

NORTH CAROLINA
GUILFORD COUNTY

FACILITY LEASE AGREEMENT

THIS FACILITY LEASE AGREEMENT made and entered into this _____ day of June, 2021, by and between **TOWN OF OAK RIDGE**, a Municipal Corporation of Guilford County, North Carolina (hereinafter referred to as "Lessor"), and **OAK RIDGE YOUTH ASSOCIATION, INC.**, a North Carolina non-profit corporation (hereinafter referred to collectively as "Lessee");

W I T N E S S E T H:

In consideration of the mutual covenants and agreements hereinafter recited, Lessor does hereby lease and demise unto Lessee and Lessee does hereby lease and take as tenant from Lessor, subject to the reservations and conditions stated hereinafter, those certain premises (hereinafter referred to as the "Premises") described as an approximately 2,000 square foot space or area of the Town of Oak Ridge Town Park Maintenance Building, shown as "Section B" on the floor plan attached to this lease labeled "Exhibit A" and incorporated herein by reference.

Lessor shall have no obligation to make any improvements in the Premises whatsoever, except as provided hereinafter, and Lessee agrees to accept the same in its present condition, "as is."

TO HAVE AND TO HOLD the said Premises unto the Lessee upon and subject to the following terms, conditions, and reservations:

1. **TERM:** The term of this Lease shall be for three (3) years, beginning on the 1st day of July, 2021, and ending at 12:00 midnight on the 30th day of June, 2024. The lease is subject to renegotiation of a replacement or successor lease, as herein provided, but such is not automatic or an option to renew or extend under N. C. Gen. Stat. § 160A-272.

2. **USE OF PREMISES:** The Premises shall be used and occupied by Lessee, subject to the reservations and provisions set forth in herein, as follows:

Lessee shall use the premises only for the storage of materials and equipment reasonably necessary for youth recreational programs. Such use will not include the storage of any flammable or hazardous substances as same are defined during the term of this lease under any applicable local, state, or federal ordinance, law, code, or regulation. Lessee shall not use the Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance to be created or maintained therein.

3. *RENT*: Lessee shall pay to Lessor as rent during and for the term of this Lease the sum of ONE AND 00/100 (\$ 1.00) Dollar, payable on or before the 1st day of July, 2021, and on or before the first day of July each year thereafter during the remaining term of this Lease.

4. *DELIVERY OF POSSESSION*: Upon execution of this Lease, Lessor shall deliver possession of the Premises to Lessee. Lessor and Lessee shall each retain keys to the Premises.

5. *DEFAULT/ REMEDIES/ HOLDING OVER*: The occurrence of one or more of the following events (herein referred to as "Events of Default") shall constitute a default by Lessee:

- A. Abandoning or vacating the Premises prior to the expiration of the term of this Lease or prior to a valid termination thereof in accordance with the provisions of this Lease;
- B. Failure to perform any other provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to Lessee.

In the event of default by Lessee, and without waiving any other rights or remedies Lessor may have at law or in equity hereunder, Lessor shall have the right to terminate this Lease without notice to vacate (any right to which is hereby waived by Lessee) and Lessee's rights to possession of the Premises at any time, and re-enter and take possession of the Premises.

Upon the expiration of the term or other termination of this Lease, Lessee shall quit and surrender to Lessor the Premises, broom clean, in good order and condition, ordinary wear and tear excepted, and Lessee shall remove from the Premises all of its property. If Lessee shall hold over after the expiration of the term or other termination of this Lease, such holding over shall not be deemed to be a renegotiation, renewal or extension of this Lease but shall be deemed to create a

tenancy-at-will and by such holding over Lessee shall be deemed to have agreed to be bound by all of the terms, conditions and reservations of this Lease except those as to the term thereof.

6. *ASSIGNMENT AND SUBLETTING:* Lessee shall not assign this Lease or sublet the Premises or any part thereof.

7. *UTILITIES AND OTHER SERVICES:* Lessor shall apply for all utilities for the Premises in Lessor's name, including but not limited to water, sewer, natural gas, electricity, fuel oil, telephone or facsimile services, cable television, Internet or interactive connections, waste-collection services, and alarm-systems or other security services, and timely pay same during the term of this Lease. Provided, that Lessee shall not undertake any activity requiring a foreseeable and unreasonable amount of utility service to the Premises in any given month during which this lease is in effect; in the event of any such proscribed usage, Lessee shall reimburse Lessor therefor. For purposes of this Lease and this provision, "unreasonable" shall mean any utility service billing attributable to Lessee's use of the Premises exceeding ten (10%) percent of the average monthly billing for such utility service for the immediately preceding twelve-month period.

8. *PROPERTY MAINTENANCE/ REPAIRS:*

A. *Grounds and Building Exterior:* Lessor shall be fully responsible for maintenance of the outdoor grounds of the Premises and the exterior of the building.

B. *Building Interiors:* Lessee shall be fully responsible for care and maintenance of the interior of the Premises.

C. *Repairs:* Lessee shall be fully responsible for making all repairs of damage to the Premises occurring during the term of this Lease. All repairs hereunder shall be reported to Lessor and shall be completed promptly and within a reasonable time after identifying the need therefor.

9. *ALTERATIONS BY LESSEE.* Lessee shall make no alterations, modifications, additions, or improvements to the Premises without the prior written consent of Lessor. All alterations, modifications, additions, or improvements made by, for or at the direction of Lessee shall, when made, become the property of the Lessor and shall remain upon and be surrendered with the Premises as a part of this lease.

10. *PROPERTY OF LESSEE:* All property placed on the Premises by, at the direction of or with the consent of the Lessee, its employees, agents, licensees, or invitees, shall be at the risk of the Lessee or owner thereof and Lessor shall not be liable for any loss or damage to said property resulting from any cause whatsoever unless such loss or damage is the result of Lessor's proven acts of negligence.

11. *LESSOR'S RIGHT OF ENTRY:* Lessor shall have the right to enter and grant licenses to enter the Premises at any time and for such lengths of time as Lessor shall deem reasonable (a) to inspect the Premises, (b) to exhibit the Premises, (c) to make alterations or repairs to the Premises and to store necessary materials, tools and equipment for such alterations or repairs, (d) for any purpose which Lessor shall deem necessary for the operation and maintenance of the Premises and the general welfare and comfort of Lessee or the general public, (e) for the purpose of removing from the Premises any placards, signs, fixtures, alterations or additions not permitted by this Lease Agreement, or (f) to abate any condition which constitutes a violation of any covenant or condition of this Lease or of general law. No such entry by Lessor shall in any manner affect Lessee's obligations and covenants under this Lease and no such entry shall of itself without affirmative proof of negligence on the part of Lessor render Lessor liable for any loss of or damage to the property of Lessee or its clientele.

12. *INSURANCE AND INSURANCE RATES:* Throughout the term of this Lease, Lessee shall carry renter=s insurance insuring Lessee=s interest, if any, in improvements to or in the Premises and Lessee=s interest in its furniture, equipment, supplies, and other property, including but not limited to all sports equipment and supplies. Throughout the term of this Lease, Lessee shall carry liability insurance insuring against all liability of Lessee and Lessee=s agents or authorized representatives arising out of and in connection with Lessee's use or occupancy of the Premises, with minimum liability coverage of One Million and No/100 (\$1,000,000.00) Dollars for injury to one person, One Million and No/100 (\$1,000,000.00) Dollars for injury to more than one person in one accident and Two Hundred Thousand and No/100 (\$200,000.00) Dollars property-damage coverage. Lessor Town of Oak Ridge shall be added as a named insured to Lessee's general liability insurance policy. Lessee shall furnish Lessor with a certificate or copy of such certificate evidencing the aforementioned insurance coverage.

Lessee shall not do or cause to be done or permit on the Premises anything deemed extra-hazardous on account of fire and Lessee shall not use the Premises in any manner which will cause an increase in the premium rate for any insurance in effect on the Premises or any part thereof or property thereon. If, because of anything done, caused to be done, permitted or omitted by Lessee or its agents, servants or employees, the premium rate for any kind of insurance in effect on the Premises or

any part thereof or property thereon shall be raised, Lessee shall pay for such insurance and if Lessor shall demand that Lessee remedy the condition which caused any such increase in an insurance premium rate, Lessee shall remedy such condition within five (5) days after receipt of such demand.

13. *FIRE OR OTHER CASUALTY:* In the event that during the term of this Lease, the Premises shall be damaged by fire or other casualty which renders the Premises untenable, Lessor within ten (10) days of such fire or casualty or of receipt of written notice from Lessee of such damage (whichever shall occur last) shall have the right to either (i) serve written notice upon Lessee of Lessor's intent to repair said damage or (ii) if said damage renders so much of the Premises untenable that repair would not be feasible, or if said damage shall have been occasioned by the act or omission of Lessee, its servants, agents or employees, serve written notice upon Lessee that this Lease is to be terminated, provided, however, that Lessor shall not so terminate this Lease unless such repairs cannot be made within a period of thirty (30) days or unless at the time such notice is given there remains less than thirty (30) days during the unexpired current term of this Lease.

The other provisions of this Paragraph 18 notwithstanding, Lessor shall have no obligation to replace or repair any property on the Premises belonging to Lessee or to anyone claiming through or under Lessee nor shall Lessor have any obligation hereunder to replace or repair (a) any property on the Premises which Lessor shall have the right to require Lessee to remove from the Premises or (b) any alteration, modification, addition or improvement made to the Premises by, for or at the direction of Lessee.

14. *QUIET ENJOYMENT:* Lessor agrees that Lessee on paying the rent and performing all the terms and conditions of this Lease shall quietly have, hold and enjoy the demised Premises for the term aforesaid.

15. *NOTICES:* Any notice or demand which by any provision of this Lease Agreement is required or allowed to be given by either party to the other shall be deemed to have been sufficiently given for all purposes when made in writing and sent in the United States mail as certified or registered mail, return receipt requested, postage prepaid and addressed:

- A. To the Lessor, as follows: Town Manager, P. O. Box 374, Oak Ridge, NC 27310.
 - B. To the Lessee, as follows: Oak Ridge Youth Association, Inc., Attn: President,
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16. *INTEGRATION AND BINDING EFFECT/SITUS/REFERENCES:* The entire agreement, intent and understanding between Lessor and Lessee is contained in the provisions of this Lease and any stipulations, representations, promises, or agreements, written or oral, or any course of dealing between the parties, made prior to or contemporaneously with this Lease, shall have no legal or equitable effect or consequence unless reduced to writing herein. This Lease shall be governed by and construed pursuant to the laws of the State of North Carolina and the ordinances and regulations of the Town of Oak Ridge. References herein to the singular shall be construed as references to the plural, and references to the masculine gender shall be construed as references to the feminine gender or neuter, as required by context.

17. *RENEGOTIATION:* Lessor agrees to renegotiate with Lessee a replacement or successor lease upon mutually agreeable terms, all terms in this lease being subject to renegotiation and revision, provided that Lessor shall be under no obligation to so renegotiate terms of a replacement or successor lease unless (a) Lessee is in full compliance with all terms and provisions of this lease, (b) Lessee provides notice of its intent and desire for such renegotiation no earlier than eighteen (18) nor later than twelve (12) months before the expiration of the Lease term set forth in the foregoing Section 1, and (c), as a condition precedent to such negotiation lessee agrees to a minimum term of five (5) years at a rent amount of \$1,000.00 per month in the replacement or successor lease. Renegotiation as contemplated under this section is not automatic or an option to renew or extend under N. C. Gen. Stat. § 160A-272.

18. *AUTHORITY.* Lessor hereby declares this Lease to be made pursuant to its legal authority to sell or lease real property under the laws of the State of North Carolina applicable to municipal corporations. This lease is made, effective as of the date and for the term shown above, by and with the authority of the Oak Ridge Town Council, by ordinance, resolution, or motion duly adopted at its meeting on _____, 2021, wherein the Mayor was authorized and directed to execute this Lease on behalf of the Town of Oak Ridge. This lease is made, effective as of the date and for the term shown above, by and with the authority of the Oak Ridge Youth Association board of directors, by resolution or motion duly adopted at its meeting on _____, 2021, wherein the President was authorized and directed to execute this Lease on behalf of the Oak Ridge Youth Association.

IN WITNESS WHEREOF, the Lessee by and with the authority of the board of directors of the Oak Ridge Youth Association, Inc. and as the act of the corporation, has caused this Lease to be executed and its corporate seal affixed hereto, and the Mayor of the Town of Oak Ridge on behalf of Lessor has executed this Lease Agreement by authority and at the direction of the Oak Ridge Town Council, and the Clerk of the Town of Oak Ridge has attested the Mayor's signature and caused the municipal seal of the Town of Oak Ridge to be affixed hereto, the day and year first above written.

LESSEE:

OAK RIDGE YOUTH ASSOCIATION, INC.,

[corporate seal]

By:

President

ATTEST:

Secretary/ Treasurer

LESSOR:

TOWN OF OAK RIDGE, a Municipal Corporation

[municipal seal]

By:

Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY.

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE
MANNER REQUIRED BY THE LOCAL GOVERNMENT
BUDGET AND FISCAL CONTROL ACT.

Town Attorney

Town Finance Officer