

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into on the date, between the parties and upon the terms and conditions hereinafter set forth.

- A. Date of Lease: **MAY 01, 2011**
- B. Parties:
- (i) Landlord: MMF REALTY, LLC,
a Rhode Island limited liability company
99 Main Street
P.O. Box 448
Warren, Rhode Island 02885
 - (ii) Tenant: Jim Peters
Kathline Carr
25 3rd. Street
Barrington, RI 02806
Warren, RI 02885
Tel: 401-289-2893
Tel: 860-318-5933
E-Mail: jim@jimpetersart.com
E-Mail: kscarr@cox.net
 - (iii) Guarantors: Jim Peters
Kathline Carr
- C. Term of Lease: Six (06) months commencing **May 01, 2011** and ending, **October 31, 2011** unless sooner terminated or renewed as provided below.
- D. Leased Premises: That portion of the building located at 91-105 Main Street, Warren, RI 02885, shown on the attached Exhibit A-1 consisting of approximately **600** square feet. The demised premises consist of a portion of the second floor of building 2.
- E. Purpose: **Arts studio and associated storage.**
- F. Base Rental: **\$450.00** per month for the first twelve months, payable monthly in advance. Rent is due and payable on the first

day of each month. A LATE FEE of \$50.00 will be charged on the tenth (10th) day after rent is due AND interest will be charged at the rate of 18% per annum (1.5% per month) on rent paid after the 10th day of the month.

G. Rental Increases:

None.

H. Additional Rent:

This is a "Gross" Lease. All heat and electric is included in the base rental rate. Any additional utilities such as Telephone or Internet are the tenant's sole responsibility.

Tenant must observe commonly accepted utility conservation practices to the satisfaction of the Landlord. Such practices include, shutting all lights when not in use, maintaining HVAC within acceptable limits, and adjusting HVAC settings for non-business hours.

I. Expenses of Parties:

Landlord shall be responsible for electricity, water, sewer, real estate taxes and casualty insurance on the Building and structural repairs to any portion of the Building (specifically, roof, HVAC, windows, appliances provided by Landlord, plumbing and electrical infrastructure) except to the extent caused by Tenant's negligence. Tenant shall be responsible for other utilities consumed on the Leased Premises, maintenance and non-structural repairs.

J. Security Deposit:

Tenant has given Landlord payment in advance for the term of this Lease. Accordingly, there is no formal security deposit held by Landlord. In the event that there is unrepaired and objectionable damage to the premises, by the tenant, Landlord will Notice tenant in writing and if damage remains unrepaired for thirty (30) days, Landlord may use any remaining rent toward correction of the specific damage and reduce tenant's Lease term accordingly.

K. Renewal:

Renewal will be upon conditions mutually acceptable to Tenant and Landlord. To the extent practicable, Landlord shall offer Tenant the same or comparable premises on the site for renewal.

L. Additional Provisions:

(1) As a condition of this Lease, Landlord must obtain a "Special Use Permit" from the Town of Warren Zoning Board of Review, allowing specifically, Jim Peters and Kathline Carr to use the demised premises as described in this Lease. If such Special Use Permit is denied, this Lease will become null and void, and all monies paid by Tenant to Landlord will be returned. Likewise there will be no damages or expenses paid from one party to the other as a result of such denial.

(2) Landlord asserts, and Tenant acknowledges, that the entire site is in

transition from a mixed use industrial/commercial site to a residential/commercial site. While at the time of the commencement of this Lease there is no imminent construction or schedule for renovations, it is anticipated that should renovations to the site commence during the term of this Lease, such construction may necessitate the temporary or permanent relocation of the tenant during the lease period. If that situation arises, Tenant may terminate this Lease on thirty days' notice or accept alternate space offered by the Landlord at another location on the first or second floor of the site. If an acceptable first or second floor, on-site alternate location is not found, Landlord shall move tenant's furnishings to the alternate space. If a mutually agreeable location is not found, the Lease will terminate and Landlord will return or apply as appropriate the security deposit and last month of rent. Such relocation or lease termination shall not be initiated to satisfy an alternative lessee.

TERMS AND CONDITIONS

1. PREMISES. Landlord hereby leases to Tenant the Leased Premises. Landlord also grants to Tenant the non-exclusive right to use the common areas associated with the Building and the Land (the "Common Areas"). The Common Areas shall include without limitation, pedestrian walkways, stairways, landscaped areas, sidewalks, service corridors, throughways and private roads servicing the Building. The Common Areas shall also include the parking facilities servicing the Building (the "Parking Area").

2. PURPOSE. The Leased Premises shall be used solely for the purpose set forth above and not for any unlawful purpose. Any use of the Leased Premises in violation of this provision may be enjoined by Landlord without prejudice to any other remedy therefore including eviction.

3. BUILDING RULES AND REGULATIONS. Tenant will conform to all reasonable rules and regulations now or hereafter established by the Landlord for the general comfort, convenience and safety of the Tenants of the complex, and for the reputation of the complex.

4. RENTAL. Tenant shall pay the rental set forth above in consecutive monthly installments, in advance, at the office of Landlord, on the first business day of each month during said term except that the rental for the first month of the Lease term shall be paid upon execution of this Lease Agreement. There will be a LATE FEE of **\$50.00** dollars charged on rent collected after the 10th day of the month for which the rent was due. In addition, there shall be an interest penalty of 18% per annum (1.5% per month) for any payments received by Landlord more than ten (10) days late. The rent for any partial month of the term shall be properly apportioned.

5. USE OF LEASED PREMISES. Demised premises are intended to be used by Tenant to operate his Antiques and Auction business which entail holding periodic sales events. These events and the ongoing daily business activities of the Tenant may be held on any day of the week and at any time of the day or night as long as they are properly permitted and comply with all applicable codes and ordinances. Tenant shall not cause or permit any waste or injury to the

Leased Premises and shall keep the Leased Premises free from any and all objectionable noises, odors, rubbish and debris. NO SMOKING PERMITTED. Tenant shall conform to all rules and regulations now or hereafter established by Landlord for the general safety, care and cleanliness of the Leased Premises and the preservation of good order therein. Tenant shall comply with and observe all statutes, ordinances, regulations, orders and/or decrees of the federal, state and city governments, or any departments, bureaus or agencies thereof. Tenant shall forever hold and keep Landlord harmless and indemnified on account of any loss, cost, damage or liability resulting from the violation by Tenant of any such statute, ordinance, regulation, order or decree or based on or in any way arising out of the use and occupancy of the Leased Premises by Tenant, including any nuisance to others resulting therefrom. Tenant shall not make any alterations in the Leased Premises without the written consent of Landlord, and if such consent be granted, any such alteration shall be made by Tenant in accordance with all applicable federal, state, and municipal laws, rules and regulations.

6. UTILITIES. Tenant shall pay for all utilities (other than gas, electricity, water and sewer which are Landlord's responsibility) consumed on the Leased Premises whether billed to Tenant directly by the utility company or by Landlord. Payments made to the Landlord more than ten (10) days after their due date will incur an interest penalty of 18% per annum, (1.5% per month).

7. MAINTENANCE, REPAIRS AND REPLACEMENTS. Tenant shall be responsible for all interior maintenance and repairs to the Leased Premises except for repairs for which Landlord is expressly responsible as provided herein. Landlord agrees to maintain the roof, structural portions of the building and foundations, and the components of the mechanical, electrical, HVAC and plumbing systems, except to the extent that any damage thereto is caused by Tenant's negligence, willful misconduct, misuse or abuse of that system or its components.

8. HEAVY MACHINERY. Tenant will not place in the premises such equipment that exceeds the floor load capacity of the space for which it is intended. Tenant's installation of any equipment shall be in conformance with manufactures recommendations and with Landlords consent and approval of means and methods of use and installation. Such installation shall be made in such a manner as to prevent vibration and noise and annoyance to occupants of the building.

9. PROPERTY LOSS OR DAMAGE. During the occupancy period, Tenant shall maintain in effect Personal Property Insurance covering leasehold improvements paid for by Tenant and Tenant's personal property and fixtures in, on or at the premises, in an amount not less than 90% full replacement cost providing protection against events protected under "Broad" or "Special" form as well as coverage against sprinkler damage, vandalism and malicious mischief. Proceeds from this policy in the event of a loss are to be used for repair and/ or replacement of property damaged or destroyed, unless this Lease is terminated under an applicable provision herein. If the premises are not repaired or restored following damage or destruction in accordance with other provisions herein, Landlord shall receive any proceeds from the Personal Property Insurance allocable to Tenant's leasehold improvements. Tenant agrees that insurance carried or required to be carried against loss or damage to property by fire, flood, earthquake or other casualty shall contain a clause whereby the insurer waives its right to subrogation against the other party, its directors, owners,

employees, volunteers and agents and further agrees to indemnify the Landlord against any loss or expense, including reasonable attorneys fees resulting from the failure to obtain such waiver.

10. ELIMINATION OF ODORS. Tenant shall install the proper and necessary equipment (in conformance with manufacturers, Landlords and jurisdictional authorities recommendations) to eliminate, insofar as may be necessary, odors incident to the Tenant's use of the premises so that such will not be offensive to other Tenants or surrounding property owners.

11. DISPOSAL OF WASTES. Tenant shall properly dispose of all their trash and waste. Tenant shall not unlawfully dispose of any fluids or materials into the plumbing or sewage systems of the property, nor dispose of or cause a release of any waste, upon the grounds of the property. Tenant shall save harmless and indemnify Landlord from and against any and all penalties and damages charged to or imposed upon Tenant or Landlord as a result of a violation by Tenant of any local, state federal, or any other jurisdictional authority rules, codes , laws or covenants.

12. INDEMNITY AND INSURANCE. Landlord and Tenant agree to save each other harmless from, and indemnify each other against, any and all injury, loss or damage of whatever nature to persons or property arising out of the use or occupancy of the Leased Premises, or out of any act, omission or negligence of the other or anyone claiming under the other. In the event that Tenant's operations cause an increase in the premium paid by Landlord for fire or extended coverage insurance, Tenant shall pay the increase directly due to Tenant's operations. Tenant will maintain, at its own expense, insurance to the extent required by Exhibit B. Tenant shall deliver to Landlord certificates of such insurance certifying that the same is in full force and effect. If not purchased by tenant as required by Exhibit B, such policies may be purchased by Landlord who shall thereupon render invoices to Tenant for the amount of the cost of such insurance which shall be promptly paid by Tenant. Such insurance shall be non-cancellable by the insurer without ten (10) days prior written notice to Landlord (except at the expiration of the term of such insurance, in which event the insurer shall notify both Landlord and Tenant in advance if it does not intend to renew such insurance). Tenant, and all parties claiming under it, release and discharge Landlord from all claims and liabilities, arising from or caused by any casualty or hazard covered or required hereunder to be covered, in whole or in part, by insurance on the Leased Premises or in connection with property on or activities conducted on the Leased Premises, and waives any right of subrogation which might otherwise exist in or accrue to any person against Landlord on account thereof.

13. SUBORDINATION. Provided Landlord's mortgagee delivers a non-disturbance/attornment agreement, this Lease is subject and subordinate to all mortgages which may now or hereafter affect the real property of which the Leased Premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagee. In confirmation of such subordination, Tenant shall execute promptly (within one week) any certificate that Landlord may reasonably request. If, in connection with obtaining financing for the Land or the Building, a bank, insurance or other recognized institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will

not unreasonably withhold, delay or defer its consent thereto.

14. QUIET ENJOYMENT. Tenant, paying the rent and performing all the covenants, terms and conditions in this Lease contained to be performed on the part of Tenant, may peacefully hold and enjoy the Leased Premises during the term hereof without any lawful let or hindrance by Landlord or any person claiming by, through or under it.

15. ASSIGNMENT. Tenant shall not assign, mortgage, pledge or otherwise encumber this Lease or its interest therein, or sublet the whole or any part of the Leased Premises, without obtaining on each occasion the consent in writing of Landlord. Consent by Landlord must not be unreasonably withheld. In case of any such assignment, the assignee shall assume in writing to Landlord the performance and observance of all the covenants, terms and conditions in this Lease contained, to be kept and performed on the part of Tenant, and such writing of assumption shall be delivered to Landlord simultaneously with said assignment. In the event of any such assignment or subletting, notwithstanding any assumption hereof by the assignee or subtenant, Tenant (including any Guarantor) shall remain primarily liable for the performance of all of the covenants, terms and conditions hereof.

16. DEFAULTS OF TENANT AND REMEDIES OF LANDLORD. In case of failure on the part of Tenant to pay the rent and all other charges herein provided (and it shall not be required that any demand shall be made for the same); or in case Tenant shall neglect or fail to perform or observe any of the other covenants, terms or conditions imposed upon Tenant by this Lease and fail to remedy said breach, within fifteen (15) days of the receipt of notice thereof from Landlord (or, if said default or omission complained of shall be of such a nature that the same cannot be completely cured or remedied within said fifteen (15) day period and if Tenant shall not have diligently commenced such cure within said fifteen (15) day period and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default); or in the event that Tenant makes an assignment for the benefit of creditors; or a petition is filed by or against Tenant to adjudicate it a bankrupt; or a debtor, reorganization, arrangement or similar petition or proceeding be filed by or against Tenant under any chapter or provision of the Bankruptcy Act; or in the event a receiver is appointed over the assets of Tenant or Tenant's leasehold interest or property shall be attached or levied upon, and such attachment or levy is not vacated and/or removed within thirty (30) days thereafter; or if the Leased Premises shall be deserted or vacated for a period of thirty (30) days or more; then in any of the above cases it shall be lawful for Landlord thereupon, or at any time thereafter at its option, and notwithstanding any waiver of any prior breach of any covenant, term or condition, to enter into and upon the Leased Premises or give notice to Tenant to vacate the same, and repossess the same as of its former estate, and to expel Tenant and those claiming by, through or under it, and remove its effects, utilizing all rights and powers available to Landlord at law or by process of law. In any such event Tenant shall indemnify and hold harmless Landlord against all loss of rent or other payments due hereunder or which Landlord may suffer by reason of such termination, including damages for anticipatory breach and attorneys fees. At the time of the termination or at any time thereafter, Landlord may rent the Leased Premises, and for a term which may expire after the expiration of the term of this Lease, without releasing Tenant from any liability whatsoever except to the extent of rent collected from a successor tenant through the expiration of this Lease, and Tenant shall be liable for any expenses incurred by Landlord,

including attorneys fees, in connection with collection from Tenant of any sums due, obtaining possession of the Leased Premises, removing from the Leased Premises property of Tenant and persons claiming under it (including warehouse charges), putting the Leased Premises into good condition for re-letting, and any re-letting, including, but without limitation, any differences in the rent to be paid, and brokers' fees; and any monies collected from any re-letting shall be applied first to the foregoing expenses and then to the payment of rent and all other payments due from Tenant to Landlord. Nothing in the foregoing paragraph shall preclude Landlord from applying any and all relief and or remedy to which Landlord is entitled under the terms of this lease.

17. ACCESS TO LEASED PREMISES. Landlord, and its agents, shall have the right to enter upon the Leased Premises or any part thereof, without charge, at all reasonable times to inspect the same, or for any other reasonable purpose. Landlord shall provide reasonable notice to tenant except in the case of an emergency. Landlord shall require that a code be provided to any security system installed by Tenant so that Landlord may access the demised premises in the event of an emergency.

18. NOTICE. All notices and other communications authorized or required hereunder shall be in writing and shall be given by mailing the same by certified or registered mail, return receipt requested, postage prepaid, to the parties at their addresses set forth above, or in either case, to such other person or at such other address as either party may hereafter designate by notice to the other party.

19. SECURITY DEPOSIT. Tenant has deposited with Landlord the sum set forth above as security for the full and faithful performance and observance by Tenant of all the covenants, terms and conditions herein contained to be performed and observed by Tenant, and Landlord may use, apply or retain the whole or any part of said security to the extent required for the payment of any rent or any sum as to which Tenant is in default in respect of any of the covenants, terms or conditions of this Lease. Said sum (to the extent permitted by law, without interest), or any balance thereof, shall be immediately returned to Tenant after the expiration of this Lease provided that Tenant shall have fully performed all of said covenants, terms and conditions. It is agreed that said security is not an advance payment of the rent herein reserved, and may not be applied to same by Tenant. In the event of a sale of the Land and Building, Landlord shall have the right to transfer the security to the purchaser, provided that such purchaser acknowledges and assumes the obligations of Landlord hereunder, and Landlord shall thereupon be released from all liability for the return of such security.

IN WITNESS WHEREOF, the parties have executed this Lease on the date set forth above.

WITNESSES:

LANDLORD:

MMF REALTY, LLC

By : _____

Its Manager

TENANTS:

Jim Peters

Kathline Carr

EXHIBIT A-1
(attached)

FAX: 401-247-5610

Warren, RI, 02885 SKruppa@pmindustries.net

KATHLINE CARR 07/08
31 BAKER ST 1ST FLOOR
WARREN, RI 02885

332

4/29/11
Date

57-12/115
06

Pay to the Order of MMP Realty LLC \$ 2700
Two thousand seven hundred & 00/100 Dollars

 **Citizens Bank**
Rhode Island

For Studio space



⑆0⑆⑆500⑆20⑆ 2097 462 01⑆ 0332

Harland Clarke

GUARDIAN SAFETY GREEN