

Ashley Honeycutt

From: Ashley Honeycutt
Sent: Wednesday, October 13, 2021 8:49 AM
To: Ashley Honeycutt
Subject: FW: Email for Ashe Co Attorney John Kilby
Attachments: ACC_ACAC Merger Agreement DRAFT.pdf; ACC_ACAC County Lease Assignment DRAFT.pdf; Ashe Civic Center Lease with County signed w A and C.pdf

From: Larry Massey [<mailto:lpm999@yahoo.com>]
Sent: Wednesday, October 6, 2021 7:47 PM
To: sandy@khhattys.com
Cc: Lynn Rees-Jones <lynnreesjones@yahoo.com>; Wesley Barker <wesleybarker@skybest.com>; Adam Stumb <adam.stumb@ashecountygov.com>; Todd McNeill <toddmcneill@ashecountygov.com>
Subject: Email for Ashe Co Attorney John Kilby

⚠ External Email: Do not click links or attachments unless you recognize the sender and know the content is safe.

Sandy, please direct this email and attachments to Mr. Kilby. Thank you!

Mr. Kilby,

As you know, the county's civic center facility is leased long-term to the Ashe Civic Center non-profit which manages and maintains the facility as called for under the lease. We receive funding from the county's occupancy tax, as does the Ashe County Arts Council. As part of this fiscal year's budget process, County Manager Stumb, at the Board of Commissioners' request, made a recommendation to both organizations that we consider merging our groups, as our missions, volunteers, and staffing are so interconnected and related. Both the Civic Center and Arts Council boards have approved a merger in concept and we are moving forward to hopefully have this complete by December 31st.

The merger will result in the Ashe County Arts Council, Inc. remaining as the surviving entity. As such, we need to assign that lease we have with the county to the Arts Council. To that end, we have drafted a "Merger Agreement" and "Assignment and Assumption of Lease" agreement (copies attached). In order to assign this leasehold to the Arts Council, we do need the county's Manager to give consent.

Would you be so kind as to do a quick review of the attached documents, with a particular eye toward the "Consent to Assignment and Assumption of Lease" at the end of the Lease Assignment to ensure the form is sufficient to allow Manager Stumb to sign off on the assignment? Once approved by your office, these drafts will put before our respective Boards for approval to execute. We will then send the assignment over to Manager Stumb for his signature.

We hope you find everything in order. Should you wish to discuss, I would be happy to run by your office at your convenience. If you find these documents sufficient for our respective needs, please let us know at your earliest convenience and we will diligently proceed to get all finalized by the end of the year.

Most respectfully,

Larry Massey
Vice President, Ashe Civic Center
Cell 919-601-9957

Copy: Lynn Rees-Jones, Ashe Civic Center President
Wesley Barker, Ashe County Arts Council President
County Manager Stumb
Ashe BOC Chair McNeill

STATE OF NORTH CAROLINA

COUNTY OF ASHE

MERGER AGREEMENT

This MERGER AGREEMENT is entered into this _____ day of October, 2021 by and between the ASHE CIVIC CENTER, a not-for-profit corporation incorporated under the laws of the state of North Carolina (hereinafter CIVIC CENTER), and the ASHE COUNTY ARTS COUNCIL, INC., a not-for-profit corporation incorporated under the laws of the state of North Carolina (hereinafter ARTS COUNCIL).

WHEREAS, both CIVIC CENTER and ARTS COUNCIL support the Arts and other public entertainment and Arts education in Ashe County, North Carolina and desire to consolidate operations and management of their respective organizations in order to streamline operations and provide a more singular source for Arts related activities and the use and maintenance of the county's civic center.

WHEREAS, CIVIC CENTER currently holds a leasehold interest until 2030 (with renewal rights) from the County of Ashe (copy of said lease attached hereto and made part of this MERGER AGREEMENT) and desires to transfer and assign its leasehold interest to the ARTS COUNCIL.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. This MERGER AGREEMENT shall be governed by the laws of the state of North Carolina.
2. The effective date of this MERGER AGREEMENT shall be January 1, 2022. The parties hereto acknowledge and anticipate there will be legal and business obligations that may extend beyond the effective date and agree to cooperate fully to finalize all remaining business of the CIVIC CENTER at the earliest possible date.
3. Upon the effective date of the MERGER AGREEMENT, the ARTS COUNCIL shall remain as the surviving entity and the CIVIC CENTER shall within ten (10) days after the effective date commence the process to close the CIVIC CENTER corporation in accordance with North Carolina General Statutes related to the dissolution of corporations and IRS regulations.

4. CIVIC CENTER agrees to transfer all assets including all funds in its corporate bank account to the ARTS COUNCIL on or before the effective date. Should additional obligations or outstanding invoices of the CIVIC CENTER become known after the effective date, ARTS COUNCIL shall promptly pay or otherwise settle said obligations and invoices within thirty (30) days of receipt from the CIVIC CENTER.
5. CIVIC CENTER currently receives financial support of approximately One Hundred Five Thousand (\$105,000) Dollars annually from the County of Ashe. It is anticipated this funding will continue but will be paid by the County of Ashe to the ARTS COUNCIL on behalf of the CIVIC CENTER after the effective date of this MERGER AGREEMENT.
6. ARTS COUNCIL agrees to assume full responsibility without limitation for all obligations under the lease between the County of Ashe and CIVIC CENTER as referenced above.
7. On or before the effective date of this MERGER AGREEMENT, the parties hereto agree to execute an assignment of lease effectively transferring the leasehold interest in the county's civic center facility from the CIVIC CENTER to the ARTS COUNCIL. Said assignment shall be submitted to the County of Ashe's County Manager for his/her consent to the assignment. Should for any reasons the County of Ashe deny their consent to this assignment, this MERGER AGREEMENT shall become null and void without further obligations by either party hereto.
8. The CIVIC CENTER owns stage lighting and sound systems which are used during performances at the facility. As of the effective date of this MERGER AGREEMENT, all CIVIC CENTER owned equipment, fixtures, and supplies located at the facility shall vest fully to ARTS COUNCIL.
9. On or before the effective date of this MERGER AGREEMENT, the parties hereto agree to transfer all utilities and service contracts from CIVIC CENTER to ARTS COUNCIL. CIVIC CENTER shall also assign to ARTS COUNCIL its interest in a certain Use Agreement dated June 11, 2021 between CIVIC CENTER and Ashe County Little Theatre, Inc.
10. ARTS COUNCIL agrees to maintain records and an accounting of all funding received from the County of Ashe and expenditures according to GAAP. Within ninety (90) days of the end of each respective fiscal year (July through June) of the ARTS COUNCIL, ARTS COUNCIL shall provide a report to the County of Ashe with sufficient detail to properly account for the disbursement and/or reservation of the previous fiscal year's financial contribution by the county.
11. Both parties hereto agree to hold harmless each other from all liabilities created by the assumption of the leasehold.
12. As the purpose of this merger is to consolidate and streamline the membership and operations of the CIVIC CENTER and the ARTS COUNCIL, ARTS COUNCIL shall no later

than the effective date make changes to its by-laws (if required by law) in order to increase the number of Board of Director seats by four (4). Said four (4) new director seats shall be filled by current members of the CIVIC CENTER Board of Directors. It is anticipated and agreed that a number of current CIVIC CENTER board members shall also be allowed to join one or more ARTS COUNCIL committees. It is further understood and agreed that the ARTS COUNCIL shall create two new standing committees and said new committees shall be the "Civic Center Committee" and "Facilities and Maintenance Committee".

13. This MERGER AGREEMENT and the provisions hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.
14. All notices or other correspondence required under this MERGER AGREEMENT shall be sent in writing from one party to the other via United States postal service and delivered to 303 School Avenue, West Jefferson, NC 28694.
15. This MERGER AGREEMENT embodies the entire understanding of the parties hereto and there are no other agreements or understandings written or oral in effect between the parties relating to the subject matter hereof unless expressly referred to by reference herein. This MERGER AGREEMENT may be amended or modified only by an instrument of equal formality signed by the parties or their duly authorized agents.

THE parties hereto do agree and with authority granted to them by their respective Boards of Directors do apply their seal as of the date first written above.

Ashe Civic Center

By: _____
Lynn Rees-Jones, It's President

Witness: _____

(print name) _____

Ashe County Arts Council, Inc.

By: _____
Wesley Barker, It's President

Witness: _____

(print name) _____

STATE OF NORTH CAROLINA

COUNTY OF ASHE

ASSIGNMENT AND ASSUMPTION OF LEASE

This ASSIGNMENT AND ASSUMPTION OF LEASE is made and entered into this _____ day of October, 2021 by and between ASHE CIVIC CENTER, a not-for-profit corporation incorporated under the laws of the state of North Carolina (hereinafter referred to as "Assignor") and the Ashe County Arts Council, Inc. (hereinafter referred to as "Assignee").

WHEREAS, on March 7, 2005, the COUNTY OF ASHE, a governmental authority organized under the laws of the state of North Carolina (hereinafter COUNTY) and ASHE CIVIC CENTER, a not-for-profit corporation incorporated under the laws of the state of North Carolina (hereinafter CIVIC CENTER) entered into a Lease (hereinafter LEASE) for the operation and management of the County's civic center facility located at 962 Mount Jefferson Road, West Jefferson, NC 28694, a copy of which is attached hereto and made part of this ASSIGNMENT AND ASSUMPTION OF LEASE.

WHEREAS, the CIVIC CENTER and the Ashe County Arts Council, Inc. (hereinafter ARTS COUNCIL) plan to merge and otherwise combine their non-profit organizations in order to consolidate operations and management of their respective organizations and to streamline operations and provide a more singular source for Arts related activities in Ashe County, North Carolina, and the use and maintenance of the county-owned civic center.

WHEREAS, the CIVIC CENTER and ARTS COUNCIL have executed a Merger Agreement (copy attached hereto and made part of this ASSIGNMENT AND ASSUMPTION OF LEASE) and desire to transfer all leasehold interest in the county-owned civic center from the CIVIC CENTER to the ARTS COUNCIL.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Subject to written consent and approval from the COUNTY, the "Assignor" CIVIC CENTER does hereby assign to "Assignee" ARTS COUNCIL all of its right, title and interest in and to the LEASE including any and all prepaids and other rights or entitlements of

"Assignor" under the LEASE, subject to all of the terms, covenants, conditions and provisions of the LEASE.

2. The effective date of this ASSIGNMENT AND ASSUMPTION OF LEASE shall be January 1, 2022.
3. From and after the effective date hereof, "Assignee" ARTS COUNCIL hereby assumes, covenants, and agrees to keep and perform each and every obligation of "Assignor" CIVIC CENTER under the LEASE. "Assignee" ARTS COUNCIL agrees to be bound by each and every provision of the LEASE as if it had executed the same and to hold harmless "Assignor" CIVIC CENTER from any and all obligations and liability arising after the effective date of the Merger Agreement.
4. "Assignor" represents and warrants to "Assignee" that:
 - (a) The LEASE is in full force and effect and unmodified;
 - (b) "Assignor" CIVIC CENTER's interest in the LEASE is free and clear of any liens, encumbrances or adverse interests of third parties;
 - (c) "Assignor" CIVIC CENTER possesses the requisite legal authority to assign its interest in the LEASE as provided herein.
 - (d) There are no sums due and owing by "Assignor" under the LEASE as of the effective date hereof with the exception of final utility billings, and there exists no condition of default thereunder.
5. This ASSIGNMENT AND ASSUMPTION OF LEASE shall be governed by and construed in accordance with the laws of the state of North Carolina and each of the parties hereto submits to the non-exclusive jurisdiction of the courts of the state of North Carolina in connection with any disputes arising out of this ASSIGNMENT AND ASSUMPTION OF LEASE.
6. This ASSIGNMENT AND ASSUMPTION OF LEASE and the provisions hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.
7. All notices or other correspondence required under this ASSIGNMENT AND ASSUMPTION OF LEASE shall be sent in writing from one party to the other via United States postal service and delivered to 303 School Avenue, West Jefferson, NC 28694.
8. This ASSIGNMENT AND ASSUMPTION OF LEASE embodies the entire understanding of the parties hereto and there are no other agreements or understandings written or oral in effect between the parties relating to the subject matter hereof unless expressly referred to by reference herein. This ASSIGNMENT AND ASSUMPTION OF LEASE may be amended or modified only by an instrument of equal formality signed by the parties or their duly authorized agents.

IN WITNESS WHEREOF, the parties hereto have executed this ASSIGNMENT AND ASSUMPTION OF LEASE on the date first above written.

ASSIGNOR:
ASHE CIVIC CENTER

ASSIGNEE:
ASHE COUNTY ARTS COUNCIL, INC.

By: _____
Lynn Rees-Jones, It's President

By: _____
Wesley Barker, It's President

Witness: _____

Witness: _____

(print name) _____

(print name) _____

CONSENT TO ASSIGNMENT AND ASSUMPTION OF LEASE

By the authority and power vested to me by the County of Ashe (North Carolina), I, Adam Stumb, County Manager for said County, do hereby express and give consent to the Ashe Civic Center for the assignment of the above-referenced Lease to the Ashe County Arts Council, Inc. Upon the effective date of said ASSIGNMENT AND ASSUMPTION OF LEASE, all obligations and rights of Ashe Civic Center due under the Lease shall cease and Ashe County Arts Council, Inc. shall assume all obligations and rights under said Lease, including any funding provided by the County of Ashe for the maintenance, management, and operation of the county-owned civic center.

COUNTY OF ASHE (North Carolina)

By: _____
Adam Stumb, County Manager

Date: _____

Witness: _____

(print name) _____

STATE OF NORTH CAROLINA

COUNTY OF ASHE

This Lease made and entered into as of this 7th day of March 2005, by and between County of Ashe and Ashe Civic Center, Inc.

RECITALS/STATEMENT OF PURPOSE

Lessor is the owner of the Ashe Civic Center located at West Jefferson North Carolina (the "Building"), and the land on which it is located, which together are referred to as the "Property". Lessee has agreed to lease the building and the land on which it is located, which shall be referred to herein as the "Property" and the purpose of this Lease is to set forth the terms and conditions of such agreement.

The building and the land, (the Property), is shown on Exhibit A attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the Property as set forth in the Recitals/Statement of Purpose above and the mutual covenants and agreements hereinafter set forth, the parties do hereby agree as follows:

1. Leased Property and Personal Property. Lessor leases to Lessee and Lessee leases from Lessor the Property, and, if any personal property is included in this Lease, the same shall be set forth on Exhibit B attached hereto and made a part hereof.
2. Term and Option to Renew. The term of this Lease shall begin on March 7, 2005 and shall end at midnight on March 6, 2030. Lessee shall have the option to renew this Lease on the same conditions as herein set forth for an additional period of twenty-five (25) years with the fee to be negotiated at the time of such renewal. Lessee shall give

written notice of its desire to extend this Lease at least 90 days prior to the annual renewal date, whereupon Lessee and Lessor shall commence negotiations to determine the fee for the renewal term.

3. Terms. The Lease Agreement shall be for a twenty-five year period for the sum of one dollar per year, or a total of twenty-five dollars (\$25.00), payable in advance.

4 Signage. Lessee shall obtain Lessor's express written approval of any signage, which Lessee desires to erect on the Property and upon obtaining such approval said signage shall be erected at the sole cost of Lessee.

5. Insurance.

a. Lessee's Responsibility: Lessee is responsible for maintenance of comprehensive, general, and public liability insurance for its' use of the Property for personal injury and damage in an amount and with coverage satisfactory to and approved by Lessor.

b. Evidence of Insurance: Lessee will provide Lessor with certificates evidencing the coverages of all insurance policies carried by Lessee.

c. Lessor's Responsibility: Lessor maintains insurance for building and property (Property), to exclude personal property contained within the building.

6. Lessee Upfitting. Any improvements or decorations installed by Lessee shall be at the sole cost of Lessee and shall become the property of Lessor at the termination of this Lease, provided, however, that all furniture, fixtures and equipment installed by Lessee in the leased Property shall remain the personal property of Lessee. Lessee shall be entitled to remove such furniture, fixtures and equipment along with the remainder of its personal property at the expiration of the term of this Lease or any extension thereof, and upon Lessor's request shall return the Property to the original condition at the commencement of this lease.

7. Lessor's Liability. It is agreed that Lessor shall not be liable and is hereby expressly relieved from liability for injury, loss or damage to the person or property of Lessee in or about the Property, or its agents, employees, visitors or any person claiming by or through Lessee caused by leaks, or air conditioning equipment, imperfect wiring or construction, by snow, ice or other elements, or by theft or pilferage, or by any other thing whatsoever, unless caused by willful default of Lessor, or for any damages caused by interruption of failure of any of the services referred to in Paragraph 9. Lessee shall give to Lessor prompt written notice of any accident to, or default in, the plumbing, electrical wiring, or heating and air conditioning systems, which shall be remedied by Lessee with reasonable diligence.

8. Alterations. The Lessee will not, without Lessor's prior written consent, make any alterations, additions to, or improvements in the Property, and all such alterations, additions or improvements made by Lessee, except only movable office furniture, fixtures and equipment, shall become the property of Lessor at the termination of this lease or the occupancy of the Property. Lessee will not deface nor permit the defacing of any part of the Property and will not do or suffer anything to be done on the Property, which will increase the rate of fire or other hazard insurance on the Building.

9. Destruction or Damage. In case of partial damage by fire or other casualty to the Building (a portion of the Property), and such damage is not caused by the negligence or default of Lessee or Lessee's agents, servants, employees, licensees, invitees, guest or visitors, Lessor shall repair the damage with reasonable diligence after notice thereof. In the event of the total destruction of the Building or in the event that the Building be so damaged that Lessor determines to tear down, rebuild or reconstruct the Building, then Lessee agrees that this Lease shall terminate and that Lessee shall surrender the Property. No claim or compensation shall be made to Lessee by the loss, damage, inconvenience or annoyance arising from the necessity of repairing any portion of the Building, however such necessity may occur. Notwithstanding the foregoing, if during the term of this Lease the Property is damaged by fire or other casualty so that the same are rendered unfit for occupancy for the purposes for which they are leased and cannot be repaired

within a 90-day period from the date of such casualty, the Lessee shall have the right to terminate this Lease and upon such termination this lease will become null and void and neither party will be under any further obligation to the other.

10. Condemnation. If during the term of this lease or the renewal thereof, the whole of the Property, or such portion thereof as will make the Property unusable for the purpose leased, be condemned by public use, then, in either event, the term hereby granted shall cease and come to an end as of the date of the vesting of title in such public authority, or when possession is given to such public authority, whichever event last occurs. If a portion of the Property is taken or condemned by public authority for public use so as not to make the remaining portion of the Property unusable for the purposes leased, this Lease will not be terminated but shall continue. In no event shall the Lessor be liable to the Lessee for any business interruption or diminution in the use or for the value of any unexpired term of the Lease.

11. Tax Responsibility: Lessee is responsible for any and all taxes which may occur.

12. Holding Over. Any holding over after expiration of the term hereof without the consent of Lessor shall be construed to create a tenancy from month to month, and such tenancy shall otherwise be subject to the terms and conditions set forth in this Lease, provided, upon giving Lessee ten (10) days written notice, Lessor may terminate such month to month tenancy.

13. Rules and Regulations. In consideration of the covenants contained in this Lease, the Lessee agrees to abide by the rules and regulations set forth in Exhibit C attached hereto and made a part hereof. Further, the Lessee agrees to abide by such further rules and regulations or amendments and modifications thereof, as may from time to time be made by Lessor, and deemed by it to be necessary for the safety, care, cleanliness and economical management of the Property, and for the preservation or good order therein. Any failure on the part of Lessee, his servants, employees, agents and visitors to comply with each and every term with this lease or with any of said rules and regulations shall, at

Lessor's option, work a forfeiture of this lease and of all rights of Lessee hereunder; and thereupon Lessor, its agents or attorneys shall have the right to re-enter the Property and remove Lessee there from.

14. Subordination. This lease is subject to and subordinate to all security liens, mortgages and deeds of trust which may now or hereafter affect the Property, and to all renewals, modifications, consolidations, replacements, and extensions thereof. The Lessee shall execute promptly any certificate or other form of instrument in confirmation of such subordination that Lessor may request.

15. Notices. For the purpose of notice or demand, the respective parties shall be served by certified or registered mail, receipt requested, addressed to the Lessee or to the Lessor, at their respective office addresses as set forth herein.

16. Rights. The rights of Lessor under this lease agreement shall be cumulative, and failure on the part of Lessor to exercise promptly any right given thereunder shall not operate to forfeit any of said rights.

17. Binding Effect. All rights and liabilities herein given to or imposed on either of the parties hereto shall extend to their heirs, executors, administrators, successors, except that an assignee of Lessor's interest in the lease for security purposes shall not be liable for the performance of Lessor's obligations unless and until such assignee becomes the owner of the Property, and then only for as long as such assignee is such owner. If Lessor sells or otherwise disposes of the Property, then in that event, the Lessor herein shall be relieved of all rights and obligations under this lease, the same being assumed by the grantee of the herein named Lessor.

18. Quiet Enjoyment. Subject to the terms, conditions and covenants of this Lease, Lessor agrees the Lessee shall peaceably have, hold and enjoy the Property, without hindrance or molestation by Lessor.

19. Lessee's Default. Upon the happening of any event of default, Lessor may enter the Property and expel the Lessee therefrom without prejudice to other remedies. The following shall constitute events of default under this Lease: the failure of Lessee to fully and promptly perform any act required of it in the performance of this lease or to otherwise comply with any term, covenant or provision hereof.

20. Use, Assignment and Lease. Lessee covenants and agrees that it will not sell, convey, sublease, transfer or assign this lease or any part hereof, or any rights created hereby without the prior written consent of the Lessor. Lessee shall not use or permit any person to use the Property or any portion thereof for any purpose other than offices. Lessee will not use the Property for any purpose in violation of any law, municipal ordinance or regulation, and upon any material breach of these provisions the Lessor may at its option declare a default pursuant to Paragraph 19 hereof.

21. Indemnity. Lessee agrees to indemnify and hold harmless the Lessor from and against all claims and demands of third parties, including but not limited to, claims and demands for death or personal injuries, or for damages, arising out of the use or occupancy of the Property by Lessee or out of any other acts or omissions of the Lessee.

22. Lessee's Personal. Lessee shall keep its own personal and trade fixtures in the Building and the personal property leased by Lessee from Lessor as referred to in Paragraph 1 insured with "all risks" insurance in an amount to cover one hundred percent (100%) of the replacement cost of the said property and fixtures. Lessee agrees that all personal property in the Building shall be and remain at Lessee's sole risk, and Lessor shall not be liable for any damages to, or loss of such personal property arising from any acts of negligence of any persons or from fire and flood or from the leaking of the roof or from the bursting, leaking, or overflowing of water sewer or stream pipes or from any other cause whatsoever.

23. Coordination of Use of Certain Areas. The Property is subject to scheduling for usage by Lessor. Therefore, Lessee and Lessor shall communicate with each other in

order to coordinate such usage, it being understood that such usage by Lessor and other tenants shall occur in such a fashion as to minimize interference with or disruption of Lessee's operations.

24. Lessor's Default. Lessor's failure to perform or observe any of its Lease obligations after a period of thirty (30) days or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure after receiving notice from Lessee, is a default. The notice shall be in writing and give in reasonable detail the nature and extent of the failure and identify the Lease provision(s) containing the obligation(s). If Lessor commits a default, Lessee may pursue any remedies given to Lessee in this Lease or under the law.

Notwithstanding anything to the contrary contained in this Lease, it is specifically understood and agreed that the liability of the Lessor hereunder shall be limited to the equity of the Lessor in the property in the event of a breach or the failure of Lessor to perform any of the terms, covenants, conditions and agreements of this Lease to be performed by Lessor. In furtherance of the forgoing, the Lessee hereby agrees that any judgment it may obtain against Lessor as a result of the breach of this Lease as aforesaid shall be enforceable solely against the Lessor's interest in the Property.

25. Lessor's Access. Lessor and Lessee agree that Lessor may periodically inspect and enter the Property, at reasonable times, for the purpose of fulfilling Lessor's responsibilities under this Lease and to insure Lessee's compliance with the terms and conditions set forth in this Lease.

26. Parking.

a. The Lessee acknowledges that there is no vehicular parking by Lessor on the Property. It is further acknowledged that Lessor shall have no obligation during the term of this Lease to provide such parking.

b. Should Lessor acquire an area during the term of this Lease within which to

afford Lessee an opportunity to park additional vehicles, Lessor shall notify Lessee of such opportunity, the number of spaces available and the charge for such use.

27. Additional Terms. Any additional terms of this Lease shall be set forth in an Addendum attached hereto as Exhibit D. If there is no such Addendum attached, then there are no additional terms.

28. Entire Agreement. This is the entire Lease agreement between the parties hereto and there are no terms, covenants or conditions not specifically set forth herein. This Lease shall not be altered, changed or modified in any respect except by amendment in writing executed by both parties hereto.

IN WITNESS WHEREOF, the parties here to have hereunto executed this Lease the day and year first above written in duplicate originals.



LESSOR:

County of Ashe

By: Larry D. Rhodes

Title: Chairman, Board of Commissioners

Address: 150 Government Circle Suite 2500

West Jefferson NC 28694

LESSEE:

Ashe County Civic Center, Inc.

By: Jane Rana

Title: Executive Director

Address: 962 Mount Jefferson Road

West Jefferson NC 28694

EXHIBIT C

RULES AND REGULATIONS

- (a) The entrances, corridors, passages, and stairways shall be under the control of the Lessor and shall not be obstructed, nor used by the Lessee for any purpose other than their original intent.
- (b) The Lessee shall neither place nor permit to be placed any signs, advertisements, notices in or upon any part of the Building, except on the doors to the Building, and all such doorway signs shall be approved by the Lessor. All signs not approved in writing by the Lessor shall be subject to removal without notice.
- (c) The Lessee shall not put up, nor operate, any engine, boiler, dynamo or machinery of any kind nor carry on any mechanical or dangerous business in the Building, nor place any explosive therein, nor use any kerosene or oils, or flammable fluids in the Building.
- (d) If Lessee shall desire a safe for depositing valuables and securities the Lessor shall have the right to prescribe its weight, size and proper position.
- (e) Property is not to be defaced in any way. No boring for wires or other purpose is to be done, and no change in electric fixtures or other appurtenances of Building is to be made without the consent of Lessor.
- (f) If the Lessee desires telephonic, electronic or computer connections, the Lessor will direct electricians as to where and how the wires are to be introduced, and without such written directions no boring for wires will be permitted.

(g) The Property shall not be used in any way to damage the reputation of the Property; and the Lessee shall not disturb, nor permit the disturbance of, other lessees by the use of musical instruments, or any unseemly noises, nor by any interference whatsoever; and nothing shall be placed or permitted upon the outside windowsills.

(h) The Lessor shall have the right to exclude or reject from the Property animals of every kind, birds, bicycles, and all canvassers and other people who conduct themselves in such a manner as to be, in the judgment of the Lessor, an annoyance to the lessees or a detriment to the Building.

(i) No additional locks shall be placed upon any doors of the Building, without first obtaining the written consent of the Lessor. Upon termination of this lease, the Lessee shall surrender all keys to the Property.

(j) Lessee shall have a non-exclusive right to use of all walkways, driveways and parking areas for Lessee and Lessee's employees, clients and customers, if deemed necessary by Lessor.

(k) The rest rooms shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, garbage or other injurious substances, shall be placed therein. The cost of repair of any damage resulting from such misuse or abuse shall be borne by the Lessee by whom or by whose employees it shall be caused.

(l) The Lessor shall have the right to make such other and further reasonable rules and regulations as, in the judgment of the Lessor, may from time to time be needed for the safety, care and cleanliness of the Property, and for the preservation of good order and safety of the lessees, their employees, customers and clients. For the purpose of notification of further rules and regulations, the respective parties shall be served by certified or registered mail, receipt requested, addressed to the Lessee or to the Lessor, at their respective office addresses as set forth herein.

(m) The Lessee shall make available to the Lessor annual financial statements within three (3) months after the end of the Lessee's fiscal year (FY); statements will document all revenues and expenditures of any nature.

(n) It is reasonably expected that a portion of the occupancy tax, a funding source which the Ashe Civic Center now receives from the County of Ashe, will continue. It is recognized, however, that the disbursement of occupancy tax revenues is at the discretion of the Ashe County Board of Commissioners.

(o) It is expected that all activities taking place at the Property (Ashe Civic Center) will be of a nature considered lawful and legal under county ordinances and state statutes.

"Exhibit A"

Ashe Civic Center

