

NORTH CAROLINA

CHATHAM COUNTY

THIS AGREEMENT (this "Agreement"), made and entered into this 7th day of August, 2014 by and between **CHATHAM COUNTY**, a body politic and corporate of the state of North Carolina (the "County") and **CHATHAM TRADES, INC.**, a North Carolina non-profit corporation having its registered office in Chatham County, North Carolina ("**Chatham Trades**") The County and the Chatham Trades may hereinafter be referred to as a "Party" or collectively as the "Parties".

WITNESSETH:

WHEREAS, Chatham Trades is a 501(c)(3) corporation organized for the purpose of providing, inter alia, a Community Rehabilitation Program (CRP) to provide employment and training to adults with physical, intellectual and developmental disabilities to maximize their vocational opportunities; and

WHEREAS, Chatham Trades is licensed by the North Carolina Department of Health and Human Services as a Mental Health Facility to provide an Adult Developmental Vocational Program (ADVP); and

WHEREAS, the General Assembly of the State of North Carolina has authorized counties to appropriate funds to support programs intended to further the welfare, education, and safety of its citizens, including inter alia, programs that provide employment and training to adults with physical, intellectual and developmental disabilities to maximize their vocational opportunities; and

WHEREAS, the County is authorized to contract with and appropriate funds to any corporation to carry out any public purpose that the County itself is authorized by law to engage in; and

WHEREAS, the County has funds available to provide support to nonprofit entities such as Chatham Trades which carry out activities that improve the health, quality of life, and public welfare of its citizens; and

WHEREAS, the County has determined that it is in the public interest to contract with and appropriate funds to Chatham Trades to assist Chatham Trades in operating a CRP and ADVP, as provided in this Agreement;

NOW, THEREFORE, for and in consideration of the premises and the respective benefits flowing to the parties, the County and Chatham Trades, intending to be legally bound, contract and agree as follows:

1. Purpose of Agreement; Chatham Trades Obligations. The purpose of this Agreement is to provide County funds to Chatham Trades so that Chatham Trades

can purchase a lot or parcel of real estate (the "Property") and either upfit and improve an existing building on the Property or construct a new building in which to operate and provide CRP, ADVP, and other rehabilitation programs, employment and vocational training (collectively the "Chatham Trades Services"). Chatham Trades covenants and agrees that it will use the County funds appropriated and paid under this Agreement for the sole purpose of purchasing the Property and either upfitting and improving an existing building thereon or constructing a new building, and, in addition, for and in consideration of the receipt of the County funds hereunder, Chatham Trades contracts, covenants, and agrees that it will provide Chatham Trades Services to citizens and residents of Chatham County during the full twenty (20) year term of this Agreement.

2. Maximum Payments. County Payments to be made under this Agreement shall in no event exceed a total of \$300,000.
3. County Appropriations for the Purchase of Land. The County agrees to appropriate and pay funds to Chatham Trades to be used to purchase the Property, provided the same can be acquired at a reasonable price. The Property purchased with County funds pursuant to the this paragraph 3 shall be used solely to upfit or improve an existing building, or to construct a new building to be used to provide the Chatham Trades Services and other services or activities Chatham Trades customarily provides for the benefit of the public and that Chatham Trades is authorized to provide. Prior to entering into any contract for the purchase of the Property, any portion of which is to be paid for with County funds, Chatham Trades shall submit a copy of the contract to the County for its approval. The County's approval shall be in writing and shall specify the amount of County money which is available to be appropriated to Chatham Trades for the purchase of the Property. The County money shall be available to be drawn by Chatham Trades upon the receipt of written draw requests providing such information related to each draw as is reasonably requested by the County. The deed conveying the real estate, and such other recordable documents related thereto, as may be necessary to establish Chatham Trade's obligations hereunder shall contain such restrictions, covenants, reversions, or other provisions mutually agreeable to the Parties as will insure that the real estate, including any building or structure located thereon, shall be used solely for the purpose of providing the Chatham Trades Services and such other services or activities to the public as Chatham Trades is authorized to provide, and that upon the failure of the real estate to be so used, such real estate, shall, at the County's option, be conveyed to the County at no cost or charge.
4. County Appropriation for Building Construction. The County agrees to appropriate and pay funds to Chatham Trades to be used for the upfit and improvement of an existing building or the construction of a new building (the

“Building”, whether existing or new on the Property) as provided in this Paragraph 4. The Building shall be used solely to provide the services Chatham Trades has contracted to provide under this Agreement and other such services or activities to the public as Chatham Trades is authorized to provide. This restriction shall apply to any building upfitted, improved, or constructed in whole or in part with County funds pursuant to this paragraph 4. Prior to entering into any contract for the construction of a new building or the improvement of an existing building on the Property, any portion of which is to be paid for with County funds, Chatham Trades shall submit a copy of the contract to the County for its approval. The County’s approval shall be in writing and shall specify the total amount of County money which is available to be appropriated to Chatham Trades for the upfit, improvement, or construction of the Building. The County money shall be available to be drawn by Chatham Trades upon the receipt of written draw requests providing such detail as, in the reasonable judgment of the County, is sufficient for the County to determine the work for which payment is requested has been satisfactorily completed, and, shall at a minimum, include the customary approval by the architect or other design professional for the Building or his or her designee. Chatham Trades may submit draw applications for payment at the end of any month during which work has taken place. The County shall have the right, but not the obligation, to inspect the work for which payment is being sought to determine whether in its opinion the work has been satisfactorily completed. The period during which the County may inspect the work shall begin on the date the payment request is received and end fifteen (15) business days thereafter (the “Inspection Period”). On or before the end of the Inspection Period the County shall pay Chatham Trades for all authorized obligations included in the draw request for the construction. If the County believes that any work included in a draw request was not satisfactorily completed it may withhold payment for that portion of the payment request until the County and Chatham Trades have discussed the payment request and mutually agreed upon a fair and equitable resolution.

5. Pre-closing Conditions Precedent to County’s Obligation to Appropriate Funds. Chatham Trades shall have any existing building or structure on the Property inspected by a certified building inspector prior to closing to ensure the same can be upfitted or improved at a reasonable cost, and shall deliver a copy of the inspection report to the County. Plans for any renovations or improvements to an existing structure, or for the construction of a new building, shall be approved by the County prior to bidding, and Chatham Trades shall solicit bids from licensed general contractors for the construction of a new building or any renovations or improvements to an existing structure, and shall provide copies of the bids to the County for its approval prior to closing. Chatham Trades shall have a Phase 1 Environmental Assessment completed and submit the report to the County. In addition, prior to closing, Chatham Trades shall prepare and submit to the County a written plan detailing how the construction and/or renovations or improvement

will be financed, including the source of any funding needed beyond that provided by the County.

6. Operation Solely by Chatham Trades. The Building shall be operated solely by Chatham Trades and in compliance with this Agreement and the County shall have no involvement in, nor responsibility for, the operation or the cost of operation of any building or structure on the Property.
7. Maintenance of Chatham Trades. Chatham Trades shall, at its sole cost and expense, keep all buildings or structures on the Property, including their furnishings and grounds, in good order and condition and shall make or cause to be made all necessary repairs, alterations and/or replacements thereto, interior, exterior, structural and nonstructural to maintain the same in good order and condition during the term of this Agreement. All such repairs, alterations, and replacements shall be equal in quality to the County funded improvements. The County shall have no responsibility whatsoever in respect to maintenance or repair, it being understood and agreed that Chatham Trades shall have full responsibility for the maintenance and upkeep of all buildings and structures on the Property.
8. Term. The term of this Agreement is twenty (20) years from the date a certificate of occupancy is issued for the Building.
9. Chatham Trades Accountability Requirements. Chatham Trades shall provide at least annually to the County during the term of the Agreement and to any member of the public within thirty (30) days of receipt of a written request for such information, the following financial information:
 - (i) Chatham Trades latest financial statements. The financial statements shall include, at a minimum, a balance sheet as of the end of the fiscal year and statement of operations for that year. Such financial statements shall also contain details about the amount of public funds received and how those funds were used; and
 - (ii) Chatham Trades Tax Returns. Chatham Trades' most recently filed Internal Revenue Service (IRS) Form 990, Form 990-EZ, or a copy of its Form 990-N submittal confirmation shall be provided. Chatham Trades may redact any information not required for public disclosure pursuant to 26 U.S.C. § 6104(d)(3). Alternatively, in lieu of responding to a request from a member of the public, Chatham Trades may satisfy this requirement if it posts this information on its website or if another entity posts the information as part of a database of similar documents. The information must be accessible by the general public without

charge. Also, if another entity maintains the information, Chatham Trades must include a link to the other entity's website on its own website.

10. Insurance. Chatham Trades shall keep the Building and all associated improvements on the property, both during construction and after completion, constantly insured against loss by fire, windstorm, and other casualties and contingencies, in such manner and with such companies and for such amounts as Chatham Trades in its reasonable discretion determines are sufficient, but not less than the amount of funds provided by the County for the construction of said building. Chatham Trades shall purchase such insurance, pay all premiums thereon, and, upon request, shall deliver to the County copies of its insurance policies and evidence of premium payments. All proceeds from any insurance so maintained shall be applied to the repair or reconstruction of the Building in the event of damage or destruction.
11. Termination. This Agreement shall automatically terminate if a building permit has not been issued and substantial work to upfit, improve, or construct the Building has not commenced on or before June 30, 2016.
12. Notices. All notices, payments, or other correspondence given or made pursuant to this Agreement shall be in writing, delivered in person, mailed by certified mail, return receipt requested, or delivered by a recognized overnight courier, postage or fees prepaid, addressed to a Party at the address given below, and shall be deemed effective upon the date received, via personal delivery, certified mail, or overnight delivery. The Parties shall be responsible for notifying each other of any change of address.

Mailing addresses for Parties are as follows:

If to County: Chatham County
 Post Office Box 1809
 Pittsboro, North Carolina 27312
 Attention: County Manager
 Email: Renee.Paschal@chathamnc.org

If to Chatham Trades:
 Chatham Trades, Inc.
 Post Office Box 511
 Siler City, NC 27344
 Email: Spoe@Chathamtrades.org

13. E-Verify: Effective September 4, 2013 North Carolina local government units are prohibited from entering into certain contracts unless the contractor and the

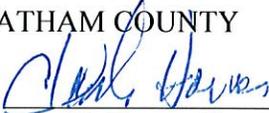
contractor's subcontractors, if any, comply with the requirements of N.C. Gen. Stats. §64-26(a). Prior to receiving any County funds hereunder, Chatham Trades and its subcontractors, if any, shall complete and return to the County the E-Verify affidavit, attached hereto as Appendix 1. If Chatham Trades or its subcontractors, are subject to the provisions of N.C. Gen. Stats. §64-26(a), Chatham Trades agrees to fully comply with such statute and require its subcontractors, if any, to fully comply with such statute.

14. Miscellaneous. This Agreement constitutes the entire agreement and understanding between the Parties and it is understood and agreed that all undertakings, negotiations, representations, promises, inducements, and agreements heretofore entered into between the Parties with respect to the matters contained herein are merged in this Agreement. This Agreement may not be changed orally, but only by a written document signed by both Parties. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced. This Agreement may not be assigned without the written consent of both Parties. The provisions of this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns to the extent such assignment has been consented to by both Parties. The provisions of the Agreement shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina. The headings contained in the Agreement are solely for the convenience of the Parties and do not constitute a part of this Agreement and shall not be used to construe or interpret any provisions hereof. This Agreement shall be considered for all purposes as having been prepared by the joint efforts of the Parties and shall not be construed against one Party or the other as a result of preparation, substitution, submission, or other event of negotiation. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect, and, if any such unenforceable provision hereof is enforceable in any part or to any lesser extent, such provision shall be enforceable in all such parts and to the greatest extent permissible under applicable law. This Agreement may be executed in any number of counterparts each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument, and the Parties hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, Chatham County and Chatham Trades, Inc. have executed this Agreement as of the day and year first written above.

CHATHAM COUNTY

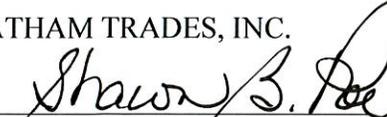
By:



Charlie Horne, County Manager

CHATHAM TRADES, INC.

By:



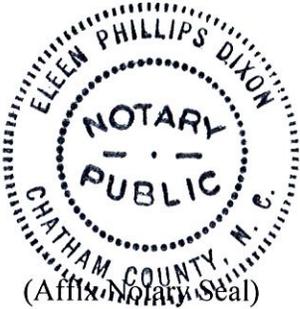
Shawn Poe, Executive Director

NORTH CAROLINA

COUNTY OF Chatham

I Eleen Phillips Dixon, a Notary Public of the County and State aforesaid, do hereby certify that Shawn Poe personally appeared before me this day and acknowledged that she is the Executive Director of Chatham Trades, Inc., and as Executive Director, being authorized to do so, executed the foregoing instrument on behalf of Chatham Trades, Inc.

Witness my hand and official seal this 7th day of August, 2014.



Eleen Phillips Dixon
Notary Public in and for the State of North Carolina

Eleen Phillips Dixon
Printed Name

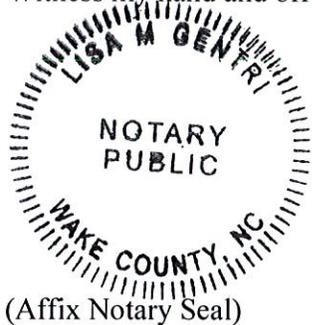
My Commission Expires: 05/15/2015

NORTH CAROLINA

COUNTY OF WAKE

I Lisa M. GENTRI, a Notary Public of the County and State aforesaid, do hereby certify that Charlie Horne personally appeared before me this day and acknowledged that he is the County Manager of Chatham County, North Carolina, and he as County Manager, being authorized to do so, executed the foregoing instrument on behalf of the said County.

Witness my hand and official seal this 7th day of AUGUST, 2014.



Lisa M. GENTRI
Notary Public in and for the State of North Carolina

LISA M. GENTRI
Printed Name

My Commission Expires: 5/4/2018

APPENDIX 1

STATE OF NORTH CAROLINA

AFFIDAVIT

COUNTY OF CHATHAM

I, Shawn B. Poe (the individual attesting below), being duly authorized by and on behalf of Chatham Trades, Inc. (the entity bidding on project hereinafter "Employer") after first being duly sworn hereby swears or affirms as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).
3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (Mark Yes or No)
 - a. YES , or
 - b. NO
4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer.

This 25 day of August, 2014.
Shawn B. Poe
Signature of Affiant
Print or Type Name: Shawn B. Poe

State of North Carolina County of Chatham

Signed and sworn to (or affirmed) before me, this the 7th

day of August, 2014.

My Commission Expires:

05/15/2015

Eleen Phillips Dixon
Notary Public

(Affix Official/Notarial Seal)

