

BOOK 1544 PAGE 237

NORTH CAROLINA  
ORANGE COUNTY

FILED  
16 JAN 1997, at 12:13:53pm  
Book 1544, Page 237 - 251  
Betty June Hayes,  
Register of Deeds,  
Orange County, N. C.

### CONTRACT AND LEASE

**THIS CONTRACT AND LEASE** is made and entered into this 14 day of November, 1996, by and between the Orange Rural Fire Department, hereinafter referred to as the "Corporation" and the Town of Hillsborough, a municipal corporation, hereinafter referred to as the Town.

### WITNESSETH

**WHEREAS**, the Town is a municipal corporation in Orange County, North Carolina, and the Corporation is a North Carolina non-profit corporation, having its office in the Town.

**WHEREAS**, the Town owns its own fire station and fire equipment, and the Corporation owns some fire equipment and operates its own fire department;

**WHEREAS**, it is the desire of the Corporation and the Town to consolidate the activities, responsibilities and purposes of both fire departments under one governing body;

**THEREFORE**, the Corporation and the Town hereby enter into this CONTRACT AND LEASE upon the following terms and conditions:

1. The initial term of this Contract and Lease shall begin on the date set out above and shall continue until June 30, 1997. This Contract and Lease shall automatically be extended each year for a term of one year beginning July 1 and ending the following June 30 unless terminated as herein set out. This Contract and Lease may be terminated by either the Corporation or the Town upon presenting a written notice of termination to the other party at least one hundred twenty (120) days before the end of the initial or any succeeding one-year period of said Contract and Lease.

2. The Town shall continue to own, provide utilities and make repairs to, and insure the building at 206 South Churton Street. However, this building is hereby leased to the Corporation for the duration of this Contract and Lease.

3. The Town hereby leases to the Corporation all fire apparatus, supplies and materials which it now owns. A list of such items is attached and made a part of this Contract and Lease as "Schedule A". It shall be the responsibility of the Corporation to maintain these items and to replace any item if for any reason it is no longer functional, unless the Town and the Corporation agree that the item need not be replaced. Notwithstanding the foregoing, the Town may agree to sell and the Corporation may agree to buy any of the items listed on Schedule A, and upon such sale, these items shall be deleted from Schedule A.

4. It shall be the responsibility of the Corporation to provide fire protection to the Town. The Town hereby agrees that the Corporation is to provide services which are beneficial to the community, promote goodwill within the community, or are educational to residents of the Town.

5. It shall be the responsibility of the Corporation to provide a sufficient number of trained personnel to provide firefighting services to the Town.

6. The Corporation shall pay all costs of providing firefighting services to the Town. The Town shall not impose any fee upon the Corporation for the use of the Town's fire hydrants.

7. It shall be the responsibility of the Corporation to purchase all fire apparatus, equipment and materials required by or useful to the Corporation in carrying out its purposes. If any item purchased is to replace an item on the attached "Schedule A", then that item shall become the property of the Town upon the termination of this contract and lease. Upon the purchase of any other item or items, the Corporation, upon agreement of the Town, will designate the ownership of such item or items. Upon the termination of this agreement, such item or items shall become the property of the designated owner, with the designated owner to complete paying any amounts owed for the purchase of such item or items.

8. The Town shall pay all existing debts owed on any item listed in the attached "Schedule A", including principal and interest owed on such debt.

9. The Town Board of Commissioners may appoint up to two (2) representatives who shall have the right to be notified of and to attend all meetings of the Board of Directors of the Corporation.

10. (a) For the initial term of this Contract, the Town shall pay to the Corporation the sum of \$100,000, which shall be paid in two payments, the first on December 1, 1996, and the second on March 1, 1997. In succeeding years, payments shall be made on September 1, December 1, March 1, and June 1.

(b) The parties shall, by March 15 of each year that this Contract remains in effect, negotiate an amount of compensation to be paid by the Town to the Corporation for services to be rendered in the succeeding fiscal year. The parties may agree upon a formula that will establish this amount.

(c) The Town shall not be obligated to make any payments to the Corporation under the agreement between the Town and the Corporation dated March 14, 1988, for so long as this Contract (including renewals thereof) remains in effect.

11. A certified copy of the Corporation's Annual Audit shall be provided to the Town Board of Commissioners.

12. The following provisions shall apply to the Corporation:

Insurance Provisions:

A. **Worker's Compensation:** Coverage to apply for all employees/volunteers for statutory limits in compliance with the applicable state and federal laws. The policy must include employers' liability with a limit of \$100,000 each accident, \$100,000 bodily injury by disease each employee and \$500,000 bodily injury by disease policy limit.

B. **Comprehensive General Liability:** Shall have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include premises and operations, independent contractors, products and completed operations, broad form property damage, a contractual liability endorsement, and XCU coverage if necessary.

C. **Business Auto Policy:** Shall have minimum limits of \$1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This shall include: owned vehicles, hired and non-owned vehicles, employee non-ownership, comprehensive and collision.

D. **Professional Errors and Omissions Liability:** Coverage shall have minimum limits of \$1,000,000 per claim and \$3,000,000 aggregate.

Special Requirements:

A. The Town is to be included as an Additional Insured on the comprehensive general liability, business auto liability, property, and professional errors and omissions liability.

B. Current, valid insurance policies meeting the requirements herein identified shall be maintained during the duration of the Contract and Lease. Renewal certificates shall be sent to

the Town 30 days prior to any expiration date. To the extent possible there shall also be a 30-day notification to the Town in the event of cancellation or modification of any stipulated insurance coverage. Certificates of insurance meeting the required insurance provisions shall be forwarded to the Town of Hillsborough.

13. (a) The Corporation agrees to protect, defend, indemnify and hold the Town of Hillsborough and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of the exercise by the Corporation of any right, privilege, or responsibility authorized or imposed by this agreement. The Corporation further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at its sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent.

(b) The Town agrees to protect, defend, indemnify and hold the Corporation and its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of the exercise by the Town of any right, privilege, or responsibility authorized or imposed by this agreement. The Town further agrees to investigate, handle, respond to, provide defense for and defend any such claims, etc., at its sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent.

(c) The Town agrees to maintain fire, extended coverage, and vandalism and malicious mischief insurance on the building and on personal property of the Town contained therein to the extent of its full insurable value. The Corporation shall do the same with respect to its property located in or on the demised premises. The Town and the Corporation hereby mutually release and discharge each other from all claims or liabilities arising from or caused by fire or other casualty covered by the above insurance on the leased premises, or property in or on the leased premises.

14. The Corporation and the Town shall negotiate an agreement whereby the Corporation shall provide for fire inspections (by 07-01-97) of all buildings within the Town and ETJ as stipulated by the North Carolina Building Code.

15. The Corporation will assist Town of Hillsborough Water Distribution personnel with the maintenance of fire hydrants.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above-written; and the Town caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its duly authorized Town Board of Commissioners, the day and year first above-written.



## ORANGE RURAL FIRE DEPARTMENT

By: Chandler H. Cates  
President, Orange Rural Fire District Board

ATTESTED:

Edwin T. Riley  
Secretary, Orange Rural Fire District Board

## TOWN OF HILLSBOROUGH

By:

Eric Swanson

Town Manager, Town of Hillsborough

(SEAL)

ATTESTED:

Donna F. Ray  
TOWN CLERK, Town of Hillsborough

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

Sherry G. Carter  
FINANCE DIRECTOR

North Carolina  
Orange County

I, Sherry G. Carter, Notary Public for said County and State, certify that Edwin T. Riley personally came before me this day, and being by me duly sworn, acknowledged that he is the Secretary of the Orange Rural Fire District Board, a corporation, and that by authority duly given and as the act of corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

Witness my hand and official seal, this the 16th day of January, 1997.

My commission expires 7-10, 1999.

Sherry G. Carter  
Notary Public

North Carolina  
Orange County

I, Sherry G. Carter, Notary Public for said County and State, certify that Donna F. Ray personally came before me this day and acknowledged that she is the Town Clerk of the Town of Hillsborough, a corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its Town Manager, sealed with its corporate seal, and attested by herself at its Town Clerk.

Witness my hand and official seal, this the 16th day of January, 1997.

My commission expires 7-10, 1999.

Sherry G. Carter  
Notary Public