

**LEASE**

by and between

**COUNTY OF CHATHAM, NORTH CAROLINA**

as Lessor

and

**CHATHAM COUNTY BOARD OF EDUCATION**

as Lessee

Dated as of July 1, 2010

After recording, please return to:

This document was prepared by:  
Rebecca B. Joyner, Esq.  
Parker Poe Adams & Bernstein LLP  
150 Fayetteville Street, Suite 1400  
Raleigh, North Carolina 27602

## **LEASE**

**THIS LEASE**, dated as of July 1, 2010, and entered into by and between the **COUNTY OF CHATHAM, NORTH CAROLINA**, a political subdivision of the State of North Carolina, as lessor (the "*County*"), and the **CHATHAM COUNTY BOARD OF EDUCATION**, a body corporate which has general control and supervision of all matters pertaining to the public schools in the Chatham County School Administrative Unit, its school administrative unit, and is duly organized and existing under the laws of the State of North Carolina (the "*Board of Education*"),

### **WITNESSETH:**

**WHEREAS**, the County and the Board of Education have determined to cooperate in a plan to finance (1) roof replacement at Jordan-Matthews High School, Horton Middle School, Chatham Central High School, Bennett Elementary School, Bonlee Elementary School, J.S. Waters Elementary School, SAGE School and Silk Hope Elementary School, (2) restroom renovations at Jordan-Matthews High School, Moncure Elementary School, Horton Middle School, Chatham Central High School, Bennett Elementary School, Bonlee Elementary School and J.S. Waters Elementary School, and (3) auditorium sound and lighting upgrades at Jordan-Matthews High School and Chatham Central High School (collectively, the "*Projects*"), which each has found to be necessary and desirable to provide for improved public schools and improved public education in the County of Chatham; and

**WHEREAS**, the County owns the site on which the Silk Hope Elementary School is located (the "*School Site*"); and

**WHEREAS**, as a part of such plan, the County is entering into an Installment Financing Contract, dated as of July 1, 2010 (the "*Contract*"), between the County and Bank of America, N.A. (the "*Bank*") providing for, among other things, financing of the cost of the Projects and a Deed of Trust, Security Agreement and Fixture Filing dated as of July 1, 2010 (the "*Deed of Trust*"), from the County for the benefit of the Bank in order to secure the Contract, to which this Lease Agreement will be subordinate; and

**WHEREAS**, as a part of such plan, the County and the Board of Education have entered into an Agency Agreement, dated as of July 1, 2010, providing for the Projects (the "*Agency Agreement*"); and

**WHEREAS**, as a part of such plan, the County proposes to lease the School Site and the improvements thereon (collectively the "*Leased Property*") to the Board of Education and the Board of Education has determined to lease the Leased Property from the County;

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

### **ARTICLE I DEFINITIONS; RULE OF CONSTRUCTION**

All capitalized terms used in this Lease and not otherwise defined herein have the meanings assigned to them in the Contract and the Deed of Trust, unless the context clearly requires otherwise. In addition, the following terms have the meanings specified below, unless the context clearly requires otherwise:

“*Bank*” means RBC Bank (USA).

“*Board of Education Representative*” means the Board of Education’s Superintendent, Finance Officer or any other person at the time designated, by a written certificate furnished to the County and signed on the Board of Education’s behalf by its Chairman, to act on the Board of Education’s behalf for the purpose of performing any act under this Lease.

“*Closing Date*” means July 23, 2010.

“*Contract*” means the Installment Financing Contract, to be dated as of July 1, 2010, between the County and the Bank.

“*County Representative*” means the Chairman of the Board of Commissioners of the County, the County Manager or the Finance Director or any person at the time designated, by a written certificate furnished to the Board of Education and signed on the County’s behalf by its County Manager, to act on the County’s behalf for the purpose of performing any act under this Lease.

“*Deed of Trust*” means the Deed of Trust, Security Agreement and Fixture Filing dated as of July 1, 2010 from the County to the deed of trust trustee named therein, for the benefit of the beneficiary named therein or its assignees.

“*Event of Default*” means one or more events of default as defined in Section 12.1.

“*Lease*” means this Lease, as it may be duly amended.

“*Lease Term*” means the term of this Lease as determined under Article IV.

“*Lease Year*” means, initially, from the Closing Date through June 30, 2011, and, thereafter, means the twelve-month period of each year commencing on July 1 and ending on the next June 30.

“*Leased Property*” means the School Site, as described in Exhibit A, and the improvements thereon.

All references to articles or sections are references to articles or sections of this Lease, unless the context clearly indicates otherwise.

## **ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES**

The County and the Board of Education each represent, covenant and warrant for the other’s benefit as follows:

(a) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of the transactions contemplated hereby, results or will result in a breach of the terms, conditions and provisions of any agreement or instrument to which either is now a party or by which either is bound, or constitutes a default under any of the foregoing.

(b) To the knowledge of each party, there is no litigation or proceeding pending or threatened against such party (or against any other person) affecting the rights of such party to execute or deliver this Lease or to comply with its obligations under this

Lease. Neither the execution and delivery of this Lease by such party, nor compliance by such party with its obligations under this Lease, requires the approval of any regulatory body or any other entity the approval of which has not been obtained.

**ARTICLE III  
DEMISING CLAUSE**

The County hereby leases the Leased Property to the Board of Education and the Board of Education hereby leases the Leased Property from the County, in accordance with the provisions of this Lease, to have and to hold for the Lease Term.

**ARTICLE IV  
LEASE TERM**

**Section 4.1. Commencement.** The Lease Term commences on the Closing Date.

**Section 4.2 Termination.** The Lease Term terminates on the earlier of the following dates or events:

- (a) the date on which Silk Hope Elementary School is transferred to the Board of Education in accordance with the terms of Section 5.2; or
- (b) an Event of Default and termination of this Lease under Article XII.

**ARTICLE V  
QUIET ENJOYMENT; PURCHASE OPTION**

**Section 5.1 Quiet Enjoyment; Transfer.** The County hereby covenants that the Board of Education shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Leased Property without suit, trouble or hindrance from the County, except as expressly required or permitted by this Lease. The County shall not interfere with the quiet use and enjoyment of the Leased Property during the Lease Term. The County shall, at the Board of Education's request, join and cooperate fully in any legal action in which the Board of Education asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Board of Education may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property, and shall be joined (to the extent legally possible, and at the Board of Education's expense) in any action affecting its liabilities hereunder.

The provisions of this Article are subject to rights to inspect the Leased Property granted to parties under the Contract and to the right hereby reserved to the County to inspect the Leased Property at any reasonable time.

If the Board of Education deems the School Site no longer necessary for school purposes, the Board of Education may request that the Board of Commissioners transfer that School Site to the Board of Education so that the Board of Education may dispose of such property. The County agrees to consider such request in a timely manner and to not unreasonably withhold its approval of such transfer to the Board of Education; provided, however, that both parties hereto recognize that the Board of Commissioners may not be able to transfer any School Site that is subject to a security interest related to a financing for the School Site.

**Section 5.2**     ***Sale of School Site to Board of Education.*** The County may sell the School Site to the Board of Education for a purchase price equal to the fair market value of such School Site, as determined by an MAI appraiser agreeable to both parties, or such other purchase price agreeable to both parties on the earlier of (1) the date that is 20 years after the completion of improvements to the School Site, (2) such earlier date that the County may determine or (3) such earlier date that the Board of Education may determine, with consent of the County. Any such sale by the County of the School Site shall not be permitted unless the County's Installment Payment obligations under the Contract have been satisfied and the lien on the School Site created by the Deed of Trust has been released. The County may sell the School Site to the Board of Education under clauses (2) or (3) in the preceding sentence if the County determines it is not necessary to place a security interest in the School Site for purposes of a financing related to the School Site or if it is no longer necessary to fulfill the plan set forth in this Lease and the Agency Agreement. On request of the Board of Education to the County, the County shall appropriate to the School Board an amount equal to the purchase price for each School Site as determined in the first sentence of this Section. On any sale to the Board of Education, unless otherwise agreed to by the parties hereto, the County shall execute and deliver to the Board of Education a quit-claim deed with a covenant against grantor's acts together with such other documents as are necessary to convey to the Board of Education good and marketable title to the Leased Property.

**ARTICLE VI  
CONSIDERATION FOR LEASE**

**Section 6.1**     ***Use of Leased Property; Assumption of Obligations.*** The Board of Education hereby agrees to use the Leased Property for public schools or other public education purposes in fulfillment of its obligation, shared by the County, to provide for improved public education in the County. In addition, in consideration of its rights under this Lease, the Board of Education undertakes the obligations imposed on it hereunder, including those imposed by Section 8.1.

**Section 6.2**     ***Payments.*** In partial consideration for its acquisition of rights to use the Leased Property during the Lease Term, the Board of Education hereby agrees to pay to the County annual rent in the amount of \$1 payable in advance on the Closing Date (receipt of which is hereby acknowledged) and on the first day of each Lease Year thereafter.

**ARTICLE VII  
CONSTRUCTION AND OTHER ACCOMPLISHMENT OF THE  
SCHOOL FACILITY AND CERTAIN RELATED COVENANTS**

**Section 7.1**     ***Construction and Other Accomplishment of the Projects.*** The County has provided in the Agency Agreement for the construction and other accomplishment of the Projects by the Board of Education as the County's agent. The Board of Education represents that it has reviewed all provisions concerning the construction and other accomplishment of the Projects in the Contract and hereby approves such provisions. The Board of Education shall take possession of the Leased Property on the date of delivery of this Lease.

**Section 7.2**     ***Maintenance, Repair, Taxes and Assessments.***

(a)     ***Maintenance; Repair.*** The Board of Education shall use, or cause to be used, the Leased Property in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole expense, shall service, repair, maintain and insure the Leased Property, or cause such to be serviced, repaired, maintained and insured. As provided for in Section 8.1 herein, the Board of Education

shall continually maintain insurance on the Leased Property as required by Sections 6.1, 6.2, 6.3, 6.4, 6.7 and 6.10 of the Contract and shall include the County and the Bank as additional insureds, loss payees or as mortgagee, as their interests may appear, as required under Section 6.7 of the Contract.

(b) *Taxes and Assessments.* The Board of Education shall also pay, or cause to be paid, all taxes and assessments, including, but not limited to, utility charges, of any type or nature levied, assessed or charged against any portion of the Leased Property, provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board of Education shall be obligated to pay only such installments as are required to be paid as and when the same become due.

(c) *Contests.* The Board of Education may, at its sole expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, if any such contest occurs, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, but before such nonpayment it shall consult with the County and, if the County requires, furnish the County with the opinion of a counsel acceptable to the County, to the effect that, by nonpayment of any such items, the interest of the County in the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. The County will cooperate fully in such contest on the request and at the expense of the Board of Education.

### **Section 7.3     *Modification of Leased Property, Liens.***

(a) *Additions, Modifications and Improvements.* Following completion of the Project, the Board of Education shall, at its own expense, have the right to make, or cause to be made, additions, modifications and improvements to any portion of the Leased Property if such addition, modifications or improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way cause the interest components of the installment payments coming due under the Contract to be includable in gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended.

(b) *Liens.* Other than the lien provided by the Deed of Trust, the Board of Education will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Board of Education under this Section, but if any such lien is filed or established and the Board of Education first notifies, or causes to be notified, the County of the Board of Education's intention to do so, the Board of Education may in good faith contest any lien filed or established against the Leased Property and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the County with full security against any loss or forfeiture which might arise from the nonpayment of any such item. The County will cooperate fully in any such contest on the request and at the expense of the Board of Education.

Except as provided in this Article and except as the County may consent thereto, which consent shall not be unreasonably withheld, the Board of Education shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of the Board of Education and the County as herein provided. Except as provided in this Article, the Board of Education shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which it is responsible, if the same shall arise at any time; provided that the Board of Education may contest such liens, charges, encumbrances, or claims if it desires to do so.

The Board of Education shall reimburse the County for any expense incurred by the County in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

**ARTICLE VIII**  
**BOARD OF EDUCATION'S ASSUMPTION OF COUNTY'S OBLIGATIONS**

**Section 8.1** *Assumption of Obligations.* The Board of Education hereby assumes all the County's obligations under the Sections 6.1, 6.2, 6.3, 6.4, 6.7 and 6.10 of the Contract with respect to the Leased Property. It is expressly understood that the Board of Education does not assume the County's obligation under the Contract to pay the installment payments coming due under the Contract and that the Board of Education does not indemnify the County or any other party to the Contract for third-party claims asserted against any party to the Contract relating to the payment of the installment payments coming due under the Contract.

**Section 8.2** *Transfer of Obligations.* The Board of Education shall carry out the County's obligations under the Contract with respect to the construction of the Projects.

**Section 8.3** *Board of Education's General Covenant.* The Board of Education further undertakes not to take or omit to take any action the taking or omission of which would cause the County to be in default in any manner under the Contract. In particular, the Board of Education covenants not to make any use of the Leased Property that would cause the County's obligations to make installment payments coming due under the Contract to be "*private activity bonds*" within the meaning of the Internal Revenue Code of 1986, as amended. If the Board of Education takes or omits to take any such action, then the Board of Education shall proceed with all due diligence to take such action as may be necessary to cure such default.

**Section 8.4** *County's Cooperation.* The County shall cooperate fully with the Board of Education in filing any proof of loss or taking any other action under this Lease. Neither the County nor the Board of Education may voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Leased Property without the other's written consent.

**Section 8.5** *Advances; Performance of Obligations.* If the Board of Education fails to take any action required of it under this Lease, then the County may (but is under no obligation to) perform such obligation. The Board of Education agrees to reimburse the County for its costs incurred in connection with performing such obligation.

**ARTICLE IX**  
**DISCLAIMER OF WARRANTIES; OTHER COVENANTS**

**Section 9.1** *Disclaimer of Warranties.* THE COUNTY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR A PARTICULAR USE OF THE LEASED PROPERTY OR ANY PART THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PART THEREOF. The County is not liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by anyone of any item, product or service provided for herein.

**Section 9.2** *Further Assurances; Corrective Instruments.* The Board of Education and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be

required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

**Section 9.3 Board of Education and County Representatives.** Whenever under the provisions hereof the approval of the Board of Education or the County is required to take some action at the request of the other, unless otherwise provided, such approval or such request is to be given for the Board of Education by the Board of Education Representative and for the County by the County Representative, and the Board of Education and the County are authorized to act on any such approval or request of such representative of the other.

**Section 9.4 Compliance with Requirements.** During the Lease Term, the Board of Education and the County shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof (or be diligently and in good faith contesting such orders), and all current and future requirements of all insurance companies' written policies covering the Leased Property or any portion thereof.

**ARTICLE X  
TITLE TO LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES**

Except for personal property purchased by the Board of Education at its own expense, title to the Leased Property and any and all additions and modifications to or replacements of any portion of the Leased Property shall be held in the County's name, subject only to Permitted Encumbrances, until conveyed pursuant to foreclosure under the Deed of Trust or as provided in this Lease, notwithstanding (a) the occurrence of one or more events of default as defined in Section 12.1 of the Contract; (b) the occurrence of any event of damage, destruction, condemnation or construction or title defect; or (c) the violation by the County of any provision of this Lease. The County will not transfer the School Site to any party, other than the Board of Education, or voluntarily create any liens or encumbrances on the School Site without the Board of Education's consent.

The Board of Education has no right, title or interest in the Leased Property or any additions and modifications to or replacements of any portion of the Leased Property, except as expressly set forth in this Lease.

**ARTICLE XI  
SUBLEASING AND INDEMNIFICATION**

**Section 11.1 Board of Education's Subleasing.** The Board of Education may not assign or sublease the Leased Property, in whole or in part, without the prior written consent of the County, which consent shall not be unreasonably withheld.

**Section 11.2 Indemnification.** Except as provided in Section 8.1, to the extent permitted by law, the Board of Education agrees to indemnify and save the County, its officers, employees and agents harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the operation or management of the Leased Property by the Board of Education during the Lease Term, including any claims arising from: (a) any condition of the Leased Property, (b) any act of negligence of the Board of Education or of any of its agents, contractors or employees or any violation of law by the Board of Education or breach of any covenant or warranty by the Board of Education hereunder; or (c) the incurrence of any cost or expense in connection with the construction and other accomplishment of the Projects in excess of the moneys available therefor in the Acquisition and

Construction Fund. The Board of Education further agrees to investigate, handle, respond to, provide defense for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto. The Board of Education shall be notified promptly by the County of any action or proceeding brought in connection with any claims arising out of circumstances described in (a), (b) or (c) above.

## **ARTICLE XII EVENTS OF DEFAULT**

**Section 12.1 *Events of Default.*** Each of the following is an “*Event of Default*” under this Lease and the term “*Default*” means, whenever it is used in this Lease, any one or more of the following events:

(a) The Board of Education’s or the County’s failure to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the defaulting party by the non-defaulting party, unless the non-defaulting party agrees in writing to an extension of such time before its expiration; but if the failure stated in such notice cannot be corrected within the applicable period, the non-defaulting party shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the defaulting party within the applicable period and diligently pursued until such failure is corrected and, further, if by reason of any event or occurrence constituting force majeure the defaulting party is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in Section 6.2 or 8.1 hereof), the defaulting party shall not be deemed in default during the continuance of such event or occurrence.

(b) The dissolution or liquidation of the Board of Education or the County or the voluntary initiation by the Board of Education or the County of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Board of Education or the County of any such proceeding which shall remain undismissed for 60 days, or the entry by the Board of Education or the County into an agreement of composition with creditors or the Board of Education’s or the County’s failure generally to pay its debts as they become due.

**Section 12.2 *Remedies on Default.*** Whenever any Event of Default has happened and is continuing, the non-defaulting party may terminate this Lease or take whatever action at law or in equity may appear necessary or desirable, including the appointment of a receiver, to collect the amounts then due, or to enforce performance and observance of any obligation, agreement or covenants under this Lease.

**Section 12.3 *No Remedy Exclusive.*** No remedy herein conferred on or reserved is intended to be exclusive, and every such remedy is cumulative and in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing on any default impairs any such right or power, and any such right and power may be exercised from time to time as may be deemed expedient. It is not necessary to give any notice in order to be entitled to exercise any remedy reserved in this Article XII, other than such notice as may be required in this Article XII.

**Section 12.4 *Waivers.*** If any agreement contained herein is breached by either party and

thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder. A waiver of an event of default under the Contract shall constitute a waiver of any corresponding Event of Default under this Lease; provided that no such waiver shall extend to or affect any subsequent or other Event of Default under this Lease or impair any right consequent thereon.

**Section 12.5 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.**

The Board of Education and County agree, to the extent permitted by law, that in the case of a termination of the Lease Term by reason of an Event of Default, neither the Board of Education nor the County nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of any remedy provided hereunder; and the Board of Education and the County, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of such laws.

**ARTICLE XIII  
MISCELLANEOUS**

**Section 13.1 Notices.** All notices, certificates or other communications hereunder are sufficiently given if given by United States mail in certified form, postage prepaid, and will be deemed to have been received five Business Days (as defined in the Indenture) after deposit in the United States mail in certified form, postage prepaid, as follows:

- (a) If intended for the County, addressed to it at the following address:

County of Chatham, North Carolina  
Post Office Box 608  
Pittsboro, North Carolina 27312  
Attention: Finance Director

- (b) If intended for the Board of Education, addressed to it at the following address:

Chatham County Board of Education  
12 East Street  
Pittsboro, North Carolina 27312  
Attention: Superintendent

**Section 13.2 Binding Effect.** This Lease is binding on and inures to the benefit of the Board of Education and the County, subject, however, to the limitations contained in Article XI.

**Section 13.3 Net Lease.** This Lease is a “net lease,” and the Board of Education shall pay absolutely net during the Lease Term all other payments required hereunder, free of any deductions, and without abatement or setoff.

**Section 13.4 Payments Due on Non-Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the nominal date provided in this Lease.

**Section 13.5 Severability.** If any provision of this Lease, other than the requirement of the

County to provide quiet enjoyment of the Leased Property, is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision

hereof.

**Section 13.6 Execution in Counterparts.** This Lease may be simultaneously executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

**Section 13.7 Applicable Law.** This Lease is governed by and to be construed in accordance with the laws of the State of North Carolina.

**Section 13.8 Captions.** The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

**Section 13.9 Amendments and Further Instruments.** The County and the Board of Education may, from time to time, execute and deliver such amendments to this Lease and such further instruments as may be required or desired for carrying out the expressed intention of this Lease.

**Section 13.10 Memorandum of Lease.** The County and the Board of Education shall, on or before the Closing Date, file this Lease or a memorandum of this Lease legally sufficient to comply with the relevant provisions of the North Carolina General Statutes with the Chatham County Register of Deeds.

**Section 13.11 Subordinate to Deed of Trust.** This Lease is subordinate to the Deed of Trust.

**IN WITNESS WHEREOF**, the parties hereto have caused this Lease to be executed in their corporate names by their duly authorized officers, all as of the day and year first above written.

**COUNTY OF CHATHAM, NORTH CAROLINA**

By: \_\_\_\_\_

Sally Kost  
Chairman, Board of Commissioners

[SEAL]

Attest:

\_\_\_\_\_  
Sandra B. Sublett  
Clerk to the Board of Commissioners

Approved as to Form:

\_\_\_\_\_  
Paul Messick, Esq.  
County Attorney

[Counterpart signature page to the Lease]

**CHATHAM COUNTY BOARD OF EDUCATION**

By: \_\_\_\_\_  
Chairman

[SEAL]

Attest:

\_\_\_\_\_  
Superintendent and Ex-Officio Secretary





**EXHIBIT A**

**LEGAL DESCRIPTION OF THE SCHOOL SITE**

[to be provided]