

Second Mountain v. Town of Lake Lure
Proposal from Second Mountain, LLC to Town of
Lake Lure
August 27, 2026

This document contains the Second Mountain, LLC (“Second Mountain” or “Tenant”) settlement proposal to the Town of Lake Lure (the “Town” or “Landlord”). Second Mountain and the Town (together, the “parties”) agree as follows:

1. **Continuing Operation Under Existing Lease:** The Parties will continue for the time being to operate under the Lease Agreement dated 29 August 2024 (the “old lease”). The following steps are to be taken promptly:
 - a. Tenant brings rent current by 8/28/26 (subject to date of agreement).
 - b. Both parties waive past defaults.
2. **Addendum to Existing Lease:** The Parties will promptly execute an Addendum to the old lease (the “addendum”) containing the following material terms:
 - a. Tenant gives up the boathouse and has unlimited access to the Lake via the public slips.
 - b. Tenant has a right of first refusal should the Town privatize the Boat Ramp behind the market which Tenant operates.
 - c. Tenant pays new rental rate of \$2500.00 per month for Suites A and B from September 1 2026 through April 30 2027 as a fixed monthly payment; Tenant is not subject to additional concessions; its obligations are covered by rent.
 - d. Tenant pays \$3000.00 rent per month for Suites A and B from May 1 2027 through end of term (now, through April 30, 2029) as a fixed monthly payment; Tenant is not subject to additional concessions; its obligations are covered by rent.

- e. Tenant may sublet the premises.
- f. The parties will use the following waiver clause in the Addendum and substitute it for the existing waiver clause concerning the Town's rights in the event of a Tenant default:

Waiver. The delay or failure of Landlord to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Lease shall not constitute a waiver of the Landlord's right to enforce such covenants or conditions in the event of a subsequent breach or default.

3. Additional Settlement Terms Outside Existing Lease

and Addendum: The parties agree to the following additional terms, which do not need to be documented in the old lease itself or in the addendum, but can be addressed outside of the old lease and the addendum:

- a. Town uses best efforts to obtain approval for and construction of a crosswalk, including, but not limited to, by constructing one or more abutting sidewalks if required, with the crosswalk allowing pedestrians to cross the highway in the area of the Market which Tenant operates on the leased premises and the restaurant which Second Mountain operates on property owned by a third party.
- b. Town files voluntary dismissal with prejudice of Summary Ejectment action upon receipt of the August rent payment.
- c. The parties file mutual dismissals with prejudice of the Superior Court action after the addendum described above has been executed and a mutual release of claims is executed in a form that: (a) the Town drafts which; (b) must be approved by Second Mountain and (c) with Second Mountain's approval not to be

unreasonably withheld. (NOTE: there can be no “mutually agreeable” release language term in a settlement agreement, as that is simply an unenforceable agreement to agree)

- d. The parties will negotiate in good faith for a new lease that contains clear physical boundaries (they are not clear right now) and as to such other terms as the parties may wish to propose, with such negotiations to be commenced by no later than 1 November 2026 and concluded by 31 December 2026. If no new lease terms are reached, the parties will continue to operate under the old lease and addendum terms above. (NOTE: This language is not an unenforceable agreement to agree, because it contains good faith as consideration and a set outcome if the negotiations are not successful [remaining under the old lease plus addendum]).

This, the ____ day of August, 2026.

Landlord:

Town of Lake Lure

By: _____

Olivia Stewman, Manager

Attest: _____

Name: _____

Title: _____

Tenant:

Second Mountain, LLC

By: _____

Name: _____

Title: _____