

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter the "Lease"), is made and entered into effective this _____ day of _____, 2026, by and between the TOWN OF SWANSBORO, a North Carolina municipal corporation (the "Lessor"); and the SWANSBORO HISTORICAL ASSOCIATION, INC., a North Carolina non-profit corporation (the "Lessee") (collectively, the "Parties").

WITNESSETH:

Subject to the terms and conditions hereinafter set forth, Lessor does hereby let and lease unto Lessee, and Lessee does hereby lease from Lessor "Area B" on attached Exhibit A, which depicts Old Town Hall (the "Building") located at 502 Church Street, Swansboro, North Carolina (hereinafter the "Premises"), together with a non-exclusive license to use in common with Lessor (and all other lessees of any portion of the Building, if any) the following areas: (1) that area identified as "Shared Space", comprising an additional office area, identified on Exhibit A; and (2) the common areas within the Building necessary for ingress, egress and regress to and from the Premises, including halls, passages, restrooms, and stairways, and such other areas within or without the Building as Lessor from time to time shall provide for the use in common by Lessor and lessees of any portion of the Building, including without limitation, the "Portico" depicted on Exhibit A, parking areas, sidewalks, porches, and entrance foyers, if any; provided, however, that Lessor at all times shall retain the right to make such changes in all such licensed areas as Lessor shall deem appropriate, and to restrict the use thereof by rules and regulations. The property upon which the Building is located is described by deed recorded in Book 375, Page 227 in the office of the Register of Deeds of Onslow County ("Lessor's Property").

The Parties further acknowledge and agree that the Lessor is willing, from time to time, to allow Lessee's use of all or portions of "Area A" as shown on Exhibit A (as well as other properties and facilities of the Town), according to then agreed upon terms and conditions, including the payment of a rental/use fee, if any.

The further terms and conditions of this Lease are as follows:

1. TERM; AUTOMATIC RENEWALS. The term of this Lease shall be for one year, commencing on _____ (the "Commencement Date"), and shall, unless renewed, expire at 12:00 midnight 365 days following the Commencement Date.

This Lease shall automatically renew for successive, one-year terms; provided, upon the giving of sixty (60) days' Notice by either Party of its intent not to renew, the Lease shall not be renewed, expiring on the annual anniversary date of the Lease immediately following the giving of such Notice.

2. RENT. Lessee shall pay to Lessor, as rent for the Premises, the sum of _____ per year, payable in advance on or by the Commencement Date, or upon the annual anniversary of the Commencement Date, as the Lease may be renewed from time to time.

3. LATE FEE. In addition to the other remedies of the Lessor, Lessee shall pay to Lessor, as additional rent, a late payment charge equal to ten percent (10%) of the amount of the rent due if the rent is not received by Lessor on or before the tenth (10th) day after the due date. The parties agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment.

4. USE. Lessee's sole use of the Premises shall be for the operation of the Swansboro Heritage Center. No other business or operation may be conducted upon the Premises by Lessee without the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion. Lessee shall not permit any objectionable noise, vibration, hazardous waste, or other effects or impacts to occur from its use of the Premises which may interfere with or impair Lessor's use and enjoyment of adjacent portions of the Premises. The Lessee shall not permit or cause any action or practice about the Premises which shall cause or be likely to cause injury or damage to any person, or to the Premises, the buildings, sidewalks, walkways, driveways parking lots, or shared spaces which adjoin the Premises. Lessee shall at all times operate and conduct its operations on the Premises in conformance with all laws, ordinances, rules and regulations promulgated by federal, state and local governing bodies, and agencies, and no illegal or immoral acts, or acts constituting a nuisance to surrounding properties, shall be committed or allowed on the Premises by the Lessee, its agents, employees, volunteers or invitees.

5. ASSIGNMENT AND SUBLETTING. Lessee shall not sublet or assign the Lease, or rights arising under the Lease, without the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion. In the event Lessee attempts to assign or sublet the Premises or this Lease in violation of this Paragraph, Lessor may, upon giving to Lessee five (5) days written notice, terminate this Lease and thereafter neither Party shall have

any rights or obligations under this Lease except such rights and obligations which specifically survive the termination or expiration of this Lease as provided herein.

6. TAXES. During the term of this Lease, Lessee shall pay all taxes assessed by the town, the county, or any other taxing authority upon Lessee's personal property, including trade fixtures or equipment located in or on the Premises. Town and county taxes assessed upon the real property comprising the Premises, if any, shall be paid by Lessor.

7. UTILITIES. Lessor shall be responsible for the costs of water, electricity, gas, and any other utility services provided to and utilized in the Premises. The Lessee shall make reasonable efforts to conserve the consumption and use of such utility services in the Premises. Lessee shall be responsible for the cost of any desired telephone, internet, or other communication services, and trash disposal for the Premises will be Lessee's sole responsibility.

8. MAINTENANCE. Lessee shall maintain the Premises in the same or better condition as exists on the date of the execution of this Lease and shall, at Lessee's sole cost and expense, make all repairs necessary to maintain the Premises in the condition required for its reasonable use and enjoyment. In the event Lessee fails to provide such maintenance and repair, and in addition to other remedies available to Lessor, Lessor may perform or have performed such maintenance, repair and replacement and Lessee immediately shall reimburse the cost thereof to Lessor. The provisions of this paragraph shall not apply to repairs or replacements for which casualty insurance proceeds are paid to Lessor or to casualty damage as provided herein. Lessor shall maintain the exterior of the Building and its structure, the operating systems of the Building, and the parking areas and landscaped areas. Lessee shall, upon termination or expiration of this Lease, deliver the Premises into the possession of Lessor in as good a condition as exists on the date of the execution of this Lease, ordinary wear and tear excepted.

9. ALTERATIONS. No alteration, addition or improvement to the Premises shall be made by Lessee without the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion. Any alteration, addition or improvement made by Lessee after such consent shall have been given, and any fixtures installed in or upon the Premises by Lessee shall, at Lessor's option, become the property of Lessor upon the expiration or earlier termination of this Lease.

10. COMPLIANCE WITH LAWS. At all times during the term of this

Lease, the Lessee shall fully comply with all applicable federal, state and local laws, rules, regulations, orders and requirements relating to the accommodation of individuals with disabilities, including, without limitation, the Americans with Disabilities Act and the regulations promulgated thereunder. The Lessee shall insure that the Premises are accessible to employees, licensees and invitees of Lessee with disabilities and that the Premises and Lessee's operations otherwise are in compliance with the referenced Disability Laws, at the Lessee's sole cost and expense; provided, however, Lessee shall not make any structural changes or alterations in or to the Premises except with the prior written consent of Lessor.

11. ACCEPTANCE OF PREMISES. Lessee acknowledges and agrees that Lessor has made no representations as to the condition of the Premises or as to its fitness for any specific purpose or use. Lessee accepts the Premises "as is, where is, and with all faults" and that Lessee has conducted all inspections of the Premises desired by Lessee.

12. INSURANCE. Lessee covenants that it will, during the term of this Lease, at its sole cost and expense, provide and keep in force public liability insurance which, in the reasonable judgment of Lessor, may be necessary to fully protect Lessee and Lessor against any and all liability whatsoever in connection with or arising out of the Premises and Lessee's use of the Premises. Such insurance policies shall be placed with an insurance company licensed to do business in the State of North Carolina and satisfactory to Lessor, in Lessor's sole discretion. Said policies shall name Lessee, Lessor as additional insureds. Any such policy shall contain a waiver of subrogation clause by the insurer. The insurance policy or policies to be issued shall provide that notice shall be given to Lessor at least thirty (30) days prior to the termination of said policy or policies. Lessee shall provide and keep in force liability insurance in an amount of not less than One Million and No/100 Dollars (\$1,000,000.00) in respect to any accident, disaster claim or occurrence and in the amount of not less than One Million and No/100 Dollars (\$1,000,000.00) in respect to any one injury to any one person or to property. Lessee shall furnish Lessor with a certificate showing that such policy or policies are in force and effect upon request by Lessor and such certificate shall be included with the delivery of the executed version of this Lease. Lessor shall maintain property and liability insurance, risk pool, or self-insurance throughout the term of this Lease in such amounts as Lessor deems commercially reasonable.

13. LESSEE'S PERSONAL PROPERTY. During the term of the Lease,

Lessee shall maintain insurance in an amount equal to the full replacement value of any personal property or trade fixtures owned by Lessee and located upon the Premises. All of the personal property placed or installed on the Premises by Lessee shall be at the risk of Lessee, and Lessor shall not be liable for any damage to or the destruction of said personal property, or to the Lessee, however occurring, including, but not limited to, fire, plumbing leaks, or other casualties, including willful or negligence acts of others.

14. **SIGNS.** The Lessee shall place no signs (including temporary signage advertising upcoming events) upon the outside walls, the roof of the Premises, or the grounds surrounding the Premises, except with the express written consent of Lessor. Any permitted signs placed on the Premises by Lessee shall be maintained in compliance with all governmental rules and regulations, and any restrictive covenants governing such signs. The Lessee shall be responsible to Lessor for any damage caused by installation, use, or maintenance of said signs, and for any damage caused by the removal thereof.

15. **PARKING.** Lessee shall cause its employees and invitees to park in the designated parking lot or areas on the building's grounds. Lessor shall designate up to five parking spaces to be used by Lessee's employees and invitees. Lessor shall have the right to impose rules and regulations concerning parking on Lessor's Property, including the establishment of time limits and restrictions on the location of parking by Lessee's employees as well as the public.

16. **INDEMNITY.** It is the intent of Lessee and Lessor that Lessor shall not be liable for any cost or expense resulting from any injury or property damage arising from the Lease, or use and activities taking place on the Premises. To that end, Lessee agrees to, and hereby does, hold harmless and indemnify the Lessor all loss, cost, fine, suit, liability, claim or damage (including reasonable attorney fees actually incurred), incident to, arising out of, or related to the Premises during the term of this Lease. The provisions of this paragraph shall survive the termination or expiration of this Lease.

17. **ENVIRONMENTAL AND OTHER LAWS.** Lessee at all times shall comply fully with all federal, state and local statutes, regulations, and ordinances relating to public health and safety, worker health and safety and pollution or protection of the environment, including, without limitation, all standards of conduct and bases of obligations relating to hazardous or otherwise regulated materials, chemicals and substances.

18. DEFAULT. If Lessee:

- a. shall voluntarily file a petition for bankruptcy or shall be adjudicated bankrupt through involuntary proceedings which are not terminated or vacated within thirty (30) days after the commencement thereof; or,
- b. attempt to sublet or assign this Lease or the Premises in violation of the provisions of this Lease; or,
- c. vacate or abandon the Premises for a period of thirty (30) or more consecutive days, then, upon the occurrence of any such event, Lessor may declare this Lease terminated and of no further force and effect except such provisions which specifically survive the termination or expiration of this Lease as provided herein.

19. CASUALTY. In the event the Premises or any part of the Building are damaged by fire, the elements, unavoidable accidents, or other casualty, but are not thereby rendered untenable either in whole or in part, the Lessor may in its sole discretion and at its expense, cause such damage to be repaired (with rent not being abated during the repair period). Otherwise, in Lessor's sole discretion, Lessor may, upon giving Lessee 60 days' written notice, declare the Lease terminated.

20. ENTRY BY LESSOR. Lessor and its authorized agents and representatives shall have the right to enter the Premises during all reasonable hours in order to view, inspect, and otherwise examine the Premises.

21. CONDEMNATION. If the whole or any part of the Building or the Premises shall be appropriated and taken by virtue of any condemnation proceeding for any public or quasi-public use or purpose so as to render the remaining portion untenable for the uses and purposes contemplated by the parties, this Lease immediately shall terminate on the date possession thereof shall be so appropriated and taken. All damages awarded for the acquisition or condemnation of the Premises or any part thereof, shall be the sole and absolute property of Lessor, regardless of whether such damages are awarded as compensation for the diminution in the value of the leasehold or the loss of the fee.

22. QUIET ENJOYMENT. Lessor covenants to and with Lessee that it is seized of the Lessor's Property in fee simple and has the right to lease the same; and that if Lessee shall pay the rent herein required and comply with all the other terms and conditions of this Lease, Lessee shall and may peaceably and quietly enjoy the Premises for the term of

this Lease, subject to the terms and conditions of this Lease.

23. NO DISCRIMINATION. The Lessee shall not discriminate in the conduct and operation of Lessee's business in the Premises against any person or group of persons because of the race, creed, color, sex, age, national origin, sexual orientation, or ancestry of such person or group of persons, or for any other reason prohibited by law.

24. NOTICES. Any notice herein required to be given by one party to the other shall be in writing and shall be deemed to have been given and served if and where sent by registered or certified mail enclosed in a wrapper with the proper postage prepaid thereon, and deposited in the United States mails addressed to Lessor at:

Town of Swansboro
ATTN: Town Manager
601 W. Corbett Avenue
Swansboro, NC 28584

and to Lessee at:

Swansboro Historical Association, Inc.
ATTN: _____
P.O. Box 1574
Swansboro, NC 28584

unless some other address as to either party shall be furnished in writing by the one to the other.

25. REMEDIES. Lessee shall pay all rent as herein provided. If Lessee shall fail to pay to Lessor any rent as and when the same becomes due, Lessor shall have the right and option, in its sole discretion, to declare this Lease terminated and to take possession of the Premises, only after Lessor has given to Lessee notice of Lessor's intent to declare a default and failure of Lessee to cure the same within ten (10) days after receipt of said notice. If Lessee shall default in the performance of any of the other terms, covenants, agreements or conditions of this Lease and such default shall continue for a period of thirty (30) days after notice thereof is given by Lessor to Lessee specifying the default as to which complaint is made, this Lease and the term thereof as well as the right, title, interest and estate of Lessee hereunder shall terminate unless Lessee has commenced in good faith and with due diligence to remedy such other default and completes the cure or remedy of such default within a reasonable time, and in all events, within sixty (60) days of receipt of the aforesaid notice of default from Lessor.

26. WAIVER. The waiver by Lessor of any breach of any covenant or term or condition of this Lease shall be limited to the particular instance waived and shall not be deemed to be a waiver of any other or further breach of any such covenant or term and condition of this Lease.

27. MISCELLANEOUS:

a. Neither the execution of this Lease nor the performance of any act pursuant to the provisions hereof shall be deemed or construed to have the effect of creating between Lessor and Lessee the relationship of principal and agent, partnership or joint venture.

b. Lessor and Lessee agree that no representations or inducements have been made other than those expressed herein and that this Lease contains the entire agreement between the parties hereto. Any amendments to this Lease shall be in writing and signed by Lessor and Lessee.

c. Lessee covenants, warrants and represents that (a) Lessee has full right and power to execute and perform this Lease; (b) the officers or representatives of Lessee executing and attesting to this Lease on behalf of Lessee have all requisite power and authority to do so; and (c) no other person, corporation or entity is required to join in or consent to the execution of this Lease in order to make this Lease, including its execution by Lessee, enforceable and binding upon the Lessee.

d. Throughout this Lease, the masculine gender shall be deemed to include the neuter and the feminine; the singular, the plural; the plural, the singular; the corporate, the individual; and the individual, the corporate.

e. This Lease shall be construed according to the laws of the State of North Carolina and any action brought to enforce or interpret this Lease shall be brought only in the courts of Onslow County, North Carolina.

f. This Lease is executed in duplicate originals, either of which shall be declared an original.

IN TESTIMONY WHEREOF, the parties hereto have executed this Lease in duplicate originals, one of which is retained by each of the parties, the day and year first above written.

TOWN OF SWANSBORO

SWANSBORO HISTORICAL ASSOCIATION, INC.

By: _____

By: _____

Exhibit A

