

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the 13th day of August, 2013, by and between the CITY OF NEW BERN ("Lessor"), a North Carolina municipal corporation, and CRAVEN COUNTY ("Lessee"), a body politic of the State of North Carolina, collectively referred to as the "Parties."

WITNESSETH:

THAT WHEREAS, the Lessor owns real property adjacent to the George Street Senior Center identified as Craven County parcel number 8-006-384; and

WHEREAS, the Lessor has agreed that the Lessee may lease a portion of Lessor's real property, as described and shown on Exhibits A and B attached hereto (the "Premises") for the erection of an outdoor shelter to be used in conjunction with the George Street Senior Center and for additional landscaping; and

WHEREAS, the Lessor has determined that the Premises will not be needed by the Lessor for the term of the Lease; and

WHEREAS, the Parties have agreed upon the terms of a Lease and wish to reduce their agreement to writing.

NOW, THEREFORE, subject to the terms and conditions hereinafter set forth, said Lessor does hereby let and lease unto said Lessee, and said Lessee does hereby accept as tenant of said Lessor, the Premises.

TO HAVE AND TO HOLD said Premises, together with all privileges and appurtenances thereunto belonging to it, the said Lessee, its successors and assigns, for the term and upon the conditions hereinafter set forth:

1. The initial term of this Lease shall be for a period of twenty-two (22) months commencing at 12:01 a.m. on September 1, 2013, and terminating at midnight on June 30, 2015 ("Initial Term"). The term of this Lease shall automatically renew for three (3) successive one-year terms (each a "Renewal Term") unless either party gives notice of its intent not to renew the Lease at least ninety (90) days prior to the expiration of the Initial Term or a Renewal Term. Upon renewal, all of the terms of this Lease shall be effective. Lessor may terminate this Lease upon twelve (12) months prior written notice to Lessee. In the event Lessor terminates this Lease prior to the expiration of the Initial Term or any Renewal Term, Lessor shall refund

Lessee a portion of the Lessee's expenses incurred to make the Lessee's intended improvements to the Premises which shall not exceed a total sum of \$20,000.00. In the event of Lessor's termination of this Agreement prior to the expiration of the Initial Term or any Renewal Term, such portion to be reimbursed to Lessee shall be an amount equal to the total funds expended by Lessee to make the improvements to the Premises (as evidenced by invoices for such improvements not to exceed a total of \$20,000.00) multiplied by a fraction, the denominator of which is 60 and the numerator being the number of full months remaining in the Initial and any Renewal Terms.

2. During the term of this Lease, the Lessee shall be responsible for maintaining and repairing the outdoor shelter to be erected so that the Lessor will have no obligation whatsoever with respect to the maintenance or repair of the same during the term of this Lease.

3. The Lessor shall maintain hazard insurance on the improvements located on the Premises in such amount as Lessor may determine in its sole discretion. Lessor shall also maintain general liability insurance in such amount as it deems necessary to protect the City of New Bern. The Lessee shall pay to the Lessor, on or before the 1st day of October, 2013, the actual expenses incurred by the Lessor to provide said coverage, both hazard and liability, but no more than the sum of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00). In lieu of payment of Lessor's expense in providing general liability insurance in connection with the use of the Premises, Lessee may, if it elects to do so, carry its own liability insurance in an amount no less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), so long as the City of New Bern is a named insured therein. In such event, the Lessee shall provide the Lessor with a Certificate of Insurance.

4. Should the Premises be damaged or destroyed by fire, the Lessor shall be under no obligation to repair or replace the improvements located on said Premises, and, should it elect not to repair or replace, this Lease shall thereupon terminate, unless the Lessee shall advise the Lessor, in writing, within thirty (30) days of the date of damage or destruction, that it proposes, at its own expense, to repair or replace the improvements located on said Premises and proceeds to do so within ninety (90) days of the loss.

5. As rental for the said Premises, the Lessee agrees to maintain the Premises, as hereinabove set forth, and to pay the sum of ONE DOLLAR (\$1.00) per annum during the term

of this Lease, with the first payment to be made contemporaneously with the execution of this Lease.

6. The Lessee agrees to utilize the Premises for the erection of an outdoor shelter to be used in conjunction with the George Street Senior Center, and for additional landscaping.

7. It is expressly agreed that all alterations and additions that are made by Lessee to the Premises during the term of this Lease shall be and become a permanent part of the real estate and, as such, the property of the Lessor. It is agreed, however, that all personal property placed in and about the Premises by the Lessee shall be and remain the property of the Lessee and may be removed by it upon the termination of this Lease. All other improvements shall be considered a part of the real estate.

8. Lessee shall not assign this Lease nor sublet any part of the demised property without written consent of the Lessor.

9. It is expressly agreed that, if the Lessee shall neglect to make any payment of rent when due or neglect to do and perform any matter or thing herein agreed to be done and performed by it and shall remain in default thereof for a period of thirty (30) days after written notice from the Lessor calling attention to such default, the Lessor may declare this Lease terminated and cancelled and take possession of said Premises without prejudice to any other legal remedy it may have on account of such default. Said notice may be given to the person at such time in charge of said Premises or sent by certified mail to the Lessee at the following address:

Craven County
Attn: Jack Veit, County Manager
406 Craven Street
New Bern, NC 28560

IN TESTIMONY WHEREOF, Lessor has caused this instrument to be executed in its corporate name by its Mayor and its corporate seal to be affixed and attested by its City Clerk, and Lessee has caused this instrument to be executed in its corporate name by its Chairman and attested by its County Clerk, all as of the day and year first above written, this Agreement being executed in duplicate originals, one of which is retained by each of the parties.

[SIGNATURES APPEAR ON PAGE 4]

CITY OF NEW BERN

By: _____

Mayor

ATTEST:

Veronica E. Mattocks

City Clerk

CRAVEN COUNTY

By: _____

Chairman

ATTEST:

Dwendelyn M. Byrd

County Clerk

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

I, Pamela S. Belrose, a notary public in and for said county and state, do hereby certify that on the 13 day of August, 2013, before me personally appeared LEE WILSON BETTIS, JR., with whom I am personally acquainted, who, being by me duly sworn, says that he is the Mayor and that VERONICA E. MATTOCKS is the City Clerk of the City of New Bern, the municipal corporation described in and which executed the foregoing instrument; that she knows the common seal of said municipal corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the municipal corporation was subscribed thereto by the said Mayor; that the said common seal was affixed, all by order of the Board of Aldermen of said municipal corporation; and that the said instrument is the act and deed of said municipal corporation.

WITNESS my hand and notarial seal, this 13 day of August, 2013.

Pamela S. Belrose
Notary Public

My commission expires:

9-10-16

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

I, Alison J. Newcombe, a notary public in and for said county and state, do hereby certify that on the 29th day of August, 2013, before me personally appeared Scott C. Dacey, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Chairman and that Dorothy M. Bryan the County Clerk of Craven County, the body politic described in and which executed the foregoing instrument; that he knows the common seal of said body politic; that the seal affixed to the foregoing instrument is said common seal; that the name of the body politic was subscribed thereto by the said Chairman; that the said common seal was affixed, all by order of the Board of Commissioners of said body politic; and that the said instrument is the act and deed of said body politic.

WITNESS my hand and notarial seal, this 29th day of August, 2013.

Alison J. Newcombe
Notary Public

My commission expires:

June 1, 2014

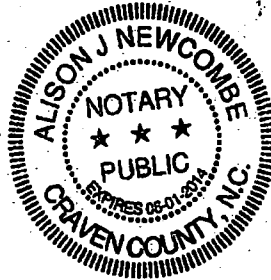


EXHIBIT A

Beginning at the southeastermost corner of property of Craven County (Deed Book 2231, Page 91); thence in a westerly direction along and with the southernmost line of the property of Craven County 55 feet; thence in a southerly direction and parallel with George Street 100.0 feet; thence in an easterly direction and parallel with the southernmost line of the property of Craven County 55 feet to the western right-of-way line of George Street; thence in a northerly direction along and with the western right-of-way line of George Street 100.0 feet to the point of beginning, all as shown on the drawing attached hereto as Exhibit B.

