

COMMERCIAL REAL ESTATE LEASE AGREEMENT

This Lease Agreement (this "Lease") is dated as of _____, by and between Gates Properties of Sylva, LLC, a North Carolina limited liability company ("Landlord") and Jackson County Tourism Development Authority ("Tenant"). This Parties agree as follows:

PREMISES. Landlord, in consideration of the lease payment provide in this Lease, leases to Tenant a 2500 square foot office building located at 98 Cope Creek Road, (the "Premises"), units 98 D and 98 E, Cope Creek Plaza.

TERM. The lease term will **begin** on **October 1, 2026**, and **terminate** on **September 30, 2031**. If the tenant wants to continue occupancy after September 30, 2031, notification shall be given to the landlord by August 31, 2031, and additional terms may be negotiated.

LEASE PAYMENTS. Tenant shall pay to the Landlord monthly installments of \$2000.00 plus a \$45.00 water fee, payable in advance on the first day of each calendar month. Lease payments shall be made to Gates Properties of Sylva, LLC., and mailed to Post Office Box 848, Dillsboro, NC 28725. This address may change as needed at the discretion of the Landlord.

SECURITY DEPOSIT. At the time of the signing of this Lease, the Landlord agrees to waive a new security deposit and hold the previously administered security deposit of \$1900.00 in trust or reserve for damages. This security deposit cannot be used for the last month of rent and will be distributed to the Tenant upon final inspection of the property. If the final inspection indicated damages to the Premises, the Landlord reserves the right to use this security deposit to complete repairs. If the Tenant vacates the Premises prior to the end of this Lease, the Tenant forfeits the Security Deposit.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease and shall yield possession to the Landlord on the last day of the term of this Lease unless otherwise agreed upon in writing by both parties. At the expiration of the Term, Tenant shall remove all goods and effects and peaceably yield the Premises to the Landlord in as good as a condition as when the Premises was delivered to the Tenant, with ordinary wear expected.

USES OF PREMISES. Tenant may use the Premises only for an office and other related office activities. The Premises may be used for other purposes, but only with the written authority of the Landlord, which shall not be unreasonably withheld. Tenant shall notify the Landlord of any anticipated extended absence from the Premises not later than the first day of the extended absence.

PARKING. Tenant shall be entitled to use up to 12 parking spaces for the parking of the Tenant's customers, Tenant's guests. Parking spots will be limited for the use of motor vehicles only, with no long-term storage or parking of non-motor vehicles.

PROPERTY INSURANCE. Landlord and Tenant shall each maintain appropriate insurance for their respective interests in the Premises and property located on the Premises. Landlord shall be named as an additional insured in such policies. Tenant shall deliver appropriate evidence to the Landlord as proof that adequate insurance is in force issued by the companies reasonably satisfactory to the Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such policies. Tenant shall also maintain other insurance which Landlord may reasonably require for the protection of Landlord's interest in the Premises. Tenant is responsible for maintaining casualty insurance on their owned property.

LIABILITY INSURANCE. Tenant shall maintain liability insurance on the Premises in a total aggregate sum of at least \$1,000,000.00. Tenant shall deliver appropriate evidence to the Landlord as proof that adequate insurance is in force and is issued by companies that is satisfactory to the Landlord. Landlord shall receive advance written notice from the insurer prior to any termination of such policies.

MAINTENANCE. Both Landlord and Tenant agree to the following obligations for maintenance of the Premises.

Landlord's Maintenance obligations are as follows:

- Roof, outside walls, structural portions of the building
- Parking lot, driveways, sidewalks, to include snow and ice removal
- Sewer, water pipes, other matters related to plumbing
- Electrical wiring
- HVAC systems
- General building maintenance of the exterior of the Premises
- All other items of maintenance not covered under Tenants obligations

Tenant's Maintenance obligations are as follows:

- Interior light bulbs, smoke alarm batteries, HVAC filters
- Interior paint renewal
- Minor plumbing to include running toilets, small leaks that are related to plumbing fixtures that do not threaten the integrity of the Premises
- Interior Premises cleaning

UTILITIES AND SERVICES. Both the Tenant and Landlord agree to the following obligations of Utilities and Services located at the Premises.

Tenant's Utilities and Services obligations are:

- Electric
- Gas
- HVAC
- Garbage/trash disposal
- Janitorial services
- Telephone
- Internet
- Television
- Other forms of technologies, as approved by the Landlord

Tenant acknowledges that the Landlord has fully explained to the Tenant the utility rates, and services for which the Tenant will be required to pay the Landlord and other utilities that are paid directly to a third-party service provider.

TAXES. Taxes attributable to the Premises or the use of the Premises shall be allocated as follows:

Landlord's Tax obligations are:

- Real estate taxes
- Assessments for real estate taxes as determined by the Landlord or third party

Tenant's Tax obligations are:

- Personal taxes
- Business taxes
- Other charges associated with would become levied against the Premises which are attributable to the Tenant's use of the Premises
- Sales tax
- Use tax

DEFAULTS. Tenant shall be in default of this Lease if the Tenant fails to fulfill any Lease obligation or term by which the Tenant is bound. Subject to any governing provision of law to the contrary, if the Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by the Landlord to the Tenant, Landlord may take possession of the Premises without further notice (to the extent permissible by law), without prejudicing Landlord's rights to damages. In the alternative, Landlord may elect to cure any default, and the cost of such action shall be added to the Tenant's financial obligations under this Lease. Tenant shall pay all costs, damages and expenses (including reasonable attorney fees and expenses) suffered by the Landlord by reason of the Tenant's defaults. All sums of money

or charges required to be paid by the Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as additional rent. The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

LATE PAYMENTS. For any Late Payment this is not paid within 8 days after the due date, Tenant agrees and shall pay a late fee of \$25.00.

HOLDOVER. If the Tenant maintains possession of the Premises for any period after the termination of this Lease, Tenant shall pay to the Landlord lease payments during the Holdover at a rate equal to the rate designated during such Holdover. Such Holdover shall constitute a month-to-month extension of this lease.

CUMULATIVE RIGHTS. The rights of the parties under this Lease are not cumulative and shall not be construed as exclusive unless otherwise required by law.

NON-SUFFICIENT FUNDS. Tenant shall be charged \$35.00 for each check that is returned to the Landlord for lack of sufficient funds.

REMODELING OR STRUCTURAL IMPROVEMENT. Tenant shall have the obligation to conduct any construction or remodeling at the Tenant's expense given that such construction or remodeling is approved in writing prior to the beginning of any construction or remodeling. Upon written approval and paid by the Tenant, construction of fixtures to be used by the Tenant may be approved by the Landlord. The Landlord shall not unreasonably withhold written permission. The Tenant shall not install any awnings or advertisements on any part of the Premises without the Landlord's prior written consent. At the end of the lease term, Tenant shall be entitled to remove, or at the Landlord's request, to remove such fixtures and shall restore the Premises to substantially the same conditions as the Premises were at the commencement of this Lease.

ACCESS BY LANDLORD TO PREMISES. Subject to the Tenant's consent, which shall not be unreasonably withheld, Landlord shall have the right to enter the Premises to make inspections, provide necessary services, or show the Premises to buyers, mortgages, tenants or workers. However, Landlord does not assume any liability for the care or supervision of the Premises. As provided by law, the case of an emergency, the Landlord may enter the Premises without the consent of the Tenant. During the last three months of this Lease, or during any extension of this Lease, Landlord shall be allowed to display for rent or for lease signage and show the Premises to prospective future clients.

INDEMNITY, REGARDING USE OF THE PREMISES. To the extent allowed by North Carolina law, Tenant agrees to indemnify, hold harmless and defend the Landlord from and against any and all losses, claims, liabilities and expenses including reasonable attorney fees, if any, which

the Land Lords may suffer or incur in connection with the Tenant's possession, use or misuse of the Premises, except any of the Landlord's acts or negligence.

DANGEROUS MATERIAL. Tenant shall not keep or have on the Premises any article or thing of dangerous, flammable or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible insurance company unless the prior written consent of the Landlord is obtained and proof of adequate insurance protection is provided by the Tenant to the Landlord.

COMPLIANCE WITH REGULATIONS. Tenant shall promptly comply with all laws, ordinances, requirements and regulations of the federal, state, county, municipal and other authorities and the fire insurance underwriters. However, Tenant shall not by this provision be required to make alternation to the exterior of the building or alterations of a structural nature.

MECHANICS LIENS. Neither the Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor or services that such liens will not be valid and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

SUBORDINATION OF LEASE. This Lease is subordinate to any mortgage that now exists or may be given later by Landlord, with respect to the Premises.

ASSIGNABILITY/SUBLETTING. Tenant may not assign or sublease any interest in the Premises nor effect a change in the majority ownership of the Tenant (from the ownership existing at the inception of this lease) nor assign, mortgage or pledge this Lease, without the prior written consent of the Landlord.

NOTICE. Notices under this Lease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

LANDLORD

GATES PROPERTIES OF SYLVA, LLC
P.O. BOX 848
DILLSBORO, NC 28725

TENANT

JACKSON COUNTY TOURISM DEVELOPMENT AUTHORITY, (TDA)
98D COPE CREEK ROAD
SYLVA, NC 28779

Notices may be given to the Tenant at 98D Cope Creek Plaza office.

Such addresses may be changed from time to time by any party by providing notice as set forth above. Notices mailed in accordance with the provision shall be deemed received on the third day after processing.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the State of North Carolina.

ENTIRE AGREEMENT/AMENDMENT. This Lease Agreement contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforced as so limited.

WAIVER. The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

BINDING EFFECT. The provision of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

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.

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 foregoing statements as such.

SIGNATURES. This Lease may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be considered one and the same agreement. This

Agreement may also be executed electronically. By signing electronically, the parties indicate their intent to comply with the Electronic Commerce in Government Act, NCGS 66-358 and the Uniform Electronic Transactions Act, NCGS 66-311. Delivery of an executed counterpart of this Agreement by either electronic means or by facsimile transmission shall be as effective as a manually executed counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed in their respective names by their duly authorized officers.

LANDLORD:

Harold David Gates, Manager for Gates Properties of Sylva, LLC.

HAROLD DAVID GATES

4/30/2026

Signature

Date

TENANT/LESSEE:

Dale Collins, Chairman for Jackson County Tourism Development Authority.

Signature

Date

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

This the _____ day of _____, 2026.

Finance Officer, Jackson County, North Carolina