STATE OF NORTH CAROLINA
COUNTY OF JACKSON

LEASE AND USE AGREEMENT

THIS AGREEMENT, made and entered into this the 16th day of July, 2018, by and between the COUNTY OF JACKSON, a Body Politic and a Subdivision of the State of North Carolina, (hereinafter referred to as "Lessor"), and CANADA VOLUNTEER FIRE DEPARTMENT, a North Carolina nonprofit corporation (hereinafter referred to as "Lessee");

WITNESSETH:

WHEREAS, the Lessor holds fee simple title to the property known as the Canada Fire Department/Community Building, located at 149 Charleys Creek Road, Tuckasegee, NC, and further described in deed book 2150, Page 776, Jackson County Public Registry, hereinafter "the Property"; and

WHEREAS, the Lessee desires to Lease a portion of the property, being the two-story western half of the building that was added to the original community room for use by the Fire Department as well as the first floor of the original community building including the bays, the bathroom and shower area, all storage rooms and including non-exclusive use of the mechanical room of the Canada Fire Department/Community Building located in the northeastern corner of the Property, hereinafter the "Premises"; and

WHEREAS, the Lessee plans to use the premises for operation and housing of the Canada Volunteer Fire Department; and

WHEREAS, the Lessor has determined that the Premises, as described, will not be needed by the County for the term of the Lease; and

WHEREAS, the execution of this agreement for and on behalf of the Lessor has been considered and approved by the Board of Commissioners for the County of Jackson at a duly called public meeting held on the 16th day of July, 2018, following 30 days of public notice, and by the Governing Body of the Lessee pursuant to their rules and regulations; and

WHEREAS, the parties hereto have mutually agreed to the terms and conditions of this Lease and Use Agreement, as hereinafter set forth:

NOW THEREFORE, in consideration of the covenants and promises set forth herein below, the receipt and sufficiency of which is hereby acknowledged, Lessor does hereby rent, lease and demise unto Lessee for and during the term and under the terms and conditions hereinafter set forth, with all of the rights and privileges thereunto pertaining, to that certain parcel of real property consisting of the Premises, being the two-story western half of the building that was added to the original community room for use by the Fire Department as well

as the first floor of the original community building including the bays, the bathroom and shower area, all storage rooms and including non-exclusive use of the mechanical room of the Canada Fire Department/Community Building located in the northeastern corner of the Property.

THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE AS FOLLOWS:

1. TO HAVE AND TO HOLD the Premises for a term of ten (10) years, commencing on the 17th day of July, 2018, and continuing through the 16th day of July, 2028, this instrument is a rental or lease of the premises only, and is not a conveyance or transfer to the Lessee of any ownership interest of the Lessor. Although Lessee may make improvements to the site pursuant to this instrument, this instrument confirms that those improvements belong to the Lessor and are subject to this instrument as a rental or lease of the improvements only, and this instrument is not a conveyance or transfer to the Lessee of any ownership interest of the Lessor in the improvements.

2. In the event that the Lessee, for any reason, shall decide to terminate this lease and use agreement during the term of the lease, this lease shall terminate, and any leasehold improvements made shall become the sole property of the Lessor and there shall be no future or outstanding obligation between the Lessor and the Lessee.

3. The parties hereby agree that the annual lease and consideration for said premises shall be one dollar ($1.00) and Lessee's promise to put the property to public use as an agency which is authorized to receive appropriated funds from Lessor. Any income derived from the use of the premises through the lease of the subject property shall remain with the Lessee for use by the Lessee as it deems appropriate.

4. Lessee shall have the continuous, unobstructed, exclusive use of the lower parking area in front of the fire truck bays and shall have the continuous, unobstructed, non-exclusive use of any road right of ways, parking facilities, etc., which are available to the public, on or adjacent to the subject property, to provide reasonable access and public parking for the Premises.

5. Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated herein. Lessor shall maintain the building as it is currently configured, including electrical wiring, plumbing and heating installations, and including any other system or equipment upon the Premises.

6. Lessee shall keep the Premises in a clean, neat and orderly manner at all times and shall, without limitation, (i) keep the inside and outside of all glass in the doors and windows of the Premises clean, (ii) maintain the Premises free of insects, rodents, vermin and other pests, (iii) keep the Premises free of dirt, rubbish and other debris, (iv) keep the Premises free of objectionable or offensive odors, and (v) keep all drains inside the Premises clean and lightbulbs replaced. Lessee shall arrange for its own cleaning services for the Premises, at Lessee's sole cost and expense. Lessee shall arrange for the regular pickup of all trash and garbage at Lessee's

sole cost and expense.

7. Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, modification or improvements, in or about the premises. If said modifications are approved by Lessor, Lessee shall be financially responsible for all costs associated with the modifications and improvements. Lessor hereby gives permission, with this agreement, for Lessee's addition of a Vehicle Storage Building on a concrete slab to be located beside the Lessee's portion of the building.

8. The primary intended use of the premises is for the housing and operations of the Canada Volunteer Fire Department.

9. The use of alcoholic beverages on the premises is prohibited.

10. Lessee shall comply with all statutes, ordinances and requirements of the municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by the Lessee.

11. Lessee shall be solely liable for internet and telephone service. Lessor shall provide sewer, water, and electricity.

12. Given reasonable notice to Lessee, Lessor shall have the right to enter and to grant licenses to enter the premises at any time and for such lengths of time as Lessor shall deem reasonable to inspect the premises, and as necessary for the operation and maintenance of the premises. No such entry by Lessor shall in any manner affect Lessee's obligations and covenants under this Lease and no such entry shall of itself without affirmative proof of negligence on the part of Lessor render Lessor liable for any loss of or damage to the property of Lessee.

13. To the extent allowed by North Carolina law, the Lessee agrees to indemnify and hold harmless the Lessor from any and all claims demands, suits or liabilities whatsoever by virtue of its use and occupancy of the Premises.

14. Lessee, at their expense, shall maintain public liability insurance, including bodily injury and property damage insuring Lessee and Lessor with minimum coverage of at least $1,000,000.00 per occurrence and at least $2,000,000.00 aggregate. Lessee shall provide Lessor with a Certificate of Insurance showing Lessor as additional insured. The Certificate shall provide a ten (10) day written notice to Lessor in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by the Lessor or Lessee, Lessee and Lessor, for the benefit of each other, waive any and all rights to subrogation which might otherwise exist.

Lessee shall also maintain insurance on all personal property and contents within the leased premises.

15. If the Premises or any part thereof or any estate therein, or any part of the building materially affecting Lessee's use of the Premises, shall be taken by eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for the taking of fixtures and improvements owned by the Lessee, and for moving expenses.

16. In the event of a partial or total destruction of the building in which the Premises are situated, this lease shall be terminated and the Lessor and Lessee may negotiate a new agreement.

17. Any notice or demand which by any provision of this agreement is required or allowed to be given by either party to the other shall be deemed to have been sufficiently given for all purposes when made in writing and sent in the United States mail as certified mail or registered mail, return receipt requested, postage prepaid and addressed: (a) if to the Lessee, to the President of the Board of Directors, of the Canada Volunteer Fire Department, P.O. Box 58, Tuckasegee, North Carolina, 28783 or other persons and places as Lessee may notify Lessor in writing; (b) if to the Lessor, to Jackson County Manager, 401 Grindstaff Cove Road, Suite A207, Sylva, North Carolina, 28779.

18. Lessee shall not assign this Lease or sublet the premises or any part thereof, without the prior written consent of Lessor.

19. Lessee may terminate this lease upon the giving of ninety (90) days written notice.

20. This Lease is binding upon and inures to the benefit of the parties, their successors and assigns in interest.

21. This lease is made upon the condition that the Lessee shall punctually perform all of the conditions, covenants and agreements required of it. If, at any time, there shall be any default on the part of the Lessee in the consideration given for the lease, and any such default shall not be cured within ten (10) days, without notice, or if there be any default in the performance or observation of any of the other covenants or conditions of the lease required to be performed by the Lessee and not relating to the consideration, and any such default shall continue for a period of ten (10) days after written notice thereof addressed to the Lessee and sent by regular mail or if the Lessee shall file for bankruptcy or if an involuntary petition for bankruptcy is filed against the Lessee, and any such petitions shall not be withdrawn in ninety (90) days after the entry thereof, or if a receiver or trustee be appointed for the property of the Lessee and the order appointing such receiver or trustee not be set aside within ninety (90) days after the entry thereof or if the Lessee shall assign its property or assets for the benefit of creditors, or if Lessee loses its status as a nonprofit or tax exempt organization, then and in any such event, the Lessor may at its option and without further notice, terminate the lease and re-enter upon and take possession of the premises and may remove any and all property belonging to the Lessee from the premises, using such force as may be necessary to accomplish such purpose and henceforth hold and enjoy

the Premises leased as the former estate of the Lessee for all purposes as if this lease had not been made, subject to applicable laws. Without prejudice, however, the Lessee shall be liable for all damages occasioned to the Lessor by reason of said default and to that end all payments required to be paid during the term of this lease, if any, shall become immediately due and payable.

22. This entire agreement, intent and understanding between Lessor and Lessee is contained in the provisions of this Lease and any stipulations, representations, promises or agreements, written or oral, made prior to or contemporaneously with this Lease shall have no legal or equitable effect or consequence unless reduced to writing herein. This Lease shall be governed by and construed pursuant to the laws of the State of North Carolina, with venue in Jackson County.

23. E-verify. Lessee shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, if Lessee utilizes a contractor or subcontractor, Lessee shall require the contractor or subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

24. Iran Divestment Act Certification: As of the effective date of this agreement, Lessee is not listed on the Final Divestment List created by the State Treasurer pursuant to North Carolina General Statute § 147-86.58 The signatories for Lessee hereby certify that they are authorized to make the foregoing statement.

25. Duplicate originals of this Agreement shall be signed by the Parties so that each Party may retain an original Agreement for their records.

26. By mutual agreement of the parties, the execution of this lease terminates all previous leases and agreements between the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed in their respective names by their duly authorized officers, on the day and year first above written.

LESSOR:
JACKSON COUNTY

By: _____
Name: Brian Thomas McMahan
Title: Chairman, Jackson County Commissioners

ATTEST:

By: _____
Name: Angela M. Winchester
Title: Clerk to the Jackson County Commissioners

LESSEE:
CANADA VOLUNTEER
FIRE DEPARTMENT

By: _____
Name: William Owen
Title: President

ATTEST:

By: _____
Name: Lynn Broom
Title: Secretary

This instrument has been pre-audited in the Manner required by the Local Government Budget and Fiscal Control Act.

This the _____ day of _____ 2018

_____

Finance Officer
Jackson County, North Carolina

PREPARED BY: Heather C. Baker
Jackson County Attorney
Mail To: 401 Grindstaff Cove Road, Suite A207
Sylva, NC 28779

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

MEMORANDUM OF LEASE

COUNTY OF JACKSON, a Body Politic and Subdivision of the State of North Carolina (hereinafter "Lessor") hereby leases that certain tract or parcel of real property located at 149 Charleys Creek Road, Tuckasegee**, North Carolina**, further described as the two-story western half of the building that was added to the original community room for use by the Fire Department as well as the first floor of the original community building including the bays, the bathroom and shower area, all storage rooms and including non-exclusive use of the mechanical room of the Canada Fire Department/Community Building located in the northeastern corner of the Property (hereinafter the "Premises") to **CANADA VOLUNTEER FIRE DEPARTMENT, a North Carolina nonprofit corporation**, whose principal place of business is 149 Charleys Creek Road, Tuckasegee, N.C. 28783 (hereinafter the "Lessee"), for a lease term to commence the 17th day of July, 2018 and continuing for a maximum period of Ten (10) years, including extensions and renewals, if any.

The provisions set forth in a written Lease and Use Agreement between the parties dated July 17th, 2018, are hereby incorporated into this memorandum and a copy of the lease is on record with the Clerk to the Board of Commissioners for Jackson County.

[The remainder of this page left intentionally blank; signatures begin on the following page]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, this the _____ day of _____, 2018.

LESSOR:
COUNTY OF JACKSON

By: _____

_____

Name: Brian Thomas McMahan
Title: Chairman, Jackson County Commissioners

ATTEST:

By: _____
Name: Angela M. Winchester
Title: Clerk to the Jackson County Commissioners

STATE OF NORTH CAROLINA

COUNTY OF JACKSON

I, _____, a Notary Public, do hereby certify that ANGELA M. WINCHESTER personally appeared before me this day, with whom I am personally acquainted, who, being by me duly sworn, says that she is the Clerk to the Board of Commissioners of the County of Jackson, and that BRIAN THOMAS MCMAHAN is the Chairman of the Board of Commissioners of Jackson County, the entity which executed the foregoing and annexed instrument; that she knows the common seal of said County of Jackson; that the seal affixed to the name of the County of Jackson was subscribed thereto by said Chairman of the Board of Commissioners and that said Chairman of the Board of Commissioners and said Clerk to the Board of Commissioners subscribed their names thereto, and said common seal was affixed by order of the Board of Commissioners, and said instrument is the act and deed of said County of Jackson.

Witness my hand and official seal this _____ day of _____, 2018.

[NOTARIAL SEAL]
[Must be fully legible]

_____
Notary Public

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires:_____

DRAFT

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, this the _____ day of _____, 2018.

LESSEE:
CANADA VOLUNTEER FIRE DEPARTMENT

BY: _____(SEAL)
William Owen, President

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

I, _____, a Notary Public, certify that before me personally appeared William Owen, the person(s) whose name is signed on the preceding or attached record, who acknowledged to me that She signed it voluntarily for its stated purpose, that He is the President of **CANADA VOLUNTEER FIRE DEPARTMENT,** a North Carolina nonprofit corporation, and that by authority duly given and as the act of the nonprofit corporation, he executed the foregoing instrument.

Witness my hand and official seal this _____ day of _____, 2018.

_____
Notary Public

[Note: Notary Public must sign exactly as on notary seal]

My Commission Expires:_____

[NOTARIAL SEAL]
[Must be fully legible]