

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF RUTHERFORD

THIS LEASE AGREEMENT, made and entered into this the _____ day of _____, 2020, by and between COUNTY OF RUTHERFORD, a body corporate and politic existing pursuant to the laws of the State of North Carolina (hereinafter "County" or "Lessor"), and HICKORY NUT GORGE VOLUNTEER EMERGENCY MEDICAL SERVICE AND RESCUE, INC., a North Carolina non-profit corporation, (hereinafter "Lessee");

RECITALS

WHEREAS, County is the owner of certain real property situate, lying and being in Rutherford County, North Carolina, such real property having a street address of 140 Bills Creek Road, Lake Lure 28746.

The property is described as follows: (hereinafter referred to as "Premises"). A legal description or sketch is attached to this lease as Exhibit A-2.

WHEREAS, County is desirous of leasing the Premises to Lessee upon the terms and conditions as contained herein; and

WHEREAS, Lessee is desirous of leasing the Premises from County on the terms and conditions as contained herein;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto to hereby agree to such terms and conditions as hereinafter set forth:

1. DEFINITIONS

The following definitions and specifications shall apply in this Lease Agreement:

(a) **"Lessor" or "County"**: County of Rutherford, a body corporate and politic existing pursuant to the laws of the State of North Carolina. These two terms may be used interchangeably throughout this Agreement.

(b) **"Lessor's Notice Address"**
289 North Main Street
Rutherfordton, North Carolina 28139
Attention: County Manager

(c) **"Lessee"**: Hickory Nut Gorge Volunteer Emergency Medical Service and Rescue, Inc., a North Carolina non-profit corporation.

(d) **“Lessee’s Notice Address”:**

(e) **“Building”:** The structure, or portion or portions whereof, located upon Premises, as such structure may hereafter be expanded, renovated or improved, together with any other rentable separate or connected structure that may hereafter be constructed on the tract of real property described on Exhibit A-1 and as outlined on the floor plan attached hereto as Exhibit A-2.

(f) **“Premises”:** That tract of real property shown as 140 Bills Creek Road, Lake Lure, NC 28746, as shown and set forth on the tract of real property attached hereto as Exhibit A-1 and by reference made a part hereof, all improvements constructed or hereinafter to be constructed therein, and appurtenances and common areas. Building and Furnishings shall be considered part of Premises.

(g) **“Term”:** One (1) year beginning with the Commencement Date, and, thereafter the Term shall automatically renew for additional periods of one (1) year each commencing on each anniversary of the Commencement Date unless either party, by written notice of termination sent or delivered to the other party hereto thirty (30) days prior to the next anniversary of the Commencement Date, elects to not renew this Agreement for an additional year.

(h) **“Commencement Date”:** The first (1st) day of July, 2020.

(i) **“Permitted Use”:** Lessee may use the Premises for office, training and any other purposes related to providing emergency and first responder services to the people of Rutherford County and surrounding counties, but for none other without County’s prior written consent, and in no event shall Lessee make use of the property which is in violation of any lawful governmental laws, rules or regulation insofar as they might relate to Lessee’s use and occupancy of the premises, nor may Lessee make any use of the premises not permitted by any restrictive covenants which apply to the Premises, or which is or might constitute a nuisance or trespass, or which increases the fire insurance premiums (or makes such insurance unavailable to County) on the Building or any structure on Premises.

(j) **“Rent”:** The compensation payable by Lessee to County each month (prorated for any partial month) beginning on the Commencement Date at the rate set forth in Article 4 hereinbelow.

(k) **“Furnishings”:** Furniture, appliances and other items of personal property owned by County upon Premises or within Building as shown and set forth on Exhibit A-3 attached hereto and by reference made a part hereof.

(l) **“Rules and Regulations”**: All provisions required of Lessee by County, either as may be posted in writing within Building, or as set forth in Exhibit B attached hereto and by reference made a part hereof.

2. LEASE OF PREMISES.

County, in consideration of the covenants and agreements to be performed by Lessee, and upon the terms and conditions hereinafter stated, does hereby rent and lease to Lessee, and Lessee does hereby rent and lease from County, the Premises, including Furnishings and such portions of Building and other portions of Premises as shown on Exhibit A-2 attached hereto, and which includes use of the common areas of the Building in common with County and other lessees, if any, of the Building.

3. TERM

The Term shall commence on the Commencement Date and, unless sooner terminated as provided in this Lease Agreement, shall end on the expiration of the period designated in Article 1(g) above.

4. RENT

(a) Beginning on the Commencement Date and through the first five (5) years of the Term, if so renewed, Lessee covenants and agrees to pay to County, in lawful money of the United States, the Rent as set forth below:

Year	Rent (as annualized)	Rent (monthly rate)
1	\$0.00	\$0.00
2	\$6,000.00	\$500.00
3	\$12,000.00	\$1,000.00
4	\$18,000.00	\$1,500.00
5	\$24,000.00	\$2,000.00

Rent shall be paid in advance without demand, deduction or set-off whatsoever on the first (1st) day of each calendar month during the Term. All payments of rent and other payments to be made to the Landlord shall be made no later than the tenth (10th) day of each month on a timely basis at Lessor's Notice Address designated in Article 1(b) above or at such other place as Landlord may designate from time to time in writing. Rent for any partial calendar month during the Term shall be prorated on a per diem basis.

In the event Lessee receives an appropriation of funds from the County, Rent shall be deducted from the deduction each month. In the event the appropriation exceeds the amount due for Rent, County shall pay that monthly appropriation to Lessee less the amount of Rent due for the following calendar month. In the event the appropriation is less than the amount due for Rent, Lessee shall be responsible to pay the County the amount of Rent due after receiving credit for the appropriation withheld by County for the following month.

(b) Commencing on the fifth (5th) anniversary of the Commencement Date, Rent shall remain at the rate established for the fifth (5th) year of the Initial Term as set forth above (being the amount of \$24,000.00 per annum, payable in installments of \$2,000.00 each month), EXCEPT, no later than sixty (60) days prior to the commencement of the sixth (6th) year of the Term and, thereafter, on each anniversary of the Commencement Date, County shall provide notice to Lessee's Notice Address of any increase in Rent as may be permitted herein. In the event that the Consumer Price Index ("CPI" as defined below) for the sixth (6th) month of the fifth (5th) year of the Term shall be greater than the CPI for the first (1st) month of the first (1st) year of the Term, then County may increase the amount paid for Rent commencing the sixth (6th) year of the Term to an amount equal to the original amount due for Rent multiplied by the percentage of increase by which the CPI for the sixth (6th) month of the fifth (5th) of the Term exceeds the CPI for the first (1st) month of the first (1st) year of the Term. The County may continue to increase Rent each year thereafter upon the same terms and conditions. The term "CPI" means the Consumer Price Index - U.S. City Averages for All Urban Consumers - All Items (1982-84=100), of the United States Bureau of Labor Statistics. The CPI for any calendar year shall be determined by averaging the monthly All Items indices for that calendar year. If the Bureau of Labor Statistics revises the manner in which such CPI is determined, Landlord may adjust the revised index to produce results equivalent, as nearly as possible, to those which would have been obtained if the CPI had not been so revised. If the 1982-84 average shall no longer be used as an index of 100, such change shall constitute a revision. If the CPI shall become unavailable to the public because publication is discontinued, or otherwise, Landlord will substitute therefor, a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall be available then a comparable index published by a major bank or other financial institution. Failure by the County to increase Rent any year otherwise eligible for increase shall not prevent County from increasing the Rent any year thereafter.

5. SECURITY DEPOSIT

County shall not require Security Deposit from Lessee.

6. LATE CHARGES AND RETURNED CHECKS

Any rent or other amounts payable to County under this Lease Agreement, if not paid by the fifteenth (15th) day of the month for which such rent is due, or by the due date specified on any invoices from County for any other amounts payable hereunder, shall incur a late charge of five percent (5%) of the amount of payment due. This amount shall be payable to County as compensation for its administrative expense in processing such delinquent payment. In addition, any amount past due shall accrue interest at the rate of one and one-half percent (1.5%) per month from and after the due date for such payment until paid in full, which amount shall in no event be less than Fifty Dollars (\$50.00). In no event shall the rate of interest payable on any late payment exceed the legal limits for such interest enforceable under applicable law.

Lessee acknowledges that the issuance of a returned check may cause County to incur additional costs and expenses, the exact amount of which is extremely difficult and impractical to determine. If any payment is returned by the financial institution, for any reason, County may require all future payments to be made in cash or by certified check. All fees, late fees, and service charges incurred by the Lessee as well as any expenses including reasonable attorney's fees incurred by County in instituting and prosecuting any actions by reason of any default of Lessee hereunder shall be deemed to be additional rent and shall be due from Lessee to County immediately following the incurring of the respective expenses, the nonpayment of which shall be a breach of this agreement for nonpayment of rent.

7. CONDITION OF PREMISES AND POSSESSION

Lessee acknowledges that the act of taking possession of the Premises shall constitute acceptance thereof and conclusive evidence that Lessee has inspected and examined the Building and the entire Premises and utility installations and that the same were, and are, in good and satisfactory condition. Lessee agrees that Lessee has examined the Premises, including the grounds and all buildings and improvements located thereon, and certify and agree that any and all items and matters that are damages or in poor repair are as set forth on Exhibit C attached hereto, and, as to all other matters regarding the Premises, including the Building and Furnishings, that they are in good order and repair.

County shall issue Lessee four (4) keys and/or access control badges and/or the access code to any coded locks to the Premises for all of Lessee's employees upon execution of this Lease Agreement. Lessee shall pay Ten Dollars (\$10.00) for each additional or replacement key or access control badge, if any. Lessee shall not replace or re-key any lock or opening device on Premises, nor change or alter any access code, but shall request County to replace, re-key, or change any access code at Lessee's expense. County shall have copies of any and all keys and/or access control badges and shall set and control any access code.

8. USE

(a) Lessee shall have the right to use and occupy the Premises for any Permitted Use. Premises shall be used only in accordance with all applicable laws, ordinances, rules and regulations of governmental authorities.

(b) County and Lessee shall share the usage of all designated common areas on the first (1st) floor of the Building, including vehicle bays. Lessee shall have primary usage of two (2) designated vehicle bays, and County shall have primary usage of two (2) designated vehicle bays. The second (2nd) floor of the Building shall be used for sleeping quarters with a designated sleeping area for the County and a designated sleeping area for the Lessee. All sleeping quarters shall have two egresses per building code. Sleeping quarters shall not be used except for Lessee's employees obligated to be on duty upon the Premises in fulfilling Lessee's emergency or other services. If Lessee needs to have exclusive use of any common

space for training or meeting purposes, Lessee shall notify County no less than twenty-four (24) hours in advance.

(c) Lessee agrees not to disturb other Lessees in the Building. If Lessee continues to disturb other Lessees in the Building after County gives Lessee written notice of such disturbance and requests Lessee to cease from such disturbance, and if Lessee does not cease from such disturbance immediately effective upon receipt of such notice from County, then Lessee will be in default, and the County has the option of terminating Lessee's Lease immediately whereupon Lessee shall vacate Premises immediately upon County's written notice. County may determine in County's reasonable discretion if Lessee's activities constitute a disturbance under this lease.

(d) Lessee shall not keep upon the Premises in any manner any unreasonably dangerous or hazardous item, including items which may be explosive, flammable, toxic, or in any manner bears high risk of causing injury or disease to others or to the Premises and any improvements thereon.

9. UTILITIES

County shall furnish and pay for all electricity, gas, water, and heat consumed or used on the Premises (collectively the "Utility Services"). In the event the bill from any vendor furnishing Utility Services should exceed its monthly average for the previous twelve (12) months by more than twenty-five percent (25%) as a result of use by Lessee (hereinafter "Excessive Lessee Use"), County shall pay the full amount of said bill to the relevant vendor and furnish Lessee with written notice and copy of the relevant bill and Lessee shall reimburse County for the amount of the Excessive Lessee Use within thirty (30) days of receipt of same from County. County shall have no responsibility for quality of any Utility Services.

Lessee shall subscribe for any and all other services in its own name and pay for all other utilities consumed or used on the Premises by Lessee other than Utility Services. County shall have no responsibility for continuation or quality of any such services other than Utility Services.

10. PARKING

Lessee, its invitees, customers, volunteers and employees shall have the right, in common with all other Lessees to utilize such parking spaces as may be designated by County on Premises, subject however to County's reasonable rules and regulations governing parking. Subject to the other provisions of this Lease, Lessee shall have free non-exclusive use of parking facilities and driveways for vehicles of Lessee, Lessee's employees, Lessee's business invitees and Lessee's agents. Such areas for non-exclusive parking spaces shall serve all Lessees, their employees, business invitees and agents. Lessee shall not at any time park any trucks or any delivery vehicles in the parking areas or driveways, except as specifically designated and authorized in writing by County from time to time. Lessee shall require all trucks servicing Lessee to be promptly loaded or unloaded and

removed from the site. Parking shall be only in the spaces so designated by County and is to be used only for properly licensed and operable motor vehicle. Any vehicles found parked other than in spaces so designated will be towed at Lessee's expense. Parking space is to be kept clean and cars must be parked in an orderly fashion. NO vehicle maintenance may be performed on the property (i.e. Oil changes, brake changes, etc.). Town parking restrictions must be followed.

Lessee covenants and agrees to enforce the provisions of this Lease against Lessee's employees and business invitees. County may: (a) police said parking facilities; (b) cause unauthorized motor vehicles, bikes, scooters, and the like to be towed away at the sole risk and expense of the owner of such motor vehicle, bike, scooter, and the like; (c) provide exclusive parking facilities for the handicapped, visitors, and Lessees and their employees; (d) use any portion of the parking facilities and deny access to the same temporarily in order to repair, maintain or restore such facilities, to construct improvements under, over, along, across and upon the same, to grant easements upon the same for the benefit of the site, and to grant easements in the parking facilities to public and quasi-public authorities; and (e) adopt and modify from time to time rules and regulations for parking and vehicular ingress, egress, speed, no parking, no standing, times and places for move-in, move-out and deliveries, and similar matters.

11. QUIET ENJOYMENT

If Lessee promptly and punctually complies with each of its obligations hereunder within any applicable cure period, it shall peacefully have and enjoy the possession of the Premises during the Term of this Lease.

12. SIGNS AND ADVERTISING MATTER

Lessee may maintain at an appropriate location on the exterior of the Premises, subject to approval by County in writing prior to its installation, an identification sign of such design, content, form and material as may be approved by County for the purpose of designating its business.

13. RULES AND REGULATIONS

Lessee agrees to comply with all Rules and Regulations, either as are posted on the Premises or as set forth in Exhibit B attached hereto and by reference made a part hereof.

14. MAINTENANCE BY COUNTY

(a) County shall maintain the roof, foundation, exterior wall, and common areas of the Building, together with the Building's plumbing, sewer, heating, air conditioning, ventilation, electrical, wiring and mechanical systems. County is also responsible for maintenance of all parking lots serving the Building and for snow and ice removal from the parking lots and all sidewalks. Lessee agrees that it shall promptly notify County of need for any such maintenance and repairs. Lessee shall be charged for all damage to Building, Premises, or any fixture thereto as a result of failure to report a problem in a timely manner.

(b) Notwithstanding anything in the Lease to the contrary, Lessee shall be solely responsible for all repairs, maintenance and replacement of the Premises, Building and Common Areas, occasioned by the gross negligence or willful misconduct of Lessee, its servants, agents or employees to the extent not paid to County or County's lender under the terms of any fine, extended coverage, public liability or other insurance. If any repairs are required because of the gross negligent treatment or willful misconduct by Lessee, its agents, or employees, then County may at its option (i) perform the repairs and charge the cost of such repairs to Lessee, or (ii) require Lessee to promptly perform such repairs.

(c) Lessee agrees, if necessary in order for County to conduct repairs and maintenance, to temporarily vacate Premises for a reasonable time, to allow for fumigation (or other methods) to control wood destroying pests or organisms, or other repairs to Premises. Lessee agrees to comply with all instructions and requirements necessary to prepare Premises to accommodate pest control, fumigation or other work, including bagging or storage of food and medicine, and removal of perishables and valuables.

15. IMPROVEMENTS AND ALTERATIONS BY COUNTY

County reserves the right at any time and from time to time (a) to permit changes or revisions in the Building, and Building common areas, including additions to, subtractions from, rearrangements of, alterations of, modifications of or supplements to the walkways, driveways, parking areas and other common areas, provided that such additions, alterations, etc. shall not reduce the number of parking spaces existing at the time of execution of this Lease and (b) to permit the building of additional stories on the Building and to add buildings, structure or improvements to the parcel of land on which the Building is located. County further reserves the right to install, maintain, use, repair and replace pipes, cables, duct work, conduits, utility lines and wires through hung ceiling space and column space within the Premises. County agrees that it shall use reasonable efforts under the circumstances to minimize interference with the Lessee's business operations in the Premises.

16. REPAIRS AND IMPROVEMENTS BY LESSEE

Lessee covenants and agrees that it will take good care of the Premises, its fixtures and appurtenances, and suffer no waste or injury thereto and keep and maintain same in good clean condition, reasonable wear and tear and damage by fire or other casualty excepted. Lessee shall make no alterations in, or additions to, the Premises without first obtaining, in writing, County's consent for such alterations or additions which consent shall not be unreasonably withheld. All such alterations or additions shall be at the sole cost and expense of Lessee and shall become part of the Premises and shall be the property of the County unless specifically otherwise agreed in writing by County.

17. RIGHT OF ENTRY

County shall retain duplicate keys and/or access control badges to all doors of the Building and Premises and County and its agents, employees and independent contractors shall have the right to enter the Premises at reasonable hours upon written notice of twenty-four (24) hours to inspect and examine same, to make repairs, additions, alterations and improvements, to exhibit the Premises during the last six (6) months of the Term to prospective purchasers or Lessees, and to inspect the Premises to ascertain that Lessee is complying with all of its covenants and obligations hereunder; provided, however, that County shall, except in case of emergency, afford Lessee such prior notification of an entry to the Premises as shall be reasonably predictable under the circumstances, and the exercise of any right under this Article shall not unreasonably interfere with the Lessee's business operations in the Premises. No notice is required: (a) to enter in case of an emergency; (b) if the Lessee is present and consents at the time of entry; or (c) if the Lessee has abandoned or surrendered the Premises. No written notice is required if County and Lessee orally agree to an entry for agreed services or repairs if the date and time of entry are within one week of the oral agreement.

During such time as any emergency work is being carried on in or about the Premises, the rent provided herein shall not abate, and Lessee waives any claim or cause of action against County for damages by reason of interruption of Lessee's business or loss of profits therefrom because of the prosecution of any such work or any part thereof.

18. SALE OR OTHER DISPOSITION OF PREMISES

Should County sell, convey or otherwise transfer its interest in the Premises, then County shall have no further liability hereunder, provided however, that County shall notify Lessee in writing of any such sale or other disposition and Lessee shall have thirty (30) days from such notice to initiate any claims it may have against County under the terms of this Lease arising prior to said notice. Provided that such new owner expressly assumes the obligations of the County hereunder, Lessee shall thereafter look solely to the new owner for any subsequent performance due hereunder by the County hereof. Lessee, by execution hereof, attorns to all such subsequent owners of the fee or any other interest in the Premises and no further document shall be required to effectuate such attornment. It is agreed that County may at any time assign or transfer its interest as County in and to this Lease, or any part thereof, and may at any time sell or transfer its interest in the fee of the Premises, or its interest in and to the whole or any portion of the Premises.

19. INSURANCE

(a) Lessee shall maintain general liability insurance, insuring Lessor and Lessee for injury (including death) to persons and property occurring on the Premises which arise out of or in connection with the use or occupancy of the Premises by Lessee, its agents, employees or invitees with policy limits of at least \$250,000/\$500,000 for bodily injury and \$50,000.00 for injury to property; or with a minimum or single policy with a minimum combined single limit of at least \$1,000,000.00. Upon written

request, Lessee shall provide Lessor with appropriate evidence of such insurance coverage. Lessee shall also be responsible for any insurance upon his own goods, equipment and other personal property not including fixtures in Lessee's sole discretion.

(b) Lessor shall keep all buildings, improvements, and equipment affixed upon the Premises, including all alterations, additions and improvements to said real property or fixtures, insured against loss or damage by fire, with all standard extended coverage that may be required by any first mortgagee. Lessee shall reimburse Lessor for the cost of the hazard insurance premium within fifteen (15) days of receipt of written notice from Lessor of the amount due. The insurance shall be in an amount sufficient to prevent Lessor and Lessee from becoming co-insurers under provisions of applicable policies of insurance, but in any event in an amount not less than one hundred per cent (100%) of the full replacement value of any building or improvement upon the Premises, excluding the cost of excavation and foundations.

(c) Insurance policies required by this Lease: shall be issued by insurance companies licensed to do business in North Carolina; must name the Lessor as an additional insured as its interest may appear; provide that the insurance not be cancelled or materially changed in scope of amount of coverage unless fifteen (15) days advance notice is given to Lessor in writing; be primary policies and be permitted to be carried through a blanket policy or umbrella coverage; and be maintained during the term of this Lease.

20. NONLIABILITY OF COUNTY

County and or its agents shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying any part of the Building adjacent to or connected with the Premises hereby leased or any other part of the Building or any persons transacting any business in the Building or present in the Building for any purpose, or for any loss or damage resulting to Lessee or its property from burst, stopped or leaking water, gas, sewer, sprinkler or steam pipes or plumbing fixtures or from any failure of or defect in any electric line, circuit, or facility unless due to the acts or omissions of County, its agents, employees or representatives or the failure of County to fulfill its obligation under this Lease. In addition, County shall not be liable for any property stolen or taken from the Premises by any person or persons, except any agent, servant, or employee of County.

21. DAMAGE OR THEFT OF PERSONAL PROPERTY

All personal property brought into Premises by Lessee, or Lessee's employees or business visitors, shall be at the risk of Lessee only, and County shall not be liable for theft thereof, or any damage thereto, occasioned by any act of co-Lessees, occupants, invitees or other users of the Building.

22. INDEMNIFICATION

(a) Lessee hereby indemnifies County, its agents and employees from, and agrees to hold County, its agents and employees harmless against any and all liability, loss, cost, damage or expense, including all reasonable attorney's fees at hourly rates customarily charged and other reasonable expenses incurred by the County in defense of any claim in connection with the Premises and involving damage or injury to County or County's successors or assigns, the Premises, or any other party or parties, person or persons, if due to the negligence of the Lessee, or any of its employees, servants, agents or representatives, or otherwise occurring in connection with any default of the Lessee hereunder, if such claim is not also due to the breach, fault or neglect of County. The provisions of this Article shall survive any termination of this Lease Agreement.

(b) County hereby indemnifies Lessee, its agents and employees from, and agrees to hold Lessee, its agents and employees harmless against any and all liability, loss, cost, damage or expense, including all reasonable attorney's fees at hourly rates customarily charged and other reasonable expenses incurred by the Lessee in defense of any claim in connection with the Premises and involving damage or injury to Lessee or Lessee's successors or assigns, the Premises, or any other party or parties, person or persons, if due to the negligence of the County, or any of its employees, servants, agents or representatives, or otherwise occurring in connection with any default of the County hereunder, if such claim is not also due to the breach, fault or neglect of Lessee. The provisions of this Article shall survive any termination of this Lease Agreement.

23. DEFAULT

(a) The following events shall be deemed to be events of default by Lessee under this Lease Agreement: IF (i) Lessee shall fail to pay within fifteen (15) days of when due, any installment of Rent or any other charge or assessment against Lessee pursuant to the terms hereof, and shall fail to cure such nonpayment within ten (10) days after written notice of such default shall have been given to Lessee; provided, however, that if Lessee shall default in the payment of any installment of Rent or any other charge or assessment against Lessee pursuant to the terms hereof and any such default shall be repeated more than two (2) times during any period of twelve (12) months, notwithstanding that such default shall have been cured within the period after notice as above provided, any further similar default shall be deemed to be deliberate and the County thereafter may pursue its remedies for default under this Article without affording to the Lessee an opportunity to cure such default; (ii) Lessee shall fail to comply in any material respect with any term, provision, covenant or warranty by Lessee under this Lease Agreement, other than the payment of the Rent or any other charge or assessment payable by Lessee, and shall not cure such failure within thirty (30) days after written notice thereof to Lessee, unless such matter cannot reasonably be cured within thirty (30) days, in which event Lessee shall not be in default so long as Lessee undertakes such cure within thirty (30) days and completes such cure in a timely and diligent manner thereafter; (iii) Lessee or any guarantor of this Lease Agreement shall become insolvent, or shall make a transfer in fraud of creditors or shall make an assignment for the benefit of creditors;

(iv) Lessee or any guarantor of this Lease Agreement shall file a petition under the federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any State thereof, or shall be filed against Lessee or any guarantor of this Lease Agreement a petition in bankruptcy or insolvency or similar proceeding that is not dismissed within ninety (90) days, or Lessee or any guarantor shall be adjudged bankrupt or insolvent in proceedings filed against Lessee or any such guarantor; (v) a receiver or trustee shall be appointed for the Premises or for all or substantially all of the assets of Lessee or of any guarantor of this Lease Agreement; (vi) Lessee shall abandon or vacate all or any portion of the Premises or fail to take possession thereof as provided in this Lease Agreement; or (vii) Lessee shall do or permit to be done anything which creates a lien upon the Premises that is not released or bonded off within thirty (30) days after Lessee receives notice thereof; (viii) Lessee does not comply with all of the Rules and Regulations in whole set forth in this Lease and as may be amended by County.

Upon the occurrence of any of the aforesaid events of default, County shall have the option to pursue any one or more of the following remedies upon notice to the Lessee: (i) terminate this Lease Agreement, in which event Lessee shall immediately surrender the Premises to County and if Lessee fails to do so, County may without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Lessee and any other person who may be occupying said Premises or any part thereof, without being liable for prosecution or any claim of damages therefore with respect to any reasonable action taken by County; Lessee hereby agreeing to pay County on demand an amount equal to together with the County's reasonable expenses, including without limitation, reasonable attorneys' fees, at hourly rates customarily charged, that the County may incur in terminating this Lease Agreement and recovering the amounts due under this clause; (ii) enter upon and take possession of the Premises and expel or remove Lessee and any other person who may be occupying said Premises or any part thereof, without being liable for prosecution or any claim of damages therefore with respect to any reasonable action taken by County, and, if County so elects, make such alterations, redecoration and repairs as, in County's reasonable judgment, may be necessary to relet the Premises, and relet the Premises on such terms as County may reasonably deem advisable, without advertisement, and by private negotiations, and receive the rent therefore, Lessee hereby agreeing to pay to County the Deficiency, if any, between all rent reserved hereunder and the rent obtained by County upon re-letting, if any, for each month of the period that otherwise would have constituted the balance of the Term hereunder; and Lessee hereby agrees to pay such deficiency in monthly installments on the rent due dates specified in this Lease Agreement, and any suit or proceeding brought to collect the deficiency for any month, either during the Term or after any termination thereof, shall not prejudice or preclude in any way the rights of the County to collect the deficiency for any subsequent month by a similar suit or proceeding; and Lessee shall be liable for County's reasonable expenses in restoring the Premises and all reasonable costs incident to such re-letting, including broker's commissions; or (iii) enter upon the Premises by force if necessary, without being liable for prosecution or

any claim of damages for any reasonable actions taken by County, and do whatever Lessee is obligated to do under the terms of this Lease Agreement; and Lessee agrees to reimburse County on demand for any reasonable expenses including, without limitation, reasonable attorneys' fees at hourly rates customarily charges which County may incur in thus effecting compliance with Lessee's obligations under this Lease Agreement and Lessee further agrees that County shall not be liable for any damages resulting to Lessee from such reasonable action, whether caused by negligence of County or otherwise, unless caused by the gross negligence or willful wanton misconduct of County. b. Pursuit of any of the foregoing remedies by County shall not preclude pursuit of any other remedy herein provided or any other remedy provided by law or at equity, nor shall pursuit of any remedy herein provided constitute an election of remedies, thereby excluding the later election of an alternate remedy, or a forfeiture or waiver of any rent or other charges and assessments payable by Lessee and due to County hereunder or of any damages accruing to County by reason of violation of any of the terms, covenants, warranties and provisions herein contained. No action taken by or on behalf of County shall be construed to be an acceptance of surrender of this Lease Agreement other than express written statement to such effect signed by County. Forbearance by County to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. In determining the amount of loss or damage which County may suffer by reason of termination of this Lease Agreement or the deficiency arising by reason of any reletting of the Premises by County as above provided, allowance shall be made for the reasonable expense of repossession. Lessee further agrees that County may obtain an order for summary ejectment from any court of competent jurisdiction without prejudice to County's rights to otherwise collect Rent from Lessee. All rights and remedies of County are cumulative, and the exercise of any one shall not be an election excluding County at any other time from exercise of a different or inconsistent remedy. No exercise by County of any right or remedy granted herein shall constitute or effect a termination of this Lease unless County shall so elect by written notice delivered to Lessee. No waiver by County or any covenant or condition shall be deemed to imply or constitute a further waiver of the same at a later time, and acceptance of rent by County, even with knowledge of a default by Lessee, shall not constitute a waiver of such default.

24. COUNTY'S DEFAULT

Notwithstanding anything in this Lease Agreement to the contrary, there shall be no enforceable default against County under any provisions of this Lease unless Lessee shall give County notice of such default in which Lessee shall specify the default or omission complained of, and County shall have thirty (30) days after receipt of such notice in which to remedy such default, or if such default or omission shall be of such a nature that the same cannot be cured within thirty (30) days, then the same shall not be in an enforceable default if the County shall have begun taking the required steps to cure or remedy such default within such thirty-day period and diligently proceeds with the correction thereof thereafter. If the County defaults in the performance of any of its obligations under this Lease Agreement, and fails to cure

such default within the time provided in this Article, Lessee shall have the right to declare such default and terminate this Lease Agreement.

25. WAIVER OF BREACH; CUMULATIVE RIGHTS

No waiver by either party of any breach of the covenants, warranties, agreements, provisions, or conditions contained in this Lease Agreement shall be construed as a waiver of said covenant, warranty, provision agreement or condition or of any subsequent breach thereof, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease Agreement shall continue in full force and effect as if no breach had occurred. All rights, powers and privileges conferred hereunder upon the parties hereto shall be cumulative to, but restrictive of, or in lieu of those conferred by law.

26. COUNTY'S PERFORMANCE OF LESSEE'S COVENANTS

Notwithstanding any provisions contained herein to the contrary, should Lessee, after any required notice from County, fail to do any of the things required to be done by it under the provisions of this Lease, County in addition to any and all other rights and remedies, may, but shall not be required to, do the same or cause the same to be done, and the reasonable amount of any money expended by County in connection therewith shall constitute additional Rent due from Lessee to County and shall be payable as Rent on the date for payment of such rent immediately following such expenditure.

27. DESTRUCTION OF PREMISES

(a) If the Premises are damaged by fire or other casualty, County shall use its best efforts to have the same repaired or rebuilt as speedily as practical under the circumstances, unless this Lease Agreement is terminated as provided herein, and during the period required for restoration, a just and proportionate part of Rent and all other charges reserved hereunder shall be abated until the Premises are repaired or rebuilt.

(b) If the Premises are (i) damaged to such an extent that repairs cannot reasonably be completed within one hundred twenty (120) days after the date of after the casualty; or (ii) damaged or destroyed as a result of a risk which is not insured under standard fire insurance policies with extended coverage endorsement; then and in any such event County or Lessee may at either party's option terminate this Lease Agreement by notice in writing to the other party within sixty (60) days after the date of such occurrence. Unless County or Lessee elects to terminate this Lease Agreement as hereinabove provided, this Lease Agreement will remain in full force and effect and County shall repair such damage at its expense as expeditiously as possible under the circumstances.

(c) If the County should elect or be obligated pursuant to subparagraph (a) above to repair or rebuild because of any damage or destruction, such obligation shall be limited to the original Premises. If the cost of performing such repairs exceeds the actual proceeds of insurance paid or payable to County (or that would have been

payable had County maintained the coverage pursuant to provisions of this Lease) on account of such casualty, County may terminate this Lease Agreement unless Lessee, within fifteen (15) days after demand therefore, deposits with County a sum of money sufficient to pay the difference between the cost of repair and the proceeds of the insurance available for such purpose.

(d) In no event shall County be liable for any loss damage sustained by Lessee by reason of casualties mentioned hereinabove or any other accidental casualty not caused by negligent act or omission of County.

(e) If County should elect or be obligated pursuant to subparagraph (a) above to repair or rebuild because of any damage or destruction, and such repair or rebuilding is not substantially completed with one hundred eighty (180) days after the date of the casualty, the Lessee may elect terminate this Lease Agreement by notice in writing to the other party within fifteen (15) days after the date of such occurrence.

28. SURRENDER OF PREMISES

Upon the expiration or other termination of this Lease Agreement, Lessee shall quit and surrender to County the Premises, broom clean, in the same condition as at the Commencement Date, reasonable wear and tear, damage by fire or other casualty and omitted repairs of the County only excepted, and Lessee upon written notice from County shall remove all of its personal property from the Premises. Upon the termination of the Agreement, Lessee shall give County all copies of all keys or opening devices to Building and Premises, including any common areas, and give written notice to County of Lessee's forwarding address. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of this Lease Agreement. County may require Lessee to restore the Premises so that the Premises shall be as they were on the Commencement Date except ordinary wear and tear, provided that Lessee shall in no event be required to remove floor coverings, wall coverings, or improvements made with consent of County. Any personal property, fixtures or equipment of the Lessee which shall remain in the Premises after the expiration or termination of the term or the Lessee's right of possession shall be governed as set forth in Article 30 herein.

29. HOLDING OVER

If Lessee remains in possession after expiration or termination of the Lease Term without County's written consent, Lessee shall become a month-to-month Lessee, and there shall be no renewal of this Lease Agreement by operation of law. During the period of any such holding over, all provisions of this Lease Agreement shall be and remain in effect, including any adjustments to Rent as provided herein. Nothing in this provision shall be construed as County's consent for Lessee to hold over.

30. REMOVAL OF FIXTURES AND EQUIPMENT

Lessee shall, upon expiration or termination of the Lease Term or any renewal thereof, remove all personalty, trade fixtures and equipment which it has placed upon the Premises, and Lessee shall restore the Premises to the condition immediately

preceding the time of installation thereof, reasonable wear and tear, damage by fire or other casualty and repairs the County is required to make hereunder, excepted. If Lessee shall fail or refuse to remove all of Lessee's effects, personalty, trade fixtures and equipment from the Premises within five (5) days of the expiration or termination of this Lease Agreement for any cause whatsoever, County may, at its option, remove the same in any reasonable manner that County shall choose and store said effects, equipment and personalty without liability for any loss or damage thereto, and the County shall provide the Lessee with written notification of the location of such property. Lessee shall pay County on demand any and all reasonable expenses incurred by County in such removal and storage, including, without limitation, court costs, reasonable attorney's fees at hourly rates customarily charged, and storage charges. County, at its option, may deem such stored property of the Lessee to be abandoned if, after thirty (30) days written notice to Lessee by County, Lessee has failed to retrieve the same, and County in such case may thereafter proceed, without notice, to sell said effects, equipment and personalty or any part thereof at public or private sale and without legal process for such price as County may obtain, and apply the proceeds of such sale to any amounts due under this Lease Agreement from Lessee to County after first paying the expense incident to the removal, storage and sale of said effects, equipment and personalty. The covenants and conditions of this Article shall survive any expiration or termination of this Lease Agreement.

31. ASSIGNMENT

Lessee may not encumber this Lease, and may not assign this Lease, sublet any part or all of the Premises other than to an affiliate of Lessee without the written consent of County. Any assignment or sublease to which County may consent (one consent not being any basis to contend that County should consent to a further change) shall not relieve Lessee of its obligations hereunder. In no event shall this Lease be assignable by operation of any law, and Lessee's rights hereunder may not become, and shall not be listed by Lessee as an asset under any bankruptcy, insolvency or reorganization proceedings. Lessee is not, may not become, and shall never represent itself to be an agent of County, and Lessee expressly recognizes that County's title is paramount, and that it can do nothing to affect or impair County's title.

32. TIME

Time is of the essence of this Lease Agreement, and whenever a certain day is stated for payment or performance of any obligation of Lessee or County, the same enters into and becomes a part of the consideration hereof.

33. NOTICES

All notices required or permitted to be given hereunder shall be in writing and shall be deemed given, whether actually received or not, on the third day after the date deposited, postage prepaid, in the United States Mail, certified, return receipt requested, and addressed to County at Lessor's Notice Address at or to Lessee at Lessee's Notice Address as set forth hereinabove or at such other address as either

party shall have theretofore given to the other by notice as herein provided or upon receipt if hand-delivered to such address.

34. GOVERNING LAW AND JURISDICTION

This Lease Agreement and the rights of the County and Lessee hereunder shall be construed and enforced in accordance with the law of the State of North Carolina. The parties hereto agree that jurisdiction for any action based upon this Agreement shall be in the District or Superior Court in Rutherford County, North Carolina, or, if based upon Federal law, in the Western District of North Carolina.

35. RESERVED

36. SEVERABILITY

If any clause or provision of the Lease Agreement is illegal, invalid or unenforceable under present or future laws, the remainder of this Lease Agreement shall not be affected thereby.

37. ENTIRE AGREEMENT

This Lease Agreement and any exhibits attached hereto contain the entire agreement of the parties and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No failure of either party to exercise any power given either party hereunder, or to insist upon strict compliance by either party with any obligation of the other party hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of each party's right to demand exact compliance with the terms hereof. Any and all amendments and modifications of this Lease Agreement shall be made in writing and duly executed by all the parties hereto.

38. HEADINGS

The use of headings herein is solely for the convenience of indexing the various paragraphs hereof and shall in no event be considered in construing or interpreting any provision of this Lease Agreement.

39. RECORDING OF LEASE

Lessee shall not record this Agreement on the Public Records of any public office. In the event that Lessee shall record this Agreement, this Agreement shall, at The County's option, terminate immediately and County shall be entitled to all rights and remedies that it has at law or in equity.

IN TESTIMONY WHEREOF, Tenant has caused this Lease to be executed by the Chairman of the Board of County Commissioners and attested by the Clerk of the Board of County Commissioners, and the Landlord has caused this instrument to be signed in its name by its duly appointed officer, all by the authorization duly given.

RUTHERFORD COUNTY,

a municipal corporation of the State of North Carolina

BY: _____

Bryan King, Chairman

Board of County Commissioners

ATTEST:

Hazel S. Haynes, Clerk

Board of County Commissioners

This instrument has been preaudited in
the manner required by the Local
Government Budget and Fiscal Control Act.

This form approved by:

Paula Roach, County Finance Officer

Richard P. Williams, County Attorney

HICKORY NUT GORGE

EMERGENCY MEDICAL SERVICE AND RESCUE, INC.

By: _____

Name: _____

Its: _____

EXHIBIT A-1

LEGAL DESCRIPTION

EXHIBIT A-2

FLOOR PLAN

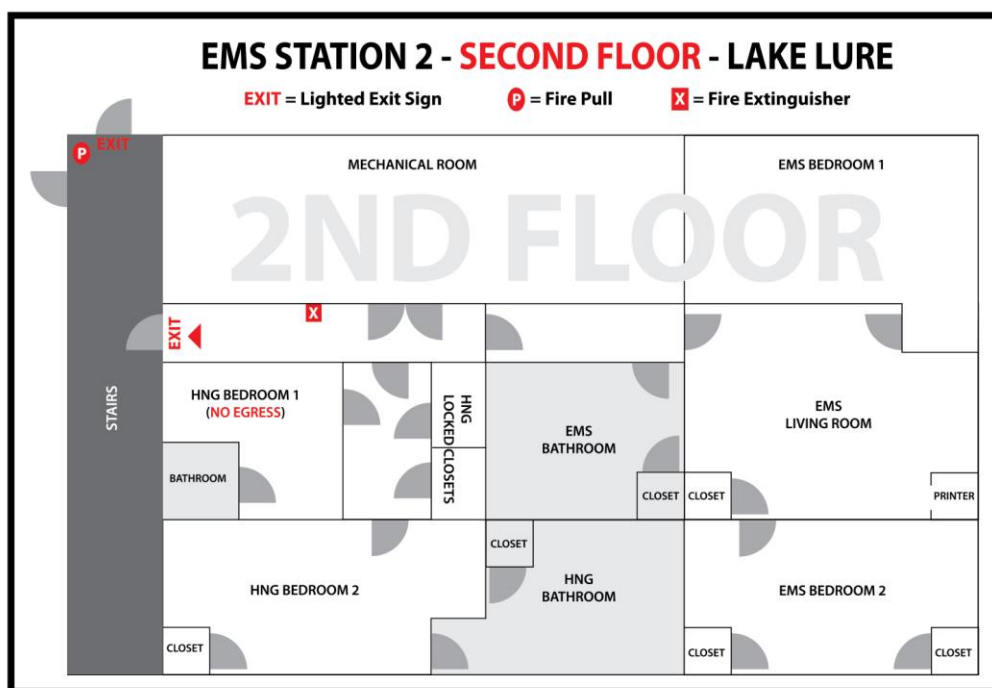
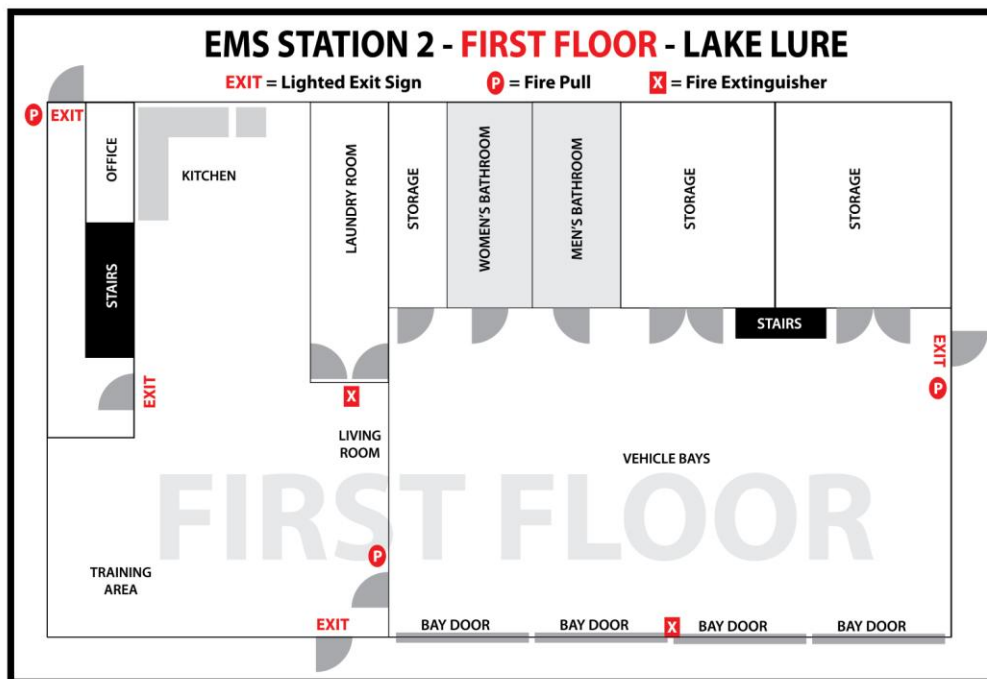


EXHIBIT B

RULES AND REGULATIONS

Without limiting the generality of the foregoing, Lessee shall:

- (a) Not obstruct in any manner the driveways, sidewalks, courts, entry ways, stairs or halls in Building or upon Premises, which shall be used for the purposes of ingress and egress only.
- (b) Keep all windows, glass, window coverings, doors, locks and hardware on Premises in good, clean order and repair.
- (c) Not obstruct or cover the windows or doors in Building.
- (d) Not leave windows or doors on Premises in an open position during any inclement weather.
- (e) Keep vehicle bay doors closed at all times except to permit the arrival or departure of vehicles.
- (f) Not touch or tamper with any exterior or interior surveillance cameras.
- (g) Not hang any laundry, clothing, sheets, or any other items from any window, rail, porch or balcony nor air dry any of same upon Premises;
- (h) Not cause or permit any locks or hooks to be placed upon any door or window without the prior written consent of County.
- (i) Keep all air conditioning filters clean and free from dirt.
- (j) Keep all lavatories, sinks, toilets, and all other water and plumbing apparatus in good order and repair and shall use same only for the purposes for which they were constructed and intended. Lessee shall not allow any sweepings, rubbish, sand, rags, ashes or other substances to be thrown or deposited therein. Any damage to any such apparatus and the cost of clearing stopped plumbing resulting from misuse shall be borne by Lessee.
- (k) Require its employees and guests to maintain a proper sense of professionalism and decorum and order, and to prohibit any and all disturbances and loud noises throughout the Premises at all times.
- (l) Keep all computers, radios, television sets, stereos, and all other personal and electronic equipment turned down to a level of sound that does not interfere with the work of other users of the Premises, nor to disturb any others in the Premises.

(m) Deposit all trash, garbage, rubbish or refuse in the locations provided therefore and shall not allow any trash, garbage, rubbish or refuse to be deposited or permitted to stand on the exterior of any building or within the common spaces.

(n) Properly use and operate all appliances, mechanical devices, and electrical, gas and plumbing fixtures, and and keep them and the Premises clean, sanitary and well-ventilated at all times.

(o) Not damage any fixture, appliance, equipment, landscaping or item of personal property located at any location upon Premises.

(p) Not permit any activity by any of its employees, volunteers, guests or invitees, including but not limited to criminal activity, that threatens the health, safety or right to peaceful enjoyment of Premises by any others with rights to same.

(q) Not permit any activity by any of its employees, volunteers, guests or invitees, including but not limited to criminal activity, that threatens the health, safety or right to peaceful enjoyment by owners of property neighboring or otherwise located in the vicinity of Premises, or by anyone with rights to reside upon or make use of same.

(r) Not permit any pets or animals of any type or kind upon Premises without the prior written consent of County. Lessee shall be solely responsible for any cleaning, repairs, or any liability or damage caused by any animal brought onto Premises by Lessee, its agents, employees, volunteers or guests, whether such animal was authorized or not authorized by County, including, but not limited to: damage to the property of others or to Premises; the introduction of fleas, ticks and other pests brought onto the Premises; and any legal action or claim brought by third party.

(s) Not permit criminal activity of any kind upon Premises by any of its employees, volunteers, guests or invitees.

(t) Not permit any use or abuse of any alcohol or controlled substances upon Premises by any of its employees, volunteers, guests or invitees.

(u) Not permit living or housekeeping habits that cause damage or safety concerns to any user of Premises or that may otherwise result in minimum housing violations.

(v) Not permit any incident or incidents of actual or threatened violence of any kind by any of Lessee's employees, volunteers, guests or invitees, including but not limited to domestic violence, dating violence, sexual assault or stalking.

(w) No permit smoking inside the facility. Smoking is only allowed in the designated smoking outside areas where there is a red cigarette trash can.

(x) Not use department property or facilities for unauthorized purposes, nor solicit on Premises on behalf of any individual, cause or organization unless authorized by the County.

(y) Not permit any unauthorized personnel on Premises or within Building. While County welcomes family, friends and other agencies to occasionally visit the facilities on Premises, no individuals other than those on active duty on behalf of Lessee:

1. Shall be at the Premises alone without an employee of County or Lessee present. If the employees are dispatched to a call, all other individuals shall be required leave the Premises.
2. Shall be on the Premises between 2100 hours and 0800 hours on the following morning.
3. Shall be in any bedroom alone with any employee of Lessee or County. Shall permit any minor to be on property without an offduty parent or guardian present.

EXHIBIT C

ALL ITEMS NOT IN GOOD REPAIR