

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF CUMBERLAND

THIS LEASE AGREEMENT ("Lease"), made this _____ day of June, 2026, by and between E. Frank Weaver, III, hereinafter called "Landlord"; and The City of Fayetteville, a North Carolina municipal corporation, hereinafter called "Tenant":

W I T N E S S E T H:

That for and in consideration of the mutual covenants and agreements herein contained, the Landlord hereby leases to the Tenant and the Tenant hereby rents from the Landlord, for the term and upon the conditions hereinafter set forth, those certain premises (hereinafter referred to as the "premises", "property" or "leased premises") situated in the City of Fayetteville, Cumberland County, North Carolina and particularly described as follows:

The real property and improvements, including the approximately 7,000 square feet building thereon (the "Building") and approximately 192 square feet thereon (the "Storage Building") located at **3811 Sycamore Dairy Rd.**, Fayetteville, North Carolina 28303, County of Cumberland.

TO HAVE AND TO HOLD said premises, together with all privileges and appurtenances thereunto belonging to the Tenant, its successors and assigns, for the term and upon the following terms and conditions:

1. TERM. This Lease shall commence on July 1, 2026 and shall terminate at midnight on the 30th day of June, 2031.

2. USE. The Tenant shall use the leased premises for all activities appropriate to the operation of the Fayetteville Police Department, or any other Tenant agency or department, and for no other purposes without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. In no event shall Tenant make any use of the premises which is in violation of any lawful governmental laws, rules or regulations insofar as they might relate to Tenant's use and occupancy of the premises, nor may Tenant make any use of the premises which use is or might constitute an unreasonable nuisance, or which increases the fire insurance premiums (or makes such insurance unavailable to Landlord) on the Building.

3. RENT. As rental for this Lease and for use of the premises, the Tenant shall pay to the Landlord during the term hereof, without demand and without deduction, abatement or setoff, the rent as follows:

Year	Monthly Rent	Annual Rent
Year 1	\$9,385	\$112,620
Year 2	\$9,535	\$114,420
Year 3	\$9,685	\$116,220
Year 4	\$9,835	\$118,020
Year 5	\$9,985	\$119,820

Rent shall be payable in advance on the first day of each calendar month during the term of the Lease and paid to: Weaver Commercial Properties, Agent for Landlord.

4. UTILITIES. The Tenant shall pay for all utilities, including but not limited to, water, gas, electricity and telephone services used in the leased premises, all of which shall be separately metered. The Landlord shall not be or become liable for any damages to the Tenant alleged to be caused or occasioned to or by or in any way connected with or the result of any interruption, defect or breakdown from any cause whatever for any such services unless caused by the negligence or willful misconduct of Landlord or Landlord's agents.

5. TAXES. During the term of this Lease, the Landlord shall pay, prior to delinquency, all ad valorem taxes assessed against the premises, The Tenant shall pay all personal property taxes assessed against its personal property located on the leased premises, including any leasehold improvements which it may have made.

6. GROUNDS MAINTAINENCE. The Tenant shall, at its cost, be responsible for all landscape maintenance, cleaning of parking lots, dumpster service and electricity for common area lighting.

7. ASSIGNMENT AND SUBLEASE. The Tenant shall not assign or in any manner transfer this Lease or any estate, interest or benefit therein or sublet the premises or any parts thereof or permit the use of the same or any part thereof by anyone other than Tenant without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or

subletting by operation of law. Consent by the Landlord to any assignment or transfer of interest under this Lease, or subletting of the premises or any part thereof shall be limited to the instance stated in such written consent and shall not constitute a release, waiver or consent to any other assignment, transfer of interest, or subletting; and notwithstanding any such assignment, transfer of interest, or subletting, the Tenant shall continue liable for the performance of the Tenant's obligations under this Lease. It shall be conclusively presumed with respect to any subletting of the premises that the assignee or sub-lessee shall have assumed as assignee or sub-lessee, as the case may be, all of the terms, covenants and conditions of this lease, regardless of whether or not such assumption is expressed in any written instrument evidencing such assignment or sublease.

8. THE LANDLORD'S OBLIGATION TO REPAIR. The Landlord, at its sole cost and expense, shall maintain and keep in good repair, and make all necessary replacements to the roof, foundation, windows and exterior doors, HVAC System and all associated components, all other Building systems, exterior supporting walls (excluding glass) of the Building and the grounds, common areas, parking areas and driveways appurtenant thereto (subject to Tenant's obligations in Paragraph 9 below). Notwithstanding the foregoing, any and all repairs required as a result of the negligence or willful act of Tenant, or any subtenant or concessionaire of Tenant or any customer, licensee, agent, servant, or employee of any of them shall be made at Tenant's expense.

The Landlord represents and warrants to Tenant that, as of the Commencement Date, the Premises and the Building are in compliance with all federal, state and local laws, ordinances, rules and regulations applicable thereto, and to the contemplated use thereof, including all fire and building codes and the provisions of the Americans with Disabilities Act of 1990. The Landlord further represents and warrants that the HVAC systems, and all other Building systems, are in good working order on the Commencement Date. The Landlord covenants and agrees, at its own cost and expense, to promptly take all action necessary to maintain the Premises, and the Building, in such compliance throughout the term hereof.

9. THE TENANT'S OBLIGATION TO REPAIR. The Tenant, at its sole cost and expense, whether the same shall be property of Tenant or Landlord (other than Landlord's obligations in Paragraph 8 above) shall promptly repair and at all times

maintain the interior of the premises in good condition, including but not limited to electrical fixtures and equipment (normal wear excepted), electrical installations (normal wear excepted), plumbing, plumbing equipment and fixtures, all appliances, all ceilings, all interior walls, all hardware, all interior painting or decorations of any kind, and all doors and door openings, reasonable wear and tear, and other occurrences beyond the control of Tenant excepted. Tenant at its sole cost and expense, shall promptly repair and at all times maintain in good condition the "Storage Building" including roof, walls, doors and foundation together with all of its signs wherever located on the premises, and regardless of whether inside or outside of the building. In the event that Tenant fails to make such repairs within thirty (30) days of Landlord's written notice, the Landlord may do so and Tenant shall immediately reimburse the Landlord for all actual and reasonable expenses thus incurred.

10. ALTERATIONS, IMPROVEMENTS AND RETURN OF PREMISES. The Tenant at its own expense may make alterations, additions and improvements of a material or structural nature only with the prior written consent of the Landlord. All alterations, additions and improvements to the real property shall become the property of the Landlord and be surrendered with the premises upon termination of this Lease. During the term of the Lease and upon termination hereof, the Tenant shall have the right to remove all fixtures, equipment, machinery or other personal property installed upon the premises by the Tenant, provided that removal of such personal property can be effected without materially damaging or affecting the Building structurally. The foregoing shall not include the removal of any light fixtures integrated into the electrical system of the Premises. Any damage by such removal, aside from ordinary wear and tear, shall be repaired by the Tenant at its expense. The Tenant agrees that it will return the leased premises at the end of the term or upon any earlier termination of this Lease, except for repairs and replacements that are the responsibility of the Landlord as set out in Paragraph 8 above, in as good order and condition, fire or other casualty, ordinary wear and tear excepted, as the same are at the time Tenant takes possession of the Premises. If the Tenant does not remove his property from the leased premises upon termination (for whatever cause) of this Lease, such failure shall not be deemed a holding over under the terms of this Lease. Such property shall be deemed abandoned by the Tenant, and the Landlord may remove and dispose of the same in whatever manner the Landlord may elect at no cost to the Tenant.

11. WARRANTIES. The Landlord represents that it owns the property in fee simple and the property is free from encumbrances except as referred to elsewhere in this Lease. The Landlord represents that it has the full right, power, and authority to enter this Lease for the term herein granted and the property may be used by the Tenant during the entire term for the purposes set forth herein.

12. INSURANCE OBTAINED BY LANDLORD. The Landlord at its own expense shall procure and keep in force during the term of this Lease, a policy or policies of fire and extended coverage insurance issued by a reliable insurance company, in such amounts as it elects, but in no event less than the replacement value of the Building.

13. INSURANCE OBTAINED BY TENANT. The Tenant, being self-insured, shall not be required to obtain or maintain insurance as it pertains to the property. The Tenant will provide a letter setting out its reserve status and excess insurance coverages in place at the time of the lease.

14. DESTRUCTION OF PREMISES. If the leased premises are totally destroyed by fire or other casualty either the Landlord or Tenant may by written notice given not later than thirty (30) days after the date of such destruction, terminate this Lease, in which event rent paid for the period beyond the date of destruction shall be refunded to Tenant. If there is not total destruction Landlord shall commence to repair the Premises within thirty (30) days after such damage or destruction and to thereafter diligently pursue the completion of such repairs; provided, however, that if the Premises is unfit or unavailable for Tenant's use and occupancy during the period of such repair or reconstruction, rent shall be equitably adjusted and prorated in the proportion which the area of unusable leased space bears to the total leased premises. However, if the damages are such that the Landlord reasonably concludes that restoration cannot be completed within ninety (90) days of such casualty or the premises is not restored within 90 days of such casualty, then the Landlord or Tenant may at its option terminate the Lease upon written notice.

15. WAIVER OF SUBROGATION RIGHTS. Subject to the conditions hereinafter provided in this paragraph, the Landlord and the Tenant hereby waive any claim, right, and/or cause of action that either may have or acquire against the other, its agents, servants, and employees for damage to or destruction of

its or others' property, whether real, personal, or mixed, of any kind or nature, arising from fire and/or other casualty which is or should be covered under the insurance required under this Lease. Both parties agree to use their best efforts to obtain such a clause in their respective policies of insurance.

16. INDEMNITY. To the extent permitted by law, Tenant covenants and agrees that it will protect and save and keep the Landlord forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of any laws or ordinances occasioned by the neglect of the Tenant and all loss, cost, damage or expense arising out of any failure of the Tenant in any respect to comply with and perform all requirements and provisions of this Lease.

Landlord agrees to indemnify and hold harmless the Tenant and its elected officials, employees, agents, successors, and assigns, from any and all liability and claims for any injury or damage caused by any act, omission or negligence of the Landlord, its agents, servants, employees, contractors, licensees, or invitees. Indemnification of the City by Landlord does not constitute a waiver of the City's governmental immunity in any respects under North Carolina law.

17. COMPLIANCE WITH LAWS, RULES, ETC. Tenant shall comply with all applicable laws, ordinances and regulations affecting the leased premises.

18. VENUE. In the event a dispute arises out of or concerning this Lease Agreement, such dispute shall be governed by the laws of the State of North Carolina and the venue shall be Cumberland County (Fourteenth Judicial District of North Carolina).

19. ATTORNMENMENT. Provided any assignee, transferee or purchaser of the premises agrees in writing to assume all of the obligations of the Landlord hereunder, the Tenant hereby agrees to attorn to such assignee, transferee or purchaser from and after the date of notice to the Tenant of such assignment, transfer or sale, in the same manner and with the same force and effect as though this Lease were made, in the first instance, by and between the Tenant and such assignee, transferee or purchaser.

In the event of the exercise of the power of sale under, or the foreclosure of, any deed of trust, any portion of the premises, this Lease shall not be terminated or affected by said

foreclosure or sale, or any other proceeding initiated by the mortgagee, and the mortgagee shall agree that any sale of the premises pursuant to the exercise of any rights and remedies under the mortgage, or otherwise, shall be made subject to this Lease and the rights of the Tenant hereunder. The Tenant shall attorn to the purchaser upon the effective date of any such sale or foreclosure or any such deed of trust, mortgage, or other encumbrance, and shall recognize the purchaser as the Landlord under the Lease, and this Lease shall continue in full force and effect as a direct lease between the Tenant and any new landlord or such other person, upon all of the terms, covenants, conditions, and agreements set forth in this Lease.

20. SUBORDINATION. The Tenant agrees upon request of the Landlord to subordinate this Lease and its right hereunder to the lien of any mortgage, deed of trust, or other encumbrance, together with any conditions, renewals, extensions, or replacements thereof, now or hereafter placed, charged or enforced against the Landlord's interest in leasehold estate hereby created, and to execute and deliver (but without cost to Tenant) at any time and from time to time upon demand by the Landlord such documents as may be reasonably required to effectuate such subordination; provided, however, such subordination shall be of no effect on behalf of Tenant, unless the mortgagee or trustee named in such mortgage, deed of trust, or other encumbrance shall first agree in writing, for the benefit of the Tenant, that so long as the Tenant is not in default under any provisions, covenants or conditions of this Lease on the part of the Tenant to be kept and performed beyond any applicable notice and cure period(s), that neither this Lease nor any of the rights of the Tenant hereunder shall be terminated, affected, disturbed or modified, nor shall the Tenant's possession of the premises be disturbed or interfered with, by any trustee's sale or by any action or proceeding to foreclose said mortgage, deed of trust or other encumbrance, nor shall the Tenant be named as a party defendant to any foreclosure of the lien or mortgage, nor in any other way be deprived of its rights under this Lease.

21. SIGNS AND WINDOWS. Tenant may not erect, install or display any sign, drapes, blinds or advertising material upon the leased premises, the exterior walls thereof, or in any window therein, without the prior consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, and which consent shall be given at the execution of this Lease.

22. INSPECTION OF PREMISES: ENTRY BY LANDLORD.

The Landlord shall have the right to inspect and examine the premises at all reasonable hours and upon reasonable notice except that the Landlord may not enter non-public areas of the Building without an escort. During the last ninety (90) days of the term of this Lease, the Landlord shall have the right to post a sign on the premises which advertises that the same are for sale or rent and during such time the Landlord, its agents and employees, may, upon reasonable notice, and accompanied by an escort, enter upon the premises with prospective purchasers or tenants for the purpose of showing the same to such prospective purchasers or tenants; provided, that such entry or entries shall be made only at reasonable times and hours.

23. CONDEMNATION. If the whole of the leased premises, or such portion thereof as will make the leased premises unsuitable for the Tenants purposes, is condemned for any public use or purpose by any legally constituted authority, then in either of such events, this Lease shall cease from the time when possession is taken by such public authority, and rental shall be prorated between the Landlord and the Tenant as of the date of the surrender of possession.

If there is only a partial taking and the remaining leased premises are suitable for the Tenant's purposes, as determined in the Tenant's discretion, the Landlord shall promptly restore the Premises and/or the Building as nearly as possible to the condition as existed immediately prior to such taking and rent shall equitably abate during such restoration. If there is only a partial taking and the remaining leased premises are not suitable for the Tenant's purposes, as determined in the Tenant's discretion, the Tenant shall have the right and option to terminate this Lease.

In any such case, each party shall be entitled to claim and receive an award of any damages suffered by it by reason of such taking or conveyance, regardless of its effect on any award made to the other party.

24. PARKING. The Tenant shall have the exclusive use of the parking spaces serving the leased premises.

25. LIABILITY FOR DAMAGE TO PROPERTY OR INJURY TO PERSON. The Landlord shall not be liable for any damage to any property of the Tenant or injury to person, at any time in the leased premises, or the Building from steam, gases or electricity, or from water, rain or snow, whether they may leak into, issue or

flow from, any part of the building, or from the pipes, or heating or air conditioning apparatus of the same, or from any other place unless occasioned by the Landlord's omissions, negligence or willful misconduct or that of its employees, agents or independent contractors.

26. TERMINATION. This Lease shall terminate at the expiration of the term unless termination occurs prior to the end of the term by means described herein.

27. DEFAULT. The occurrence of any of the following events shall be deemed to constitute an event of default on the part of the Tenant hereunder: If Tenant (a) fails to pay all rent for a period of ten (10) days after written notice of such default has been given to Tenant when due; (b) breaches any other agreement or obligation herein set forth herein and does not remedy such default within thirty (30) days after written notice thereof (or fails to undertake to cure within such thirty (30) day period and to diligently pursue to completion such cure or remedy as cannot reasonably be completed within the thirty (30) day period). If Tenant is unable or unwilling to cure or remedy any such event of default within (the time period specified, then Landlord may, upon notice to Tenant, cure any breach by Tenant at Tenant's cost and expense, and the Tenant shall reimburse the Landlord for such expense upon demand. In the event of an event of default, the Landlord shall have the right to terminate and cancel this Lease. If the Landlord should elect to take possession pursuant to legal proceedings, it may either terminate this Lease or it may from time to time, without terminating this Lease, relet the premises for such term and at such rentals and upon such other terms and conditions as the Landlord may deem advisable. If such reletting shall yield rentals insufficient for any month to pay the rent due by the Tenant hereunder for that month, Tenant shall be liable to Landlord for the deficiency and same shall be paid monthly. No such reentry or taking possession of the premises by the Landlord shall be construed as an election to terminate this Lease unless a written notice of such intention be given by the Landlord to the Tenant at the time of such reentry. Irrespective of any remedies expressly provided for in this Lease, or otherwise available at law or in equity, each party covenants to exercise good faith and use its best efforts to mitigate damages which may occur as a result of the other party's default.

All rights and remedies of Landlord and Tenant are cumulative, and the exercise of any one shall not be an election

excluding Landlord or Tenant at any other time from exercise of a different or inconsistent remedy.

No waiver by Landlord or Tenant or any covenant or condition shall be deemed to imply or constitute a further waiver of the same at a later time.

28. TERMINATION FOR CONVENIENCE. After ninety (90) calendar days following 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. Unless otherwise stated or agreed upon, the effective date of termination shall automatically occur ninety (90) days after the written notice is sent by the Tenant. Upon the effective date of termination, the Landlord shall not have the obligation to perform under this Lease. The Tenant shall not be obligated to make any further payments for any months remaining under this Lease. In such case of termination, the Tenant shall pay for the prorated rent amount until the effective date of termination.

29. QUIET ENJOYMENT. The Landlord represents and warrants that it is seized of good and sufficient title to the premises and the Building, and further warrants that if the Tenant promptly and punctually complies with each of its obligations hereunder, it shall peacefully have and enjoy the possession of the leased premises during the term hereof.

30. NOTICES. Any notices which the Landlord or the Tenant is required or desires to give to the other shall be deemed sufficiently given or rendered if, in writing and sent by certified or registered mail, postage prepaid, to the address listed after the respective signatures on the last page of this Lease. Any notice given herein shall be deemed delivered when the return receipt therefore is signed or refusal to accept the mailing by the addressee is noted thereon by the postal authorities.

31. WAIVER. No waiver of a breach of any of the covenants contained in this Lease shall be construed to be a waiver of any succeeding breach of the same covenants.

32. SUCCESSORS AND ASSIGNS. The covenants and agreements herein contained shall extend to and inure to the benefit of, and be binding upon, the heirs, executors, administrators, successors and assigns of the parties hereto.

33. SPECIAL CONDITIONS AND ADDENDA. The following special conditions shall apply, and supersede any other part of this agreement conflicting:

A. HOLDOVER TENANT. Failure of the Tenant to surrender the premises upon termination of the original Lease term or extension, without consent of the Landlord, shall result in the creation of a tenancy from month to month on the terms and conditions stated in the Lease.

B. REMOVAL OF TRASH AND DEBRIS. The Tenant shall provide for and be responsible for all janitorial cleaning and supplies including but not limited to the removal of all garbage and trash resulting from the operation of the Tenant's business, and at the end of the term of this Lease, Tenant shall remove all garbage and trash from the leased premises.

34. ENTIRE AGREEMENT. This Lease contains the entire agreement between the parties, and any executory agreements hereinafter made shall be ineffective to change, modification, or discharge in whole or in part, unless such agreement is in writing, signed by the parties whom the enforcement of the change, modification, or discharge change, is sought.

35. NON APPROPRIATION. Notwithstanding any other provisions of this Lease, the parties agree that payments due hereunder from the City of Fayetteville are from appropriations and monies from the City Council and any other governmental entities. In the event sufficient appropriations or monies are not made available to the City of Fayetteville to pay the terms of this Lease for any fiscal year after the fiscal year running from July 1, 2027 through June 30, 2030, this contract shall terminate immediately without further obligation of City of Fayetteville.

36. SEVERABILITY. The parties agree that if any provision 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.

37. 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.

38. MORALITY CLAUSE. If, in the sole opinion of the Tenant, at any time Landlord or any of its owner(s), employee(s), or agent(s) 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:

- a) bring disrepute, contempt, scandal, or public ridicule to the Tenant;
- b) subject the Tenant to prosecution;
- c) offend the community or public morals/decency;
- d) denigrate individuals or groups in the community served by the Tenant;
- e) is scandalous or inconsistent with community standards or good citizenship;
- f) adversely affect the Tenant's finances, public standing, image, or reputation;
- g) is embarrassing or offensive to the Tenant or may reflect unfavorably on the Tenant; or
- h) is derogatory or offensive to one or more employee(s) or customer(s) of the Tenant.

39. E-VERIFY. The Landlord hereby 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. The 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). The Landlord hereby pledges, attests and warrants through execution of this contract 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 currently employed by or subsequently hired by the Landlord shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this Lease.

40. DIVESTMENT OF COMPANIES BOYCOTTING ISRAEL OR INVEST IN IRAN CERTIFICATION. Tenant 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 Lease. The Landlord certifies that the signatory to this Lease is authorized by the Landlord to make the foregoing statement.

IN WITNESS WHEREOF, The Landlord and the Tenant have executed this Lease in duplicate originals, each causing this instrument to be executed in its corporate name by its duly authorized officer, with all due authority, the day and year first above written.

LANDLORD:

WITNESS:

BY: _____

E. Frank Weaver, III

TENANT:

ATTEST:

BY: Dr. Douglas J. Hewett, ICMA-CM

Jennifer Ayre, City Clerk

City of Fayetteville
Attn: City Manager
433 Hay St.
Fayetteville, NC 28302

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

Printed Name and Title: _____