

LEASE AGREEMENT

THIS LEASE. made this _____ day of _____, 2023 by and between Chatham County ("County") whose address is P.O. Box 1809, Pittsboro, North Carolina 27312 and The Board of Trustees of Central Carolina Community College ("College") whose address is 764 West Street, Pittsboro, North Carolina 27312. Either the County or the College may be referred to herein as a "Party" or collectively as the "Parties."

WITNESSETH:

PREMISES

1. County, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and covenanted to be paid, kept and performed by College, Leases and rents unto College, and College hereby Leases and takes upon the terms and conditions which hereinafter appear, the following described property that houses the College's Agricultural program (hereinafter called the "Premises"), to wit:

BEING known and designated as Structure 199 on Parcel Number 0087623 as shown on the Chatham County Land Records View Map and is part of Tract 1-A containing 2.03 acres, more or less, according to a plat entitled "Minor Subdivision for The Trustees of Central Carolina Community College, Owner," prepared by Infinite Land Design, PC, dated January 5 2009 and recorded in Plat Slide 2009-7 of the Chatham County Registry, reference to which is hereby made for a more particular description.

TERM

2. The College shall have and hold the Premises for a term of fifty (50) years beginning on the 1st day of _____, 2023.

RENTAL

3. College agrees to pay County without demand, deduction or set off, an annual rental of \$1.00 payable in advance on the first day of each calendar year during the term hereof.

UTILITIES, FACILITY OPERATIONS, AND CUSTODIAL CARE

4. College shall be responsible for all utilities used on or in the Premises. Responsibility to pay for a utility service shall include all metering, hook-up fees or other miscellaneous charges associated with the installation and maintenance of such utility in said Party's name. All utility accounts shall be kept in the College's name and shall be paid promptly. The College will manage the facility operations, maintenance, and custodial care. The costs incurred by the College for the heating, cooling, and water systems that directly support the County's library building shown as Structure 197 on Parcel Number 0087623 (the "Library") shall be reimbursed by the County to the College based on invoices submitted to the County within thirty (30) days of the costs being incurred and receipt of a proper invoice detailing the work performed.

The College Physical Plant Department will provide or contract maintenance services as necessary to

ensure that the heating, cooling, and water systems that support the Library are maintained.

USE OF PREMISES

5. The Premises shall be used for College sanctioned services and events only. The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises.

TAXES

6. The County represents that it owns the Premises and the Parties agree that it is exempt from both town and county taxes.

INDEMNITY INSURANCE

7. During the term of this Lease, the College shall maintain the following policies of insurance at the College's cost and expense.

(a) Commercial General Liability Insurance covering liability arising out of the College's use and occupancy of the Premises, including that of the College's Board of Trustees, employees, students, customers, agents, contractors, and member of the public with combined single limits of not less than \$5,000,000.00 per occurrence and \$5,000,000.00 as an annual aggregate, arising out of claims for bodily injury (including death) and property damage.

Only to the extent and in the manner permitted under North Carolina law, including but not limited to NCGS § 143-291 et seq., College agrees to and hereby does indemnify and hold County harmless against all claims for damages to persons or property by reason of College's use or occupancy of the Premises, and all expenses incurred by County because thereof, including attorney's fees and court costs. Supplementing the foregoing and in addition thereto, College shall during the term of this Lease and any extension or renewal thereof, and at College's expense, maintain in full force and effect comprehensive general liability insurance, which insurance that shall contain a special endorsement recognizing and insuring any liability accruing to College under the first sentence of this paragraph, and naming County as additional insured. College shall provide evidence of such insurance to County prior to the commencement of the term of this Lease. County and College each hereby release and relieve the other, and waive any right of recovery, for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of County or College or their agents, employees, contractors and/or invitees, to the extent that such loss or damage is within the policy limits of said comprehensive general liability insurance. County and College shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

(b) Casualty insurance insuring the Premises against loss or damage by fire or other insurable hazards and contingencies, including fire and extended coverage, in the amount of full replacement value, with a minimum amount of \$5,000,000.00. College shall pay upon demand as additional rental during the term of this Lease and any extension or renewal thereof all fire and extended coverage insurance in the minimum amount of at least \$5,000,000.00 including any and all public liability insurance on the building. College shall pay all insurance as provided herein within fifteen (15) days after receipt of notice from County as to the amount due.

(c) The insurance required by (a) and (b) above shall be issued by a company or companies authorized to do business under the laws of the State of North Carolina rated not less than "A" by A.M. Best and Company. The College shall furnish Certificates of Insurance to the County, naming the County as an additional insured. The certificates shall clearly indicate that the College has obtained insurance of the type, amount, and classification as required by this paragraph, that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the County, and that the insurance companies have waived any rights or subordination against the College or the County. Compliance with the foregoing requirements shall not relieve the College from any liability or obligation under this Lease.

(d) Worker's Compensation insurance coverage as statutorily required.

REPAIRS

8. College agrees to keep in good repair all the heating, cooling, and water systems within the structure, including repairs rendered necessary by the negligence or intentional wrongful acts of College, its agents, employees or invitees. College shall make any necessary plumbing, electrical, heating and air conditioning system component replacements. For the purposes of this Lease and unless otherwise indicated, replacement shall be required if the estimated costs to repair any single item is greater than \$1,000.00. Only to the extent and in the manner permitted under North Carolina law, including but not limited to NCGS § 143-291 et seq., College shall indemnify County from any liability, claim, demand or cause of action arising on account of College breach of the provisions of this paragraph. County shall promptly report in writing to College any defective condition known to it which College is required to repair or replace.

The College shall, throughout the term of this Lease, and any extension or renewal thereof, at its expense, in good order and repair the Premises and other improvements located thereon not required to be maintained by the County. College agrees to return the Premises to County at the expiration or prior termination of this Lease, in as good condition and repair as when first received, usual wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. County's employees, agents, contractors or subcontractors shall take no action which may void any manufacturer's or installer's warranty with relation to the Premises. Only to the extent and in the manner permitted under North Carolina law, including but not limited to NCGS § 143-291 et seq., County shall indemnify and hold College harmless from any liability, claim, demand or cause of action arising on account of County's breach of the provisions of this paragraph.

ALTERATIONS

9. College shall not make any alterations, additions, or improvements to the Premises without County's prior written consent. College shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon County's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by County, free of any liens or encumbrances. County may require College to remove any alterations, additions or improvements (whether or not made with County's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at College's expense. All alterations, additions and improvements which County has not required College to remove shall become County's property and shall be surrendered to County upon the termination of this Lease, except that College may remove any of College's machinery or equipment which can be removed without material damage to the Premises. College shall repair, at

College's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

This Paragraph shall not apply to minor alterations to the Premises, including but not limited to adding electrical outlets, repainting of walls, modification of lighting fixtures, hanging of wall décor or pictures, installation of minor furniture such as shelving, and other substantially similar projects. Major projects that require capital expenditures from the County or that fundamentally alter the structure, functionality, layout, or integrity of the building are not included in this exception.

REMOVAL OF FIXTURES

10. College may, prior to the expiration of this Lease, or any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided College repairs all damage to the Premises caused by such removal.

DESTRUCTION OF OR DAMAGE TO PREMISES

11. If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between County and College as of that date. If the Premises are damaged but not wholly destroyed by any such casualties, College shall have the election as to whether to terminate this Lease. Should the College not elect to terminate this Lease, the rental shall abate in such proportion as effective use of the Premises has been affected, and College shall restore Premises to substantially the same condition as before damage as speedily as is practicable, whereupon full rental shall recommence. Restoration shall be accomplished, if required hereunder, within 365 days of receipt of insurance proceeds by College.

GOVERNMENTAL ORDERS

12. College agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of College's occupancy of the Premises. County agrees to comply promptly with any such requirements if not made necessary by reason of College's occupancy.

ASSIGNMENT AND SUBLETTING

13. College shall not, without the prior written consent of County, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any Party other than the College. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of County. The Assignee of College, at option of County, shall become directly liable to County for all obligations of College hereunder, but no sublease or assignment by College shall relieve College of any liability hereunder.

EVENTS OF DEFAULT

14. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Party defaulting: (a) College fails to pay the rental as provided for herein; (b) College abandons or vacates the Premises and fails to pay rental provided for herein; (c) College fails to comply with or abide by and perform any other obligation imposed upon College under this Lease. (d) County fails to comply with or abide by and perform any obligation

imposed upon County under this Lease

REMEDIES UPON DEFAULT

15. Upon the occurrence of Event of Default by College, County may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law; (a) if the Event of Default involves nonpayment of rental and College fails to cure such default with five (5) days after receipt of written notice thereof from County, or if the Event of Default involves a default in performing any of the terms or provisions of this Lease other than the payment of rental and College fails to cure such default within fifteen (15) days after receipt of written notice of default from County, County may terminate this Lease by giving written notice to College and upon such termination shall be entitled to recover from College damages as may be permitted under applicable law; or (b) if the Event of Default involves any matter other than those set forth in item (a) of this paragraph, County may terminate this Lease by giving written notice to College and, upon such termination, shall be entitled to recover from College damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated). Upon the occurrence of Event of Default by County, College may terminate this Lease by giving written notice to County. In the event either Party hires an attorney to enforce its rights upon default, the prevailing Party shall be liable for the other Party's reasonable attorney's fees and court costs.

EXTERIOR SIGNS

16. Any and all signs placed on the Premises by College shall be maintained in compliance with governmental rules and regulations governing such signs and College shall be responsible to County for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

HOLDING OVER

17. If College remains in possession of the Premises after expiration of the term hereof, with County's acquiescence and without any express agreement of the Parties, College shall be a tenant at will at the rental rate which is in effect at end of this Lease and there shall be no renewal of this Lease by operation of law. If College remains in possession of the Premises after expiration of the term hereof without County's acquiescence, College shall be a tenant at sufferance and commencing on the date following the date of such expiration, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which College so remains in possession of the premises, be twice the monthly rental otherwise payable under Paragraph 3 above.

ATTORNEY'S FEES

18. In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of County or College, the prevailing Party in such litigation shall be entitled to recover reasonable attorney's fees and costs.

RIGHTS CUMULATIVE

19. All rights, powers and privileges conferred hereunder upon Parties hereto shall be cumulative and not restrictive of those given by law.

WAIVER OF RIGHTS

20. No failure of either Party to exercise any power given it hereunder or to insist upon strict compliance by the other of its obligations hereunder and no custom or practice of the Parties at variance with the terms hereof shall constitute a waiver of either Party's right to demand exact compliance with the terms hereof.

ENVIRONMENTAL LAWS

21. (a) College shall not bring onto the premises any Hazardous Materials (as defined below) without the prior written approval by County. Any approval must be preceded by submission to County of appropriate Material Safety Data Sheets (MSD Sheets). In the event of approval by County, College covenants that it will (1) comply with all requirements of any constituted public authority and all federal, state, and local codes, statutes, ordinances, rules and regulations, and laws, whether now in force or hereafter adopted relating to College's use of the Premises, or relating to the storage, use, disposal, processing, distribution, shipping or sales of any hazardous, flammable, toxic, or dangerous materials, waste or substance, the presence of which is regulated by a federal, state, or local law, ruling, rule or regulation (hereafter collectively referred to as "Hazardous Materials"); (2) comply with any reasonable recommendations by the insurance carrier of either County or College relating to the use by College on the Premises of such Hazardous Materials; (3) refrain from unlawfully disposing of or allowing the disposal of any Hazardous Materials upon, within, about or under the Premises; and (4) remove Materials from the Premises, either after their use by College or upon the expiration or earlier termination of this Lease, in compliance with all applicable laws all Hazardous Materials placed thereon during County's occupancy.

College shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and College shall provide County with copies of all such items upon request. College shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any environmental law or regulation by College, or related in any manner to Hazardous Materials. In addition, College shall provide County with copies of all responses to such correspondence at the time of the response.

Only to the extent and in the manner permitted under North Carolina law, including but not limited to NCGS § 143-291 et seq., College hereby indemnifies and holds harmless County, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, from time to time, and regulations promulgated thereunder, any so-called state or local "Superfund" or "Superlien" law, or any other federal, state or local statute, law or ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Materials) paid, incurred or suffered by, or asserted against, County as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises on any Hazardous Materials caused by College or College's agents, employees, invitees or successors in interest. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the premises if such Hazardous Materials were stored on the Premises by College, its agents, employees, invitees or successors in interest.

If College fails to comply with the covenants to be performed hereunder with respect to hazardous materials, or if an environmental protection lien is filed against the premises as a result of the actions of College, its agents, employees or invitees, then the occurrence of any such events shall be considered a default hereunder.

College will give County prompt notice of any release of Hazardous Materials, reportable or non-reportable, to federal, state or local authorities, of any fire, or any damage occurring on or to the Premises.

College will use and occupy the Premises and conduct its business in such a manner that the Premises are neat, clean and orderly at all times with all chemicals or Hazardous Materials marked for easy identification and stored according to all codes as outlined above.

The warranties and indemnities contained in this Paragraph shall survive the termination of this Lease.

TIME OF ESSENCE

22. Time is of the essence in this Lease.

ABANDONMENT

22. College shall not abandon the Premises at any time during the Lease term. If College shall abandon the premises or be dispossessed by process of law, any personal property belonging to College and left on the Premises for a period of 30 days shall, at the option of County, be deemed abandoned, and available to County to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises. This section shall not be construed to prohibit College's temporary cessation of operations on the Premises as long as it complies with all of the other provisions of this Lease.

DEFINITIONS

23. "College" as used in this Lease shall include the Central Carolina Community College, its assigns and successors in title to the Premises. "County" shall include the County of Chatham and its, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also County's assignees or sub-lessees as to the Premises covered by such assignment or sublease. "College", "County", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular Parties.

NOTICES

24. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to College shall be delivered or sent to the address shown at the beginning of this Lease, except that upon College taking possession of the Premises, then the Premises shall be College's address for such purposes. Notices to County shall be delivered or sent to the address shown at the beginning of this Lease.

All notices shall be effective upon delivery. Any Party may change its notice address upon written notice to the other Parties, given as provided herein.

ENTIRE AGREEMENT

25. This Lease contains the entire agreement of the Parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the Parties, not embodied herein shall be of any force or effect. This Lease may not be modified except by a writing duly executed by all the Parties hereto.

AUTHORIZED LEASE EXECUTION

26. Each individual executing this Lease represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the Parties.

SPECIAL STIPULATIONS

27. Any special stipulations are set forth in the attached Exhibit A. Insofar as said Special Stipulations conflict with any of the foregoing provisions, said Special Stipulations shall control.

MEMORANDUM OF LEASE

28. Upon request by either County or College, the Parties hereto shall execute a short form Lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of Rent and other sums due) as either Party may wish to incorporate. The cost of recording such memorandum of Lease shall be borne by the Party requesting execution of same.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be signed by their respective duly authorized officers, the day and year first above written.

CHATHAM COUNTY

By: _____
Dan LaMontagne
County Manager

By: _____
Karen Howard, Chair
Chatham County Board of Commissioners

ATTEST:

Lindsay K. Ray, NCCCC, Clerk to the Board
Chatham County Board of Commissioners

CCCC

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