

STATE OF NORTH CAROLINA
COUNTY OF ASHE

LEASE OF LAND AND BUILDING

This Lease Agreement made and entered into this the 1st day of July, 2025 by and between Ashe County (hereinafter called "Lessor"), and Southmountain Children and Family Services (hereinafter called "Lessee), both of Ashe County, North Carolina.

WITNESSETH:

That subject to the terms and conditions hereinafter set forth, Lessor does hereby let and lease unto Lessee and said Lessee does hereby accept as Lessee of Lessor a certain parcel of land together with the building, curtilage and other improvements thereon located at 2276 N.C. Hwy. 163, West Jefferson, NC.

This Lease shall begin as of the date hereof and, unless sooner terminated as herein provided, shall exist and continue for one (1) year thereafter, but it is expressly understood and agreed that if said Lessee should remain in possession of the demised premises after the termination of said term, he shall be considered as a tenant from month-to-month. The Lessees shall have the option of renewing this lease for an additional one (1) year term by mutual agreement.

As rental for said premises, Lessee shall pay to Lessor, and without notice or demand therefore, the sum of One and no/100ths Dollars (\$1.00) per year, payable on or before the beginning of the term.

During the term of this Lease, the County will pay for power, water and sewer and maintain insurance on the building. Lessee will be responsible for all maintenance and upkeep of the building, including any modifications necessary for their use and

purposes. Any modifications to the structure must be approved in advance by the Lessor. Lessee will be responsible for insurance on the contents, as well as general liability insurance, telephone, internet, and any other utilities not specifically agreed upon.

It is expressly agreed that this Lease is executed in order that Lessee may conduct upon the demised premises a facility providing a family and child services and that said premises shall not be put to any other use without the written consent of Lessor.

It is expressly agreed that this Lease is executed and accepted subject to all lawful zoning ordinances and regulations of the County of Ashe, now in force or hereafter adopted which in any manner affect the use of said premises.

If during the term of this Lease, the building on the demised premises is damaged by fire or other casualty in a minor degree, but not to such extent that it becomes necessary for Lessee to abandon the use of said premises, Lessor shall repair such damage as quickly as is reasonably possible. But if said building be damaged to such an extent that it is necessary for Lessee to abandon the use thereof, then and in that event this Lease shall terminate as of the date of such damage.

It is expressly agreed that if at any time during the term of this Lease Lessee should be adjudged bankrupt or insolvent by any Federal or State Court of competent jurisdiction, Lessor may at his option declare this Lease terminated and cancelled and take possession of said premises.

Lessee shall not assign this Lease or sublet any part of the demised property without the prior written consent of Lessor.

Provided all installments of rental theretofore due have been paid and all other conditions of this Lease have been properly complied with by him, Lessee may at his

option extend this Lease for an additional one (1) year term, by giving Lessor written notice of his intention so to do not later than the 60 days prior to expiration of the term; and in the event of such extension, all of the terms and conditions herein set out shall continue in full force and effect, except that the amount of the monthly rental to be paid during such extension shall be determined as follows: If the parties hereto cannot agree, each party shall select an arbitrator, and if these two cannot agree, they shall select a third, and the decision of any two of these three fixing a fair monthly rental to be paid for said premises during such extension shall be binding on both parties.

It is expressly agreed that if Lessee shall neglect to make any payment of rent when due or neglect to do and perform any matter or thing herein agreed to be done and performed by him, and shall remain in default thereof for a period of 30 days after written notice from Lessor calling attention to such default, Lessor may declare this Lease terminated and canceled and take possession of said premises without prejudice to any other legal remedy he may have on account of such default. Said notice may be given to the person at such time in charge of said premises or sent by registered mail, addressed to Lessee at 110 West Union Street, Morganton, NC 28655

If the whole of the demised premises shall be taken or condemned by competent authority in the exercise of the power of eminent domain, or deeded under threat thereof, this Lease shall cease and terminate on the date of such taking and the liability of their rent reserved under this Lease shall terminate on such date, and the Lessor shall be entitled to receive the entire condemnation award in such proceeding in respect of the demised premises, without deduction therefrom for any estate otherwise vested in the

Lessee by this Lease Agreement, and Lessee shall not receive any part of the award in such proceeding. If less than the whole of the building on the demised premises shall be taken or condemned by a competent authority in the exercise of the power of eminent domain, or deeded under threat thereof, and the remainder may easily continue to be used by Lessee, the Lessor shall proceed with reasonable diligence to alter and repair the demised premises so as to make them conform as nearly as possible to their condition on the beginning date of this Lease, provided that the Lessor shall not be required to spend for such purposes more than the net amount of the condemnation award received by the Lessor; and, provided further, that there shall be no abatement of the rent reserved hereunder except for an equitable adjustment thereof during the period required for the making of such alterations and repairs.

Anything herein to the contrary notwithstanding, it is agreed that Lessor shall in no event be deemed to be a partner of, or engaged in a joint venture with, or an associate of Lessee for any purpose whatsoever; nor shall Lessor be liable for any debts incurred by Lessee in the conduct of his business or otherwise. The relationship of the parties during the term of this Lease Agreement, shall at all times be only that of Lessor and Lessee.

Lessee will indemnify Lessor and save him harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury or damage to property occurring in or about, or arising out of, the demised premises, or occasioned wholly or in part by any act or omission of Lessee, his agents, licensees, concessionaires, customer or employees. In the event Lessor shall be made a party to any litigation, commenced by or against Lessee, his agents, licensees,

concessionaires, customers or employees, then Lessee shall protect and hold Lessor harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Lessor in connection with such litigation.

This Lease Agreement shall be considered to be the only agreement between the parties hereto pertaining to the demised premises. All negotiations and oral agreements acceptable to both parties are included herein. The laws of the State of North Carolina shall govern the validity, interpretation, performance and enforcement of this Lease Agreement.

In Testimony Whereof, said parties have executed this Lease Agreement in duplicate originals, one of which is retained by each of the parties.

LESSOR: County of Ashe

_____(SEAL)
Adam Stumb, County Manager

LESSEE: Southmountain Children and Family Services

_____(SEAL)
Chris Jernigan, CEO