

NORTH CAROLINA
HAYWOOD COUNTY

THIS LEASE AGREEMENT, made and entered into this 25th day of September, 1980, by and between the COUNTY OF HAYWOOD, a body politic and corporate created, organized and existing under and by virtue of the laws of the State of North Carolina, herein-after referred to as "Lessor", and the HAYWOOD COUNTY CONSOLIDATED SCHOOL SYSTEM, a body politic and corporate created, organized and existing under and by virtue of the laws of the State of North Carolina, hereinafter referred to as "Lessee";

W I T N E S S E T H:

WHEREAS, Lessor is the owner of that building referred to locally as the "Old Haywood County Hospital Building" located in Waynesville, North Carolina, and is in the process of converting same into an office and administrative building for use by governmental agencies; and

WHEREAS, Lessor desires and has previously requested that Lessee move from its present building located behind the Haywood County Courthouse in Waynesville and known locally as the "Education Building" and move into the aforesaid Hospital Building

and

WHEREAS, subject to modifications and alterations of said Hospital Building, Lessee has agreed to vacate the aforesaid Education Building and move into and occupy a portion of said Hospital Building; and

WHEREAS, the parties desire to make and enter into this lease defining their respective duties, rights, obligations and liabilities in connection with the leased premises.

NOW, THEREFORE, in consideration of the mutual covenants herein contained it is agreed by and between the parties as follows:

TERM - This lease shall begin on the 1st day of January, 1981, and shall exist and continue for a period of ten (10) years or until and including the 31st day of December, 1990. Thereafter, this lease will automatically renew and extend for additional ten (10) year periods until notice is given by either

Lessor or Lessee of its intention not to renew said lease.

It is acknowledged by Lessor and Lessee that Lessee has occupied the aforesaid Education Building for a number of years prior to date hereof and has used same as the administrative building in connection with the operation and supervision of the Haywood County School System. It is further acknowledged that said building was designed and built specifically to meet the requirements of Lessee and through the past years has fulfilled all of the needs and requirements of Lessee. It is further acknowledged that Lessor is greatly in need of additional space in and about the Haywood County Courthouse with which to house various governmental agencies and that it is in need of the aforesaid Education building to meet these requirements and in connection therewith, Lessor has requested that Lessee vacate said Education Building, and that it occupy a portion of the aforesaid Hospital Building. It is further acknowledged that each party has an interest in said "Education Building", the Lessee having legal title to that portion of the land upon which is situated the shipping bay and a small portion of the land upon which the building sits, and the Lessor owning the major portion of said land. There is also some question as to how long the current Haywood County Commissioners can bind Lessor in this Lease Agreement. It is therefore agreed by and between the parties that if for any reason the Haywood County Commissioners should, at a later date, terminate this Contract, or cannot for any reason furnish and provide that portion of the Hospital Building herein-after referred to as an office for Lessee, then and in that event, Lessor will promptly furnish and provide Lessee with comparable quarters within the Town of Waynesville (or elsewhere as agreed upon by both parties) with due regard to the requirements of Lessee as to square footage, type of construction, and design suitable to meet the needs and requirements of Lessee; in other words, "equal" offices.

PREMISES - That portion of the Hospital Building leased to Lessee is the original entire North wing of the Hospital Building which includes the ground floor (which previously housed the X-Ray Department and other facilities) and the first, second and third floors of said wing, together with and including all grounds ✓

and parking areas located in front of said building and the parking which fronts on East Marshall Street opposite the "Turk Owen" Store Building. This lease also includes the right to park in the large parking lot adjacent to the westerly side of said Hospital Building on an "as available" basis, said large parking lot to be shared with other tenants in said Hospital Building.

CONSIDERATION - In consideration of this lease, Lessee agrees that it will vacate the aforesaid Education Building as hereinafter set forth and will deliver said building to Lessor. Lessor agrees that it will furnish and provide to Lessee that portion of said Hospital Building as hereinafter described and will do and perform the other things herein set forth.

PROTECTION OF BUILDING - No use shall be made of the leased premises that results in (a) waste of the premises (b) a public or private nuisance that may disturb the quiet enjoyment of other tenants in the building, or (c) noises or vibrations that may disturb other tenants.

MAINTENANCE - Lessee shall furnish janitorial services for the demised premises and will furnish and provide yard care in front of the Hospital Building and on the sides of said building which it occupies. Lessee will be responsible for the maintenance of the roof over the demised premises which it occupies and will furnish and provide electrical and plumbing repairs at its expense. Lessor shall provide outside maintenance for the demised premises excepting the roof as aforesaid. Lessor will provide maintenance and repairs for the boiler and heating system but the actual cost to Lessor shall then be assessed against each Lessee in said Hospital Building as their respective pro rata shares of expenses on the basis of the proportionate square footage (excluding ground floor) of the demised premises then being utilized by this Lessee and the other tenants of the building.

UTILITIES - All charges for electricity, oil, water and sewer for said Hospital Building and for liability and fire insurance costs shall be paid by the Lessor and then assessed against each tenant in the said Hospital Building as their respective pro rata shares of expenses, on the basis of the proportionate square footage (excluding ground floor) of the demised

premises then being utilized by this Lessee and other tenants of the building.

INSURANCE - The insurance referred to in the preceding paragraph shall include fire and extended coverage insurance insuring said Hospital, Building, against loss or damage by fire or other catastrophe in an amount sufficient to cover the replacement costs of the building and shall also include comprehensive public liability insurance, including property damage, insuring both lessor and Lessee against liability for injuries to persons or property occurring in or about the demised premises or arising out of its ownership, maintenance, use or occupancy. The fire insurance proration of Lessee will not cover additional buildings such as the Old Nurses Dormitory Building on adjacent premises.

SIGNS - Lessee shall have the right to install signs on the leased premises, provided same are permitted by the City of Waynesville Building Code, and that such signs shall not damage nor impair the attractiveness of the leased premises. The care and maintenance of such signs shall be the sole duty of the Lessee, and Lessee shall indemnify Lessor at its sole expense for any claim arising out of the installation and use of such signs.

CURRENT RENOVATIONS - Lessor agrees that it will pay to Lessee the sum of \$80,000 and, if additional funds are needed to accomplish the renovations set out herein, an additional amount, with the total not to exceed \$102,320 and Lessee agrees that it will use said funds for the purpose of renovating the demised premises in order to make same usable as the administrative building of the Haywood County Consolidated School System. Said funds will be made immediately available to Lessee and Lessee agrees that it will commence renovations on the demised premises as quickly as possible and will diligently pursue same to an orderly completion. The demised premises will be renovated in accordance with that Drawing or Drawings prepared by Foy & Lee entitled "Central Office Renovations for Haywood County Board of Education, Old Haywood County Hospital, Waynesville, N. C." Sheet 1 of 1 dated September 24, 1980, and "Garage Addition for Haywood County Board of Education, Old Haywood County Hospital, Waynesville, N. C.", Sheets 1 and 2, dated August 27, 1980, and

as previously explained to Lessor and Lessee by Mr. Tai Lee of Foy & Lee.

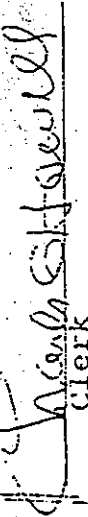
EXISTING OFFICE BUILDING - As a portion of the consideration for this lease agreement, the Lessee does agree that it will voluntarily deliver possession of the present building located behind the Haywood County Courthouse in Waynesville and known locally as the "Education Building", on or before April 1, 1981, provided, however, that should weather, acts of God or unavailability of materials prevent Lessee from completing the renovations to the new office premises being leased pursuant to this lease agreement, Lessee shall have a reasonable additional time to deliver possession of the "Education Building" to Lessor. Lessee further agrees to execute a quitclaim deed for all its right, title and interest in and to the present "Education Building" and any portion of the land upon which said building or any portion thereof rests, over to Depot Street, to the Lessor at the time Lessee occupies the Hospital Building.

INTERPRETATION - This instrument shall be construed and interpreted pursuant to the laws of the State of North Carolina.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their respective names by their respective Chairman, attested by their respective Clerk and/or Secretary, and their corporate seals to be hereto affixed, all by authority duly given and in duplicate original, the day and year first above written.

LESSOR:
HAYWOOD COUNTY

ATTEST:


Clerk

By: 
Chairman

LESSEE:
HAYWOOD COUNTY CONSOLIDATED
SCHOOL SYSTEM.

ATTEST:


Secretary

By: 
Chairman