of the program is to encourage private investment in the restoration of building façades

Examples of Eligible Projects may include:

- Canvas style awnings;
- Paint removal from brick surfaces by chemical and water wash methods only;
- Tuck-pointing of brick;
- Repairing cornices;
- Repair/replacement of windows and doors with compatible materials and design;

Procedure to receive a FIG

FIG applications may be submitted to the Downtown Monroe office at any time. Due to funding cycles, the award of grants begins with the fiscal year beginning July 1st of each year. Grants are awarded to eligible applicants until all funds are expended.

1. The Property Owner or Tenant submits a completed application, photographs, drawings, plans & specifications and contractors cost proposals to Downtown Monroe, City of Monroe. The package must be complete in order to qualify for funding.

2. Once Downtown Monroe, City of Monroe and the Design Committee reviews the project, the applicant will be notified of the status of the application. Construction may **not** begin until the project has been approved.

3. This is a cost reimbursement grant program. Grant monies will be approved upon completion of the project as certified by Downtown Monroe, City of Monroe that the work completed substantially conforms to the pre-approved plans and the project is eligible for the grant payments. Grant monies will be disbursed once the Downtown Monroe office receives copies of all invoices plus a copy of cancelled checks showing proof of payment and after the project has been inspected. It takes approximately two (2) weeks after approval of the project to receive reimbursement.

   Note: *The grant program provides funds for façade improvements. It is not just an awning grant. Funds will not be provided to one component of the façade renovation if another component is architecturally inappropriate.*

Guidelines:

1. *The Secretary of the Interior's Standards for Rehabilitation* and the *Supplementary Requirements for Development in the Central Business District* [City of Monroe Land Development Plan, Chapter 157.16] will be used as guidelines for awarding project reimbursements.
2. Rehabilitation of a structure in the Central Business District should be considered a contemporary solution, which respects the architectural and historical integrity of the

entire building while retaining those elements that enhance the building.

3. All rehabilitation design proposals must meet with the code requirements of the City of Monroe.
4. All projects must be completed within one (1) year of the date that the grant is awarded. Any extension beyond one (1) year must be requested by the owner and approved by Downtown Monroe or the funds may be rescinded.
5. FIG's may **only** be used to finance exterior improvements.
6. Upon completion, the improvements will be inspected and approved by the Downtown Monroe staff for determination of compliance as submitted in the application.

Selection Criteria

Grants are awarded on a 50-50 matching basis as follows:

1. A maximum grant of $4,000 per façade that faces a city or state maintained street.
2. Proposals for architectural improvements will be evaluated in terms of compliance with existing ordinances, innovation, context with the surrounding environment, scale, size, technical merit, and any other criteria that relates to the project and the impact on the visual and functional improvement of the district.

Projects meeting one or more of the following criteria will receive priority for funding:

1. Projects which restore or recreate the original façade of a building
2. Projects which front Main Street, Hayne Street, Jefferson Street, Franklin Street, Church Street, Charlotte Avenue, or Windsor Street.
3. Projects which improve the structural integrity of a historic building.

Secretary of the Interior's Standards for Rehabilitation

The U.S. Department of the Interior developed ten national standards that address the rehabilitation of historic buildings. The standards describe a hierarchy of appropriate preservation treatments, which encourages ongoing maintenance and protection of historic properties to minimize the need for more substantial repairs and, in turn, values repair over replacement of historic features.

The Secretary of the Interior's Standards are used in reviewing rehabilitation projects for federal and state Preservation Tax Incentives programs. The City of Monroe has agreed to adhere to these standards, where feasible, for rehabilitation within the South Monroe Historic District. The National Park Service first adopted these ten national standards for rehabilitation in 1076. The 1992 revised version follows:

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in a such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

<u>Monroe Code of Ordinances</u>

§ 157.16 THE CENTRAL BUSINESS DISTRICT.

(A) Goal: Restore the social, economic, and cultural vibrancy of downtown Monroe.

(B) Objectives:

(1) Protect the historic integrity and unique architectural characteristics of downtown;

(2) Encourage new and expanded small business and service uses in downtown; and

(3) Promote a pedestrian-friendly atmosphere in downtown.

(C) Strategies:

(1) Redevelop the site of the former Joffre Hotel with a use that is compatible with and furthers the goals of the downtown development program;

(2) Continue to support strong design standards for downtown development;

(3) Continue to lobby NCDOT for the western loop and other identified thoroughfare improvements to reduce the volume of through truck traffic;

(4) Encourage residential uses in Downtown Monroe, especially on the upper floors of buildings which otherwise would remain vacant;

(5) Examine the feasibility of widening existing sidewalks;

(6) Repair existing sidewalks and extend them where necessary to provide a comprehensive pedestrian network;

(7) Continue to maintain public spaces;

(8) Develop a policy to guide the use of public sidewalks for private enterprise;

(9) Resolve solid waste collection problems;

(10) Improve directional signs and enhance the gateways into downtown; and

(11) Identify new opportunities to provide public parking.

(D) Special Use Permits within the Central Business District shall adhere to the following policies:

(1) Awnings and canopies: When used, awnings and canopies shall be placed at the top of window openings and should relate to the shape of the top of the

window. Awnings should be made of canvas or treated canvas material. Vinyl or metal awnings are not appropriate. No awning should extend more than two-thirds the width of the sidewalk or nine feet, whichever is less. Awnings and canopies should be self-supporting from the wall; no supports should rest on or interfere with the use of pedestrian walkways or streets. In no case should any awning extend beyond the street curb or interfere with street trees or public utilities.

(2) Building presentation: Building entrances should face the street and be accessible from the public sidewalk. Any portion of a building facing an adjacent street right-of-way shall be considered a building front and should be subject to the presentation, entrance and fenestration requirements of this section, except that any building with three or more sides facing a street should only be required to designate two of these sides as building fronts and any building located on a through lot should only be required to designate one side as a building front. In any case where a lot has frontage on Main Street, Hayne Street, Jefferson Street, Franklin Street, Church Street, Charlotte Avenue, or Windsor Street, the side(s) of the building which face these streets should be designated as a building front and should be subject to the presentation, entrance and fenestration requirements of this section.

(3) Color: Additions and new construction should relate paint colors to natural material colors found on neighboring historic buildings. Contrasting colors, which accent architectural details and entrances, may be used.

(4) Fenestration: New construction and remodeling of existing buildings in the municipal service district shall maintain the prevalent pattern and spacing of the windows and doorways on downtown buildings built prior to 1950. Windows on the street level front of buildings should constitute at least twenty percent and not more than fifty percent of the front facade. Windows on subsequent levels should be a minimum of 15 square feet. Windows should be clear, transparent glass and should not be lower than two feet above grade. Double hung windows with a height-to-width ratio of 2:1 are preferred for upper stories. No such window or door should be horizontally separated by more than fifteen feet from the nearest other such window or door in the same facade. Frames and sashes for windows should be of wood, vinyl, or pre-finished metal and may have stone, brick, or cast concrete lintels and sills. Window glass should always be set back from the building face rather than flush.

(5) Front build-to line: The fronts of all new buildings constructed in the municipal service district should abut existing public sidewalks, where provided, except for outdoor café-type uses when a low wall or fence is carried across the right-of-way to continue the visual continuity of building faces.

(6) Horizontal rhythms: Downtown building patterns traditionally emphasized a strong horizontal design element. New construction and additions to or remodeling of existing buildings should maintain a clear visual division

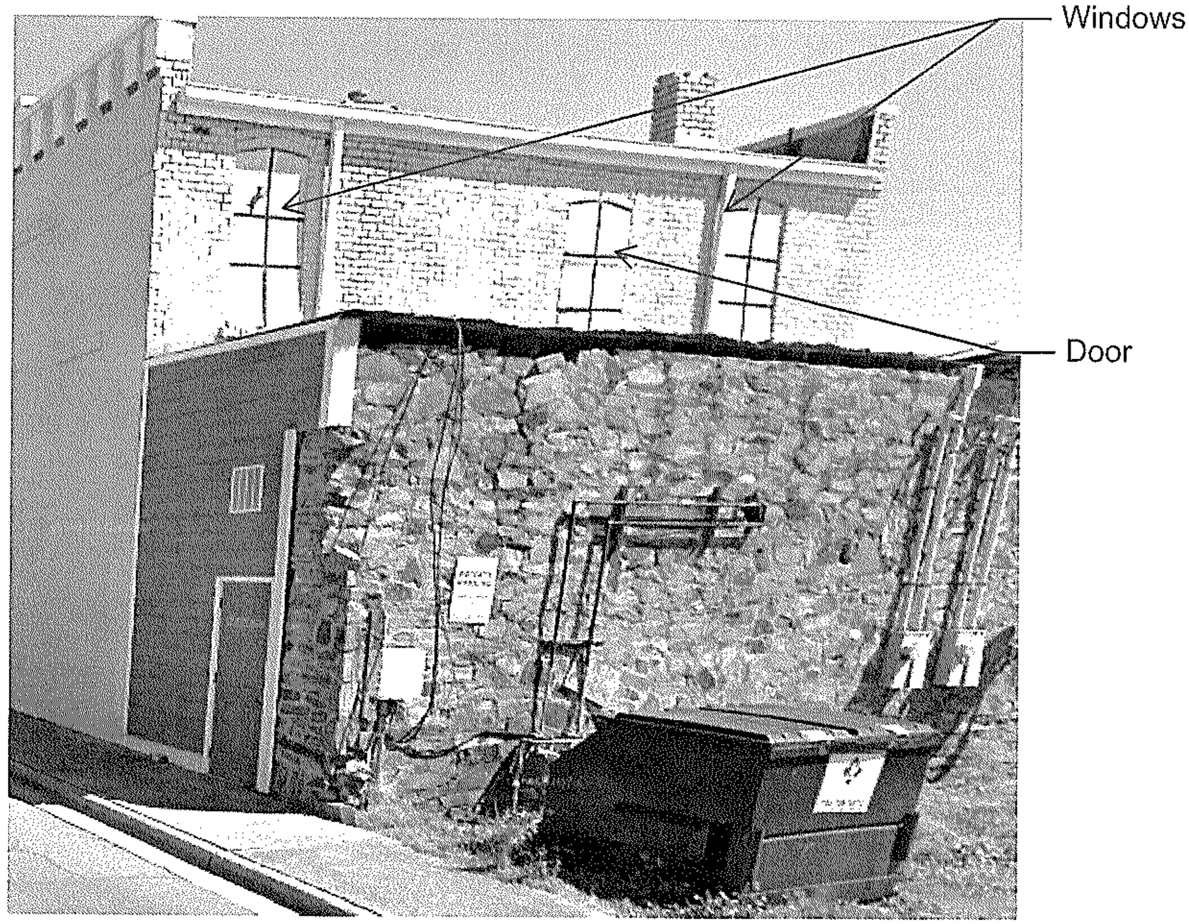
between street level and any upper floors. The division of floors may be accomplished by any historically significant architectural feature used to accomplish this effect.

(7) Materials: Facade materials found in the downtown district include wood, brick and stone. Additions and new construction should use facing materials that are compatible in quality, color, texture, finish, and dimension to those common in the downtown area on buildings constructed prior to 1950. Acceptable materials include, but may not be limited to, brick, stone or wood. Under no circumstances should metal siding, unfinished concrete block, or vinyl siding be allowed.

(8) Roofs: Additions and new construction using a flat pitch or low pitch roof design (anything under 3:12) must install parapet walls on all sides or cap the walls with a cornice treatment that provides articulation to the roofline.

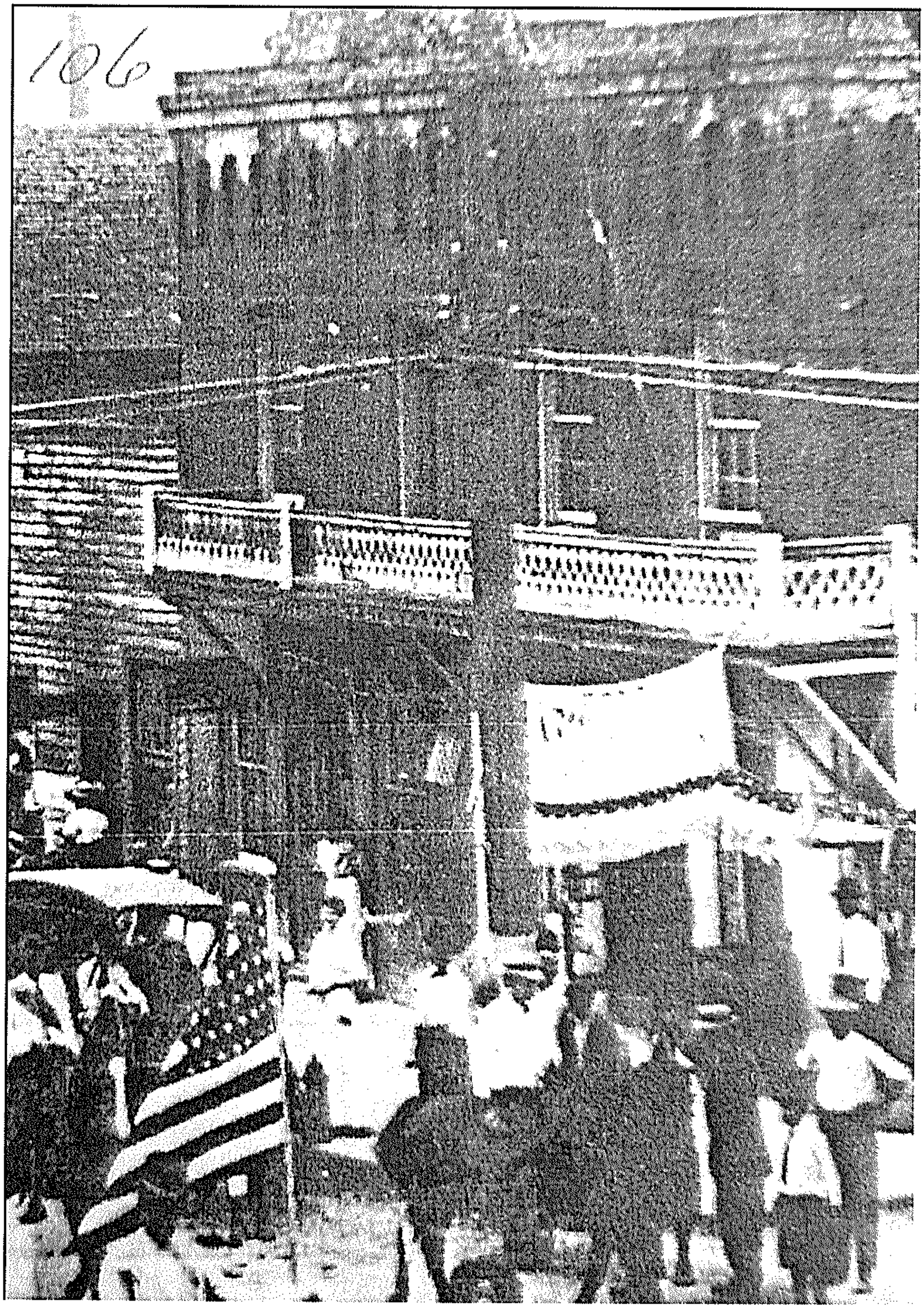
(9) Walls and entrances: Walls and entrances in the municipal service district shall be designed to encourage and complement pedestrian-scale activity. Recessed doorways at building fronts are required.
(Ord. O-2003-63, passed 12-16-03)

Main St View to front of building



Stewart St View to back of building

1890s Photo



Description/Scope or work and samples

DOORS - The 2 doors will be wood exterior 6 panel doors

WINDOWS - The 9 windows will be the Windosr Manufacture Pinnacle series double hung, window with white vinyl exterior and wood interior.

Masonry Demo - The window and door dimensions on the front facade (main St) will be opened back up to original dimensions. Any required fill-in will utilize original brick from the demo.

Contractors Estimate and License

Anson Group LLC - Brian Anson President, 704.441.3495, banson@ansongc.com Lic#99662

Estimate of Work:

Masonry Demo and Fill-in: $3,000
Window Install: $18,000
Door Install: $2,500
GCs and Fee: $1,800
TOTAL: $25,300