STATE OF NORTH CAROLINA
BUNCOMBE COUNTY

Prepared by & return to:
Craig D. Justus, Esq.
P.O. Box 54
Asheville, NC 28802

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease" or this "Agreement") is made and entered into this **11th day of August 2025,** by and between **THE TOWN OF BLACK MOUNTAIN,** a North Carolina Municipal Corporation ("Landlord" or "Town") and **STEPHANIE BLY and ART IN THE AFTERNOON, LLC** (collectively, "Tenant").

WITNESSETH:

WHEREAS, Landlord desires to rent and lease to Tenant, and Tenant desires to rent and lease from Landlord, upon the terms and conditions hereinafter set forth, that certain space containing approximately 2,577 square feet, commonly referred to as the "Annex" and generally depicted on the drawing attached hereto as "Exhibit A" (the Premises"), located within a larger building known as the "Carver Center" located at 101 Carver Avenue in Black Mountain, Buncombe County, North Carolina (the "Property"), together with the right of ingress and egress to the Premises through designated areas on the Property and under conditions approved by Landlord.

NOW THEREFORE, in consideration of the rents, covenants, and agreements hereinafter stated, reserved, and contained to be paid, kept, and performed by Tenant, Landlord hereby leases and rents unto Tenant, who hereby agrees to lease from Landlord upon the terms and conditions which are hereinafter contained, the Premises:

1. Premises. Landlord does hereby rent and lease to Tenant the Premises, together with the right of ingress and egress to the Premises through designated areas on the Property and under conditions approved by Landlord, and Tenant does hereby rent and lease from Landlord, upon the terms and conditions hereinafter set forth, the Premises.

2. Term. The initial term of this Lease shall commence September 1, 2025 (the "Commencement Date") and shall expire 11:59 p.m. on August 31, 2026.

3. Rent. The Rent shall be $1,000.00 per month, paid in advance at the beginning of each month beginning September 1, 2025.

4. Tenant and Landlord Insurance Responsibilities. Beginning on the Lease Commencement Date, Tenant, at her own expense, shall provide and maintain for the duration of this Lease a general liability insurance policy naming Landlord, its agents and its managers as additional insureds, in the amount of $100,000.00 per occurrence and $500,000.00 in aggregate.

Landlord shall maintain fire and extended insurance coverage or so-called "all-risk" insurance for the full replacement value of the "Carver Center" located on the Property. Tenant understands and agrees that the insurance which is to be obtained and maintained by the Landlord will not cover any items of personal property owned by the Tenant and kept on the property, including merchandise, inventory, furniture, equipment, or trade fixtures. If Tenant desires to have such property protected by insurance, she will be responsible for obtaining hazard and/or renters insurance for that purpose.

5. Responsibility of Parties. Landlord shall not be liable for any personal injury to Tenant, or Tenant's invitees, agents, or employees, nor to any other occupant or guest on any part of the Premises or for any damage of any property of Tenant, or Tenant's invitees, agents, or employees, nor to any other occupant or guest on any part of the Premises. Tenant covenants and agrees during the term of this Lease to indemnify and hold harmless Landlord against and from any and all claims, damages, costs and expenses, including reasonable attorney fees, sustained or claimed to have been sustained by any person or persons or property in, upon or about the Premises. Tenant understands and agrees she must obtain and maintain all necessary licenses and permits required, if any, in order to lawfully use the Premises as allowed herein, for the entire duration of this Lease; and Tenant shall hold Landlord harmless with regard to any consequences of her failure to do so. Neither party shall be liable to the other for any unauthorized or criminal entry of third parties onto the Premises or the Property. Tenant shall immediately notify Landlord in writing of any breakdown or malfunction of any security measures, practices, or equipment provided by Landlord as to which Tenant has knowledge. Tenant hereby agrees that, in no event, shall Landlord be liable for consequential damages, including injury to Tenant's business or any loss of income therefrom, nor shall Landlord be liable to Tenant for any damages caused by the act or neglect of any other tenant on the Property, if any. The provisions of this paragraph shall survive the termination of this Lease with respect to any claim, damage, injury or death occurring prior to such termination. Tenant must obtain written permission from Landlord prior to making any improvements or alterations to the Premises including, without limitation, wall hangings using nails or screws, etc. Landlord acknowledges that Landlord has no interest in any personal property, equipment, or furniture belonging to Tenant which may be located on the Premises,

but Landlord shall not be liable to Tenant or Tenant's invitees, guests, or licensees for any damage to or damage caused by said personal property.

6. Damage or Destruction. In the event the buildings or improvements located on the Property shall be damaged or destroyed by fire or other disaster, Landlord may in its sole discretion determine whether such damage shall be repaired. If the Landlord decides to repair such damage and the repair work requires an interruption of Tenant's business for a period of more than fourteen (14) days, then Tenant's duty to pay rent shall abate until such time as the repairs are completed and Tenant can resume use of the Premises. Alternatively, Landlord may terminate this Lease by notice in writing to Tenant within sixty (60) days after the date of such occurrence. Unless Landlord elects to terminate this Lease as hereinabove provided, this Lease will remain in full force and effect and Landlord shall repair such damage at its expense as expeditiously as possible under the circumstances.

7. Maintenance and Repairs. Landlord, at its sole cost and expense, shall maintain and repair the load bearing structural walls, roof structural, foundation, and plumbing and electrical up to the metering devices serving the Premises. Landlord shall also maintain and repair all interior features being part of the Premises including but not limited to walls, plumbing, electrical, doors, windows and HVAC. Landlord shall not be responsible in any way for repairing or maintaining any personal property located in the Premises or improvements made to the Premises by Tenant, if any. Tenant shall maintain and repair all property and improvements it brings into the classroom, including, without limitation, cabinets, furniture, chalkboards, etc. All supplies needed by the Tenant will be provided by Tenant, including bathroom supplies and cleaning materials. Tenant shall be responsible for all cleaning.

8. Right of Entry. Landlord reserves the right during the term of this Lease to enter and inspect the Premises at reasonable hours and in such a manner as to not interfere with the business activity conducted thereon. Except in the case of an emergency, Landlord will give Tenant twenty-four (24) hours notice of any inspection.

9. Assignment and Subletting. Tenant may not assign any interest in this Lease, or sublet any portion of the leased Premises, without the written consent of Landlord.

10. Remedies upon Default. In the event of any default hereunder, Landlord shall have the right to cancel and terminate this Lease, as well as all of the right, title and interest of Tenant hereunder, by giving to Tenant not less than seven (7) days' notice of the cancellation and termination. On expiration of the time fixed in

the notice, this Lease and the right, title and interest of Tenant hereunder, shall terminate in the same manner and with the same force and effect as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

11. Use of the Premises. The Premises shall be continuously used, throughout the term of the Lease, solely for the purposes of providing an art program for school age children and an arts-based summer camp program. Tenant agrees that it will safely and quietly occupy the Premises and will in no way allow or commit any noxious, offensive, or illegal activity to occur as a result of the Tenant's occupancy and/or business. This Lease is made by Landlord and accepted by Tenant subject and subordinate to any and all matters of record affecting the Premises and/or the Property.

12. Covenant of Quiet Enjoyment. Landlord agrees that Tenant, during the term of this Lease, shall have full control and use of the Premises for the purposes of providing an art program for school age children and an arts-based summer camp program, and Tenant shall quietly and peaceably hold, possess, and enjoy the Premises for the full term of this Lease pursuant to the terms and conditions contained herein.

13. Waiver of Breach. It is hereby covenanted and agreed that no waiver of a breach of any of the covenants of this Lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.

14. Hazardous Materials: Tenant shall not keep on the Premises any item of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire or explosion on the Premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

15. Notices. All notices to be given to either party by the other shall be in writing, and shall be deemed to have been given when the same is either (i) personally delivered (including delivery by any "overnight mail service"), or (ii) deposited in the United States mail, postage prepaid by certified or registered mail, return receipt requested and properly addressed to the respective partyAll notices to be given shall be sent as follows, unless the party to receive notice has notified the other in writing of a change:

To Landlord:
Town of Black Mountain
160 Midland Avenue
Black Mountain, NC 28711

To Tenant:
Stephanie Bly
205 Ruby Ave.
Black Mountain, NC 28711

16. Miscellaneous.

a. The captions in this Lease are for convenience only and shall not in any way limit or be deemed to construe or interpret the terms and provisions hereof.

b. Time is of the essence of the Lease and of all provisions hereof.

c. This Lease shall be construed and enforced in accordance with the laws of the State of North Carolina.

d. This Lease may be executed in several counterparts, each of which shall be an original and all collectively shall constitute one lease. Unless agreed to in writing by Landlord, this Lease shall not be recorded.

IN WITNESS WHEREOF, Landlord has executed this Lease and Tenant has caused this Lease to be executed on its behalf and through it duly authorized officers, all as of the day and year first above written.

LANDLORD:

Date:_____ TOWN OF BLACK MOUNTAIN

By:_____
Josh Harrold, Town Manager

TENANTS:

Date:_____ _____
Stephanie Bly

Date:_____ ART IN THE AFTERNOON, LLC

By:_____
Stephanie Bly, Manager

EXHIBIT A

to

LEASE AGREEMENT BETWEEN THE TOWN OF BLACK MOUNTAIN ("LANDLORD") AND STEPHANIE BLY AND ART IN THE AFTERNOON, LLC (COLLECTIVELY, "TENANT")