

STATE OF NORTH CAROLINA

LEASE

COUNTY OF CHATHAM

This Lease, made and entered into this ____ day of April, 2018, by and between Richard E. Fox (hereinafter referred to as the "Landlord"); and County of Chatham, a North Carolina body politic and corporate (hereinafter referred to as the "Tenant");

W I T N E S S E T H:

That for and in consideration of the rental hereinafter reserved and the covenants and agreements herein contained, Landlord has agreed to lease and does hereby demise and lease unto Tenant, and Tenant has agreed to take and lease and does hereby lease from Landlord, the premises known as Siler City Business Park, 124 Village Lake Road, Siler City, North Carolina 27344 and being a building containing approximately 1980 square feet of interior space, for use as a sheriff substation, including the parking area adjacent to the said building:

1. TERM OF LEASE: The term of this Lease shall be for a period of Two-years commencing at 12:00 noon on the 1st day of June 2018, and ending at 12:00 noon on the 31th day of May, 2020, both dates inclusive.

2. RENTAL: The total amount of rental shall be Nineteen-thousand-Four hundred and Forty (\$19,440) Dollars per annum payable in equal monthly installments of One-Thousand-Six hundred-Fifty dollars (\$1,650) Dollars, to be paid on or before the 5th day of each month and the Tenant unless otherwise advised in writing, shall send the monthly rental payment to Richard E. Fox, P. O. Box 563 Siler City, N. C. 27344

3. UTILITIES: The Tenant shall pay all reasonable charges for gas, electricity, light, heat, power and telephone or other communication service used, rendered, or supplied upon or in connection with the leased property, and shall indemnify the Landlord against any liability or damages on such account; however, the Landlord will at all times during the term of this Lease, be solely responsible for the cost of water, maintenance and repair of the septic tank and well serving the demised premises, and agrees to keep the same in good repair at all times. Landlord also agrees to pay all costs and expenses incurred in tying into water and sewer lines should that occur during the term of the Lease.

4. TAXES: Landlord shall pay, when due, all taxes and assessments of any kind or nature which are now or may hereafter be imposed upon the demised premises; and the Tenant shall pay when due all taxes of any kind or nature imposed or assessed upon the merchandise, inventory or other property installed or brought onto the demised premises by or for the Tenant.

5. ALTERATIONS: Tenant may, at its sole cost and expense, from time to time during the term of this Lease, make such alterations, additions or changes, structural or otherwise, in and to the leased premises as it finds necessary or desirable and convenient for its purposes.

6. ASSIGNMENT AND SUBLETTING: Tenant or its successors shall have the right to assign or sublet the leased premises in whole or in part, but only upon prior written approval by Landlord, which approval shall not be unreasonably withheld. However, the Tenant herein shall continue to remain liable

notwithstanding such assignment or sublease for the future performance of all of the terms, covenants, and conditions of this Lease.

8. **INSURANCE:** Tenant agrees that it will at all times during the term hereof, at its own expense, maintain and keep in force public liability insurance against claims for bodily injury, death or property damage occurring in or on or about the demised premises and will also provide at its sole cost and expense, such fire and extended coverage and vandalism and malicious mischief insurance covering the contents of the demised premises as the Tenant deems advisable. The Landlord, at its sole cost and expense, shall keep the premises and the building and improvements thereon, to wit: all of the property deemed to be real property under the terms of this Lease insured to the extent of the full replacement cost thereof against loss or damage by fire, with extended coverage.

9. **DAMAGE AND DESTRUCTION:** If the leased premises be damaged or destroyed in whole or in part at any time during the term of this Lease by fire or other casualty, Landlord will within thirty (30) days of the destruction or damage to the property notify the Tenant in writing whether it elects to restore the property or to terminate the Lease. If the Landlord elects not to restore the demised premises, then this Lease shall thereupon terminate and become null and void. However, should the Landlord elect to restore the premises to the condition existing before the damage or destruction, then in that event rent shall be abated according to the amount of square footage available to the Tenant for use to conduct business in while the repair and/or restoration takes place.

10. **CONDEMNATION:** In the event that all of the leased premises shall be taken in condemnation proceedings or by exercise of any right of eminent domain, this Lease shall terminate as of the date of said taking, and all unearned rent and all other charges paid in advance shall be refunded to the Tenant and the Tenant shall surrender possession of the leased premises to Landlord. The award for such taking shall belong to Landlord except that, in the event Tenant expends any sum of money for improvements to the leased premises, which, when completed, constitute part of the real estate, a share of the net award shall belong to Tenant. Tenant shall also be entitled to make claim in its own name to the condemning authorities for the value of any furniture, trade fixtures, trade equipment, merchandise or personal property of any kind belonging to Tenant and not forming part of the real estate, or for the cost of moving all of the same, and any such award made directly to Tenant shall belong entirely to Tenant.

In the event that a portion of, but not all, of the leased premises shall be taken in condemnation proceedings or by exercise of any right of eminent domain and if as a result of such partial taking the ground floor area of the building on the leased premises remaining after the taking is less than eighty (80) percent of the ground floor area of said building prior to the taking, or if the parking area, after the taking, is less than eighty (80) percent of the parking area prior to the taking, then in such event, Tenant shall have the right to terminate this Lease provided the Tenant shall have given notice to Landlord within thirty (30) days after knowledge by Tenant of such taking of Tenant's intention to cancel this Lease. Whereupon, Tenant shall be liable only for the rent up to the time of such taking or the date when Tenant shall vacate the leased premises, whichever date is later, and Tenant shall be entitled to refund of any advanced rentals paid by it for the period subsequent to the latter of such dates.

In the event that Tenant does not exercise its election to cancel this Lease, then and in that event:

a. This Lease shall continue in full force and effect as to the portion of the leased premises not taken for the balance of the term of this Lease; however, the annual rent for the unexpired term shall be reduced by that portion which the area so taken shall bear to the entire area of the demised premises immediately prior to such taking;

b. Landlord diligently shall make all necessary repairs or alterations to restore the building and/or parking lot to a complete architectural unit.

11. REPAIRS: Landlord will keep the roof and the exterior walls of the demised premises and the parking lot in proper repair, provided that in each case Tenant shall have given Landlord prior written notice of the necessity of such repairs. Tenant will keep the interior of the demised premises, which includes, but is not limited to, all the electrical, plumbing, heating, air conditioning and other mechanical installations therein and all plate glass doors and windows in good order and repair. Landlord agrees to be solely responsible for the maintenance and repair of the septic tank and well serving the demised premises, and to keep the same in good repair at all times. Tenant agrees to surrender the demised premises at the expiration or earlier termination of this Lease in as good a condition as when received, excepting only deterioration caused by ordinary wear and tear and damage by fire or other casualty of the kind insured against in standard policies of fire insurance and extended coverage. If Landlord refuses or neglects to repair property as required hereunder and to the reasonable satisfaction of the Tenant, as soon as reasonably possible after written demand, Tenant may make such repairs (but is not required to do so). Landlord shall pay Tenant's costs for making such repairs or Tenant may credit the costs of the repairs against the monthly rental payment or payments thereafter falling due.

12. QUIET ENJOYMENT: Tenant, upon paying the rent, and subject to all of the terms and covenants of this Lease, on Tenant's part to be kept, observed, and performed, shall quietly have and enjoy the leased premises during the term of this Lease without hindrance or molestation by any person. Landlord for himself, his heirs, successors and assigns, agrees that Tenant, its successors, and assigns, shall have continuous, peaceful, uninterrupted and exclusive possession and quiet enjoyment of the entire premises during the term of this Lease. The Landlord covenants that at the time of the execution of this Lease, Landlord is in legal possession of the demised premises, has full right to lease the same for the term aforesaid, and will put Tenant in actual possession of the premises hereinbefore provided.

13. NOTICES: Notices may be sent by the Tenant to the Landlord by delivering the same in person to the Landlord or mailed to the Landlord at the following address:

Richard E. Fox, P. O. Box 563, Siler City, N. C. 27344

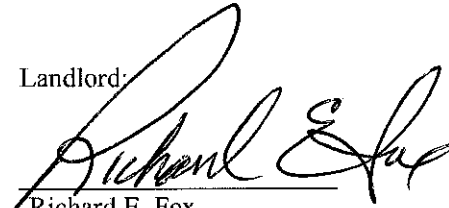
14. MISCELLANEOUS: This agreement shall be binding upon the parties, their heirs, assigns, personal representatives and successors in interest. This agreement may be executed in one or more counterparts each of which shall be deemed to be an original.

15. OPTION RENEW: The Lease may be extended for two (2) additional Two-year (2) terms at the option of the Tenant upon the Tenant giving Landlord notice of its desire to extend at least 60 days prior to the expiration of the initial term.

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In Witness Whereof, the parties have hereunto set their hands and seals, the day and year first above written.

Landlord:


Richard E. Fox

Tenant:

County of Chatham, a North Carolina body
politic and corporate

By: _____
Renee Paschal, County Manager

(SEAL)

Attested by:

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

This Instrument has been audited in the
manner prescribed by the Local
Government Fiscal Budget Act.

Vicki McConnell, Finance Officer