

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF ORANGE

This Lease Agreement, made and entered into the 4th day of September, 1996 by and between the Town of Chapel Hill, a North Carolina Municipal Corporation, 306 North Columbia Street, Chapel Hill, North Carolina, hereinafter referred to as "Town" and The Chapel Hill Museum, a North Carolina not-for-profit corporation, hereinafter referred to as "Museum".

In consideration of the mutual covenants and conditions set forth below, the Town and the Museum agree as follows:

1. Lease of Premises: The Town agrees as lessor to lease to the Museum and the Museum agrees as lessee to lease from the Town, on the terms set forth herein, the building located at 523 East Franklin Street, the parking and all other appurtenances on the lot known as Chapel Hill Tax Map 74, Block A, lot 13. Said Leased Premises shall be leased to the Museum subject to the obligations and duties set forth herein to undertake and to complete certain renovations or alterations to the leased premises and to administer the Museum's programs, which operate from these premises.
2. Payment of Rent: There will be no rent paid by the Museum to the Town beyond the responsibilities outlined below.
3. Use of Premises: The Museum shall use and occupy the premises solely for museum operations. The premises shall be used for no other purpose. Said Leased Premises shall be used on a non-discriminatory basis, without regard to sex, race, color, creed, handicap, affectional preference, or national origin.
4. Term of Lease: The term of this lease shall be for ten years, commencing on 4 Sept., 1996, and ending on 3 Sept., 2006, renewable for a subsequent ten-year term upon Town Council approval. The Museum shall give the Town Manager notice in writing of its desire to enter into a subsequent ten-year lease at least 180 days before expiration of the term.
5. Duties of the Museum:
 - a. The Museum shall ensure that the Leased Premises are maintained and operated in a safe and sanitary manner. The Museum shall also be

responsible for proper safekeeping and security and repair of the Leased Premises.

- b. The Museum shall strictly comply with all applicable statutes, ordinances, codes and regulations respecting use and occupancy of the Leased premises, including provisions relating to occupancy by a certain number of persons, the requirements of the Americans with Disabilities Act, building code provisions, fire regulations, provisions governing food preparation and handling (if any), the prohibition of smoking in this building and the like. The Museum shall take reasonable precautions to prevent damage to the Leased Premises from fire and other causes, to prevent bodily and personal injury, and to prevent loss from theft or other causes.
- c. The Museum shall be responsible for all necessary staffing for and operation of the Museum's programs.
- d. The Museum shall pay all operating costs, including utilities, and shall provide regular janitorial service and grounds maintenance for the Leased Premises at its own expense. The Museum agrees to transfer the utility accounts for this building into their name effective on the first day of the term of this lease. The Museum shall submit evidence of payment to the Town as requested.
- e. The Museum shall be responsible for all repairs not covered by insurance. This includes general maintenance, structural repairs and extraordinary maintenance. The Museum shall be responsible for repairs necessitated by any damage or acts of vandalism or breakage that may occur to the facility.
- f. The Museum shall submit all plans for alterations or renovation, both interior and exterior and including grounds and signage, to the Town for approval prior to commencement of the work. Improvements shall remain in place and become the property of the Town upon either expiration or termination of the Lease, or shall be removed at the direction of the Town and at the expense of the Museum. Removal shall be completed within 30 days of the end of the lease term.
- g. The Museum will be responsible for all costs associated with electrical, heating/air-conditioning and mechanical systems, including repair and replacement as necessary for safe and functional operation.
- h. The Museum shall be responsible for ensuring that all repairs and improvements are carried out according to the reasonable and customary standards of the trades involved and in accordance with all applicable codes. The Museum shall be responsible for paying for all work and arranging for and paying for inspections of all said work. The Museum shall be responsible for acquiring Certificates of Appropriateness from the Historic District

Commission as required.

6. Duties of the Town:

- a. The Town will review and approve all alteration or renovation plans, both interior and exterior and including grounds and signage. No such alterations or renovations are permitted under this lease without the prior approval of the Town. The Town will not unreasonably withhold approval of alterations or renovations proposed by the Museum.
- b. In the event that the Town chooses to terminate the lease and the Museum has made significant capital improvements to the property approved and designated as such in advance, the Town shall reimburse the Museum for these improvements in the amount of their remaining amortized value.
- c. The Town will provide periodic inspection of the premises.

7. Insurance Provisions:

- a. Workers' Compensation. The Museum shall provide coverage for all employees for statutory limits in compliance with North Carolina and federal laws. The policy must include employers' liability with a limit of \$100,000 each accident, \$100,000 bodily injury for each employee and \$500,000 bodily injury policy limit.
- b. Comprehensive general liability: The Museum shall maintain coverage having minimum limits of \$2,000,000 per occurrence, combined single limit for bodily injury liability and property damage liability. This shall include premises and/or operations; independent contractors; products and/or completed operations, broad form property damage, and contractual liability endorsements.
- c. Business auto policy: The Museum shall maintain coverage having minimum limits of \$2,000,000 per occurrence combined single limit for bodily injury liability and property damage liability. This coverage shall include owned vehicles, hired and non-owned vehicles, and employee non-ownership.
- d. Insurance coverage shall be reviewed by the Town every two years. The Town may require the insurance coverage amounts to be modified to conform to changes required by law and to changes in Town risk management policies during the term of this lease.

8. Special requirements:

- a. The Town is to be included as an additional insured on both the

comprehensive general liability and business auto liability policies, with the Museum responsible for all costs associated with these policies.

- b. Current, valid insurance policies, meeting the requirements herein identified, shall be maintained during the duration of the named project. The Museum shall provide the Town with certificates of insurance which are acceptable to the Town. Renewal certificates on an Acord form shall be sent to the Town 30 days prior to any expiration date. There shall also be a 30-day notification to the Town in the event of cancellation or modification of any stipulated insurance coverage. Certificates of insurance on an Acord form, meeting the required insurance provisions, shall be forwarded to the Town. Wording on the certificate which states that no liability shall be imposed upon the company for failure to provide such notice is not acceptable.
 - c. The Museum shall require that all subcontractors who perform work for the Museum on or to the benefit of the Leased Premises comply with the same insurance requirements that the Museum is required to meet or such other lesser amounts as the Town approves on a case by case basis.
9. Waiver of Subrogation: The Town agrees to maintain fire and general liability insurance on the Leased Premises and on personal property of the Town contained therein to the extent of its full insurable value; the Museum shall do the same with respect to its property located in or on the Leased Premises. The Town and the Museum, except as modified by Paragraph 6.e. above, hereby mutually release and discharge each other from all claims or liabilities arising from or caused by fire, or other casualty covered by the above insurance on the Leased Premises, or property in or on the Leased Premises.
10. Sublease or Assignment: This Lease Agreement may not be assigned or transferred, nor may any of the Leased Premises be sublet, without the prior written approval of the Town Manager. The Town will not unreasonably withhold approval of subletting to permitted uses.
11. Right of Inspection: The Museum shall permit the Town to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same. The Town Manager or his designee will retain at least one working key for each exterior and interior door of the building to facilitate the requirements for after-hours inspection. The Town reserves the right to approve any changes to the building locks. Neither this paragraph, nor the Town's exercise of any right hereunder, shall be deemed any form or manner of control over the Leased Premises by the Town for any purpose whatsoever.

12. Hold Harmless Agreement: The Museum agrees to defend, indemnify and hold harmless the Town and its agents and employees from all loss, liability, claims or expense (including reasonably attorney's fees) arising from personal or bodily injury, including death or property damage to any person or persons caused in whole or in part by the negligence or willful misconduct of the Museum except to the extent same are caused by the negligence or misconduct of the Town.

13. Waiver. No failure of the Town to enforce any term hereof shall be deemed to be a waiver.

14. The Town's Remedies on Default: If the Museum defaults in the performance of any of the covenants or conditions hereof, the Town may give the Museum notice of such default and if Museum does not cure any such default within 30 days, after the giving of such notice (or if such default is of such nature that it cannot be completely cured within such period, if the Museum does not commence such curing within such 30 days and thereafter proceed with reasonable diligence and in good faith to cure such default), then the Town may terminate this lease on not less than 30 days' notice to the Museum. On the date specified in such notice the term of this lease shall terminate, and the Museum shall then quit and surrender the premises to the Town, but the Museum shall remain liable as hereinafter provided. If this lease shall have been so terminated by the Town, the Town may at any time thereafter resume possession of the premises by any lawful means and remove the Museum or other occupants and their effects.

15. Cancellation: The Lease Agreement may be canceled upon 30 days prior written notice by the Museum. It may not be cancelled by the Town during the first year, but may be cancelled thereafter upon 180 days written notice. Any notice or written communication related to this Lease shall be deemed effective if mailed first class or delivered to:
 - a. For the Town:

Town Manager
306 North Columbia Street
Chapel Hill, NC 27516

 - b. For the Museum:

President, The Chapel Hill Museum

Chapel Hill, NC 27514

This the 5th day of September, 1996.

IN WITNESS WHEREOF, the parties hereunto cause this Lease Agreement to be executed in their respective names.

TOWN OF CHAPEL HILL

THE CHAPEL HILL MUSEUM

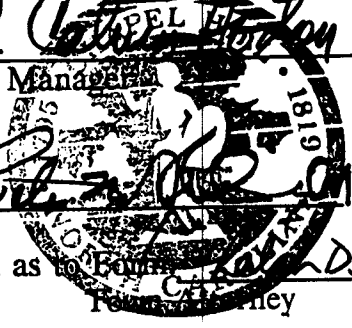
By: W. Catherine Horton
Town Manager

F. P. Matthews, Jr.
President

Attest: [Signature]

Attest: [Signature]
Facilities Chairman, Board of Directors

Approved as to Form: D. Karpinos
Notary Public



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

Keg Johnson
Acting Finance Director

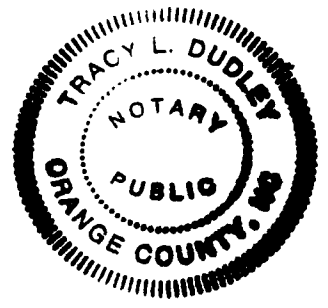
STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, TRACY L. DUDLEY, a Notary Public in and for said County and State, do hereby certify that F. P. MATTHEWS, JR. personally appeared before me on behalf of The Chapel Hill Museum this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 17 day of SEPTEMBER, 1996

[Signature]
Notary Public

My Commission Expires: 10-4-99



STATE OF NORTH CAROLINA

COUNTY OF ORANGE

AMENDMENT II

This is an amendment to that certain Lease Agreement made and entered into the 4th day of September, 1996, and amended on the 10th day of September, 1999, by and between the Town of Chapel Hill, a North Carolina Municipal Corporation, 306 North Columbia Street, Chapel Hill, North Carolina, hereinafter referred to as "Town" and The Chapel Hill Museum, a North Carolina not-for-profit corporation, hereinafter referred to as "Museum".

- 1. Paragraph #3 of said Lease, "Use of Premises," is hereby revised in its entirety to read as follows:

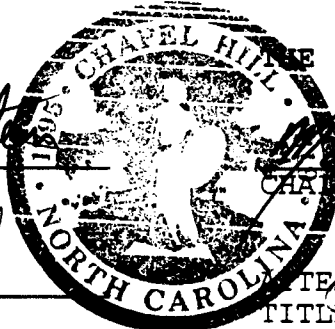
The Museum shall use and occupy the premises for Museum purposes and associated uses consistent with its designation as a Public Cultural Facility. Said Leased Premises shall be used on a non-discriminatory basis, without regard to sex, race, color, creed, handicap, affectional preference, or national origin. A portion of the premises shall be used for storage of Town archival material in accordance with the Performance Agreement between the Town and the Museum. Malt beverages and unfortified wine may be served on the Leased Premises at events which are open by invitation only.

This the 12th December day of ~~October~~, 1999.

TOWN OF CHAPEL HILL

CHAPEL HILL MUSEUM

W. Calum Horton
TOWN MANAGER



Margaret Callahan
CHAIR OF BOARD

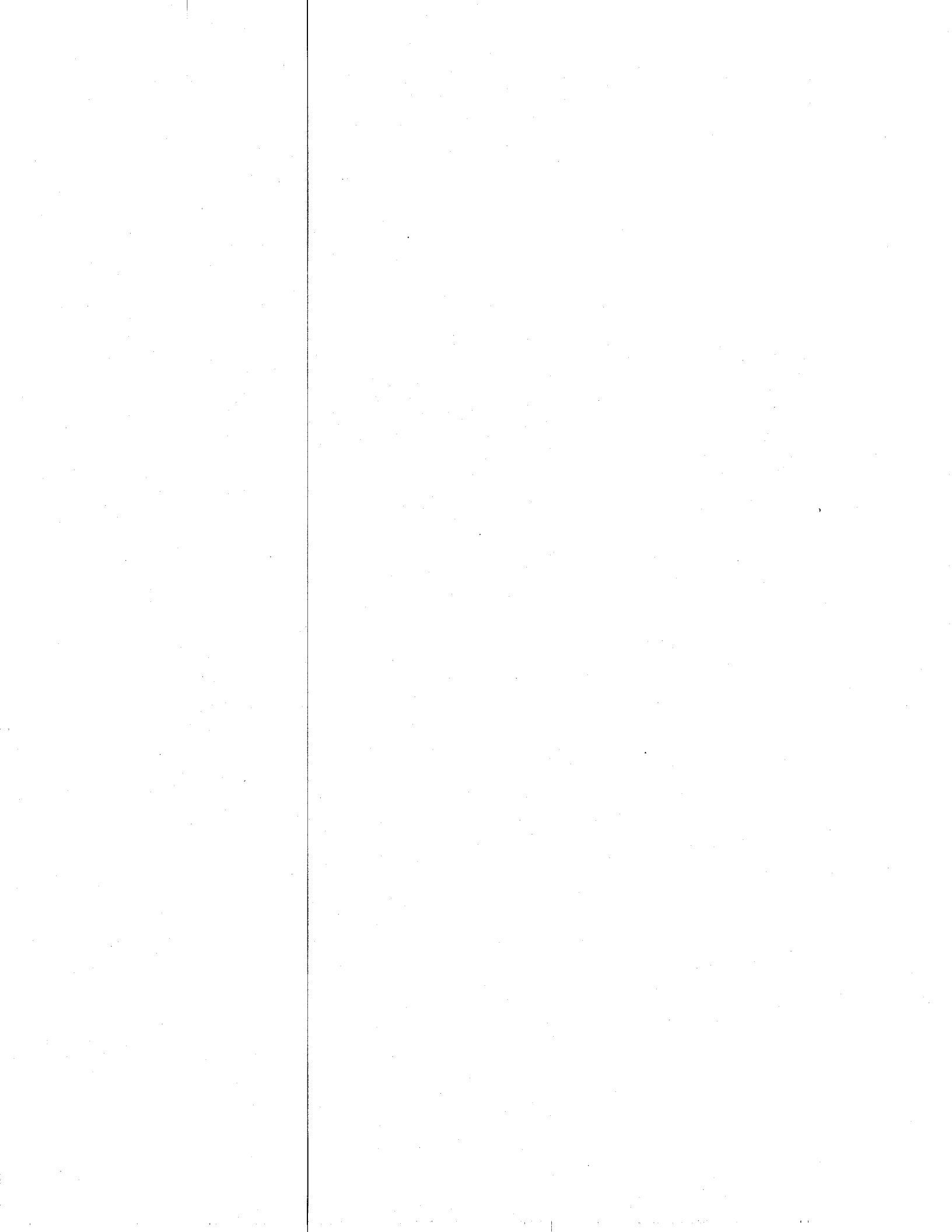
Jan A. Smith
TOWN CLERK

Deirdre Perry
TITLE: Secretary

Approved as to Form: Ralph D. Karpinos
TOWN ATTORNEY

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

James M. Baker
FINANCE DIRECTOR



STATE OF NORTH CAROLINA
COUNTY OF ORANGE

ADDENDUM TO LEASE AGREEMENT

This is an Addendum to that certain Lease Agreement made and entered in to the 4th day of September, 1996, by and between the Town of Chapel Hill, a North Carolina Municipal Corporation and the Chapel Hill Museum, a North Carolina not-for-profit corporation, as amended by an Amendment dated the 10th day of September, 1999.

The Town of Chapel Hill agrees to allow the Chapel Hill Museum to take stewardship of and display for historical purposes the Fire Department's 1914 Model T fire truck and related equipment.

- The Town shall retain ownership of the fire truck and the related equipment, photos and documentation.
- Both the Town and the Museum will maintain insurance coverage for no less than \$50,000 on the fire truck for the duration of this agreement.
- The Town shall arrange for delivery of the fire truck to the Museum location on E. Franklin Street.
- The Museum shall display the fire truck in a manner that prohibits individuals from sitting or climbing on it.
- The Museum agrees to maintain the fire truck in a display on the inside of the museum building and may not remove the fire truck to another location without the permission of the Town Manager.
- The Museum agrees to maintain the fire truck in the condition it was in upon initial delivery and to take the reasonable precautions to reduce the effects of aging on the vehicle. An inspection report on the current condition upon delivery shall be made by the Fire Chief and Museum Director for file.
- Any damage that occurs to the fire truck while it is in the Museum's custody shall be reported by phone and in writing to the Fire Chief and Town Manager within 24 hours.
- A list of supplemental and related equipment shall be attached to this letter of agreement and all the provisions of this agreement shall also apply to the equipment provided to the Museum. (Attachment A)
- The fire truck display will include a sign stating "This fire truck has been preserved through the efforts of the Town of Chapel Hill Fire Department and is made available for display by the Mayor and Town Council".

- This Addendum to the Lease shall be in effect until either party (Town or Museum) with no less than 45 days notice to the other party indicates a desire to terminate this Addendum.

This Addendum is intended to only establish the terms under which the Model T Fire Truck is being displayed in the Museum and shall not otherwise affect or revise the terms of the Lease, as amended, between the Town and the Museum.

This the 25th day of August, 2000.

TOWN OF CHAPEL HILL

THE CHAPEL HILL MUSEUM

W. Calvin Horton
TOWN MANAGER

Nancy S. Proton
CHAIRPERSON

Joe A. Smith
TOWN CLERK
9-19-00



W. J. King
DIRECTOR

Approved as to Form: Robert D. Karpis
Town Attorney

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

James M. Baker
Finance Director

Daniel A. Jones
Fire Chief

MODEL T FIRE TRUCK AGREEMENT

ATTACHMENT A

Auxillary Equipment included with American LaFrance #819 to Chapel Hill Museum.

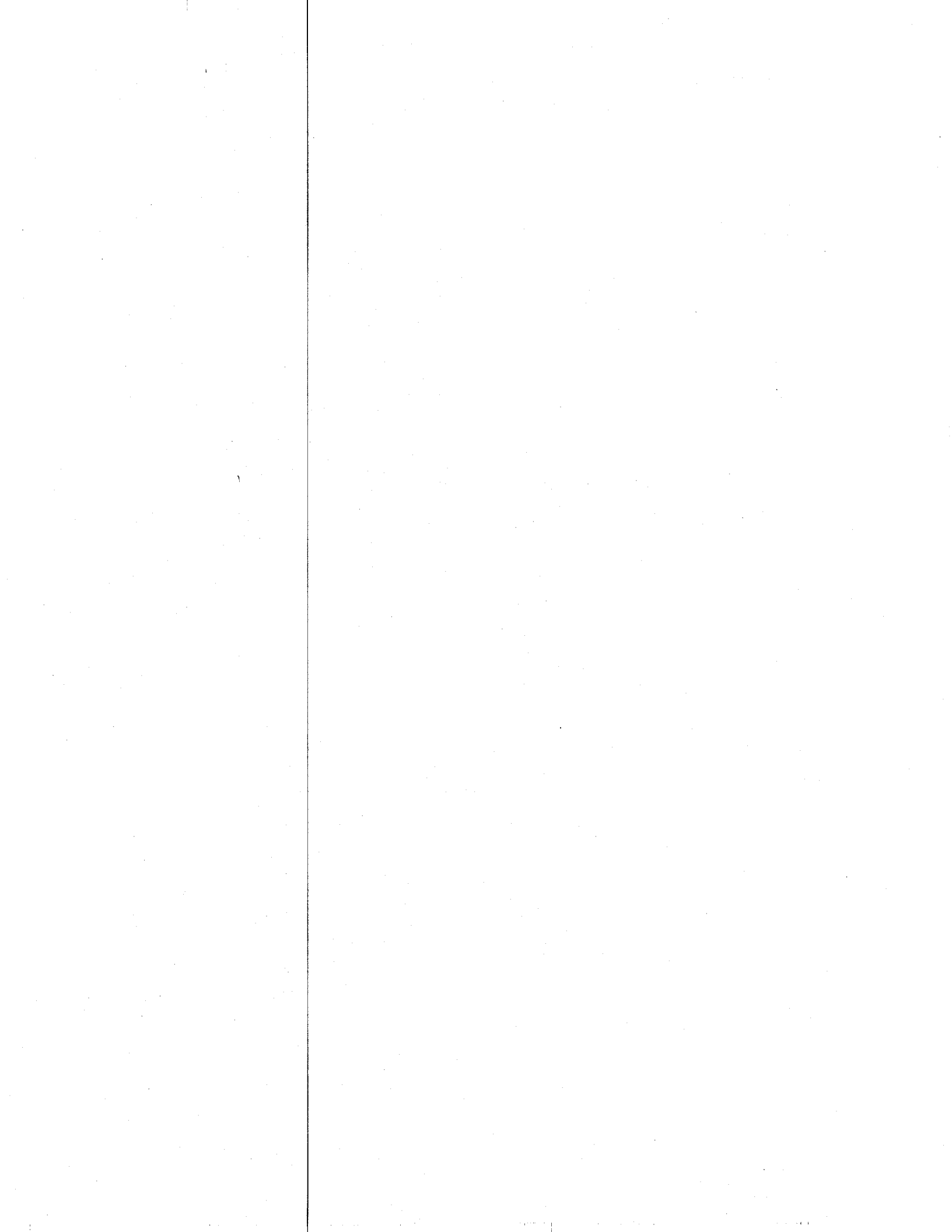
- 1 2 ½" Playpipe nozzle – cord wrapped American LaFrance
- 1 4" suction strainer
- 2 Fyr-Fyter Co. Loaded Stream brass fire extinguishers
- 2 Flat-head Axe
- 2 Wooden extend ladders
- 1 Hand crank siren, chrome front
- 1 Wooden fire alarm gear case Gamewell
- 1 Alarm tape mechanism and bell (3 pieces) Gamewell
- 4 Jack stands

Photo package – 13 various photos of truck

- 1 Copy of duplicate record page 6, History of Department
- 1 1983 Smith & Jones Parts Catalogue

Daniel Jones 8/28/00
 Fire Chief Date

A. Long 15 Sep 2000
 Museum Director Date



STATE OF NORTH CAROLINA

(21)

COUNTY OF ORANGE

AMENDMENT TO LEASE AGREEMENT

This is an amendment to that certain Lease Agreement made and entered into the 4th day of September, 1996 by and between the Town of Chapel Hill, a North Carolina Municipal Corporation, 306 North Columbia Street, Chapel Hill, North Carolina, hereinafter referred to as "Town" and The Chapel Hill Museum, a North Carolina not-for-profit corporation, hereinafter referred to as "Museum".

1. Paragraph 9 of said Lease, "Waiver of Subrogation," is hereby revised by changing the reference in the fifth line from "Paragraph 6.e". to "Paragraph 5.e."

2: Paragraph 3 of said Lease, "Use of Premises," is hereby revised by inserting an additional sentence following the second sentence to read as follows:

"The Museum may serve malt beverages and unfortified wine on the Leased Premises at Museum events which are open by invitation only."

This the 10th day of September, 1999.

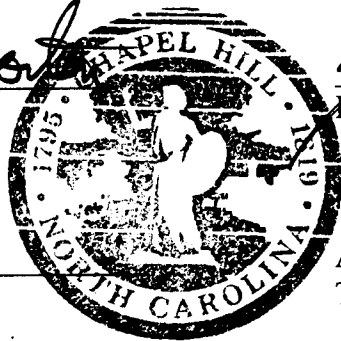
TOWN OF CHAPEL HILL

THE CHAPEL HILL MUSEUM

W. Calvin Foster
TOWN MANAGER

Margaret B. Balluff
PRESIDENT

Jay A. Smith
TOWN CLERK
9-23-99

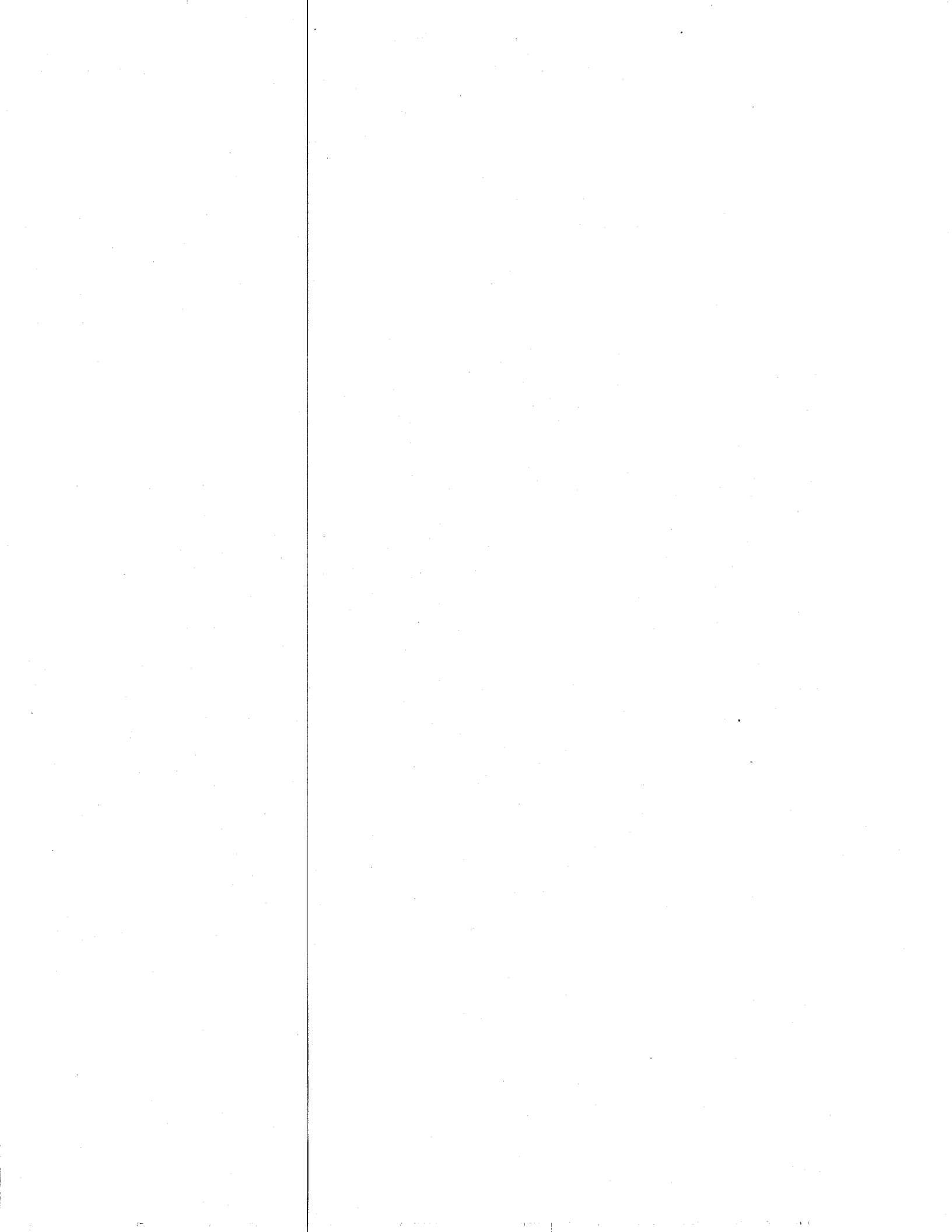


[Signature]
ATTEST
TITLE: Secretary

Approved as to Form: Ralph D. Karpinos
TOWN ATTORNEY

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

James M. Baker
FINANCE DIRECTOR



STATE OF NORTH CAROLINA

COUNTY OF ORANGE

AMENDMENT III

This is an amendment to that certain Lease Agreement made and entered into the 4th day of September, 1996, as amended, by and between the Town of Chapel Hill, a North Carolina Municipal Corporation, 306 North Columbia Street, Chapel Hill, North Carolina, hereinafter referred to as "Town" and The Chapel Hill Museum, a North Carolina not-for-profit corporation, hereinafter referred to as "Museum".

- 1. Paragraph #5.i of said Lease, "Duties of the Museum," is hereby added to read as follows: The Museum will pay an annual reimbursement payment to the Town, equal to the amortized annual value of an air conditioning system replacement paid for by the Town in July 2000, for each year that it continues to occupy the Museum building.
- 2. Except as amended specifically by this Amendment the remainder of said Lease Agreement, as amended, remains in effect.

This the 10th day of January 2001.

TOWN OF CHAPEL HILL

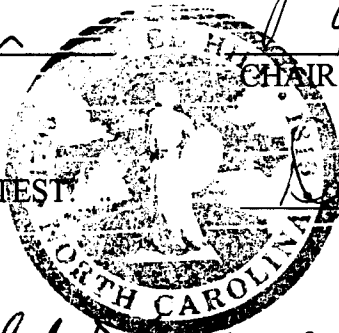
THE CHAPEL HILL MUSEUM

W. Calvin Horton
TOWN MANAGER

Nancy J. Preston
CHAIR OF BOARD

Andre K. Cook
Acting TOWN CLERK

ATTEST



James M. Baker
TITLE: Finance Manager

Approved as to Form:

Ralph D. Karpinos
TOWN ATTORNEY

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

James M. Baker
FINANCE DIRECTOR