



Agenda

1. Call to Order
2. Pledge of Allegiance
3. Invocation
4. Adjustment and approval of February 2, 2021 meeting agenda

PUBLIC COMMENT PERIOD Notes on the Comment Period - Due to the current restrictions on mass gatherings, public comment will be received in writing and delivered to Council Members prior to this meeting.

RECOGNITIONS

5. Introduction of State Senator for District 17, Sydney Batch

CONSENT AGENDA

6. Approve the minutes of the January 19, 2021 Business Meeting.
7. Voluntary Annexation A20-09, Regency at Holly Springs
8. Farmers Market Fee Schedule Amendment
9. Arbor/Middle Creek Greenway Project Amendment #1
10. Lease Agreement for 376 & 378 Raleigh Street

NEW BUSINESS

11. Resolution for Town Attorney to Petition Court for Compliance with the Minimum Housing Ordinance

OTHER BUSINESS

MANAGER'S REPORT

CLOSED SESSION -

ADJOURNMENT

In accordance with ADA regulations please contact the Town Clerk's office at least 48 hours before the meeting to request an auxiliary aid or service needed to participate in this meeting:

linda.mckinney@hollyspringsnc.us 919-557-3900



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 5.

Recognitions

Title: Introduction of State Senator for District 17, Sydney Batch

Strategic Priority Area: Organizational Excellence

Staff Resource: Linda McKinney, Town Clerk

Action(s):

Mayor Sears introduction of Senator Sydney Batch

Explanation:

- Sydney Batch was elected to the NC House in 2018 representing District 37.
- In January of 2021 Ms. Batch was appointed to the State Senate representing District 17.

Background:

- In 2019 Senator Batch was awarded the Wake Woman of the Year Award for her contributions to supporting women and advancing the rights and welfare of women.
- Senator Batch is a member of the Chief Justice's Commission on Race and Equity, the NC State Bar Child Welfare Law Specialty Committee, the National Association for the Counsel of Children, and the 10th Judicial District Grievance Committee.
- Senator Batch received her undergraduate, Juris Doctorate, and Masters of Social Work from UNC Chapel Hill.
- Ms. Batch resides in Holly Springs.

Funding Source(s):

N/A

Attachment(s):

None



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 6.

Consent Agenda

Title: Approve the minutes of the January 19, 2021 Business Meeting.

Strategic Priority Area: Organizational Excellence

Staff Resource: Linda McKinney, Town Clerk

Action(s):

Approve the minutes of the Council's business meeting held January 19, 2021.

Explanation:

- Minutes in draft form are attached for the Council's review.
- If there are any corrections, please call the Town Clerk at 919-557-3900 in advance of Tuesday night's meeting so that corrected versions of the draft minutes can be circulated for review before adoption of the Consent Agenda.

Background:

Funding Source(s):

N/A

Attachment(s):

1. 1.19.21 minutes_notes



Holly Springs Town Council
7:00 PM **Tuesday, January 19, 2021**

Regular Meeting
Holly Springs Town Hall Council Chambers
128 S. Main Street, 2nd Floor

MINUTES

The Holly Springs Town Council met in regular session on Tuesday, January 19, 2021 in person and via video conferencing. Mayor Sears presided, calling the meeting to order at 7 p.m. A quorum was established as the Mayor and five Council members were present as the meeting opened.

Council Members Present in Chambers: Mayor Sears, Mayor Pro Tem Dan Berry, Councilmen Peter Villadsen, Shaun McGrath, and Aaron Wolff and Councilwoman Christine Kelly.

Council Members Absent: none.

Planning Board Members Present in Chambers: Chris Deshazor, Rick Madoni, Dana Rybak, Mark Stuckey, Van Crandall, Thomas Urquhart

Planning Board Members Present via video conferencing: Mark Brady, Ernie Carpico, Courtney Patterson.

Planning Board Members absent: none

Staff Members Present in Chambers: Randy Harrington, *Town Manager*; John Schifano, *Town Attorney*; Linda McKinney, *Town Clerk* (recording the minutes); Mark Andrews, *Communication and Marketing*; Jeff Wilson, *Director, IT*; Mathew Mutter, *IT*.

2. and 3. The Pledge of Allegiance was recited followed by an invocation by Tianna Leger, Family Ministry Pastor of Oasis Church.

4. Agenda Adjustment: The January 19, 2021 meeting agenda was adopted with changes, if any, as listed: none.

Motion: Berry
Second: Kelly
Vote: Unanimous

Public Comment: Public Comment was requested in writing prior to the meeting. The following number of comments was received and provided to the Council prior to the meeting: none.

Recognitions

5. Retirement Recognition of Luncie McNeil

Randy Harrington, Town Manager, said that Luncie McNeil joined the Town of Holly Springs as Director of the Public Works Department in July 1989. At that time the Town had fewer than 1,000 residents. He has built the department from three people to 60, along the way expanding service to residents, who now number over 41,000, and gaining multiple certifications and awards. He thanked him for his dedication to the Town over the years, and thanked his wife for supporting him.

Assistant Town Manager, Scott Chase presented Mr. McNeil with a plaque recognizing his 31 years of service to the Town.

Mr. McNeil said a few words about his years with the Town. The Mayor and each member of Council spoke of their appreciation for Luncie and the work he has done to make Holly Springs what it is today.

Requests and Communications

6. Update on LaunchHOLLYSPRINGS

Bob Shimmel gave an update on the 2020 LaunchHOLLYSPRINGS program. He said this was the largest cohort at 20 entrepreneurs, and discussed how they pivoted the program to remote because of COVID-19. The cohort included 4 nonprofit organizations. He then profiled the four nonprofit members of the 2020 Cohort. He thanked the Town of Holly Springs for helping them do what they do, and recognized Anna Johnston in Economic Development for her support.

7. Public Hearing: Rhamkette Village PUD Major Amendment 00-PUD-05-A11

Cheryl Caines, Development Services, said the purpose of this joint public hearing was to allow Council and the Planning Board to hear public concern and/or support for the proposed modification of the approved landscape buffer along Holly Springs Road, and for Council to consider sending the matter back to Planning Board for review and recommendations.

She reviewed the location of the next development in the PUD, and the current zoning of the site. At the time of the development plan approval, all properties along Holly Springs Road had a specific 20-foot streetscape buffer that included street trees, an evergreen hedge, and brick columns. The petitioner is requesting to modify the buffer to allow the planting of single stem crepe myrtle "Biloxi" due to the overhead power lines and Duke Energy's planting restrictions, and to have the trees in line with, instead of behind, the hedge. If approved, the modified streetscape buffer would be constructed with the proposed commercial development on the north side of Holly Springs Road. That development (Rhamkette Plaza) will be reviewed by Town Council under a separate application.

Tom Spaulding from The Spaulding Group, 1611 Jones Franklin Rd., Raleigh, said that the existing streetscape planting on the south side of Holly Springs Road shields the parking that is against the street. The development on the north side of the street does not have parking next to the street, so they do not want to block the view of the building. The trees in the original plan do not meet the requirements that Duke Progress Energy has for plantings under their powerlines.

He showed which area of the PUD this request would affect and where the Duke Progress Energy utility easement is. He showed the plantings that are in the current plan, and discussed how they were too tall to meet Duke's requirements.

He showed how the Biloxi Crepe Myrtle is an approved species on the Holly Springs Thoroughfare Planting Plan, and how this planting would continue the line of crepe myrtles that are currently planted along Holly Springs Road beyond their development.

There was discussion regarding the oak tree that was knocked down and what knowledge Mr. Spaulding had about it beforehand. Mr. Spaulding said that he found out when Scott Chase, Assistant Town Manager, called him the morning after it happened. The land owner, Mr. Jones, told him that the tree was going to be cut up and used for the Warmth for Wake program. He said that his company held a virtual meeting, to which they sent out over 350 invitations, and many aspects of the project were discussed, including the tree, and they made it clear that at that point they had no plans to retain the tree. Council members asked if the tree could be removed, as a first step toward healing the hurt caused by its being knocked down. Scott Chase, Assistant Town Manager said that he would call the land owner and make that request. Council members asked if the developer had plans to plant more trees to mend relationships with the community. Mr. Spaulding said there have been discussions about adding trees along the residential side of the property to "beef that up a bit."

Council members discussed how the Town's tree ordinance (which was not applicable to this development because the ordinance was passed after this PUD was approved) was not meant to dictate what land owners could do with any individual tree, but to prevent clear cutting by

developers. It was suggested that Council could work to make the public aware that this was private property and the land owner had the right to take the tree down.

Mayor Sears opened the public hearing and the following input was received: none.

There being no input, Mayor Sears closed the public hearing. He then invited the Planning Board members to ask questions or express concerns. No Planning Board members chose to speak.

Action: Motion to forward Planned Unit Development Amendment 00-PUD-05-A11 for Rhamkatte Village to the Holly Springs Planning Board for review and recommendation at their regularly scheduled meeting on January 26, 2021.

Moved by: Berry

Second by: Kelly

Vote: Unanimous

8. Public Hearing: Fairview Well Site Special Exception use 20-SEU-12 and Development Plan 20-DP-15

Melissa Sigmund, Development Services, said that the purpose of this item is to hold a quasi-judicial public hearing to approve a Development Plan for Fairview Wooded Acres Well site. The land is located in Holly Springs' Extra Territorial Jurisdiction (ETJ) and the annexation waiver has been approved by the Town Manager. Ms. Sigmund explained that the well needed to be relocated due to the NCDOT construction of 540.

Bronwyn Bishop, Utilities and Infrastructure, showed the plan for the well site, with a parking space for maintenance vehicles and a turn-around for emergency vehicles. The access road would be gravel. The site is shielded by existing trees and will have a small well house. No public water or sewer connection is required.

Jordan Marsh of RK & K said he had project manager Kevin Nash on the phone also. He said that there are four community wells that serve this area. An existing well house is in the path of the proposed construction of NC 540, and well sites 1 and 2 need to be decommissioned. Well site 5 would be on land owned by NCDOT. It is 100 feet from surface water, and the NCDOT right of way on a forested lot. There is adequate water supply in this location to replace both well 1 and well 2.

Mr. Marsh said that the variances requested are to have no landscaping around the access drive and to have a gravel drive; to reduce 540 setbacks; and no additional trees in sectors 4 & 5, because planting the required percentage of evergreens would require cutting down existing, healthy trees; alternate foundation landscaping plan to move plantings further away from the well house to allow maintenance, and to change well house exterior to a darker brown to blend in with the wooded background.

Councilman McGrath asked why the Town was not discussing annexing this area, where a lot of infrastructure development is happening connected with NC 540, to provide water services.

Randy Harrington, Town Manager, said staff perspective is that we would welcome an annexation of this area, but it would require a vote of the residents, which is difficult without a voluntary annexation petition. Ms. Sigmund said that this request is due to an immediate need for water, and it does not block any future annexation. Councilwoman Kelly said she didn't think the cost of annexation would be feasible right now for the Town or the residents.

Mayor Sears opened the public hearing and the following input was received: none.

There being no input, Mayor Sears closed the public hearing. Randy Harrington requested confirmation that no affidavits had been received regarding this agenda item. Linda McKinney, Town Clerk, said that no affidavits had been received.

Action 1: Motion to adopt Resolution 21-01 to make and accept the Findings of Fact for consideration of and to approve SEU, Variances, and Waivers.

Moved by: Villadsen

Second by: Wolff

Vote: Unanimous

A copy of Resolution 21-01 is attached to these minutes.

Action 2: Motion to approve Fairview Wooded Acres Well Site Development Plan with Waiver, with the conditions stated in the attachment.

Moved by: McGrath

Second by: Kelly

Vote: Unanimous

Consent Agenda

The Council passed a motion to approve all items on the Consent Agenda. The motion carried following a motion by MPT Berry, a second by Councilwoman Kelly and a unanimous vote. The following actions were affected:

9. Minutes – The Council approved minutes of the Council business meeting held January 5, 2021 and the workshop meeting held January 12, 2021.

10. Holly Springs Road Widening – Phase 2 - The Council approved Amendment #3 to the Kimley-Horn Design/Survey contract in the amount of \$152,000.

11. Bass Lake Parking Lot Repair – The Council awarded a parking lot and sidewalk repaving contract to Eastern Services, LLC and authorized the Town Manager to execute a contract in the amount of \$167,722 and approve a 10% project contingency for a total amount of \$184,444.

12. Annual Certification of Zoning Map – The Council adopted Resolution 21-02, approving the annual re-certification of the Zoning Map. *A copy of Resolution 21-02 is attached to these minutes.*

13. 2021 Local, State, and Federal Legislative Agenda – The Council approved the governing body's 2021 legislative agenda, as listed in the packet.

NEW BUSINESS

14. Annual Board of Adjustment and Planning Board Appointments

Linda McKinney, Town Clerk, said that there are five positions to be filled, one in-town member of the Board of Adjustment, one ETJ member of the Board of Adjustment, and three in-town members of the Planning Board. All are for three-year terms ending February 29, 2024. Applications and other documentation were provided to Council in December. She said that if the current alternate, Cody Loughridge, is appointed as a regular member, Council can fill the remainder of his term this evening from the list of applicants. Council members voted by written ballot, which they handed to the Clerk.

Ms. McKinney announced the vote totals for in-town member of Board of Adjustment:

Devon Cofield received 2 votes;

Cody Loughridge received 3 votes;

Ms. McKinney announced the vote totals for the ETJ member of Board of Adjustment:
Jeffrey Jones received 3 votes;
Lisa Semmens received 2 votes;

Ms. McKinney announced the vote totals for the Planning Board:
Rick Madoni received 4 votes;
Courtney Patterson received 5 votes;
Jahmar Cobb received 1 vote;
Joanna Holder received 3 votes;
Donna Friend received 2 votes;

The following votes were announced for the remaining two years of Cody Loughridge's term as alternate member.

Devin Cofield received 2 votes;
Christian Yungbluth received 3 votes;

Action: Motion to appoint Cody Loughridge to serve a three-year term ending February 29, 2024 as in-town member of the Board of Adjustment.

Moved by: Berry

Second by: Wolff

Vote: Unanimous

Action: Motion to recommended that the Wake County Board of Commissioners appoint Jeffrey Jones to serve a three-year term ending February 29, 2024 as ETJ member of the Board of Adjustment.

Moved by: Villadsen

Second by: Wolff

Vote: Unanimous

Action: Motion to appoint Rick Madoni, Courtney Patterson, and Joanna Holder to serve three-year terms ending February 29, 2024 as in-town members of the Planning Board.

Moved by: McGrath

Second by: Berry

Vote: Unanimous

Action: Motion to appoint Christian Youngbluth to fill the remainder of Cody Loughridge's term, ending February 28, 2022, as alternate member of the Board of Adjustment.

Moved by: Berry

Second by: McGrath

Vote: Unanimous

Councilwoman Kelly said that she was disappointed that we had an opportunity to choose some people that are traditionally underrepresented in this Town that we have not seen before and we missed that opportunity. She stressed that this doesn't take anything away from those who were appointed, she simply wished to expand representation.

Councilman McGrath said it's awesome to see this many people putting their names forward to serve this Town. Ms. Holder's appointment was a good example for people who get deeply involved in the Town and that is why he voted to appoint her.

Councilman Berry said he agreed with what Councilman McGrath said, and he believed that when someone has worked as an alternate, it is a good move to advance them to regular membership. He said that Mr. Youngbluth was recommended by a current member.

Councilman Villadsen encouraged future applicants to reach out to Board members, to put a face to the name and get their qualifications in front of Council.

OTHER BUSINESS

Mayor Sears said there have been 1,618 COVID cases in our zip code, and three deaths. There have been 57,650 cases in Wake County, with 396 deaths. He said Holly Springs is doing as good a job as any other town in following the rules and regulations. Whoever is watching and listening to this meeting and is reluctant to get the vaccine, please, do not be reluctant. North Carolina is losing about 100 people a day, and that is not good. He said that we need to stop that. He said that he and Mrs. Sears scheduled their shots and got them last week. So please, get in line when you can and get the vaccine. He said he had no adverse reaction, not even a sore arm, and it didn't hurt.

Councilwoman Kelly said that it was great that the Mayor got the vaccine. Getting people vaccinated is the only way we can move forward, put our kids back in school, and get life back to normal. When planning the M.L. King Jr. event, it was made clear that there are folks with access to technology, and there are folks without that access. We want to identify that we know there is a gap. Rex Hospital is thinking of partnering with the MLK Committee or the Town to give an event to have people register for the vaccine so that those without access to technology can also get vaccinated. She asked if that was something the Town would like to get behind. Consensus was that it was.

MANAGER'S REPORT

Randy Harrington, Town Manager, said he had three items.

1. In preparation for the Mayor and Council annual retreat, Ms. Sigmund sent an email asking for Council's feedback on the UDO revision. If there's something you want to discuss at the retreat, please respond to that email.
2. Virtual sessions will be held this week on the Comprehensive Transportation Plan: Wednesday from 12-2; and Thursday from 6-8 pm. This is the chance to give input on all forms of transportation. You can find information on the Town webpage: scroll down to Upcoming Events, and there is information about the meetings and the login details.
3. During January Council made the choice, as a way to protect citizens and people who must attend these meetings, to have the public participate virtually. He suggested that this continue through February, which includes the retreat. We welcome citizens to participate that way. There was consensus from the Council to do this.

Councilman McGrath requested a point of personal order to thank the Planning Board for coming and having the joint session. He would like to leverage having the Planning Board and Council together to discuss synchronizing strategies for the Town. If there is another joint session, he would like to consider having that discussion at that meeting.

CLOSED SESSION: The Council entered into closed session, pursuant to N.C.G.S. 143-318.11(a)(4) to discuss two economic development issues and N.C.G.S. 143-318.11(a)(6) to discuss the Town Attorney's Annual Review. No grants will be made in this closed session.

Motion by: Berry

Second by: Villadsen

Vote: Unanimous

General Account of Closed Session:

Irena Krstanovic, Director of Economic Development, updated Council on two potential economic development partnership opportunities. Council directed staff to continue engagement on the projects and information gathering related to the partnership requests.

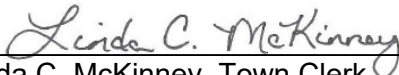
After the economic development discussion, members of the economic development department, assistant town managers, and town clerk left the closed session. The Council and Town Manager performed an annual personnel review with the Town Attorney. No action was taken by the Town Council.

-End of General Account

Motion to return to open session was made by Councilman Villadsen seconded by Councilman McGrath and passed with a unanimous vote.

Adjournment: Councilman Wolff made a motion to adjourn at 10:01 pm. It was seconded by Councilman McGrath and passed with a unanimous vote.

Respectfully Submitted on Tuesday, February 2, 2021.



Linda C. McKinney, Town Clerk

Addenda pages as referenced in these minutes follow and are a part of the official record.



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 7.

Consent Agenda

Title: Voluntary Annexation A20-09, Regency at Holly Springs

Strategic Priority Area: Responsible & Balanced Growth

Staff Resource: Melissa Sigmund, Development Services

Action(s):

Adopt Resolution 21-03 directing the Town Clerk to investigate the sufficiency of annexation petition A20-09 and set public hearing for February 16, 2021.

Explanation:

- The Town has received a petition for voluntary annexation of 119.50 +/- acres, located in the vicinity of Holly Springs New Hill Road. (Deed 13811, Page 2754, Wake County Registry)
- The owners of the property is ESC Ventures LLC.
- Staff has requested feedback from all departments and there were no issues with this annexation.

Background:

- Pursuant to NCGS § 160A-31(c) Council is required, upon receiving a petition for annexation, "to cause the clerk of the municipality to investigate the sufficiency thereof and to certify the result of the investigation: and to fix a date for a public hearing on the question of the annexation.

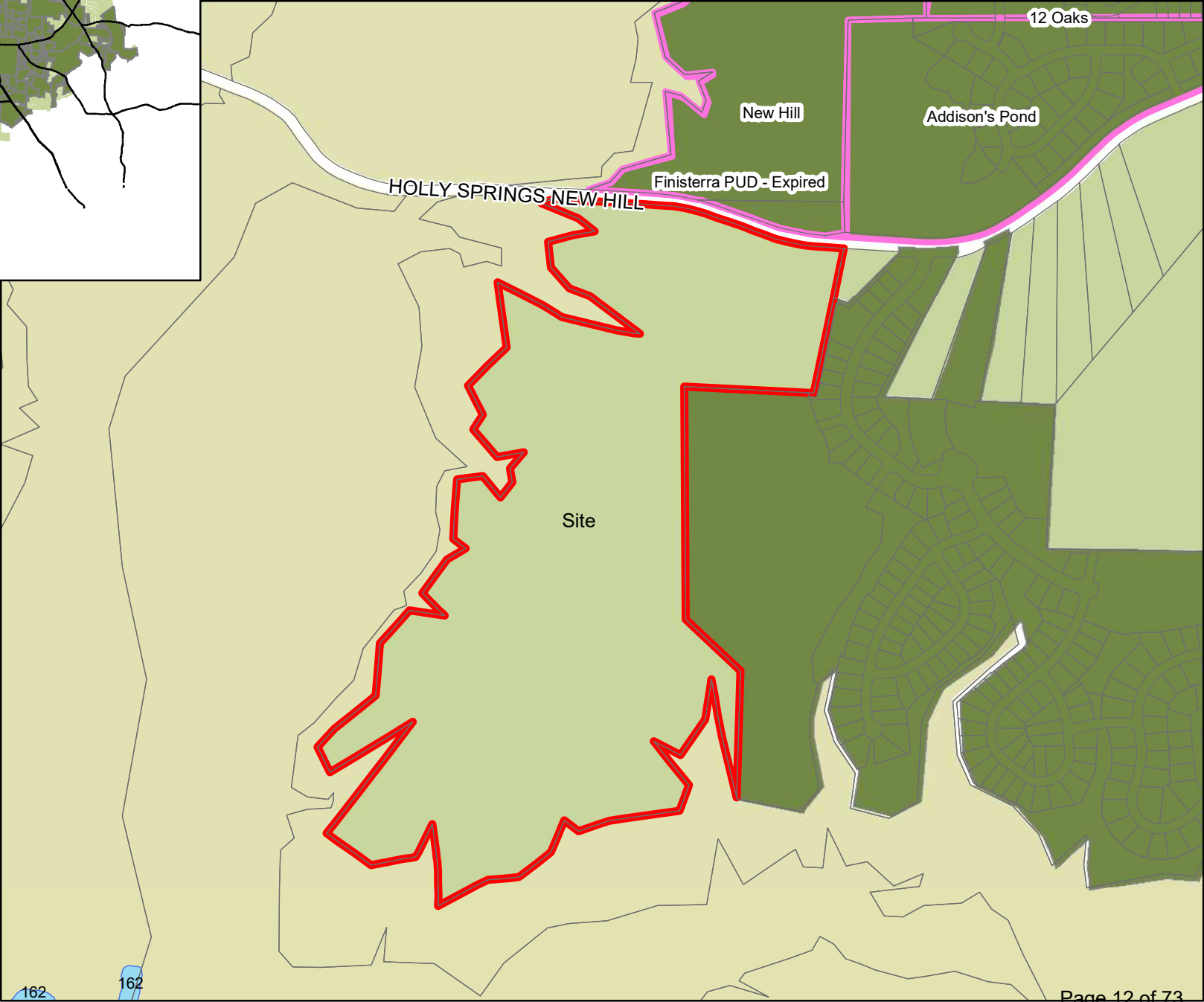
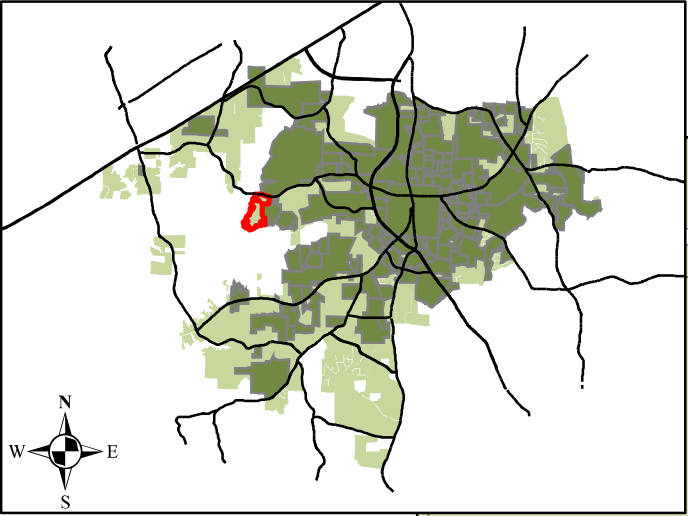
Funding Source(s):

N/A

Attachment(s):

1. Annexation A20-09 Map
2. A20-09 Resolution of Sufficiency

A 20-9 | Regency at Holly Springs | 119.50 acres



Legend

-  Annexation
-  Subdivisions
-  Lakes
-  Town Limits
-  Extraterrito...
Jurisdiction (ETJ)
-  Short Range
Urban
Service Area



THE TOWN OF

Holly Springs

Resolution No.: 21-03

Date Adopted: February 2, 2021

Annexation No.: A20-09

RESOLUTION OF THE HOLLY SPRINGS TOWN COUNCIL DIRECTING THE TOWN CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-31 AND FIXING THE DATE OF A PUBLIC HEARING ON THE QUESTION OF ANNEXATION

WHEREAS, a petition requesting annexation of an area described in said petition was received by the Town of Holly Springs; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Town Council of the Town of Holly Springs deems it advisable to proceed in response to this request for annexation, subject to the Clerk's satisfactory investigation of the sufficiency of the petition; and

WHEREAS, the area proposed for annexation is described as follows:

Legal Description for Voluntary Annexation

Beginning at a Mag nail set on the centerline of Holly Springs New Hill Road, said point also being the northeastern corner of the herein described tract and having a NC Grid coordinate value of 693244.421 N and 2034465.110 E ;thence from the point of beginning continuing along the following courses:S09°36'08"W a distance of 29.74' to an existing iron pipe; thence S11°56'42"W a distance of 269.95' to an existing iron pipe; thence S11°46'02"W a distance of 518.59' to an existing iron pipe; thence N87°10'50"W a distance of 689.33' to an existing iron pipe; thence N80°28'39"W a distance of 4.69' to an existing iron pipe; thence S00°38'15"E a distance of 1238.82' to a car axel; thence S46°19'41"E a distance of 396.67'to a car axel; thence S01°41'08"W a distance of 672.51' to an iron rebar set; thence N16°31'49"W a distance of 379.18' to an existing concrete monument; thence N10°41'11"W a distance of 250.73' to an existing iron pipe ;thence S08°37'17"W a distance of 212.26' to an existing iron pipe; thence S33°25'03"W a distance of 233.87' to an existing iron pipe; thence N63°08'49"W a distance of 160.81'to an existing iron pipe; thence S39°03'45"E a distance of 298.11' to an existing iron pipe; thence S19°39'47"W a distance of 143.40' to an existing iron pipe; thence S81°36'23"W a distance of 375.62'to an existing iron pipe; thence S69°43'41"W a distance of 177.50' to an existing iron pipe; thence N51°25'14"W a distance of 96.67'to an existing iron pipe; thence S24°21'57"W a distance of 186.85' to an existing iron pipe; thence S52°19'30"W a distance of 209.75'to an existing iron pipe; thence S84°49'58"W a distance of 170.29' to an existing iron pipe; thence S62°20'58"W a distance of 299.73'to an existing iron pipe; thence N00°48'28"E a distance of 188.53'to an existing iron pipe; thence N05°31'19"W a distance of 247.07'to an existing iron pipe; thence S29°22'30"W a distance of 201.28'to an existing iron pipe; thence

S80°11'16"W a distance of 238.47'to an existing iron pipe; thence N53°52'25"W a distance of 280.21' to an iron rebar set; thence N37°46'39"E distance of 751.83'to an existing concrete monument; thence S58°43'13"W a distance of 517.92'to an existing iron pipe; thence N25°38'47"W a distance of 152.65'to an existing iron pipe; thence N42°41'05"E a distance of 132.00'to an existing iron pipe; thence N51°29'33"E a distance of 281.84' to an existing iron pipe; thence N04°50'21"E a distance of 277.15'to an existing iron pipe; thence N42°10'59"E a distance of 237.18' to an existing iron pipe; thence S80°54'46"E a distance of 184.44'to an existing iron pipe; thence N42°42'01"W a distance of 166.54'to an existing iron pipe; thence N36°21'48"E a distance of 221.90' to an existing iron pipe; thence N60°07'39"E a distance of 113.47'to an existing iron pipe; thence N53°05'03"W a distance of 85.41'to an existing iron pipe; thence N04°23'43"E a distance of 319.19' to an existing iron pipe; thence N82°34'00"E a distance of 137.19'to an existing iron pipe; thence S38°28'57"E a distance of 149.63'to an existing iron pipe; thence N36°52'16"E a distance of 105.43'to an existing iron pipe; thence N09°39'31"W a distance of 73.97'to an existing iron pipe; thence N40°16'47"E a distance of 114.08'to an existing iron pipe; thence S79°19'47"W a distance of 145.27' to an existing iron pipe; thence N40°36'30"W a distance of 192.97'to an existing iron pipe; thence N32°58'49"E a distance of 94.07'to an existing iron pipe; thence N26°37'11"W a distance of 175.72';thence N45°09'20"E a distance of 288.54'to an existing concrete monument; thence N07°48'33"W a distance of 348.59'to a concrete monument; thence S62°59'56"E a distance of 266.71'to an existing iron pipe; thence S59°02'20"E a distance of 122.32' to an existing iron pipe; thence S75°54'09"E a distance of 300.47' to an existing iron pipe; thence S82°32'57" E a distance of 121.62'to an existing iron pipe; thence N53°20'35"W a distance of 335.02'; thence N69°50'51"W a distance of 116.49'to an existing iron pipe; thence N40°50'52"W a distance of 150.02' to an existing iron pipe; thence N06°25'28"W a distance of 134.94' to an existing iron pipe; thence N74°20'13"E a distance of 140.74' to an existing iron pipe; thence N81°00'16"E a distance of 117.07'to an existing iron pipe; thence N50°19'03"W a distance of 103.45'to an existing iron pipe; thence N67°33'17"W a distance of 221.55' to an existing iron pipe; thence N70°21'11"E a distance of 192.74' to a mag nail set on the center of Holly Springs New Hill Road; thence S86°33'40"E a distance of 446.65' to a point; thence S85°21'39"E a distance of 20.75' to a point; thence S84°19'58"E a distance of 50.71' to a point; thence S82°01'07"E a distance of 50.45' to a point; thence S79°24'32"E a distance of 50.67' to a point; thence S76°25'52"E a distance of 50.24' to a point; thence S74°12'43"E a distance of 50.52' to a point; thence S71°30'17"E a distance of 50.51' to a point; thence S70°11'33"E a distance of 100.72' to a point; thence S70°31'12"E a distance of 100.98' to a point; thence S71°13'22"E a distance of 100.74' to a point; thence S73°12'22"E a distance of 50.36' to a point; thence S75°20'24"E a distance of 50.43' to a point; thence S77°54'24"E a distance of 50.43' to a point; thence S80°53'56"E a distance of 50.43' to a point; thence S82°43'41"E a distance of 50.68' to a point; thence S85°00'20"E a distance of 82.28' to a point; thence S86°10'16"E a distance of 68.60' to a mag nail set on the centerline of Holly Springs Road (N.C.S.R. 1152) ;which is the point of beginning, having an area of 5,206,691.65 square feet, 119.529 acres

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Holly Springs, North Carolina, that:

Section 1. The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Holly Springs Town Council the result of her investigation.

Section 2. Subject to the Town Clerk's satisfactory result of her investigation, a public hearing on the question of annexation of the area described herein will be held at the Town Hall Council Chambers, located at 128 S. Main Street, at 7 p.m. (or as soon thereafter as is practicable) on Tuesday, February 16, 2021.

Section 3. Notice of the public hearing shall be published in the Raleigh News & Observer, newspapers having general circulation in the Town of Holly Springs, at least ten (10) days prior to the date of the public hearing.

Adopted this, the 2nd day of February 2021.

ATTEST:

Dick Sears, Mayor

Linda C. McKinney
Town Clerk



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 8.

Consent Agenda

Title: Farmers Market Fee Schedule Amendment

Strategic Priority Area: Engaged, Healthy, & Active Community

Staff Resource: Kathleen Hebert, Parks & Recreation

Action(s):

Approve changes in vendor fees for the Holly Springs Farmers Market.

Explanation:

- The Holly Springs Farmers Market operates the traditional summer season market every Saturday between May and October. A winter market is offered on the first and third Saturdays from November through April.
- Attendance increased 28% from 2019 to 2020 for the winter market alone. To meet the demand from both patrons and market vendors, there is a desire to expand to a weekly schedule in the winter, resulting in a year-round weekly market. Strong sales for market vendors has resulted in thirty (30) vendors committing to attend a weekly market, if available.
- To accommodate this expanded market offering, the Town's fee schedule needs to reflect the additional market days available to vendors.
- This requested change in the fee schedule is ahead of the annual budget process, as the updated fees need to be in place for the next market season (May 2021-April 2022).
- Vendor applications are available for the next market season beginning in February 2021 and fees will need to be advertised to the vendors at that time.
- Fee adjustments proposed go into effect February 3, 2021:

Description:	Approved FY2020-21:	Proposed Fee Adjustment:
Traditional Season - Weekly	\$190	\$210
Traditional Season - Alternative A/B Week Schedule	\$135	\$150
Traditional Season - Seasonal Produce	\$55	\$60
Winter Season - Full Season	\$85	\$150
Winter Season - One Saturday per Month	\$50	\$85
Winter Season - Daily/Substitute	\$10	\$20
Extended Season - Weekly	\$260	\$360
Extended Season - Alternative A/B Week Schedule	\$175	\$220

Background:

Town Council Business Meeting
February 2, 2021

- The Holly Springs Farmers Market has operated for over 14 years, first under the Planning Department and now with the Parks & Recreation Department.
- In 2014, the Market expanded to operate throughout the year, adding a bi-monthly Winter Season schedule. The Market first operated inside the Cultural Center, but quickly moved outdoors again when the market grew too big for the facility.

Funding Source(s):

N/A

Attachment(s):

1. Farmers Market Fee Adjustments - Effective Feb. 3, 2021

Parks & Recreation Department

Description	Approved Fee FY2020-21	Proposed Fee
Farmers Market (Traditional Season)		
Vendor – Weekly	\$190	\$210
Vendor – Alternative A/B Week Schedule	\$135	\$150
Vendor – Daily/Substitute	\$20	\$20
Vendor – Seasonal Produce	\$55	\$60
Little Sprouts Vendor – Daily	\$25	\$25
Farmers Market (Winter Season)		
Winter Vendor – Full Season	\$85	\$150
Winter Vendor – One Saturday per month	\$50	\$85
Winter Vendor – daily/substitute	\$10	\$20
Annual Farmers Market		
Vendor – Extended Season Weekly	\$260	\$360
Vendor – Extended Season Alternative A/B Week Schedule	\$175	\$220
Farmers Market General Fees		
Electricity	\$25/season	\$25/season
Each Additional Booth Space or Produce/Meat Vendor Vehicle	50% of regular booth fee/additional space	50% of regular booth fee/additional space
Manage My Market Application Fee	\$15	REMOVE
Night Market Vendor Fee		\$10
25% Non-profit Rental Fee Discount for All Facilities (one time per fiscal year per qualifying nonprofit)		

Highlighted Fees are the Proposed Fee changes to go into effect on Feb. 3, 2021.



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 9.

Consent Agenda

Title: Arbor/Middle Creek Greenway Project Amendment #1

Strategic Priority Area: Engaged, Healthy, & Active Community

Staff Resource: Matt Beard, Parks & Recreation

Action(s):

Approve budget amendment in the amount of \$80,600 for SEPI Amendment #1 and to establish a land acquisition/easement budget for the final trail alignment.

Explanation:

- The Arbor Creek-Middle Creek Greenway will follow the path of Middle Creek between the Arbor Creek and Woodcreek neighborhoods connecting from Sunset Lake Road to Holly Springs Road providing a regional connection via the Town of Apex's Middle Creek Greenway.
- SEPI Engineering has finalized the greenway routing and as such several easements from private property owners are required.
- The routing analysis determined that the existing boardwalk near the Arbor Creek subdivision will need to be re-built out of the flood plain.
- The contract amendment is necessary as the original proposal did not anticipate as many easements as are now required. Additional land surveying is also needed to develop the necessary mapping and legal descriptions. The cost of the additional survey work is \$28,800.
- The budget amendment also establishes a budget for the anticipated cost to obtain the necessary easements.

Background:

- Town Council approved the design contract with SEPI in February 2020 in the amount of \$442,000 and \$110,000 in contingency. The contingency remains in the budget for construction administration work.
- The greenway connects Sunset Lake Road at Arbor Creek to Bridgewater, Sunset Ridge North, and Woodcreek neighborhoods to Holly Springs Road. Total length is approximately 2.5 miles.
- The project is slated to be bid for construction in April.
- The construction funding source will be a portion of the remaining 2011 parks and recreation bonds.

Funding Source(s):

Transfer \$80,600 from Park & Recreation reserves (21.95) to Arbor Creek Greenway project

Town Council Business Meeting
February 2, 2021

account (49-902-91).

Attachment(s):

1. AC-MC Greenway - SEPI Amendment 1
2. Budget Amendment -Arbor Creek GW
3. Overall Greenway Exhibit



RALEIGH: 1 GLENWOOD AVENUE, SUITE 600, RALEIGH, NC 27603
OFFICE: 919.789.9977 / FAX: 919.789.9591 / WWW.SEPIINC.COM

January 15, 2021

Town of Holly Springs | Parks and Recreation
Attn: Mr. Matt Beard, AICP, Park Planner
128 S. Main Street
Holly Springs, NC 27540

RE: Arbor Creek Greenway Extension
Holly Springs, NC
SEPI Project Number: SE20.027
Amendment Number ONE

Dear Matt,

This is AMENDMENT NUMBER ONE DATED January 15, 2021 to the Prime Agreement between the Town of Holly Springs ("Client") and SEPI Engineering & Construction, Inc., ("Consultant") dated February 7, 2020, ("the Agreement") concerning Arbor Creek Greenway Extension (the "Project").

The Consultant has entered into the Agreement with Client for the furnishing of professional services, and the parties now desire to amend the Agreement.

Therefore, it is mutually agreed that the Agreement is amended to include Additional Services to be performed by Consultant and provisions for additional compensation by the Client to the Consultant, all as set forth below. The parties ratify the terms and conditions of the Agreement not inconsistent with this Amendment, all of which are incorporated by reference.

Consultant shall perform the following Additional Services:

Task 1 – Land Surveying Services | Greenway Easement Platting and Mapping

Over the past several months, SEPI has worked to develop a greenway routing plan that responds to the existing natural conditions, the configuration of property parcels, feedback from private landowners and based on direction from the Town. The greenway routing is now established with a reasonably high level of confidence based on the work done to date. The routing of the greenway will require several easements from private property owners along the corridor which will allow for the construction and long-term maintenance of the proposed trail. In our original proposal, we included scope and fee for easements based on an understanding at that time regarding the greenway location. As the project has evolved, the number





of required easements has increased significantly from what was originally anticipated and will require a proposed amendment to our original contract.

Scope of Work

SEPI will provide Land Surveying services to the Town to develop mapping and legal descriptions for the parcels identified below to support the Town's effort to secure permanent greenway easements.

1. There are several individual lots within the Arbor Creek Subdivision;
 - a. 5 parcels on Fairford Drive (1 Plat), (PIN #s: 0750-11-8963, 0750-11-8876, 0750-11-8799, 0750-11-8792, and 0750-11-8685);
 - b. 4 parcels on Shopsgate Court and Creek Haven Drive (1 Plat), (PIN #s: 0750-10-7683, 0750-10-7566, 0750-10-7462, and 0750-10-7395);
2. The Mata Family, LLC parcel (1 Plat), (PIN # 0750-30-3969);
3. Flintom Parcel (1 Plat), (PIN # 0659-66-6792);
4. Town of Cary Property – Easement Map (PIN # 0659-76-8220);
5. Arbor Creek HOA Property – Subdivision Plat (PIN # 0750-10-9923);
6. HOA Easements
 - a. There will be easements needed for the Woodcreek, Bridgewater, and Sunset Ridge North HOA properties. Right now, the Town is planning to propose a "blanket easement" approach that will be based on the actual location of the trail once it is constructed;
 - b. Plats or mapping is excluded for these properties.





For the Additional Services set forth above, Client shall pay Consultant the following additional compensation:

SEPI agrees to provide the services outlined in Task 1 on lump sum basis plus reimbursables with the fee budget indicated below:

Task 1	Land Surveying Services Greenway Easements	\$ 28,800
	Total	\$ 28,800

Currently, we have budgeted some allowances for potential services within the original contract:

Easement Mapping	\$ 4,200
Supplemental Field Topo	\$ 4,000
(Amount Remaining from Original Contract Allowance of \$15,000)	

Taking these current allowances into consideration, this Amendment One would increase the Contract value by **\$20,600**.

The Agreement’s original Fee & Expense Schedule and Standard Terms & Conditions will apply to this Agreement Amendment.

Thank you for allowing SEPI to serve you. Please call me if you have any questions.

Sincerely,
SEPI Engineering & Construction, Inc.

VP, Landscape Architecture Manager

TOWN OF HOLLY SPINGS

By: _____

Title: _____

Date: _____



Town of Holly Springs Budget Amendment Request

BE IT ORDAINED by the Governing Board of the Town of Holly Springs, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2020.

Department: Parks and Recreation

Date Submitted: 1/20/2021

Reason for Budget Amendment: Arbor Creek Greenway

(round to nearest \$25, \$50, \$75 or \$100; no cents)

Account Description	Account #	Increase	Decrease
Parks and Rec Reserves (Revenue)	21 355.01	80,600	
Parks and Rec Reserves (Expense)	21 95	80,600	
Arbor Creek Phase 2 Project (Revenue)	49-902-91 355.21	80,600	
Arbor Creek Phase 2 Project (Expense)	49-902-91 12.01	80,600	

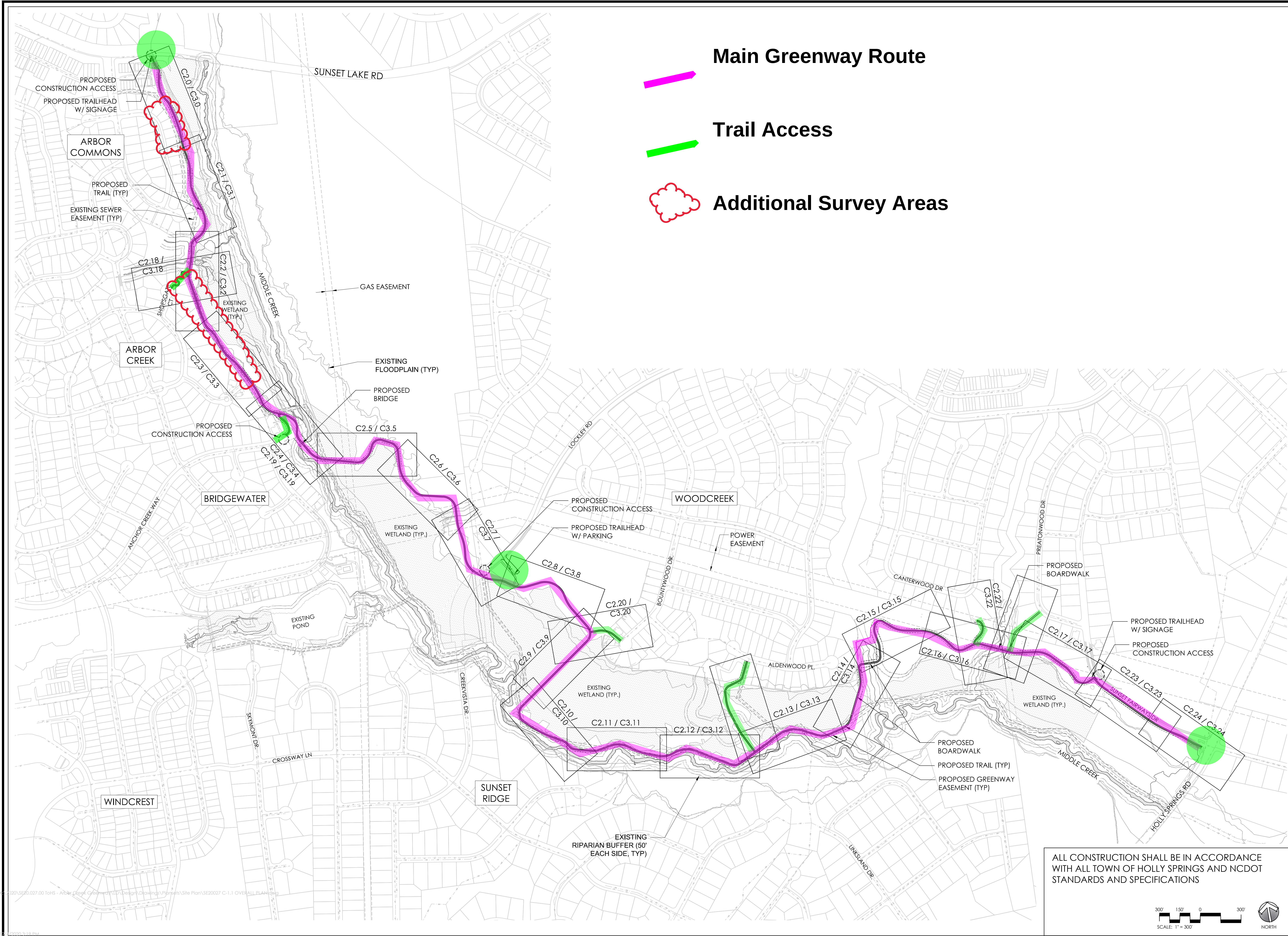
Department Head Signature

Finance Director Signature

Town Manager Signature (if necessary)

Council Approved/Notified (if necessary)

Budget amendments under \$15,000, between departments, or reallocating funds from Capital Outlay or Salaries/Benefits must be approved by the Town Manager before submitting to Finance. Notified to Town Council at next meeting. Budget amendments that increase the overall budget need the Town Manager's signature and Council approval. Budget amendments \$15,000 and over need the Town Manager's signature and Council approval.





SEPI
SEPI ENGINEERING & CONSTRUCTION, INC.
RALEIGH | WILMINGTON | CHARLOTTE
BEAUFORT, SC | CHARLESTON, SC

1 GLENWOOD AVE, | SUITE 600
RALEIGH, NC 27603
PHONE | 919.789.9977

seplinc.com



3 WORKING DAYS
BEFORE YOU DIG
FOR THE LOCATION OF
UNDERGROUND FACILITIES

Know what's below.
Call before you dig.

THE LOCATIONS OF EXISTING UNDERGROUND UTILITIES ARE SHOWN IN AN APPROXIMATE WAY ONLY AND HAVE NOT BEEN INDEPENDENTLY VERIFIED BY THE OWNER OR ITS REPRESENTATIVE. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES BEFORE COMMENCING WORK AND AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT BE OCCASIONED BY THE CONTRACTOR'S FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL UNDERGROUND UTILITIES.

NOTICE:
CONSTRUCTION SITE SAFETY IS THE SOLE RESPONSIBILITY OF THE CONTRACTOR. NEITHER THE OWNER NOR THE ENGINEER SHALL BE EXPECTED TO ASSUME ANY RESPONSIBILITY FOR SAFETY OF THE WORK, OF PERSONS ENGAGED IN THE WORK, OR OF ANY NEARBY STRUCTURES, OR OF ANY OTHER PERSONS.

PRELIMINARY

COPYRIGHT © 2020
SEPI ENGINEERING & CONSTRUCTION, INC.

**Arbor Creek -
Middle Creek
Greenway**

Town of Holly Springs
Parks and Recreation

PREPARED FOR:
Town of Holly Springs
128 S. Main Street
Holly Springs, NC 27540

**PRELIMINARY
NOT FOR CONSTRUCTION**

**DESIGN DEVELOPMENT
DRAWINGS**
REF #: #####

PROJECT:	SE20.027.00	DATE
ISSUE:	EXHIBIT FOR CLIENT	2020.08.11
	FOR REVIEW WITH TOWN	2020.10.28
	PRELIMINARY TOWN REVIEW	2020.12.04

REVISIONS:

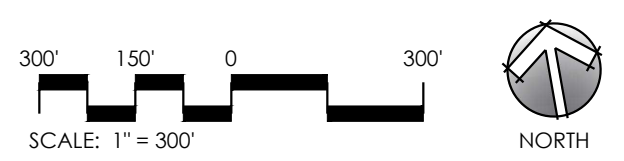
NO.	DESCRIPTION	DATE

PROJ. MGR: JEFF WESTMORELAND
DRAWN BY: LIN SMITH, SAHAR TEYMOURI
CHECKED BY: NICOLE YOUNG

SHEET KEY /
CONSTRUCTION ACCESS &
TRAIL ROUTING

C-1.1

ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH ALL TOWN OF HOLLY SPRINGS AND NCDOT STANDARDS AND SPECIFICATIONS





Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 10.

Consent Agenda

Title: Lease Agreement for 376 & 378 Raleigh Street

Strategic Priority Area: Organizational Excellence

Economic Prosperity & Diversity

Staff Resource: Daniel Weeks, Asst. Town Manager, John Schifano, Town Attorney

Action(s):

Approve Lease Agreement.

Explanation:

- The requested commercial lease agreement is between the Town of Holly Springs and owners of the Rendering House condo units located at 376 and 378 Raleigh Street.
- Agreement would provide town staff temporary office space for consolidation of personnel and swing space during upcoming renovations to the first floor of Town Hall and accommodate personnel space indentified in the most recent space needs analysis.
- Lease commences on March 1, 2021.

Background:

- Renovation of Development Services in Town Hall is set to commence in the spring. As a result, swing space is needed during construction and to accommodate the relocation of inspections staff from Town Hall and from Fire Station #1 that was identified in the most recent space needs analysis.
- Initial lease term is for 2 years; Town has the option to renew the lease for a maximum of two (2) additional one (1) year terms upon expiration of the initial two (2) year term.
- Upon a receipt of a bona fide offer to purchase the Property by a third party (unrelated to the Lessor in any way) during the Lease or any extension thereof, Lessor shall present such offer to the Town. Within thirty (30) days the Town may indicate to the Lessor its intent to purchase the Property. In consideration of this Lease, the Lessor shall enter into a purchase contract for the Property in an amount equal to the current tax value of the Property, less the sum total of all Rent payments made.
- Initial year rent is \$3,500 per month; 3% increase after year one.
- The amount of space gained is approximately 2,400 square feet.

Funding Source(s):

Restricted Fund Balance

Attachment(s):

1. Exhibit A to Lease
2. commercial_lease_agreement_single_tenant_facility

Town Council Business Meeting
February 2, 2021

3. AP - 376 378 Raleigh St - Town of Holly Springs - Lease Exhibit Draft
4. HS - 376 378 Raleigh St - Lease Agreement Draft - Town of Holly Springs

EXHIBIT A TO LEASE AGREEMENT

This Exhibit, contains supplementary and additional conditions to the lease agreement dated _____ regarding the Town' lease of 376 & 378 Raleigh Street (the "Lease.") The following terms and conditions shall apply to the Lease:

1. The Lease shall commence March 1, 2021.
2. The Lease term shall be for two (2) years. The Town shall have the option to renew the Lease for a maximum of two (2) additional one (1) year terms upon expiration of the initial two (2) year term. Rent shall be in the amounts listed below for any extension of the Lease, however all other terms and conditions of the Lease shall remain.
3. Upon a receipt of a bona fide offer to purchase the Property by a third party (unrelated to the Lessor in any way) during the Lease or any extension thereof, Lessor shall present such offer to the Town. Within thirty (30) days the Town may indicate to the Lessor its intent to purchase the Property. In consideration of this Lease, the Lessor shall enter into a purchase contract for the Property in an amount equal to the current tax value of the Property, less the sum total of all Rent payments made.
4. Lessor agrees to allow the Town to use any office furniture it has in its possession at the Property or that is stored off-site. The Town shall arrange for transportation at its own expense, and the parties agree that the furniture has no value.
5. The following amounts shall constitute the Rent under this Lease:
 - a. Year 1: \$3,500 per month
 - b. Year 2: \$3,605 per month
 - c. Year 3: \$3,713 per month (if the term is extended by the Town)
 - d. Year 4: \$3,825 per month (if the term is extended by the Town)



COMMERCIAL LEASE AGREEMENT
(Single Tenant Facility)

(Note: This form is not intended to be used as a Sublease and SHOULD NOT be used in Sublease circumstances)

THIS COMMERCIAL LEASE AGREEMENT, including any and all addenda attached hereto ("Lease"), is by and between

a(n) _____ ("Landlord"),
(individual or State of formation and type of entity)
whose address is _____, and

a(n) _____ ("Tenant").
(individual or State of formation and type of entity)
whose address is _____

☐ If this box is checked, the obligations of Tenant under this Lease are secured by the guaranty of _____
(name(s) of guarantor(s)) attached hereto and incorporated herein by reference.

(Note: Any guaranty should be prepared by an attorney at law.)

For and in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

PREMISES

1. Landlord leases unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property, including any improvements located thereon (herein after called the "Premises"), to wit:

(Address): **376 and 378 Raleigh St, Holly Springs, NC 27540**

☐ All ☐ A portion of the property in Deed Reference: Book _____, Page No. _____, _____
County; consisting of approximately _____ acres.

Plat Reference: Lot(s) _____, Block or Section _____, as shown on Plat Book or Slide
_____ at Page(s) _____, _____ County, consisting of _____ acres.

☐ If this box is checked, Premises shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference.

(For information purposes only, the tax parcel number of the Premises is: _____)

☐ **Occupancy Limitation:** If this box is checked, notwithstanding any greater occupancy of the Premises which may be permitted by any law, statute, ordinance, regulation, rule (including rules enacted pursuant to any private use restrictions), as the same may be amended from time to time, Tenant shall not allow occupancy of the Premises to exceed _____ persons per _____ square feet in the Premises at any one time.

TERM

2. The term of this Lease shall commence on _____, _____ ("Lease Commencement Date"), and shall end at 11:59 p.m. (based upon the time at the locale of the Premises) on _____, _____, unless sooner terminated as herein provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month immediately following the Lease Commencement Date and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

☐ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least _____ days prior to the end of the then expiring term of this Lease, for _____ additional term(s) of _____ years each.

Page 1 of 12



North Carolina Association of REALTORS®, Inc.

Tenant Initials _____ Landlord Initials _____



STANDARD FORM 592-T
Revised 7/2020
© 7/2020

☐ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least _____ days prior to the end of the then expiring term of this Lease, for additional term(s) as specified on **Exhibit B**.

☐ **Option to Lease-** If this box is checked, Tenant, upon the payment of the sum of \$ _____ (which sum is not rental or security deposit hereunder, but is consideration for this Option to Lease and is non-refundable under any circumstances) shall have a period of _____ days prior to the Lease Commencement Date ("Option Period") in which to inspect the Premises and make inquiry regarding such sign regulations, zoning regulations, utility availability, private restrictions or permits or other regulatory requirements as Tenant may deem appropriate to satisfy itself as to the use of the Premises for Tenant's intended purposes. Tenant shall conduct all such on-site inspections, examinations, inquiries and other review of the Premises in a good and workman like manner, shall repair any damage to the Premises caused by Tenant's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Landlord's or any tenant's use and enjoyment of the Premises. In that respect, Tenant shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to the tenant at the Premises of any entry onto the Premises for the purpose of conducting inspections. Upon Landlord's request, Tenant shall provide to Landlord evidence of general liability insurance. Tenant shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Premises and shall be entitled to review such books and records of Landlord that relate directly to the operation and maintenance of the Premises, provided, however, that Tenant shall not disclose any information regarding the Premises (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Tenant shall obtain their agreement to maintain such confidentiality. Tenant assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Option to Lease and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Tenant shall survive the termination of this Option to Lease or this Lease. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant's entry and on-site inspections. **IF TENANT CHOOSES NOT TO LEASE THE PREMISES, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO LANDLORD THEREOF PRIOR TO THE EXPIRATION OF THE OPTION PERIOD, THEN THIS LEASE SHALL TERMINATE AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATIONS HEREUNDER AND LANDLORD SHALL RETURN TO TENANT ANY RENTAL OR SECURITY DEPOSIT PAID TO LANDLORD HEREUNDER.** Tenant shall be deemed to have exercised its Option to Lease and to be bound under the terms of this Lease if (i) Tenant shall occupy the Premises prior to the expiration of the Option Period, whereupon the date of occupancy shall be deemed the Lease Commencement Date, or (ii) Tenant shall not provide written notice to Landlord of its termination of this Lease prior to the expiration of the Option Period.

RENTAL

3. Beginning on _____ ("Rent Commencement Date"), Tenant agrees to pay Landlord (or its Agent as directed by Landlord), without notice, demand, deduction or set off, an annual rental of \$ _____, payable in equal monthly installments of \$ _____, in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly installment of rental due, based upon a 30 day month.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every _____ Lease Year Anniversary by _____ % over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed, or

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every _____ Lease Year Anniversary by the greater of: (i) _____ percent (_____ %) over the amount then payable hereunder, or, (ii) the percentage increase (but not any decrease) in the numerical index of the "Consumer Price Index for All Urban Consumers" (1982-84 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") for the immediately preceding twelve (12) month period over the amount then payable hereunder.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every _____ Lease Year Anniversary by \$ _____ over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted as provided on **Exhibit B**.

☐ If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:

LATE CHARGES

4. If Landlord fails to receive full rental payment within _____ days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to _____ percent _____ (%) of the overdue amount or \$ _____ whichever is greater, plus any actual bank fees incurred for dishonored payments. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of \$ _____ as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in this paragraph 5. If any of the rental or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made by Landlord on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant upon demand shall restore the security deposit to the amount set forth above in this paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned to Tenant within sixty (60) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

☐ If this box is checked, Agent shall hold the security deposit in trust and shall be entitled to the interest, if any, thereon.

UTILITY BILLS/SERVICE CONTRACTS

6. Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable bills prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Within thirty (30) days of the Lease Commencement Date, Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

<u>Service Obligation</u>	<u>Landlord</u>			<u>Tenant</u>			<u>Not Applicable</u>		
Sewer/Septic									
Water									
Electric									
Gas									
Telephone									
HVAC (maintenance/service contract)									
Elevator (including phone line)									
Security System									
Fiber Optic									
Janitor/Cleaning									
Trash/Dumpster									
Landscaping/Maintenance									
Sprinkler System (including phone line)									
Pest Control									

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord represents and warrants that the heating, ventilation and air conditioning system(s) and utility installations existing as of the Lease Commencement Date shall be in good order and repair. Subject to the provisions of this paragraph 6, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

RULES AND REGULATIONS

7. ☐ If this box is checked, the rules and regulations attached hereto ("Rules and Regulations") are made a part of this Lease. Tenant agrees to comply with all Rules and Regulations of Landlord in connection with the Premises which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by Landlord in its reasonable discretion, provided notice of such new Rules and Regulations is given to Tenant in writing and the same are not in conflict with the terms and conditions of this Lease.

PERMITTED USES

8. The permitted use of the Premises shall be: _____ ("Permitted Use"). The Premises shall be used and wholly occupied by Tenant solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Tenant obtains Landlord's prior written approval of any change in use. Landlord makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that Landlord does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Tenant at the Premises. At Tenant's sole expense, Tenant shall procure, maintain and make available for Landlord's inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Tenant's business in the Premises. Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors or nuisances.

TAXES AND INSURANCE

(Note: The following box should only be checked if there are no boxes checked below in paragraph 9.)

☐ If this box is checked, Tenant shall have no responsibility to reimburse Landlord for taxes or insurance.

9. Landlord shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises and shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises as Landlord in its reasonable discretion may deem appropriate. Tenant shall reimburse Landlord for all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof. **If boxes are checked below, the manner of reimbursement shall be as indicated:**

Taxes

☐ The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year _____; or

☐ All taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

If the final Lease Year of the term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the Premises for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease Year.

☐ If this box is checked, Tenant shall reimburse Landlord for taxes by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-

twelfth (1/12) of the then current tax payments for the Premises. Upon receipt of bills, statements or other evidence of taxes due, Landlord shall pay or cause to be paid the taxes. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of taxes paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the tax reimbursements paid hereunder except as provided in this paragraph 9.

Insurance

- ☐ the excess cost of commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or
- ☐ the cost of all commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises.
- ☐ If this box is checked, Tenant shall reimburse Landlord for insurance by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current insurance premiums for the Premises. Upon receipt of bills, statements or other evidence of insurance premiums due, Landlord shall pay or cause to be paid the insurance premiums. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of insurance premiums paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the insurance premium reimbursements paid here under except as provided in this paragraph 9.

Provided however, notwithstanding any provision of the foregoing, that in the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

INSURANCE; WAIVER; INDEMNITY

10. (a) During the term of this Lease, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage and with coverage limits of not less than _____ combined single limit, per occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Tenant. Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to the Lease Commencement Date.

(b) Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant arising from any risk generally covered by the "all risks" insurance required to be carried by Landlord and Tenant. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

(c) Except as otherwise provided in paragraph 10(b), Tenant indemnifies Landlord for damages proximately caused by the negligence or wrongful conduct of Tenant and Tenant's employees, agents, invitees or contractors. Except as otherwise provided in paragraph 10(b), Landlord indemnifies Tenant for damages proximately caused by the negligence or wrongful conduct of Landlord and Landlord's employees, agents, invitees or contractors. The indemnity provisions in this paragraph 10 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations in this paragraph 10 shall survive the expiration or earlier termination of this Lease.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the buildings located on the Premises (exclusive of all glass and exclusive of all exterior doors) and, except as may be specifically allocated to Tenant in paragraph 12 herein, Landlord agrees to be responsible for capital replacements on the Premises; provided that Landlord shall not be responsible for repairs or capital replacements rendered necessary by the negligence or intentional wrongful acts of Tenant, its employees, agents, invitees or contractors. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair or replace and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

(Note: Should Landlord and Tenant need to further detail the allocation of responsibility hereunder, the Special Stipulations box at the end of the Lease should be checked and such allocation should be specified on an Exhibit B.)

REPAIRS BY TENANT

12. (a) Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, shall maintain in good order and repair the Premises, (except those repairs expressly required to be made by Landlord hereunder), specifically including but not limited to any building and other improvements located thereon, all light bulb and ballast replacements, plumbing fixtures and systems repairs within the Premises and water heater repairs. Tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping. Tenant shall use only licensed contractors for repairs where such license is required. Landlord shall have the right to approve the contract or as to any repairs in excess of \$ _____.

☐ If this box is checked, Tenant, at its expense, shall maintain the heating, ventilation and air conditioning system(s) ("HVAC Systems") in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Tenant shall be required to maintain a preventive maintenance contract for the HVAC Systems on terms and with a provider reasonably acceptable to Landlord, which contract shall call for at least semi-annual maintenance, inspection and repair of such HVAC Systems ("HVAC Contract"). Tenant shall provide a copy of the HVAC Contract to Landlord annually. Provided that: (i) Tenant has kept the HVAC Contract in force, and, (ii) Tenant shall have obtained Landlord's prior written approval of the contractor and the repair or replacement expenses for the HVAC Systems, then, for any calendar year, Tenant shall be responsible for the cost of repairing or replacing the HVAC Systems (or any major component thereof) up to \$ _____ per HVAC System with a maximum repair or replacement cost of \$ _____ for all HVAC Systems ("HVAC Cap") in such year. Tenant shall provide Landlord copies of all records related to the servicing, maintenance, repair, and replacement of the HVAC Systems upon the occurrence of any service, maintenance, repair, or replacement of the HVAC Systems. Landlord shall be responsible for paying the repair cost or replacement cost of such HVAC System in excess of the HVAC Cap.

☐ If this box is checked, Landlord, at its expense, shall maintain the heating, ventilation and air conditioning system(s) ("HVAC Systems") in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that, Tenant shall reimburse Landlord for the cost of repairing or replacing the HVAC Systems (or any major component thereof) an amount up to \$ _____ per HVAC System with a maximum replacement cost of \$ _____ for all HVAC Systems ("HVAC Cap") in such year. Landlord shall be responsible for paying the repair cost or replacement cost of such HVAC System in excess of the HVAC Cap. Tenant shall reimburse Landlord for the amount of the HVAC Cap payable hereunder upon the written request of Landlord.

(b) Tenant, Tenant's employees, agents, invitees or contractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph 12.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord, in connection with Landlord's consent to same, may designate any such alterations, additions, or improvements to the Premises as subject to removal upon the expiration or earlier termination of this Lease, in which case, upon Landlord's written notice to Tenant to remove same at the expiration or earlier termination of this Lease, Tenant shall do so and restore the Premises to the condition that existed prior to such alterations, additions, or improvements being made. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this paragraph 13 upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Tenant has no authority to allow, will not permit, and will indemnify Landlord and hold it harmless from, any contractors', laborers', mechanics', or materialmen's liens, or any other similar liens filed against the Premises in connection with any alterations, additions, or improvements to the Premises.

SURRENDERING THE PREMISES

14. Tenant shall schedule its move date with Landlord, in writing, in advance of the expiration or earlier termination of this Lease. Tenant agrees to return the Premises to Landlord at the expiration or earlier termination of this Lease, broom clean and in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. By written notice to Tenant, Landlord may require Tenant to remove any alterations, additions or improvements at the expiration or earlier termination of this Lease (whether or not made with Landlord's consent and whether or not designated via paragraph 13 as subject to removal) and to restore the Premises to its prior condition as of the Lease Commencement Date, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's personal property or trade fixtures which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such personal property or trade fixtures.

(Note: Should Landlord and Tenant need to further enumerate their intent/understanding as to the status of items or property as fixtures, trade fixtures, or personal property hereunder, the Special Stipulations box at the end of the Lease should be checked and such enumeration should be specified by listing same by category on an Exhibit B.)

DESTRUCTION OF OR DAMAGE TO PREMISES

15. (a) If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

(b) If the Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 15(a) above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which Landlord receives applicable permits and insurance proceeds. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Tenant's sole remedy shall be to terminate this Lease.

(c) In the event of any casualty at the Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.

(d) In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

(e) In the event of the termination of this Lease under any of the provisions of this paragraph 15, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

GOVERNMENTAL ORDERS

16. Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time. Landlord and Tenant agree, however, that if in order to comply with such requirements the cost to Tenant shall exceed a sum equal to one (1) year's rent, then Tenant may terminate this Lease by giving written notice of termination to Landlord in accordance with the terms of this Lease, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements, unless, within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance, at its own expense, and commences compliance activity, in which case Tenant's notice given hereunder shall not terminate this Lease.

CONDEMNATION

17. (a) If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

(b) If more than twenty-five percent (25%) of the floor area of any building of the Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Premises is not one undivided space or is rendered unusable for the Permitted Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

(c) Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

(d) If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Premises.

(e) Landlord shall be entitled to the entire condemnation award for any taking of the Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 17, provided Tenant's award does not reduce or affect Landlord's award and provided further, Tenant shall have no claim for the loss of its leasehold estate.

ASSIGNMENT AND SUBLETTING

18. Tenant shall not assign this Lease or any interest hereunder or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall pay to Landlord, concurrently with any request for consent to assignment or sublet, a non-refundable fee of \$ _____ as payment to Landlord for its review and processing of the request. In addition, Tenant shall pay to Landlord any legal fees and expenses incurred by Landlord in connection with the proposed assignment or sublet, to the extent such amounts exceed \$ _____. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

19. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay when due the rental or any other monetary obligation as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any non-monetary obligation imposed upon Tenant under this Lease within thirty (30) days after written notice of such breach; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

20. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof. Tenant acknowledges and understands that Landlord's acceptance of partial rental will not waive Tenant's breach of this Lease or limit Landlord's rights against Tenant hereunder or Landlord's right to evict Tenant through a summary ejectment proceeding, whether filed before or after Landlord's acceptance of any such partial rental.

EXTERIOR SIGNS

21. Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the express written consent of the Landlord in Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

22. Landlord may advertise the Premises "For Rent" _____ days before the termination of this Lease. Landlord may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

QUIET ENJOYMENT

23. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, subject to the terms hereof.

HOLDING OVER

24. If Tenant remains in possession of the Premises after expiration of the term hereof, Tenant shall be a tenant at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be **twice** the monthly rental otherwise payable under Paragraph 3 above.

ENVIRONMENTAL LAWS

25. (a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). Tenant shall remove from the Premises, all Hazardous Materials that were placed on the Premises by Tenant or Tenant's employees, agents, invitees or contractors, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) The warranties and indemnities contained in this paragraph 25 shall survive the termination of this Lease.

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STANDARD FORM 592-T

Revised 7/2020

© 7/2019

Tenant Initials _____ Landlord Initials _____

SUBORDINATION; ATTORNMENT; ESTOPPEL

26. (a) This Lease and all of Tenant's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from Landlord or any Landlord mortgagee, Tenant shall confirm such subordination by executing and delivering Landlord and Landlord's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to Landlord and Landlord's mortgagee. Provided, however, as a condition to Tenant's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall not be divested by foreclosure or other default proceedings thereunder so long as Tenant shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Tenant acknowledges that any Landlord mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent.

(b) If Landlord sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Landlord mortgagee, upon the request of Landlord or Landlord's successor, Tenant shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Tenant shall, upon the request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, transfer or conveyance; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

(c) Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto noted in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

ABANDONMENT

27. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Tenant and left on the Premises, at the option of Landlord, shall be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

NOTICES

28. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof. All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

BROKERS

29. Except as expressly provided herein, Tenant and Landlord agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Tenant. Tenant and Landlord represent and warrant to each other that: (i) except as to the brokers designated below ("Brokers"), they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Tenant and/or the Landlord.

Avison Young - North Carolina, LLC ("Listing Agency"),
John B. Linderman, Broker in Charge ("Listing Agent" - License # 97734)
Acting as: ☐ Landlord's Agent; ☐ Dual Agent
and Avison Young - North Carolina, LLC (Leasing Agency"),
John B. Linderman ("Leasing Agent" - License # _____)
Acting as: ☐ Tenant's Agent; ☐ Landlord's (Sub)Agent; ☐ Dual Agent

GENERAL TERMS

30. (a) "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 3, its heirs, representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

(b) No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

(c) Time is of the essence in this Lease.

(d) This Lease may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Lease may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Lease constitutes the sole and entire agreement among the parties hereto and no modification of this Lease shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Lease shall not affect the validity of any other provisions hereof and this Lease shall be construed and enforced as if such invalid provisions were not included.

(e) Each signatory to this Lease represents and warrants that he or she has full authority to sign this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Lease are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Lease.

(f) Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (memorandum of lease) in recordable form, setting forth such provisions hereof (other than the amount of annual rental and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.

(g) If legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

SPECIAL STIPULATIONS

☐ If this box is checked, additional terms of this Lease are set forth on **Exhibit B** attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft lease provisions.)

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

LANDLORD:

Individual

Date: _____

Date: _____

Business Entity

Venture House, LLC

(Name of Firm)

By: _____

Stephen Chan

Title: **Authorized Agent**

Date: _____

TENANT:

Individual

Date: _____

Date: _____

Business Entity

(Name of Firm)

By: _____

Title: _____

Date: _____

EXHIBIT A TO LEASE AGREEMENT

This page intentionally left blank

Landlord Initials _____

Tenant Initials _____

EXHIBIT B TO LEASE AGREEMENT

This Exhibit, contains supplementary and additional conditions to the lease agreement dated _____ regarding the Town' lease of 376 & 378 Raleigh Street (the "Lease.") The following terms and conditions shall apply to the Lease:

1. The Lease shall commence March 1, 2021.
2. The Lease term shall be for two (2) years. The Town shall have the option to renew the Lease for a maximum of two (2) additional one (1) year terms upon expiration of the initial two (2) year term. Rent shall be in the amounts listed below for any extension of the Lease, however all other terms and conditions of the Lease shall remain.
3. Upon a receipt of a bona fide offer to purchase the Property by a third party (unrelated to the Lessor in any way) during the Lease or any extension thereof, Lessor shall present such offer to the Town. Within thirty (30) days the Town may indicate to the Lessor its intent to purchase the Property. In consideration of this Lease, the Lessor shall enter into a purchase contract for the Property in an amount equal to the current tax value of the Property, less the sum total of all Rent payments made.
4. The following amounts shall constitute the Rent under this Lease:
 - a. Year 1: \$3,500 per month
 - b. Year 2: \$3,605 per month
 - c. Year 3: \$3,713 per month (if the term is extended by the Town)
 - d. Year 4: \$3,825 per month (if the term is extended by the Town)

Landlord Initials _____

Tenant Initials _____



COMMERCIAL LEASE AGREEMENT
(Single Tenant Facility)

(Note: This form is not intended to be used as a Sublease and SHOULD NOT be used in Sublease circumstances)

THIS COMMERCIAL LEASE AGREEMENT, including any and all addenda attached hereto ("Lease"), is by and between
Venture House, LLC

a(n) **NC LLC** ("Landlord"),
(individual or State of formation and type of entity)
whose address is **309 Sunset Grove Dr, Holly Springs, NC 27540**

Town of Holly Springs
a(n) **Municipality** ("Tenant").
(individual or State of formation and type of entity)
whose address is **128 S Main St, Holly Springs, NC 27540-9092**

☐ If this box is checked, the obligations of Tenant under this Lease are secured by the guaranty of _____
(name(s) of guarantor(s)) attached hereto and incorporated herein by reference.

(Note: Any guaranty should be prepared by an attorney at law.)

For and in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

PREMISES

1. Landlord leases unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property, including any improvements located thereon (herein after called the "Premises"), to wit:

(Address): **376 and 378 Raleigh St, Holly Springs, NC 27540**

☒ All ☐ A portion of the property in Deed Reference: Book **15807/12760**, Page No. **2673/1687**, **Wake**
County; consisting of approximately **NA** acres.

Plat Reference: Lot(s) _____, Block or Section _____, as shown on Plat Book or Slide
at Page(s) _____, County, consisting of _____ acres.

☐ If this box is checked, Premises shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference.

(For information purposes only, the tax parcel number of the Premises is: **0649915533**)

☐ **Occupancy Limitation:** If this box is checked, notwithstanding any greater occupancy of the Premises which may be permitted by any law, statute, ordinance, regulation, rule (including rules enacted pursuant to any private use restrictions), as the same may be amended from time to time, Tenant shall not allow occupancy of the Premises to exceed _____ persons per _____ square feet in the Premises at any one time.

TERM

2. The term of this Lease shall commence on **March 1**, **2021** ("Lease Commencement Date"), and shall end at 11:59 p.m. (based upon the time at the locale of the Premises) on **February 28**, **2023**, unless sooner terminated as herein provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month immediately following the Lease Commencement Date and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

☒ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least **NA** days prior to the end of the then expiring term of this Lease, for **NA** additional term(s) of **NA** years each.

Page 1 of 12



North Carolina Association of REALTORS®, Inc.

Tenant Initials _____ Landlord Initials _____



STANDARD FORM 592-T
Revised 7/2020
© 7/2020

☒ If this box is checked, Tenant shall have the option of renewing this Lease, upon written notice given to Landlord at least 90 days prior to the end of the then expiring term of this Lease, for additional term(s) as specified on **Exhibit B**.

☐ ~~**Option to Lease**~~ If this box is checked, Tenant, upon the payment of the sum of \$ (which sum is not rental or security deposit hereunder, but is consideration for this Option to Lease and is non-refundable under any circumstances) shall have a period of days prior to the Lease Commencement Date ("Option Period") in which to inspect the Premises and make inquiry regarding such sign regulations, zoning regulations, utility availability, private restrictions or permits or other regulatory requirements as Tenant may deem appropriate to satisfy itself as to the use of the Premises for Tenant's intended purposes. Tenant shall conduct all such on-site inspections, examinations, inquiries and other review of the Premises in a good and workman-like manner, shall repair any damage to the Premises caused by Tenant's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Landlord's or any tenant's use and enjoyment of the Premises. In that respect, Tenant shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to the tenant at the Premises of any entry onto the Premises for the purpose of conducting inspections. Upon Landlord's request, Tenant shall provide to Landlord evidence of general liability insurance. Tenant shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Premises and shall be entitled to review such books and records of Landlord that relate directly to the operation and maintenance of the Premises, provided, however, that Tenant shall not disclose any information regarding the Premises (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Tenant shall obtain their agreement to maintain such confidentiality. Tenant assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Option to Lease and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Tenant shall survive the termination of this Option to Lease or this Lease. Tenant shall, at Tenant's expense, promptly repair any damage to the Premises caused by Tenant's entry and on-site inspections. ~~**IF TENANT CHOOSES NOT TO LEASE THE PREMISES, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO LANDLORD THEREOF PRIOR TO THE EXPIRATION OF THE OPTION PERIOD, THEN THIS LEASE SHALL TERMINATE AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATIONS HEREUNDER AND LANDLORD SHALL RETURN TO TENANT ANY RENTAL OR SECURITY DEPOSIT PAID TO LANDLORD HEREUNDER.**~~ Tenant shall be deemed to have exercised its Option to Lease and to be bound under the terms of this Lease if (i) Tenant shall occupy the Premises prior to the expiration of the Option Period, whereupon the date of occupancy shall be deemed the Lease Commencement Date, or (ii) Tenant shall not provide written notice to Landlord of its termination of this Lease prior to the expiration of the Option Period.

RENTAL

3. Beginning on March 1, 2021 ("Rent Commencement Date"), Tenant agrees to pay Landlord (or its Agent as directed by Landlord), without notice, demand, deduction or set off, an annual rental of \$ See Exhibit, payable in equal monthly installments of \$ See Exhibit, in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly installment of rental due, based upon a 30 day month.

☒ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every 1 Lease Year Anniversary by 3.000 % over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed, or

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every Lease Year Anniversary by the greater of: (i) percent (%) over the amount then payable hereunder, or, (ii) the percentage increase (but not any decrease) in the numerical index of the "Consumer Price Index for All Urban Consumers" (1982-84 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") for the immediately preceding twelve (12) month period over the amount then payable hereunder.

☐ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted every Lease Year Anniversary by \$ over the amount then payable hereunder. In the event renewal of this Lease is provided for in paragraph 2 hereof and effectively exercised by Tenant, the rental adjustments provided herein shall apply to the term of the Lease so renewed.

☒ If this box is checked, the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted as provided on **Exhibit B**.

☐ If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:

LATE CHARGES

4. If Landlord fails to receive full rental payment within Five days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to Five Point Zero percent 5.000 (%) of the overdue amount ~~or \$~~ ~~whichever is greater~~, plus any actual bank fees incurred for dishonored payments. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Upon the execution of this Lease, Tenant shall deposit with Landlord the sum of \$ _____ as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in this paragraph 5. If any of the rental or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made by Landlord on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant upon demand shall restore the security deposit to the amount set forth above in this paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned to Tenant within sixty (60) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

☐ If this box is checked, Agent shall hold the security deposit in trust and shall be entitled to the interest, if any, thereon.

UTILITY BILLS/SERVICE CONTRACTS

6. Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable bills prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Within thirty (30) days of the Lease Commencement Date, Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

<u>Service Obligation</u>	<u>Landlord</u>		<u>Tenant</u>		<u>Not Applicable</u>	
Sewer/Septic			X			
Water			X			
Electric			X			
Gas					X	
Telephone			X			
HVAC (maintenance/service contract)			X			
Elevator (including phone line)					X	
Security System					X	
Fiber Optic					X	
Janitor/Cleaning			X			
Trash/Dumpster	X					
Landscaping/Maintenance	X					
Sprinkler System (including phone line)					X	
Pest Control					X	
Internet			X			
					X	
					X	
					X	
					X	
					X	
					X	

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord represents and warrants that the heating, ventilation and air conditioning system(s) and utility installations existing as of the Lease Commencement Date shall be in good order and repair. Subject to the provisions of this paragraph 6, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

RULES AND REGULATIONS

7. ☐ If this box is checked, the rules and regulations attached hereto ("Rules and Regulations") are made a part of this Lease. Tenant agrees to comply with all Rules and Regulations of Landlord in connection with the Premises which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by Landlord in its reasonable discretion, provided notice of such new Rules and Regulations is given to Tenant in writing and the same are not in conflict with the terms and conditions of this Lease.

PERMITTED USES

8. The permitted use of the Premises shall be: Office
("Permitted Use"). The Premises shall be used and wholly occupied by Tenant solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Tenant obtains Landlord's prior written approval of any change in use. Landlord makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that Landlord does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Tenant at the Premises. At Tenant's sole expense, Tenant shall procure, maintain and make available for Landlord's inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Tenant's business in the Premises. Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors or nuisances.

TAXES AND INSURANCE

(Note: The following box should only be checked if there are no boxes checked below in paragraph 9.)

☒ If this box is checked, Tenant shall have no responsibility to reimburse Landlord for taxes or insurance.

9. Landlord shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises and shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises as Landlord in its reasonable discretion may deem appropriate. Tenant shall reimburse Landlord for all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof. **If boxes are checked below, the manner of reimbursement shall be as indicated:**

Taxes

☐ ~~The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year _____; or~~

☐ ~~All taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.~~

~~If the final Lease Year of the term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the Premises for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease Year.~~

☐ ~~If this box is checked, Tenant shall reimburse Landlord for taxes by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-~~

~~twelfth (1/12) of the then current tax payments for the Premises. Upon receipt of bills, statements or other evidence of taxes due, Landlord shall pay or cause to be paid the taxes. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of taxes paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the tax reimbursements paid hereunder except as provided in this paragraph 9.~~

Insurance

☐ ~~the excess cost of commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or~~

☐ ~~the cost of all commercial general liability, broad form fire and extended and special perils insurance with respect to the Premises.~~

☐ ~~If this box is checked, Tenant shall reimburse Landlord for insurance by paying to Landlord, beginning on the Rent Commencement Date and on the first day of each calendar month during the term hereof, an amount equal to one-twelfth (1/12) of the then current insurance premiums for the Premises. Upon receipt of bills, statements or other evidence of insurance premiums due, Landlord shall pay or cause to be paid the insurance premiums. If at any time the reimbursement payments by Tenant hereunder do not equal the amount of insurance premiums paid by Landlord, Tenant shall upon demand pay to Landlord an amount equal to the deficiency or Landlord shall refund to Tenant any overpayment (as applicable) as documented by Landlord. Landlord shall have no obligation to segregate or otherwise account for the insurance premium reimbursements paid here under except as provided in this paragraph 9.~~

Provided however, notwithstanding any provision of the foregoing, that in the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

INSURANCE; WAIVER; INDEMNITY

10. (a) During the term of this Lease, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage and with coverage limits of not less than \$1,000,000.00 combined single limit, per occurrence, specifically including liquor liability insurance covering consumption of alcoholic beverages by customers of Tenant should Tenant choose to sell alcoholic beverages. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" Landlord, Landlord's Agent, all mortgagees of Landlord and such other individuals or entities as Landlord may from time to time designate upon written notice to Tenant. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Tenant. Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to the Lease Commencement Date.

(b) Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant arising from any risk generally covered by the "all risks" insurance required to be carried by Landlord and Tenant. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

(c) Except as otherwise provided in paragraph 10(b), Tenant indemnifies Landlord for damages proximately caused by the negligence or wrongful conduct of Tenant and Tenant's employees, agents, invitees or contractors. Except as otherwise provided in paragraph 10(b), Landlord indemnifies Tenant for damages proximately caused by the negligence or wrongful conduct of Landlord and Landlord's employees, agents, invitees or contractors. The indemnity provisions in this paragraph 10 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations in this paragraph 10 shall survive the expiration or earlier termination of this Lease.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the buildings located on the Premises (exclusive of all glass and exclusive of all exterior doors) and, except as may be specifically allocated to Tenant in paragraph 12 herein, Landlord agrees to be responsible for capital replacements on the Premises; provided that Landlord shall not be responsible for repairs or capital replacements rendered necessary by the negligence or intentional wrongful acts of Tenant, its employees, agents, invitees or contractors. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair or replace and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

(Note: Should Landlord and Tenant need to further detail the allocation of responsibility hereunder, the Special Stipulations box at the end of the Lease should be checked and such allocation should be specified on an Exhibit B.)

REPAIRS BY TENANT

12. (a) Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, shall maintain in good order and repair the Premises, (except those repairs expressly required to be made by Landlord hereunder), specifically including but not limited to any building and other improvements located thereon, all light bulb and ballast replacements, plumbing fixtures and systems repairs within the Premises and water heater repairs. Tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping. Tenant shall use only licensed contractors for repairs where such license is required. Landlord shall have the right to approve the contract or as to any repairs in excess of \$ 250.00.

☒ If this box is checked, Tenant, at its expense, shall maintain the heating, ventilation and air conditioning system(s) ("HVAC Systems") in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Tenant shall be required to maintain a preventive maintenance contract for the HVAC Systems on terms and with a provider reasonably acceptable to Landlord, which contract shall call for at least semi-annual maintenance, inspection and repair of such HVAC Systems ("HVAC Contract"). Tenant shall provide a copy of the HVAC Contract to Landlord annually. Provided that: (i) Tenant has kept the HVAC Contract in force, and, (ii) Tenant shall have obtained Landlord's prior written approval of the contractor and the repair or replacement expenses for the HVAC Systems, then, for any calendar year, Tenant shall be responsible for the cost of repairing or replacing the HVAC Systems (or any major component thereof) up to \$ 250.00 per HVAC System with a maximum repair or replacement cost of \$ 250.00/unit for all HVAC Systems ("HVAC Cap") in such year. Tenant shall provide Landlord copies of all records related to the servicing, maintenance, repair, and replacement of the HVAC Systems upon the occurrence of any service, maintenance, repair, or replacement of the HVAC Systems. Landlord shall be responsible for paying the repair cost or replacement cost of such HVAC System in excess of the HVAC Cap.

☐ If this box is checked, Landlord, at its expense, shall maintain the heating, ventilation and air conditioning system(s) ("HVAC Systems") in good order and repair, including but not limited to replacement of parts, compressors, air handling units and heating units. Provided that, Tenant shall reimburse Landlord for the cost of repairing or replacing the HVAC Systems (or any major component thereof) an amount up to \$ _____ per HVAC System with a maximum replacement cost of \$ _____ for all HVAC Systems ("HVAC Cap") in such year. Landlord shall be responsible for paying the repair cost or replacement cost of such HVAC System in excess of the HVAC Cap. Tenant shall reimburse Landlord for the amount of the HVAC Cap payable hereunder upon the written request of Landlord.

(b) Tenant, Tenant's employees, agents, invitees or contractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph 12.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord, in connection with Landlord's consent to same, may designate any such alterations, additions, or improvements to the Premises as subject to removal upon the expiration or earlier termination of this Lease, in which case, upon Landlord's written notice to Tenant to remove same at the expiration or earlier termination of this Lease, Tenant shall do so and restore the Premises to the condition that existed prior to such alterations, additions, or improvements being made. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this paragraph 13 upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Tenant has no authority to allow, will not permit, and will indemnify Landlord and hold it harmless from, any contractors', laborers', mechanics', or materialmen's liens, or any other similar liens filed against the Premises in connection with any alterations, additions, or improvements to the Premises.

SURRENDERING THE PREMISES

14. Tenant shall schedule its move date with Landlord, in writing, in advance of the expiration or earlier termination of this Lease. Tenant agrees to return the Premises to Landlord at the expiration or earlier termination of this Lease, broom clean and in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. By written notice to Tenant, Landlord may require Tenant to remove any alterations, additions or improvements at the expiration or earlier termination of this Lease (whether or not made with Landlord's consent and whether or not designated via paragraph 13 as subject to removal) and to restore the Premises to its prior condition as of the Lease Commencement Date, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's personal property or trade fixtures which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such personal property or trade fixtures.

(Note: Should Landlord and Tenant need to further enumerate their intent/understanding as to the status of items or property as fixtures, trade fixtures, or personal property hereunder, the Special Stipulations box at the end of the Lease should be checked and such enumeration should be specified by listing same by category on an Exhibit B.)

DESTRUCTION OF OR DAMAGE TO PREMISES

15. (a) If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

(b) If the Premises are damaged but not wholly destroyed by any such casualties or if the Landlord does not elect to terminate the Lease under paragraph 15(a) above, Landlord shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which Landlord receives applicable permits and insurance proceeds. In the event Landlord shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Tenant's sole remedy shall be to terminate this Lease.

(c) In the event of any casualty at the Premises during the last one (1) year of the Lease Term, Landlord and Tenant each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.

(d) In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

(e) In the event of the termination of this Lease under any of the provisions of this paragraph 15, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

GOVERNMENTAL ORDERS

16. Tenant, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises; (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Tenant's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C.S. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time. Landlord and Tenant agree, however, that if in order to comply with such requirements the cost to Tenant shall exceed a sum equal to one (1) year's rent, then Tenant may terminate this Lease by giving written notice of termination to Landlord in accordance with the terms of this Lease, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements, unless, within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance, at its own expense, and commences compliance activity, in which case Tenant's notice given hereunder shall not terminate this Lease.

CONDEMNATION

17. (a) If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and Landlord and Tenant shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

(b) If more than twenty-five percent (25%) of the floor area of any building of the Premises is taken, or if by reason of any taking, regardless of the amount so taken, the remainder of the Premises is not one undivided space or is rendered unusable for the Permitted Use, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate the portion of the Premises taken, upon giving notice of such election within thirty (30) days after receipt by Tenant from Landlord of written notice that said Premises have been or will be so taken. In the event of such termination, both Landlord and Tenant shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

(c) Landlord and Tenant, immediately after learning of any taking, shall give notice thereof to each other.

(d) If this Lease is not terminated on account of a taking as provided herein above, then Tenant shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at Landlord's cost and expense and as soon as reasonably possible, Landlord shall restore (or shall cause to be restored) the Premises remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in paragraph 3 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Tenant waives any statutory rights of termination that may arise because of any partial taking of the Premises.

(e) Landlord shall be entitled to the entire condemnation award for any taking of the Premises or any part thereof. Tenant's right to receive any amounts separately awarded to Tenant directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this paragraph 17, provided Tenant's award does not reduce or affect Landlord's award and provided further, Tenant shall have no claim for the loss of its leasehold estate.

ASSIGNMENT AND SUBLETTING

18. Tenant shall not assign this Lease or any interest hereunder or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall pay to Landlord, concurrently with any request for consent to assignment or sublet, a non-refundable fee of \$ **500.00** as payment to Landlord for its review and processing of the request. In addition, Tenant shall pay to Landlord any legal fees and expenses incurred by Landlord in connection with the proposed assignment or sublet, to the extent such amounts exceed \$ **500.00**. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

19. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay when due the rental or any other monetary obligation as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any non-monetary obligation imposed upon Tenant under this Lease within thirty (30) days after written notice of such breach; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

20. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof. Tenant acknowledges and understands that Landlord's acceptance of partial rental will not waive Tenant's breach of this Lease or limit Landlord's rights against Tenant hereunder or Landlord's right to evict Tenant through a summary ejectment proceeding, whether filed before or after Landlord's acceptance of any such partial rental.

EXTERIOR SIGNS

21. Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the express written consent of the Landlord in Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

22. Landlord may advertise the Premises "For Rent" 90 days before the termination of this Lease. Landlord may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or tenants, to make repairs required of Landlord under the terms hereof, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Premises. Upon request of Landlord, Tenant shall provide Landlord with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

QUIET ENJOYMENT

23. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, subject to the terms hereof.

HOLDING OVER

24. If Tenant remains in possession of the Premises after expiration of the term hereof, Tenant shall be a tenant at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be **twice** the monthly rental otherwise payable under Paragraph 3 above.

ENVIRONMENTAL LAWS

25. (a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). Tenant shall remove from the Premises, all Hazardous Materials that were placed on the Premises by Tenant or Tenant's employees, agents, invitees or contractors, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) The warranties and indemnities contained in this paragraph 25 shall survive the termination of this Lease.

Page 9 of 12

STANDARD FORM 592-T

Revised 7/2020

© 7/2019

Tenant Initials _____ Landlord Initials _____

SUBORDINATION; ATTORNMENT; ESTOPPEL

26. (a) This Lease and all of Tenant's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from Landlord or any Landlord mortgagee, Tenant shall confirm such subordination by executing and delivering Landlord and Landlord's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to Landlord and Landlord's mortgagee. Provided, however, as a condition to Tenant's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall not be divested by foreclosure or other default proceedings thereunder so long as Tenant shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Tenant acknowledges that any Landlord mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent.

(b) If Landlord sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or nonjudicially, or otherwise acquired, by a Landlord mortgagee, upon the request of Landlord or Landlord's successor, Tenant shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Tenant shall, upon the request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, transfer or conveyance; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

(c) Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto noted in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

ABANDONMENT

27. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Tenant and left on the Premises, at the option of Landlord, shall be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

NOTICES

28. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof. All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

BROKERS

29. Except as expressly provided herein, Tenant and Landlord agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Tenant. Tenant and Landlord represent and warrant to each other that: (i) except as to the brokers designated below ("Brokers"), they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Tenant and/or the Landlord.

Avison Young - North Carolina, LLC ("Listing Agency"),
Baxter M. Walker III, SIOR, CCIM ("Listing Agent" - License # 219535)
Acting as: ☒ Landlord's Agent; ☐ Dual Agent
and NA ("Leasing Agency"),
NA ("Leasing Agent" - License # NA)
Acting as: ☐ Tenant's Agent; ☐ Landlord's (Sub)Agent; ☐ Dual Agent

GENERAL TERMS

30. (a) "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 3, its heirs, representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

(b) No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

(c) Time is of the essence in this Lease.

(d) This Lease may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Lease may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Lease constitutes the sole and entire agreement among the parties hereto and no modification of this Lease shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Lease shall not affect the validity of any other provisions hereof and this Lease shall be construed and enforced as if such invalid provisions were not included.

(e) Each signatory to this Lease represents and warrants that he or she has full authority to sign this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Lease are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Lease.

(f) Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (memorandum of lease) in recordable form, setting forth such provisions hereof (other than the amount of annual rental and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.

(g) If legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

SPECIAL STIPULATIONS

☒ If this box is checked, additional terms of this Lease are set forth on **Exhibit B** attached hereto and incorporated herein by reference. **(Note: Under North Carolina law, real estate agents are not permitted to draft lease provisions.)**

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

LANDLORD:

Individual

Date: _____

Date: _____

Business Entity

Venture House, LLC

(Name of Firm)

By: _____

Stephen Chan

Title: **Authorized Agent**

Date: _____

TENANT:

Individual

Date: _____

Date: _____

Business Entity

Town of Holly Springs

(Name of Firm)

By: _____

Randy Harrington

Title: **Town Manager**

Date: _____



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 11.

New Business

Title: Resolution for Town Attorney to Petition Court for Compliance with the Minimum Housing Ordinance

Strategic Priority Area: Safe & Friendly

Staff Resource: Andrew Rubley, Development Services

Action(s):

Adopt Resolution 21-04 directing the Town Attorney to petition the Superior Court for an order directing owner of 1113 North Main Street to comply with Minimum Housing Standards.

Explanation:

- In accordance with Article IV, Section 6-121 of the Municipal Code, the purpose of Minimum Housing Standards is to protect the health, safety, and welfare of the residents of the town by establishing minimum standards for fitness and continued occupancy of all buildings used for human habitation as authorized by N.C.G.S. 160A-444.
- Article IV, Section 6-135 outlines the procedure for enforcement.
- A minimum housing inspection was performed on July 28, 2020 and found minimum housing violations.
- Staff found the structure located at 1113 N. Main Street to be dilapidated and unfit for human habitation.
- After a hearing where the owner did not show, the Code Enforcement Officer prepared a written order to the owner of the property, ordering them to comply with the minimum standards of fitness by the Town Code of Ordinances or alternatively to vacate and remove or demolish the structure. The ordinance allows the homeowner to appeal the order, and the time to appeal has expired.
- Staff has been working to gain compliance since August 2020.
- November 20, 2020 was the compliance deadline.
- To date, little to no progress towards compliance has been made.

Background:

- On July 24, 2020, staff was made aware of a house fire at 1113 N Main Street from the Holly Springs Fire Department.
- As a result of the fire, the power and water was shut off to the home by the Holly Springs Fire Department.
- July 27, 2020 staff took exterior photos and spoke with tenant to schedule a minimum housing inspection.
- July 28, 2020 staff performed a minimum housing inspection with tenants present.
- The structure was not vacant at time of minimum housing inspection on July 28, 2020.
- Minimum housing hearing was held on August 18, 2020. Owner of property did not show.

Town Council Business Meeting
February 2, 2021

up.

- August 19, 2020 the property owner verified and made aware of violations via phone call. Property owner has not expressed financial inability to pay for fixing known violations.
- The structure was vacant as of 10/27/20.
- An electrical permit was applied for and paid on 11/17/20, no building permit submitted to date. The Town inspector will not restore power back to the home due to the dilapidated condition of the structure.
- Staff has unable to establish a meeting on site with the owner.
- The Minimum Housing deadline for conformance expired on 11/20/20.

Funding Source(s):

N/A

Attachment(s):

1. NOH
2. NOV
3. Order of CCEO
4. Min Housing Timeline
5. Major Violations Combined
6. Resoution 21-04 Revision Minimum Housing 1113 N Main St.



THE TOWN OF

Holly Springs

August 5, 2020

Yolanda Rodgers
3509 Milky Way
Raleigh, NC 27604

Re: Dwelling at 1113 N Main St.
Parcel Number: 0649877544

The Town of Holly Springs has a code, which sets minimum standards for residential structures. The purpose of this code is to assure the protection of the health and safety of the residents of our community.

The property was inspected on Tuesday, July 28, 2020 at 2pm to determine its compliance with the minimum housing code. As a result of this inspection, it appears that there are multiple safety and health standards prescribed in the Minimum Housing Code that are not being complied with as indicated on the enclosed inspection document. The dwelling may be unfit for human habitation, deteriorated, or dilapidated and is in violation of the Town Code.

Part of the Town's procedures to determine whether code violations exist is to give interested people the opportunity to provide information about their property. In order to help us decide about the condition of the property referenced above, a hearing will be held **on Tuesday, August 18th, 2020 at 9:30am**, located at 128 South Main Street Holly Springs, NC 27540.

All owners and other parties of interest have the right to file and answer to the complaint, appear in person, or contact me at my office or in writing, or by telephone to show just cause why the house is in full compliance towards the Minimum Housing Code.

Should you have any questions regarding this Notice of Hearing, please call me at 919-557-3907.

Andrew J. Rubley
Code Enforcement Official / Safety Officer
Town of Holly Springs

Code Enforcement Notice of Hearing

PIN: 0648674819

Code Enforcement Case: 2020:00000107

Sent Via Regular Mail:

Sent Via Certified Mail: 9171 9690 0935 0217 3322 43

9171 9690 0935 0217 3322 43

Department of Code Enforcement

P.O. Box 8 • 128 S. Main Street • Holly Springs, NC 27540 • www.hollyspringsnc.us



THE TOWN OF

Holly Springs

Code Enforcement Notice of Violation

PIN: 0649877544

Code Enforcement Case: 2020:000000125

Sent Via Regular Mail:

Sent Via Certified Mail: 9171 9690 0935 0217 3322 43

August 6, 2020

Violation of Town Code 6-123

Yolanda Rodgers
3509 Milky Way
Raleigh, NC 27604-4164

Re: Dwelling at 1113 N Main St.
Parcel #: 0649877544
Assessed Building Value: \$1,763

The Town of Holly Springs has a code, which sets minimum standards for residential structures. The purpose of this code is to assure the protection of the health and safety of the residents of our community.

The property referred to above was inspected on Tuesday, July 28th, 2020, to determine its compliance with the housing code. As a result of the inspection, it appears certain safety and health standards prescribed in the housing code are not being complied with and the dwelling may be unfit for human habitation if not corrected. Inspection results are as follows.

Exterior

Section 6-124 (a) *Walls or partitions or supporting members, sills, joists, rafters or other structural member shall not list, lean or buckle, and shall not be rotted, deteriorated or damaged, and shall not have holes or cracks which might admit rodents.*

1. Loose hanging soffit on south-east end of property. Must not be damaged or have holes or cracks which might admit rodents. Refer to photo 17 of 54.

Section 6-124 (c) *Foundation, foundation walls, piers or other foundation supports shall not be deteriorated or damaged.*

1. Foundation has a large hole covered with cinder blocks and a dog statue. Foundation wall must be sealed to be weather and watertight to prevent rodents from entering. Please refer to photo 26 of 54.

Section 6-125 (a) (2) *Each dwelling unit shall contain not less than a kitchen, sink, lavatory, tub or shower, water closet, and adequate supply of both cold water and hot water. All water shall be supplied through an approved pipe distribution system connected to a potable water supply.*

1. Hot Water Heater. Hot water heater was not functioning at time of inspection due to a fire. Will need to be replaced and tested. Refer to photos 12, 42 and 43 of 54.

Department of Code Enforcement

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Section 6-125 (c) (3) *All light fixtures, receptacles, equipment and wiring shall be maintained in a state of good repair, safe, capable of being used, and installed in accordance with the town electrical code.*

1. Exterior wall outlet located near back door on west end of structure. Exterior outlet is not GFCI protected as required by the National Electric Code. Please refer to photo 3 of 54.
2. Drop cord running from house to shed in causing unsafe conditions. All equipment must be safe and installed in accordance with the town electrical code. Drop cords must be removed to keep from overloading electrical system in home. Refer to photos 5, 6, 7, 8, 9, 10, 11 or 54.

Section 6-128 (a) *Exterior foundation, walls, and roofs. Every foundation wall, exterior wall, and exterior roof shall be substantially weathertight and rodent proof; shall be kept in sound condition and good repair; shall be capable of affording privacy; shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon. Every exterior wall shall be protected with paint or other protective covering to prevent the entrance or penetration of moisture or the weather.*

1. Siding: Many siding issues throughout exterior of structure. Whole exterior structure must have a protective covering to prevent moisture and weather from penetration. Refer to photos 1, 15, 16, 18, 23, 24, 26.
2. Crawl space door: Foundation wall door located on west end of the structure is not weather nor watertight. Must be able to lock to keep rodents from entering. Refer to photo 27 of 54.
3. Rotten wood on exterior of structure. Located on west the of structure. Must be kept in sound condition and good repair to keep rodents and other pests from entering. Refer to photos 2, 4, 21, 22, 49 of 54.
4. Rotten wood located near water faucet on west end of structure. Must be kept in sound condition and good repair to keep rodents and other pests from entering. Refer to photos 3 and 4 of 54.
5. Rotten wood located near the back door on west end of structure. Very loose at time of inspection. Must be kept in sound condition and good repair to keep rodents and unwanted pests from entering. Refer to photos 4 and 20 of 54.

Section 6-128 (c) *Windows and doors. Every window, exterior door, basement or cellar door and hatchway shall be substantially weather tight, water tight, and rodent proof and shall be kept in sound working condition and good repair.*

1. Front door frame and back door frame broken at time of inspection. Must be weather and water tight and in sound condition and good repair to prevent weather and moisture from entering. Please refer to photos 25 and 33 of 54.

Section 6-129 (d) *Rubbish and storage disposal. Every dwelling and every dwelling unit shall be supplied with approved containers and coverings for storage of rubbish as required by town ordinance, and the other, operator or agent in control of such dwelling or dwelling unit shall be responsible for the removal of rubbish.*

1. Rubbish in yard at time of inspection. Rubbish in yard at time of inspection located on the south end of property and over by the sheds. Must be placed in a supplied storage facility or gotten rid of. Please refer to photos 44, 45, 45, 47 or 54.

Section 6-131 (e) *Responsibilities of owners and occupants. Care of facilities, equipment and structure. No occupant shall willfully destroy, deface, or impair any of the facilities or equipment, or any part of the structure of a dwelling or dwelling unit.*

1. Crawl space insulation. At time of inspection, much of the crawl space insulation was hanging out. Must be properly installed to maintain energy efficacy and air quality. Refer to photos 28, 29, 30, and 31 of 54.

Interior

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Section 6-125 (a) (3) *All plumbing fixtures shall meet standards of the town plumbing code and shall be maintained in a state of good repair and in good working order.*

1. Plumbing System. Water system has been disconnected at time of inspection. Must be connected to a potable water supply. Will inspect water system at time of reinspection.

Section 6-125 (c) (3) *All fixtures, receptacles, equipment and wiring shall be maintained in a state of good repair, safe, capable of being used, and installed in accordance with the town electrical code.*

1. Missing Cover Plate. Missing cover plate at time of inspection located in the bathroom. Needs to be maintained properly to keep occupants from being electrocuted. Please refer to photo 39 of 54.
2. Wiring improvements needed behind the panel box. Electrical tape is not sufficient around wiring. Please refer to photo 48 of 54.
3. Electrical system was cut off due to fire from hot water heater. Will inspect electrical system at time of reinspection. Refer to photo 15 of 54.

Section 6-126 (c) *Bathroom and water closet room. Every bathroom and water closet compartment shall comply with the light and ventilation requirements for habitable rooms except that no window or skylight shall be required in adequately ventilated bathrooms and water closet rooms equipped with an approved ventilation system.*

1. Bathroom ventilation system not in working condition due to power being cut off. Will inspect ventilation system at time of reinspection.

Section 6-128 (b) *Interior floors, walls, and ceilings. Every floor, interior wall, and ceiling shall be substantially soundproof; shall be kept in sound condition and good repair; and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.*

1. Kitchen/ living room hall way ceiling. Ceiling has a large crack. Must be maintained to keep water and weather from entering. Refer to photo 35 of 54.
2. Kitchen flooring. Kitchen flooring has rips. Needs to be replaced to prevent a trip hazard. Refer to photo 36 of 54.
3. Damaged sheetrock. Living room corner has damaged sheetrock. Must be in sound condition and capable of supporting the load which normal use may cause to be placed thereon. Refer to photo 37 of 54.
4. Left bedroom closet. Damaged sheetrock in the closet. Must be in sound condition and good repair to keep unwanted pests from entering. Refer to photo 41 of 54.

Section 6-128 (e) *Bathroom floors. Every bathroom floor surface and water closet compartment floor surface shall be constructed and maintained so as to be reasonably impervious to water and so as to permit such floor to be easily kept in a clean and sanitary condition.*

1. Bathroom floor was very loose at time of inspection due to being incomplete. Needs to be maintained to prevent a trip hazard to occupants. Refer to photo 40 of 54.

Section 6-129 (c) *Infestation: Every occupant of a dwelling containing a single dwelling unit shall be responsible for the extermination of any insects, rodents, or other pests therein or on the premises; and every occupant of a dwelling unit in a dwelling containing more than one dwelling unit shall be responsible for such extermination wherever his dwelling unit is the only one infested. Whenever infestation is caused by failure of the owner to maintain a dwelling in a rodent proof or reasonable insect proof condition, extermination shall be the responsibility of the owner. Whenever the infestation*

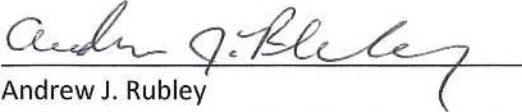
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exists in two or more of the dwelling units in any dwelling or in the shared or public parts of any dwelling containing two or more dwelling units, extermination shall be the responsibility of the owner.

1. Possible infestation of termites located on exterior walls of structure. Needs to be remediated by a termite company and provide a letter of completion. Please refer to photos 49, 50, 51, 52, 53, 54 of 54.

Should you have any questions regarding this Notice of Violation, please call me at 919-557-3907. I look forward to our discussion at the hearing.



Andrew J. Rubley
Code Enforcement Official / Safety Officer
Town of Holly Springs
Phone: 919-557-3907
E-mail: andrew.rubley@hollyspringsnc.us



THE TOWN OF

Holly Springs

August 18, 2020

Yolanda Rogers
3509 Milky Way
Raleigh, NC 27604

Re: Dwelling at 1113 N Main St.
Parcel #: 0649877544
Building Assessed Value: \$1,763

The property referred to above had a hearing conducted on Tuesday, August 18, 2020. The purpose was to determine its compliance with the minimum housing code and give interested parties a chance to speak on behalf of the property. Because of the hearing, it appears certain safety and health standards prescribed in the housing code are not being complied with.

Based on the foregoing FINDINGS OF FACT, the undersigned concludes that the structure(s) located at 1113 N. Main St. has been found to be dilapidated and unfit for human habitation. No new tenant is permitted to occupy until compliance is achieved.

The owner(s) will be responsible for any permits they may need, including but not limited to building, electrical and plumbing before work begins. **You are hereby ORDERED to comply with the minimum standards of fitness established by the ordinance in Section 6-123, or else vacate and remove or demolish the structure(s).** You have until November 20, 2020 to come into compliance with the order.

The purpose of this code is to assure the protection of the health and safety of the residents of our community.

Should you have any questions regarding this Order, please call me at 919-557-3915.

Daniel J. Pope
Chief Code Enforcement Officer & Hearing Officer
Town of Holly Springs
128 S. Main St.
Holly Springs, NC 27540
Phone: 919-557-3915

Order of the Code Enforcement Officer

PIN: 0649877544

Code Enforcement Case: 2020:00000125

Sent Via Regular Mail:

Sent Via Certified Mail: 9171 9690 0935 0217 3323 11

1113 9171 9690 0935 0217 3323 11 order
N. Main CEO

Minimum Housing Violation Timeline 1113 N Main St. Holly Springs, NC 27540

Owner: Yolanda Rogers

Address: 3509 Milky Way Raleigh, NC 27604

Phone Number: 919-271-6868, 919-875-0789

E-mail: ycr0526@gmail.com

1. 7/24/20:
 - a. Received notice of possible fire from HSFD.
 - b. Took exterior photos.
 - c. HSFD stated they removed power and water from structure.
2. 7/27/20:
 - a. Placed condemned sign on door around noon.
3. 7/28/20:
 - a. Minimum Housing inspection at 2pm.
4. 8/5/20:
 - a. Sent owners notice of hearing and notice of violation letters.
5. 8/18/20:
 - a. Conducted Min. Housing Hearing.
 - b. Owner was not present.
 - c. Structure was found to be dilapidated.
 - d. November 20, 2020 compliance date.
6. 8/19/20:
 - a. Sent owner a copy of the Order.
 - b. Owner called at 1:53pm
 - Left a vm stating she plans to fix most items on the letter she received.
 - c. I tried calling owner back at 2:44pm, there was no answer and could not leave a message.
7. 8/21/20:
 - a. Tried calling owner at 1:27pm. There was no answer and I left message for her to call me back.
8. 8/25/20:
 - a. Called owner again at 12:06pm There was no answer and could not leave a message.
9. 9/28/20:
 - a. Called owner at 9:30am. Young lady answered and said she was not available. Young lady said to call back at noon.
 - b. I called back at 12:14pm and there was no answer and a vm could not be left.
10. 10/27/20:
 - a. Called owner at 11:45am for an update.
 - Owner said she was calling contractors.
 - Owner stated there were squatters on property.

- Emailed HSPD, squatter issue has been resolved
 - Owner was asking about getting an extension. (Compliance dead line 11/20/20)
 - Advised owner let's keep original compliance date and see what kind of progress can be made before we talk extensions.
11. 11/21/20
 - a. Called owner at 12:44pm.
 - b. Owner stated that electrical contractor applied for electrical permit.
 - c. Owner stated that some of the exterior trash and junk has been cleaned up.
 12. 11/23/20:
 - a. Called owner at 2:14pm.
 - b. Electrical permit was paid for on 11/17/20
 - c. Owner stated that electrical is working on structure today.
 13. 11/24/20
 - a. Dusty Mills called in the morning.
 - Can not do electrical inspection because house is condemned.
 - b. Owner called at 11:19am.
 - She stated she can't have an electrical permit because she has no building permit.
 - Owner stated no work can be done without electricity.
 - Advised that she may be able to get a temp. service pole, may require building permit first.
 - c. Owner called at 12:29pm.
 - We have a meeting scheduled at property with her and me and Mike Ritter on 11/24.
 - Told owner that she needs to have a building permit to get a temp power pole. I e-mailed her over an application.
 14. 11/27/20:
 - a. Owner called and left a message saying she couldn't make the Monday apt (11/24/20).
 - b. Owner said the Thursday or Friday the following week would work.
 15. 11/30/20
 - a. Called owner at 10:41am.
 - b. Left a message suggesting meeting for Thursday 12/3/20 at 3pm.
 16. 12/3/20:
 - a. Mike Ritter and I came to property at 3pm. No one showed up.
 17. 12/4/20
 - a. Called owner at 11:54a and there was no answer. Left her a vm to call me back and reschedule.
 18. 12/15/20
 - a. Called owner at 9:21am. We have a meeting scheduled for Friday 12/18/20 at 3:30p.
 - b. Mike Ritter told me he would have to reschedule.
 - Immediately called owner she informed her of the cancelation.
 19. 1/5/21:
 - a. Called owner at 9:25am to reschedule meeting for Friday 1/8/21 at 3pm. Left a message for owner to call me back and verify.
 20. 1/7/21:

- a. Called owner at 9:22am.
 - Left message with owner to see if she could confirm my proposed meeting time.
 - Asked her to call me back and verify.
- 21. 1/8/20:
 - a. Called owner at 2:32pm to verify if she was coming to meeting or not.
 - Owner did not pick up or call me back to inform me.
- 22. 1/13/21:
 - a. Meeting with Beth T, Daniel P. and Scott C to discuss next steps.
 - b. Will put this case on Friday 1/22/21 council briefing.
 - c. Will move forward according to ordinance.
- 23. 1/14/ 21:
 - a. Called owner at 3:01pm and left a message to inform her that this property and case will be on council agenda/ meeting February 2, 2021 at 7pm.
 - Also e-mailed her as well.
- 24. 1/21/21:
 - a. Council brief meeting
 - Conference call with administration. (Notify owner via letter of Feb. 2nd council meeting)
- 25. 1/28/21:
 - a. Meeting with Beth and Daniel to prepare documents for Council meeting.















THE TOWN OF

Holly Springs

Resolution No.: 21-04

Date Adopted: February 2, 2021

Effective Date: February 2, 2021

**RESOLUTION OF THE TOWN OF HOLLY SPRINGS TOWN COUNCIL
DIRECTING THE TOWN ATTORNEY TO PETITION WAKE COUNTY SUPERIOR
COURT FOR AN ORDER DIRECTING OWNER OF 1113 N. MAIN STREET TO COMPLY WITH
THE ORDER OF THE CODE ENFORCEMENT OFFICER**

WHEREAS, the municipal code of the Town of Holly Springs ("Town") Section 6-123 establishes minimum standards for residential structures, to assure the protection of the health and safety of the residents of Holly Springs;

WHEREAS, the Town was notified of possible code violations at 1113 N. Main Street ("the Property"), on July 24, 2020 from the Holly Springs Fire Department;

WHEREAS, the Property was inspected for compliance with the minimum housing ordinance by the Town on July 28, 2020, numerous violations were found. Notice of Violation and Notice of Hearing were sent to the owners and occupants of the Property on August 5, 2020;

WHEREAS, a hearing was conducted on August 18, 2020 whereby the owner and occupants were noticed of the hearing pursuant to statute giving them a chance to speak on behalf of the property. At the conclusion of the hearing an Order of the Code Enforcement Officer was entered, finding the structure to be dilapidated and unfit for human habitation, and directing the owner to comply with the minimum standards or else vacate and remove or demolish the structure by November 20, 2020;

WHEREAS, The owner was served with the Order pursuant to statutory requirements;

WHEREAS, staff continued throughout August, September and October 2020 to speak with the owner about forming a plan for repairs. Town staff scheduled several meetings with owner on site to discuss each violation and give owner an opportunity to ask any questions. Staff was unsuccessful in it's attempts to meet with owner on site after several attempts by staff to do so.

WHEREAS, on November 17, 2020 owner paid and was issued a trade permit. To date no progress has been made for repair or installation of necessary fixtures such as a hot water heater to meet minimum housing code;

WHEREAS, on November 20, 2020 owner was unsuccessful on meeting the compliance deadline for minimum housing repairs;

WHEREAS, on December 3, 2020 the safety officer and senior building inspector went on site for a meeting with owner. Staff was only able to make an exterior inspection. Staff noticed little to no progress has been made to the exterior, and did not have access to the interior.

WHEREAS, staff has continually attempted to contact the owner who has stopped returning phone calls from staff;

NOW THEREFORE, BE IT RESOLVED by the Town Council to direct Town Attorney, pursuant to N.C.G.S. § 160A-446(g), to petition the Wake County Superior Court for an Order directing the Owner of 1113 N. Main Street to comply with the Order of the Code Enforcement Officer of the Town of Holly Springs, dated August 18, 2020.

Adopted by the Holly Springs Town Council on this, the 2nd day of February 2021.

Town of Holly Springs by

ATTEST:

Dick Sears, Mayor

Linda McKinney, Town Clerk

