

LEASE AGREEMENT

ARTICLE I – REFERENCE DATA

1.1 **SUBJECTS REFERRED TO:** Each reference in this Lease to any of following subjects shall be construed to incorporate the data stated for that subject in this Section 1.1:

TENANT:	City of Fayetteville
TENANT’S ADDRESS:	433 Hay Street Fayetteville, NC 28301
TENANT’S ADDRESS (for notice):	Attn: City Manager 433 Hay Street Fayetteville, NC 28301
TENANT’S ADDRESS (for Billing):	Attn: Collections 433 Hay Street Fayetteville, NC 28301
LANDLORD	Hamann Investments, LLC
LANDLORD’S MANAGING AGENT	Grant Murray Real Estate, LLC 150 North McPherson Church Road Fayetteville, NC 28303
SITE ADDRESS	6147 Raeford Road, Fayetteville, NC 28304
TENANT’S RSF:	4175 +/- Office and 1200 +/- outbuilding
BUILDING TOTAL RSF:	13,198 +/-
TERM COMMENCEMENT DATE:	July 1, 2024
RENT COMMENCEMENT DATE:	July 15, 2024
TERM EXPIRATION DATE:	June 30, 2029

RENT SCHEDULE: Including Escalation by year	Monthly Base Rent (Office)	Monthly Taxes & Insurance 20% Annual Increases	Monthly Rent (Out- Building)	Total Monthly Rent	Annual Rent
Year 11 (2%)	\$4,934.84	\$843.78	\$1,126.16	\$6,904.78	\$82,857.36
Year 12 (2%)	\$5,033.53	\$1,012.53	\$1,148.68	\$7,194.74	\$86,336.88
Year 13 (2%)	\$5,134.19	\$1,215.04	\$1,171.65	\$7,520.88	\$90,250.56
Year 14 (2%)	\$5,234.86	\$1,458.05	\$1,195.08	\$7,887.99	\$94,655.88
Year 15 (2%)	\$5,339.55	\$1,749.66	\$1,218.98	\$8,308.19	\$99,698.28
Total: Years 11-15					\$453,798.96

FIRST MONTHS TOTAL FIXED RENT: \$6,904.78

OPERATING EXPENSE BASE YEAR (NOT APPLICABLE)

SECURITY DEPOSIT (\$5,827.00 Is currently being held by Grant Murray Real Estate Property Management, no further deposit or fund required).

PERMITTED USES General Office Space for the City of Fayetteville Police Department

1.2 **EXHIBITS:** The exhibits listed below are incorporated into and form a part of this lease:

EXHIBIT A Property Description Page 15

EXHIBIT B Layout of Premises Page 16

EXHIBIT C Landlord's Responsibilities..... Page 17

EXHIBIT C-1 Tenant's Responsibilities..... Page 18

1.3 SPECIAL PROVISIONS:

1. At the Tenant's cost, Tenant will be listed at the main office entrance 6147 on the first floor of the premises. All Signs are the Tenant's Responsibility and will comply with all local codes and ordinances. All such signage shall be subject to landlord's approval, not to be unreasonably withheld.
2. Tenant will be accepting the space in its "as-is" condition.
3. Tenant will notify Landlord of any new construction for prior approval if needed.

ARTICLE II – PREMISES AND TERM

2.1 **PREMISES:** Landlord hereby leases to tenant, and Tenant hereby leases from Landlord that certain portion of the Landlord's Property ("Landlord's Property" being described on the attached Exhibit A) commonly known as 6147 Raeford Road (office Area) and the 1200 square foot outbuilding as the

TENANT INITIAL _____

LANDLORD INITIAL _____

same are more particularly delineated on the attached Exhibit B, excluding exterior faces of exterior walls, the common facilities area and building service fixtures and equipment serving (either exclusively or in common) other parts of the Building. Tenant's space, with such exclusions, is hereby referred to as the "Premises."

Tenant shall have, as appurtenant to the Premises, the right to use it in common with others entitled thereto; (a) the common facilities included in the Building or on the lot, including the parking facility, to the extent of access and use of forty-one (41) parking spaces and (b) the building service fixtures and equipment serving the premises. Access to the parking lot from Lunar Drive will be exclusive to the tenant unless otherwise agreed. Tenant has the option to install access gates at their own expense at the Lunar Drive entrance as needed. The access gate currently installed between the main office and outbuilding is Tenant installed and maintained. Tenant has full use of the Revere Street gate which is Landlord maintained.

Landlord reserves the right from time to time, without unreasonable interference with Tenant's use, (a) to install, repair, use, maintain and relocate for service to the premises and to other parts of the building or either, building service fixtures and equipment wherever located in the building and (b) to alter or relocate any other common facility provided that substitutions are substantially equivalent or better.

2.2 TERM: To have and to hold for and Initial period (the "Initial Term") commencing on the Term Commencement Date set out in Section 1.1 (the "Commencement Date") and continuing until the Term Expiration Date, unless sooner terminated as provided in Section 7.1 or in Article IX. This lease may be renewed by Tenant upon written notice to Landlord no later than thirty (30) days prior to the end of the Lease Term. Upon renewal the Rent Schedule will continue with the annual increases as set forth in Section 1.1.

ARTICLE III LANDLORD'S WORK/TENANT'S ALTERATIONS, MAINTENANCE AND REPAIRS

3.1 CONSTRUCTION AND DELIVERY OF PREMISES. Tenant shall accept the premises in its "as is" condition and landlord is under no obligation to make any alterations, decorations, additions, improvements or other changes (collectively "Alterations") in or to the premises.

3.2 ALTERATIONS. Except with respect to Tenant's Improvements and as otherwise provided below, Tenant shall not make or permit anyone to make any Alteration in or to the Premises or the Building without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall respond to a request by Tenant for approval of an Alteration within five (5) business days of receipt of plans and specifications. Should Landlord disapprove of any Alteration, it shall provide Tenant with detailed reasons why. Any Alteration made by Tenant shall be made: (a) in a good and workmanlike manner, (b) by a licensed contractor, (c) in accordance with plans and specifications provided by Tenant and reviewed, at no charge to Tenant, by Landlord, and (d) in accordance with all applicable laws and requirements. Notwithstanding anything contained herein to the contrary, Alterations that cost less than five thousand (\$5,000.00) dollars shall not require Landlord's prior consent.

All Alterations to the Premises or the Building made by either party shall Immediately become Landlord's property and shall be surrendered with the Premises at the expiration or earlier termination of the Lease Term, except that (a) Tenant shall have the right to remove, prior to expirations or earlier termination of the Lease Term, movable furniture, moveable furnishings and movable trade fixtures installed in the Premises by Tenant solely at Tenant's expense. Landlord shall have the right to repair at Tenant's expense any damage to the Premises or the Building caused by such removal or to require Tenant to do the same (normal wear and tear excepted). If any such item is not removed prior to the expiration or earlier termination of the Lease Term, then such item shall become Landlord's property and shall be surrendered with the Premises as a part thereof.

3.3 MAINTENANCE AND REPAIRS Tenant shall maintain the Premises and all fixtures and equipment located therein or exclusively serving the Premises (but excluding base building structures, systems, fixtures, and equipment) in clean, safe, and sanitary condition, take good care thereof, make all repairs and replacements thereto and suffer no waste or injury thereto and more particularly described on Exhibit C-1 attached hereto and incorporated by reference. Tenant shall give Landlord prompt written notice of any defect in or damage to the building or any part thereof. At the expiration or early termination of the Lease Term, Tenant shall surrender the Premises broom clean and in good order, condition and repair, except for ordinary wear and tear.

ARTICLE IV – RENT

4.1 MONTHLY PAYMENTS OF RENT Tenant agrees to pay Landlord, without any notice, demand, offset or reduction whatsoever, (except as made in accordance with the express provisions of the Lease) the Base Rent (sometimes also referred to herein as the "Total Fixed Rent") In equal monthly Installments as set out in Section 1.1 or as adjusted pursuant on the terms hereof, In advance on the first day of each calendar month beginning on the Rent Commencement Date. Rental payments as shown in 1.1 Include the Tenant's portion of property taxes and Insurance.

4.2 PAYMENTS All payments of Total Fixed Rent shall be made to Managing Agent at its address, or to such other person as Landlord may from time-to-time delegate. Since late payment of either Total Fixed Rent, as adjusted, or other sum due hereunder from Tenant to Landlord will result in administrative expense to Landlord, the extent of which would be extremely difficult and economically impractical to ascertain, Tenant agrees that if Total Fixed Rent or any other payment due hereunder from Tenant remains unpaid for more than ten (10) days after said amount is due, such payment shall be increased monthly by a late charge payable by Tenant equal to five percent (5%) of the amount of the delinquent payment. The amount of the late charges for any month shall be computed on the aggregate amount of all delinquent payments, Including all accrued late charges, then outstanding. The provisions of this section in no way relieve Tenant of the obligation to make all required payments when due, nor do such provisions in any way affect Landlord's remedies under this Lease.

ARTICLE V – LANDLORD’S COVENANTS

5.1 LANDLORD’S COVENANTS DURING THE TERM

5.1.1 BUILDING SERVICES Custodial services for the premises shall be provided by the Tenant inside of all leased properties. Landscaping, trash removal, and any snow or debris removal are to be provided by the Tenant.

5.1.2 ADDITIONAL BUILDING SERVICES To furnish, through Landlord’s employees or independent contractors, reasonable additional Building operation services beyond those listed in Exhibit C upon reasonable advance request of Tenant at equitable rates from time to time established to be paid by Tenant.

5.1.3 REPAIRS Except as otherwise provided in Article VII, to make such repairs to the roof, exterior walls, floor slabs and common facilities of the building, as well as those repairs described in Exhibit C, as may be necessary to keep them in serviceable condition, such repairs to be made by Landlord within a reasonable time from Landlord’s receipt of notice of the need for such repairs.

5.1.4 QUIET ENJOYMENT That Landlord has the right to make this Lease and that Tenant on paying the rent and performing its obligations hereunder shall peacefully and quietly have, hold and enjoy the Premises throughout the term without any sign of hindrance or molestation from Landlord, or anyone aligning under Landlord, subject however to all the terms and provisions hereof.

5.1.5 INDEMNITY To defend, save harmless, and indemnify Tenant from my liability for injury, loss, accident or damage to any person or property and from any claims, notions, proceedings and expenses and cost in connection therewith (Including without limitation, reasonable counsel fees) (1) arising from the willful not, negligence or other misconduct of the Landlord, or (2) resulting from the failure of the Landlord to perform and discharge its covenants and obligations under this lease. Indemnification of the Tenant by the Landlord does not constitute a waiver of the Tenant’s governmental immunity in any respects under North Carolina law.

5.2 INTERRUPTIONS Landlord shall not be liable to Tenant for any compensation or reductions of rent by reason of inconvenience or annoyance or for loss of business arising from power losses or shortages or from the necessity of Landlord’s entering the Premises for any of the purposes authorized in this Lease, or for repairing the Premises or any portion of the building or lot. In case Landlord is prevented from making any repairs, alterations or improvements, or furnishing any service or performing any other covenant or duty to be performed on Landlord’s part, by reason of any cause reasonably beyond Landlord’s control, Landlord shall not be liable to Tenant, therefore. However, should the delay render the Premises Insufficient to serve its intended purpose, Tenant may terminate this lease in accordance with the provisions of this Lease.

Landlord reserves the right to cease any service or utility system, when necessary, by reason of accident or emergency or until necessary repairs have been completed. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated

stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

ARTICLE VI – TENANT’S COVENANTS

6.1 TENANT’S COVENANTS DURING THE TERM Tenant covenants during the Term and such further time as Tenant occupies any part of the Premises:

6.1.1 TENANT’S PAYMENTS To pay when due (a) all Base Rent and late charges, Inclusive of Tenant’s portion of the Taxes and Insurance as described in Section 1.1 (b) all charges by public utilities for telephone and other utility services (including service inspections therefor) rendered for the benefit of the Premises not otherwise required hereunder to be furnished by Landlord without additional charge and not consumed in connection with any services required to be furnished by Landlord without additional charge.

6.1.2 REPAIRS Except as otherwise provided in Article VII and Section 5.1.3, to keep the Premises in good order, repair and condition, reasonable wear and tear only excepted, Including repairs as described in Exhibit C-1, and at the expiration of termination of this Lease, peaceably to surrender the Premise and all changes and additions therein in as good order, repair and condition as they were when received, reasonable wear and tear only excepted, first removing all goods and effects of Tennant and any items, the removal of which is required by agreement or specified therein to be removed at Tenant’s election and which Tenant elects to remove, and repairing all damage caused by such removal and restoring the Premises and leaving them clean and neat, Landlord reserving the right to perform those acts upon Tenant’s failure to do so and to deduct all costs of performance from Tenant’s security Deposit. Tenant shall also be responsible for costs of repair of any damage to its common areas and or other parts of the building by Tenant and Tenant’s Agents, employees, and independent contractors, Landlord reserving the right to perform these acts and deducting all costs of performance from Tenant’s Security Deposit.

6.1.3 OCCUPANCY AND USE Continuously from the Commencement Date, to use and occupy the Premises only for the Permitted Uses, and not to Injure or deface the Premises, Building, or lot.

6.1.4 ASSIGNMENT AND SUBLETTING Not to assign this Lease nor, without the prior written consent of Landlord, to make or sublease, nor to permit occupancy of the Premises or any part thereof by anyone other than the Tenant voluntarily or by operation of law.

6.1.5 LANDLORD’S RIGHT OF ENTRY Tenant may, at its own expense, provide its own locks and security access system to the premises in their entirety or to portions of the Premises. Tenant need not furnish Landlord with a duplicate set of keys to such locks for Interior Offices, but upon the expiration or termination of the Lease, Tenant shall surrender all such keys to the Landlord. In light of the nature of the Tenant’s business, Landlord agrees and understands that all entry into the Premises must be with a Tenant escort. Landlord further agrees that certain areas that are listed “secured” and in use at the time of the visit, may not be accessible to the Landlord other than in an urgent and immediate situation.

6.1.6 TENANT'S PROPERTY Solely to assume the risk of loss of all furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by through or under Tenant, which may be on the Premises or elsewhere in the Building or on the lot, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by leakage or bursting of water pipes, steam, pipes or other pipes, by theft, or from any other cause, to hold the Landlord harmless for the loss or damage thereto except in the event in the act, omission or negligence of the Landlord or its agents or contractors.

6.1.7 LABOR OF MATERIALMANS LIENS To pay promptly when due the entire cost of any work done on the Premises by Tenant or its agents, employee, or independent contractors, not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises, and Immediately to discharge any such liens which may so attach.

6.1.8 CHANGES OR ADDITIONS Not to make any structural or permanent changes or additions to the Premises without Landlord's prior written consent, provided that Tenant shall reimburse Landlord for all reasonable costs incurred in reviewing Tenant's proposed changes or additions.

6.1.9 HOLDOVER To pay to Landlord on and one-half (1 ½) times the total of the Total Fixed Rent, as adjusted, then applicable for each month or portion thereof Tenant shall retain possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise, The provisions of this subsection shall not operate as a waiver by Landlord of my rights or remedies provided in this Lease.

ARTICLE VII – CASUALTY AND TAKING

7.1 CASUALTY TO PREMISIS If the Premises are damaged by fire or other casualty, but are not rendered untenable for Tenant's business, either in whole or in part, Landlord shall cause such damage to be repaired without unreasonable delay and the Total Fixed Rent, as adjusted, shall not be abated or reduced. If by reason of such casualty, the Premises are rendered untenable, either in whole or in part, as determined by Landlord for the Permitted Uses, Landlord shall cause the damage to the Premises to be repaired or replaced without unreasonable delay, and, In the interim, the Total Fixed Rent, as adjusted, shall be proportionately reduced in the same ratio as the portion of the Premises which are rendered untenable bears to the Tenant's RSF. Any such abatement of rent shall not, however, create an extension of the Term; provided, however, If, by reason of such casualty, the Premises are rendered untenable in some material portion as determined by the Landlord and the amount of time required to repair the damage using due diligence is in excess of 60 days, then either party shall have the right to terminate this lease by giving written notice of termination within 30 days of casualty, and the Total Fixed Rent, as adjusted, shall abate as of the date of the casualty in the proportion to the portion of the Premises rendered untenable. Except as provided in this section, there shall be no obligation of the Landlord to rebuild or repair in case of Fire or other casualty and no termination under this section shall affect my rights as Landlord or Tenant hereunder because of prior default of the

other party. Tenant shall give Landlord immediate notice of fire or other casualty occurring in the Premises.

Notwithstanding the foregoing, if the cost of the restoration of the building exceeds the amount of proceeds received from the Landlord's Insurance payable because of the casualty, Landlord may elect to terminate this lease by giving written notice to the Tenant within fifteen (15) days after determining that such restoration cost will exceed insurance proceeds. In case of destruction to the Premises only, if Landlord elects to terminate the Lease, Tenant, within fifteen (15) days after receiving Landlord's notice to terminate, may elect to pay to Landlord, at the time Tenant notifies Landlord of its election, the difference between the amount of Insurance proceeds and the cost of restoration, in which case the Landlord shall restore the Premises. Landlord shall give Tenant satisfactory evidence that all sums contributed by Tenant as provided in this section have been expended by Landlord in paying the cost of Restoration. If Landlord elects to terminate this lease and Tenant does not elect to contribute toward the cost of the restoration as provided in this section, this Lease shall terminate as of the date Landlord elects to terminate this Lease, in which event rent paid for the unusable portion of the Premises since the date of destruction shall be refunded to the Tenant.

7.2 EMINENT DOMAIN

7.2.1 DEFINITIONS As used in this section 7.2: (a) "Condemnation" shall mean the (1) exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor under a power of eminent domain or (2) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending; (b) "Date of Taking" shall mean the date the Condemnor acquires any interest or right in and to the Building and or the lot and or any improvements thereon; (c) "Award" shall mean all compensation, sums, or anything of value awarded, paid or received on a total or partial Condemnation; (d) "Condemnor" shall mean any public or Quasi-public authority, or private corporation or individual, having the power of Condemnation; and (e) "Taking" shall mean any acquisition by a Condemnor of any interest in and to the Building, the lot or improvements thereon by virtue of a Condemnation.

7.2.2 TOTAL TAKING If the Building and the lot are totally taken by Condemnation, this Lease shall terminate on the Date of Taking.

7.2.3 PARTIAL TAKING If any portion of the Premises is taken by Condemnation, this Lease shall remain in effect, except that either Landlord or Tenant may elect to terminate this Lease if 25% or more of the Tenant's RSF is taken or such Taking shall materially Impair the normal operation of the Premises or Tenant's business. If the parking area adjacent to the Building is taken by Condemnation, either Landlord or Tenant may elect to terminate this Lease immediately.

If either party elects to terminate this Lease pursuant to Section 7.2.3, then the party exercising such election shall give written notice to the other within 30 days after the nature and the extent of the Taking have been finally determined. The date of termination of the Lease under this election shall be the Date of the Taking. If either party does not elect to terminate this Lease

within the 30-day period, this Lease shall continue in full force and effect except that in the case of a partial Taking of the Premises, the Total Fixed Rent, as adjusted, shall be proportionately and equitably adjusted.

7.2.4 RESTORATION OF PREMISES If there is a partial Taking of the Premises, and neither party may elect to terminate this Lease pursuant to Section 7.2.3, then Landlord shall repair and restore the Premises to the best possible tenantable condition and the Total Fixed Rent, as adjusted, shall be proportionately and equitably adjusted. Any rent adjustment shall be based upon the extent to which the restoration Interferes with the Tenant's use of the Premises for its Permitted Uses.

7.2.5 AWARD All compensation awarded for any Taking shall be the property of the Landlord, whether such Award is for compensation for damages to Landlord's or Tenant's interest, and Tenant hereby assigns all of its Interest In any Award to Landlord; however, Landlord shall not have any interest In any separate Award made to the Tenant for loss of business, moving expense or the taking of Tenant's trade fixtures or equipment which shall be recoverable by Tenant from the Condemnor in a separate action. No claim made by the Tenant may diminish Landlord's Award.

7.2.6 TEMPORARY TAKING The Taking of the Premises or any part thereof by military or other public authority shall constitute a Taking of the Premises only when the use and occupancy by the Taking authority has continued for longer than 180 consecutive days. During the 180-day period, all provisions of this Lease shall remain in full force and effect, except that the Total Fixed Rent, as adjusted, shall be abated during such period of Taking based on the extent to which the Taking interferes with Tenant's use of Premises. Landlord shall be solely entitled to any Award that may be paid for the use and occupation of the Premises for the period involved as provided in Section 7.2.5.

ARTICLE VIII – RIGHTS OF MORTGAGEE

8.1 PRIORITY OF LEASE Landlord shall have the option to subordinate this Lease to any mortgagee or deed of trust or ground lease (the "Mortgage") on the lot or Building or both (the "Mortgaged Property"), provided that the holder thereof (the "Mortgagee") enters or indicates Its willingness to enter into an agreement with Tenant by the Terms of which the Mortgagee will agree to recognize the rights of the Tenant under this Lease and to accept Tenant as a tenant of the Premises under the terms and conditions of this Lease in the event of acquisition of title by such Mortgagee through foreclosure proceedings or otherwise and Tenant will agree to recognize the Mortgagee as Landlord in such event, which agreement shall be made to expressly bind and inure to the benefit of the successors and assigns of the Tenant and such Mortgagee and anyone purchasing the Mortgaged Property at any foreclosure sale. Unless Landlord exercises such an option, this Lease shall be superior to and shall not be subordinated to any Mortgage or other voluntary lien or other encumbrance on the mortgaged Property.

8.2 LIMITATION ON MORTGAGEE'S LIABILITY Upon entry and taking possession of the Mortgaged Property for any purpose other than foreclosure, the Mortgagee shall have all rights

of Landlord and, during the period of such possession, the duty to perform all Landlord's obligations hereunder. Except during such period of possession, no Mortgagee shall be liable, either as mortgagee or as holder of a collateral assignment of this Lease, to perform, or be liable in damages for failure to perform, any of the obligations of the Landlord unless and until such Mortgagee shall enter and take possession of the Mortgaged Property for the purpose of foreclosing a Mortgage. Upon entry for the purpose of foreclosing a Mortgage, such Mortgagee shall be liable to perform all of the obligations of Landlord, provided that a discontinuance of any foreclosure proceeding shall be deemed a conveyance under the provisions of Section 10.5 to the owner of the equity of the Mortgaged Property.

8.3 NO PREPAYMENT OF MODIFICATION ETC Neither Total fixed rent, as adjusted, nor any other charge shall be paid prior to the due dates thereof, and payments made in violation of this provision shall (except to the extent that such payments are actually received by a Mortgagee in possession or in the process of foreclosing its Mortgage) be a nullity as against such Mortgagee, and Tenant shall be liable for the amount of such payments to such Mortgagee. No assignment of this Lease and no agreement to make or accept any surrender, termination or cancelation of this Lease and no agreement to modify so as to reduce the rent, change the Term, or otherwise materially change the rights of the Landlord under this Lease, or to relieve Tenant of any obligations or liability under this Lease, shall be valid as against Mortgagee unless consented to in writing by Landlord's Mortgagees of record, if any, such consent not to be unreasonably withheld or delayed.

8.4 LIMITATIONS The obligation and limitations of this Article VIII shall not be applicable to Tenant unless it has been given written notice of the Mortgagee and its address.

ARTICLE IX – DEFAULT

9.1 DEFAULT If one or more of the following events shall occur and shall continue for such time after any required notice is given as hereinafter provided;

- (a) If Tenant shall fail to pay any rent or any other sum due hereunder when due in accordance with the terms of this Lease and such default shall continue for a period of ten (10) days after written notice to the Tenant thereof; provided Landlord shall have no obligations to give more than two (2) default notices in any one calendar year; or,
- (b) If Tenant shall vacate or abandon the Premises or fail to operate its business continuously and uninterruptedly herein and such default shall continue for a period of ten (10) days after written notice to Tenant thereof; or,
- (c) If Tenant shall fail to keep or perform or abide any other term, condition, covenant or agreement of this Lease now or hereafter in effect and such default shall continue for a period of fifteen (15) days after written notice to Tenant thereof; or,
- (d) If Landlord on three (3) or more occasions in any twelve (12) month period, gives notice to Tenant of Default under sub paragraphs above, notwithstanding Tenant's cure

of such noticed defaults within the allowable periods; such shall constitute a default (hereinafter called: Event(s) of Default”); or

(e) If Landlord shall fail to keep or perform or abide any other term, condition, covenant, or agreement set forth in this Lease now or hereafter in effect.

9.2 REMEDIES UPON DEFAULT Upon the occurrence of any Event of Default as set forth above, Landlord, with or without terminating this Lease, Immediately or at any time, thereafter, shall have the right, at its option, to utilize the following rights: Landlord may demand that the Tenant vacate the Premises. Tenant shall vacate the Premises and remove all its property thereon within thirty (30) days of Tenant’s receipt of such notice, whereupon Landlord shall have the right to re-enter and take possession of the Premises. In addition, thereto, Landlord, at its election, shall have and recover from Tenant a prorated amount of the Total Fixed Rent Due for the month of termination, covering the period of the Tenant’s normal occupancy of the Premises. Such election shall be made by the Landlord’s giving Tenant written notice thereof within thirty (30) days of the notice of termination.

Upon occurrence of any Event of Default by the Landlord as set forth above, Tenant may terminate this lease by providing to Landlord written notice of termination, said termination to be effective fifteen (15) days after written notice is provided. Landlord shall have no further right or claim to rent beyond the date of termination, the final rent being a prorated amount based on the date of termination.

All remedies provided for in this lease are cumulative and may, at the election of the Landlord or Tenant, be exercised alternatively, successively or in any other manner and are in addition to any other rights provided by law.

ARTICLE X – MISCELLANEOUS

10.1 TITLES The titles of the Articles and Sections are for convenience and are not to be considered in construing this Lease.

10.2 NOTICE OF LEASE Upon request of either party both parties shall execute and deliver, after the Term begins, a short form memorandum of this Lease in form appropriate for recording or registration, and if this Lease is terminated before the Term expires, and instrument in such form acknowledging the fact and date of termination.

10.3 RELOCATION Landlord reserves the right to ask the Tenant to relocate the Premises to comparable space within the building, if available, by giving Tenant prior written notice of such request to relocate. Landlord and Tenant must agree on the space to which the Premises are to be relocated, and the timing of such relocation. If Landlord and Tenant do so agree, then effective on the date of such relocation this Lease shall be amended by deleting the description of the original Premises and substituting therefore a description of such comparable space. If Landlord exercises its right to relocate, Landlord agrees to pay the actual and reasonable cost of moving Tenant to such other space within the building.

10.4 NOTICE No notice, approval, consent requested, or election required or permitted to be given or made pursuant to this Lease shall be effective unless the same is in writing. Communication shall be addressed, if to Landlord, at Landlord's address or at such other address as may have been specified by prior notice to the Tenant and, if to Tenant, at Tenant's Address or at such other place as may have been specified by prior notice to Landlord. Any communication so addressed shall be deemed duly served if mailed by registered or certified mail, return receipt requested. For any communication given to Landlord, then the same shall be given in each Instance to Landlord's Managing Agent at Managing Agents Address.

10.5 BIND AND INURE The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Landlord named herein, and each successive owner of the Premises shall be liable only for the obligations accruing during the period of its ownership. Whenever the Premises are owned by a trustee or trustees, the obligations of Landlord shall be binding upon Landlord's trust estate, but not upon any trustee, beneficiary, or shareholder of the trust individually.

10.6 NO SURRENDER The delivery of keys or other such tender of possession of the Premises to any employee of Landlord or to the agent or employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

10.7 NO WAIVER ETC The failure of Landlord or of Tenant to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of all or a portion of Total Fixed Rent, as adjusted, with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach by Landlord, unless such waiver be in writing signed by Landlord or Landlord's Representative. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any breach of the same or any other agreement or duty.

10.8 NO ACCORD AND SATISFACTION No acceptance by Landlord of a lesser sum than the Total Fixed Rent, as adjusted, late charges, and other sums then due shall be deemed to be other than on account of the earliest installment of such payments due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed as record and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

10.9 CUMULATIVE REMEDIES The specific remedies to which a party may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach of any provisions of this lease. In addition to the other remedies provided in this Lease, Landlord

shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions, or provisions of this Lease or to a degree compelling specific performance of any such covenants, conditions, or provisions.

10.10 PARTIAL INVALIDITY If any term of this Lease, or the application thereof to any person or circumstances, shall to any extent be invalid and unenforceable, the remainder of this Lease, or the application of such term to persons or circumstances other than those as to which it is Invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent of the law.

10.11 SIGNS Tenant may not erect, Install, or display any sign or advertising material upon the Premises, the walls thereof, or in any window therein, without the prior written consent of the Landlord, except as provided in Section 1.3.

10.12 LEASE REVIEW, DATE OF EXECUTION This Lease shall become effective as a contract only upon execution and delivery by both Landlord and Tenant. The date of execution shall be Inserted on the execution signature page of this Lease and shall be the date on which the last party signed the Lease, or as otherwise may be specifically agreed by both parties. Such date, once inserted, shall be established as the final date of ratification by all parties to this Lease, and shall be the date for use throughout this Lease as the “date of execution” or “execution date”.

10.13 AMENDMENT This Lease and all attachments and exhibits hereto contain the entire agreement between the parties, and no agreement, representation or inducement shall be effective to change, modify or terminate this Lease in whole or in part unless such agreement, representation or inducement is in writing and signed by both parties hereto.

10.14 FORCE MAJEURE Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by an act of war, hostile foreign actions, adverse governmental actions, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

ARTICLE XI – SECURITY DEPOSIT

Landlord acknowledges receipt from Tenant of the Security Deposit to be held by Landlord, as Security, for and during the termination of this Lease provided there exists no breach of any undertaking or covenant of Tenant. The Security Deposit may be held by Landlord in such manner as it shall elect, and Landlord shall be entitled to any interest which accrues thereon. If all or any part of the Security Deposit is applied to an obligation of the Tenant hereunder; Tenant shall immediately upon request by Landlord restore the Security Deposit to its original amount. Tenant shall not have the right to call upon the Landlord to apply all or any part of the Security Deposit to cure any default or fulfill any obligation of Tenant, but such use shall be solely in the discretion of the Landlord. Upon any conveyance by Landlord of its interest under this Lease, the Security Deposit may be delivered by Landlord to Landlord’s grantee or transferee. Upon any such delivery and upon such grantee or transferee agreeing to assume the obligations of Landlord hereunder, Landlord shall thereupon be released of any and all liability with respect to

the Security Deposit, its application and return, and Tenant agrees to look solely to such grantee or transferees. Landlord acknowledges and agrees that upon termination of this Lease Landlord is obligated to return any and all portions of the Security Deposit to Tenant not otherwise applied in accordance with the provisions of this Article.

ARTICLE XII – NON APPROPRIATION

Notwithstanding any other provisions of this agreement, the Parties agree that payments due hereunder from the Tenant are from appropriations and monies from the Fayetteville City Council and any other governmental entities. In the event sufficient appropriations or monies are not made available to the Tenant to pay the terms of this agreement for any fiscal year, this lease shall terminate immediately without further obligation of the City of Fayetteville.

ARTICLE XIII – MORALITY

If, in the sole opinion of the Tenant, at any time Landlord or any of its owner(s) or employee(s) or agent(s) (collectively referenced as an “Actor”) engages in any one or more of the actions below, the Tenant may immediately upon written notice to Landlord, terminate this Lease, in addition to any other rights and remedies that the Tenant may have hereunder or at law or in equity:

1. bring disrepute, contempt, scandal, or public ridicule to the Actor;
2. subject the Actor to prosecution;
3. offend the community or public morals/decency;
4. denigrate individuals or groups in the community served by the Tenant;
5. is scandalous or inconsistent with community standards or good citizenship;
6. adversely affect the Tenant’s finances, public standing, image, or reputation;
7. is embarrassing or offensive to the Tenant or may reflect unfavorably on the Tenant;
8. is derogatory or offensive to one or more employee(s) or customer(s) of the Tenant.

ARTICLE XIV – TERMINATION

Upon thirty (30) calendar days’ written notice to the Landlord, the Tenant may, without cause and without prejudice to any other right or remedy legally available to the Tenant, terminate this lease. Upon such notice, unless otherwise stated or agreed upon, the effective date of termination shall automatically occur thirty (30) days after the written notice is sent by the Tenant.

ARTICLE XV – E-VERIFY

Landlord acknowledges that “E-Verify” is the federal E-Verify program operated by the US Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes. Landlord further acknowledges that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in the United States, shall verify the work

authorization of the employee through E-Verify in accordance with NCGS §64-26(a). Landlord pledges, attests, and warrants through execution of this agreement that Landlord complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledges, attests and warrants that any subcontractors, sublessees, or others currently employed by or subsequently hired by Landlord shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this agreement.

ARTICLE XVI – COMPLIANCE WITH LAWS

The parties agree to comply with all applicable statutes, ordinances, and regulations of the United States, the State of North Carolina, the City, and other units of local government.

ARTICLE XVII – GOVERNING LAW, VENUE AND FORUM

This lease shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina. The Parties agree if litigation is brought in connection with this lease and (1) the litigation proceeds in the Courts of the State of North Carolina, the Parties agree the appropriate venue shall be in Cumberland County (Fourteenth Judicial District); or (2) the litigation proceeds in the federal court, the Parties agree the appropriate venue shall be the United States District Court for the Eastern District of North Carolina.

ARTICLE XVIII – SEVERABILITY

The Parties agree that if any provisions of this Lease shall be held invalid for any reason, the remaining provisions shall not be affected if they may continue to conform with the purposes of this Lease and the requirements of applicable law.

ARTICLE XIX – DIVESTMENT OF COMPANIES BOYCOTTING ISRAEL OR INVESTING IN IRAN CERTIFICATION

Landlord certifies that: (i) it is not identified on the Final Divestment List or any other list of prohibited investments created by the NC State Treasurer pursuant to N.C.G.S. 147-86.58; (ii) it has not been designated by the NC State Treasurer pursuant to N.C.G.S. 147-86.81 as a company engaged in the boycott of Israel ((i) and (ii) to be collectively referred to as “FD Lists”); and (iii) it will not take any action causing it to appear on the Treasurer’s FD Lists created by the NC State Treasurer during the term of this Agreement. By signing this Agreement, Landlord further agrees, as an independent obligation, separate and apart from this Agreement, to reimburse the Tenant for any and all damages, costs and attorneys’ fees incurred by the Tenant in connection with any claim that this Agreement or any part thereof is void due to Landlord appearing on the Treasurer’s FD Lists at any time before or during the term of this Agreement.

EXECUTED as a signed Instrument in two or more counterparts on the day and year written below,

Landlord:

Hamann Investments, LLC

By: _____

Its: Member Manager

Execution Date _____, 2024

Tenant:

City of Fayetteville

By: _____

Douglas J. Hewett, ICMA-CM, City Manager

ATTEST:

Pamela Megill, City Clerk

APPROVED AS TO FORM:

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Joshua E. Hall, Assistant City Attorney

Chief Financial Officer

Execution Date _____, 2024

EXHIBIT A

Description: Being all or a portion of Parcel #0407-50-4831 more particularly in a Deed to Hamann Investments, LLC, recorded in Book 8779, Page 648, Cumberland County Registry.

Improvements: As described in this Lease and Exhibits

Address: 6147 Raeford Road, Fayetteville, NC 28304

TENANT INITIAL _____

LANDLORD INITIAL _____

EXHIBIT B – 6147 Raeford Road Leased Areas



EXHIBIT C – LANDLORD RESPONSIBILITIES

Landlord shall be responsible for the following maintenance and repairs.

- 1.) Any repairs or maintenance associated with the roof.
- 2.) All plumbing lines and pipes, including the water heater and all internal valves, except in the event of damage that is caused by or is the fault of the Tenant.
- 3.) The HVAC system and components, except for air filter replacement quarterly or before as needed.
- 4.) Electrical Distribution system and components to include replacement of any faulty fixtures or ballasts.
- 5.) Any failure of overhead doors, except for ordinary wear and tear or damage caused by the Tenant.
- 6.) Any failure of the flooring, except for normal wear and tear or damage caused by the Tenant.
- 7.) Failures, cracks, or potholes occurring in the parking lot.

TENANT INITIAL _____

LANDLORD INITIAL _____

EXHIBIT C-1 – TENANT RESPONSIBILITIES

Tenant shall be responsible for the following maintenance and repairs.

- 1.) Ordinary wear and tear throughout the Premises.
- 2.) Replacement of HVAC filters quarterly or as needed.
- 3.) Normal wear and tear associated with any of the overhead doors.
- 4.) Cleaning of the parking lot utilized by the Tenant with the exception of structural repair or paving.
- 5.) Normal wear and tear associated with the carpet and flooring.
- 6.) Replacement of light bulbs as needed.
- 7.) Maintenance of security gate providing access from Lunar Drive
- 8.) Custodial Services for the Premises.
- 9.) Garbage Disposal and Removal from the Premises, Including providing an outdoor dumpster.
- 10.) Yard Maintenance including mowing and trimming around the Premises as needed by season.

TENANT INITIAL _____

LANDLORD INITIAL _____