

COMMERCIAL LEASE

THIS LEASE made 1st day of October, 2018, by and between STEPHEN G. ENNIS and REBECCA A. ENNIS, whose mailing address is 3033 Carbonton Rd., Carthage, NC 28327 and SOUTH MOUNTAIN CHILDREN & FAMILY SERVICES, whose address is P.O. Box 3387, Morganton, NC 28680, herein referred to as **LESSEE**.

RECITALS

1. Lessor is the sole owner of the premises described below, and desires to lease the premises to a suitable lessee for business purposes.
2. Lessee desires to lease the premises for the purpose of conducting a business of a family counselling services.
3. The Parties desire to enter a lease agreement defining their rights, duties and liabilities relating to the premises.

In consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION ONE SUBJECT AND PURPOSE

Lessor leases the building, including refrigerator, conference table, chairs, lighted exterior sign and monitor system, and land, located in the County of **Moore**, State of **North Carolina**, at 408 South McNeill Street., Carthage, NC 28327, to Lessee.

SECTION TWO TERM AND RENT

Lessor demises the above premises for a term of **THREE YEARS**, commencing the **1st day of October, 2018**, terminating on the **30th day of September, 2021, at 12:00 o'clock AM**, or sooner as provided herein, at the **monthly rental of ONE THOUSAND TWO HUNDRED DOLLARS (\$1200.00)**, per month, during the term of this Lease. There will be a late charge of **ONE HUNDRED DOLLARS** if rent is paid by the 10th day of the month, **TWO HUNDRED AND FIFTY DOLLARS** if rent is paid by the 15th. lease forfeit begins on the 25th day of an unpaid month. All rental payments shall be made to Lessor at the address specified above. Lessee shall pay the rent as specified herein and in Section Three hereof.

SECTION THREE OPTION TO PURCHASE

At the end of the lease term, or at any time prior to the end, Lessee shall have the option to purchase the subject property for the sum of One Hundred Ninety-Nine Thousand Dollars (\$199,000.00). Prior rental payments made to Lessor pursuant to the terms of this Lease **SHALL NOT** be applied or otherwise credited to the purchase price as set out above.

SECTION FOUR ALTERATIONS, ADDITIONS AND IMPROVEMENTS

Lessee may at any time during the lease term, subject to written approval by Lessor and at his/her own expense, make any alterations, additions or improvements in and to the demised premises and the building. Alterations shall be performed in a workmanlike manner and shall not waken or impair the structural strength, or lessen the value, of the building on the premises, or change the purposes for which the building, or any part thereof, may be used.

SECTION FIVE REPAIRS

Lessee shall, at all times during the Lease and at its own expense, repair, replace and maintain in a good, safe and substantial condition, all buildings and any improvements, additions and alterations thereto, and exterior yard maintenance, on the demised premises, and shall use all reasonable precaution to prevent waste, damage or injury to the demised premises. Lessor shall maintain the building exterior, roof, hot water heater(s) and HVAC system.

SECTION SIX UTILITIES

All applications and connections for necessary utility services on the demised premises shall be made in the name of Lessee only and Lessee shall be solely liable for utility charges as they become due, including those for sewer, gas, electricity and telephone services.

SECTION SEVEN INSURANCE

During the term of the Lease and for any further time that Lessee shall hold the demised premises, Lessor shall maintain insurance for the building. Lessee shall be responsible for insurance on Lessee's property within the building.

SECTION NINE DEFAULT

In the event of any default hereunder, rights of Lessor shall be as follows:

- (1) Lessor shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Lessee hereunder, by giving to Lessee not less than **30 DAY** notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title and interest of Lessee hereunder, shall terminate in the same manner and with the same force and effect, except as to the Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.
- (2) Lessor may re-enter the premises immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessor, at the expense of Lessee. After re-entry Lessor may terminate the Lease on giving **30 DAYS** written notice of termination to Lessee.

SECTION TEN GENERAL TERMS AND PROVISIONS

- (1) Lessee shall permit Lessor or its agents to enter the demised premises at all reasonable hours to inspect the premises or make repairs that Lessee may neglect or refuse to make in accordance with the provisions of this Lease, and also to show the premises to prospective buyers. At any time within one year prior to expiration of the term, Lessor may show the premises to persons wishing to rent the premises. Lessee shall, within **6 MONTHS** prior to expiration of the term, permit the usual notices of "For Rent" and "For Sale" to be placed on the demised premises and to remain thereon without hindrance and molestation.

- (2) At the commencement of the term Lessee shall accept the buildings and improvements and any equipment in their existing condition and state of repair, and Lessee agrees that no representations, statements or warranties, expressed or implied, have been made by or on behalf of Lessor in respect thereto except as contained in the provisions of this Lease, and Lessor shall in no event be liable for any latent defects.
- (3) The failure of Lessor to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of rights or remedies that Lessor may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.
- (4) All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent by registered or certified mail, postage paid and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mails in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.
- (5) Lessee shall not assign, mortgage, pledge or encumber this Lease or sublet the demised premises in whole or in part, or permit the premises to be used or occupied by others, nor shall this Lease be assigned or transferred by operation of law, without the prior consent in writing of Lessor in each instance.
- (6) This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors and assigns of both parties.

- (5) Lessee shall not assign, mortgage, pledge or encumber this Lease or sublet the demised premises in whole or in part, or permit the premises to be used or occupied by others, nor shall this Lease be assigned or transferred by operation law, without the prior consent in writing of Lessor in each instance
- (6) This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors and assigns of both parties.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

**SOUTHMOUNTAIN CHILDREN & FAMILY
SERVICES**

By: 

W. CHRIS JERNIGAN
Executive Director
LESSEE


STEPHEN G. ENNIS - LESSOR

(SEAL)


REBECCA A. ENNIS - LESSOR

(SEAL)