

TRIPLE NET LEASE AGREEMENT

COUNTY OF WAKE

THIS LEASE AGREEMENT (hereinafter sometimes referred to as the "Agreement") is made and entered into this _____ day of _____ by and between **WAKE COUNTY** (hereinafter referred to as "Lessor") and **EDWARD JAMES GEHRKE, II and wife, MARYNELL GEHRKE** (hereinafter collectively referred to as "Lessees").

WHEREAS, Lessor, Lessees and G&F Properties, LLC (hereinafter referred to as "G&F"), an entity owned by Edward J Gehrke, II, have entered into a contract whereby Lessor has agreed to purchase from Lessees and G&F and Lessees and G&F have agreed to sell to Lessor 70.16 ± acres of land consisting of Lots 1 and 2 as indicated on the map prepared by John Y. Phelps, Jr., Professional Surveyor, dated 12/23/15, and titled "Recombination of G&F Properties", together with a house, certain sheds, barns and other outbuildings situated thereon (hereinafter referred to as the "Transaction");

WHEREAS, a condition of the Transaction is that Lessees be allowed to lease back AS IS, for a Term of twelve (12) months (from the date of the closing of the Transaction), a portion of the land consisting of Lot 2, being 10.0017 ± acres together with the house, sheds, barns and other outbuildings situated thereon (hereinafter referred to as the "Partial Leaseback") ; and

WHEREAS, Lessor and Lessee have agreed to the terms of such Partial Leaseback and desire to enter into this Agreement as evidence of such agreement.

1. PROPERTY LEASED. Lessor hereby leases all of Lot 2, the property more fully described on Exhibit "A" attached hereto and incorporated herein by reference inclusive of the house, sheds, barns, and other outbuildings situated thereon (hereinafter referred to as the Demised Premises) subject to the terms and conditions set forth and contained herein.
2. TERM. The Agreement shall begin on _____ and continue for a period of one (1) year, expiring _____.
3. RENTAL. As rental for the Demised Premises, throughout the Term hereof, the Lessees shall pay to Lessor at such place as may be designated, without notice or demand therefore, the sum of \$1.00.
4. ACCEPTANCE OF PREMISES. The Lessees are fully aware of the condition of the Demised Premises and are satisfied with the same. Lessees agree that no representation as to the condition of the Demised Premises has been made by Lessor and Lessees accept the Demised Premises in the present physical condition thereof. Lessor has not performed a home inspection. Lessor has relied upon the representation of the Lessee that the Premises are in reasonable condition and repair and habitable and safe for use as a residential dwelling. Lessee has been the sole and continuous occupant of the Premises prior to the sale to Lessor, and has no actual or constructive knowledge of any unsafe condition of the Premises or needed repair of the Premises.

Lessee Date and initial:

Lessee represents that smoke alarm(s) and carbon monoxide alarm(s) are installed in the Premises and operable as of the execution of the Lease.

Lessee shall be responsible for battery replacement required for the smoke alarm(s) and carbon monoxide alarm(s) at the beginning of the tenancy and for the duration of the tenancy.

5. PERMITTED OCCUPANTS. In addition to Lessees, family members of Lessees and any invitee or guest of Lessees whom they might wish to occupy the Demised Premises during the term of this Agreement shall be and they are hereby permitted to reside and/or be in, on or about the Demised Premises during said Term of this Agreement without further notice to or consent from Lessor.

6. REPAIRS AND MAINTENANCE. Except for damage resulting from any negligent, willful or intentional act or omission on the part of Lessor, the Lessees shall be responsible for all repairs and maintenance to the Demised Premises and the said Lessees agree to keep the same in good and sufficient condition during the Term of this Agreement, normal wear and tear excepted. As part of the consideration for the Transaction, Lessee has agreed to be responsible for any and all repairs and maintenance necessary to maintain the Demised Premises in its current condition, with no contribution from Lessor, whether or not such repairs and maintenance are required for fit premises as defined by N.C.G.S. 42-42.
7. TAXES. In that the Lessor is exempt from the payment of property taxes, neither Lessor nor Lessees shall pay ad valorem property taxes on the Demised Premises during the Term of this Agreement. Lessees shall be liable for the payment of all such taxes owing as of the date and time of the sale of the Property, inclusive of the Demised Premises, to Lessor.
8. INSURANCE. Lessees shall be responsible for fire and casualty insurance with liability limits at or exceeding One Million Dollars, on the house, sheds, barns, other outbuildings or permanent improvements situated on the Demised Premises during the Term of this Agreement. Lessees shall be responsible for insurance covering accidents and injury for which Lessees may be liable, and such insurance as the Lessees may deem necessary on Lessee's furnishings, contents and other personal property. All policies of insurance required by this section shall be primary without right of contribution from County. Lessees shall tender a Certificate of Insurance evidencing the required coverages contemporaneous with the signed Agreement.
9. INDEMNITY. Lessees hereby release, forever discharge, indemnify and hold harmless the Lessor for any loss or damage to the Lessees personal property situated in, on or about the Demised Premises as well as for damages for personal injury or death occurring or caused by acts or omissions occurring on the Demised Premises unless such loss, damage, injury or death is caused by the negligent, willful or intentional act on the part of the Lessor.
10. UTILITIES. Lessees shall have all utilities at the Demised Premises turned on by each of the utility service providers in Lessees' name(s) and maintain such utilities in the names of the said Lessees throughout the Term of this Agreement. Lessor shall have no liability or responsibility for the costs of such utilities.
11. USE OF DEMISED PREMISES. The Demised Premises herein leased are to be used by the Lessees for residential purposes only and no other use shall be made of the same without the written consent of the Lessor. Notwithstanding the foregoing, Lessees shall be allowed to keep domesticated animals on the Demised Premises during the Term of this Agreement, same to include but not be limited to dogs, cats and horses. Illegal activity of any kind, including but not limited to recreational use of any illegal drug or substance, is expressly prohibited in, on or about the Demised Premises during the Term of this Agreement.
12. DAMAGE. During the Term of this Agreement, if the Demised Premises or any improvements situated thereon shall be damaged by fire or other casualty to a minor degree but not to such an extent that it becomes necessary for the Lessees to abandon the use of said Demised Premises, the Lessor shall be under no obligation to repair such damage or rebuild any improvement damaged by such fire or other casualty. If the Demised Premises shall be damaged to the extent that it becomes necessary for Lessees to abandon the use of the Demised Premises, Lessor may terminate this Lease and re-enter the Premises. To the extent that any insurance required by this Section is applicable to damage that occurs, Lessee shall be responsible for using insurance proceeds to repair such damage, or restore premises to the condition existing at the start of the Term of the Lease.
13. BANKRUPTCY. INSOLVENCY OR LIKE PROCEEDINGS. Should the Lessees, or any one of them, in any State or Federal Court of competent jurisdiction, file a voluntary petition in bankruptcy or have appointed a receiver or trustee for all or any part of their property, or make an assignment for the benefit of creditors, or enter into any arrangement regarding the payment of their debts, be adjudged bankrupt or insolvent, or suffer the taking of any Lessee's interest in the Demised Premises by execution, then and in any of said events, all of the Lessees shall be in default hereunder and the Lessor may immediately re-enter and at its sole election exercise any and all rights provided herein or as may be permitted by law.
14. ASSIGNMENT AND SUBLETTING. The Lessees shall make no assignment of this Agreement or sub-let the Demised Premises or any portion thereof without the prior written consent of the

Lessor which consent may be withheld for any reason or for no reason.

15. WAIVER. No waiver of the rights of the Lessor shall be implied from any form of compliance with this Agreement subsequent to a default by the Lessees, nor shall any waiver of such rights be deemed applicable to a like subsequent default.
16. HOLDING OVER. Any holding over after expiration of hereof with the consent of the Lessor shall be deemed a tenancy from month to month but otherwise on the same terms and conditions as specified.
17. ALTERATIONS. No Alterations, modifications, additions, or deletions to the Demised Premises of any kind whatsoever shall be made by the Lessees, without the express prior written approval of Lessor.
18. DEFAULT. Should the Lessee neglect to perform any obligation or pay any sums called for in this Agreement, and such default shall continue for a period of five (5) days after written notice by Lessor calling attention to such default, the Lessor may declare the Lessees to be in breach of this Agreement and take possession or exercise any other legal or equitable remedy available to the Lessor. For purposes of this Section, notice must be actually received by Lessees.
19. QUIET ENJOYMENT. Upon performance of all of the covenants contained applicable to Lessees, the Lessees shall peacefully quietly hold and enjoy the Demised Premises for the Term hereof without hindrance or interruption by the Lessor or persons rightfully claiming by, through or under the Lessor subject nevertheless to the Terms of this Agreement, and any express or implied conditions of the American Tower Easement & Ground Lease currently in effect.
20. NOTICES. Any notice or other communication required or permitted hereunder to be made or given to the Lessors be made and delivered in person to or sent by U.S. Mail, return receipt requested, postage prepaid to the Lessor at *P.O. Box 550, Raleigh, N.C. 27602 Attn: Mr. Christopher Snow, Director, Parks, Recreation and Open Space* and any notice to the Lessees shall be directed to the address of the Demised Premises.
21. SECURITY DEPOSIT. There shall be no security deposit required in connection with this Agreement.
22. RIGHT OF ENTRY. Lessor and its authorized representatives shall have the right to enter the Demised Premises at all reasonable times, but in no event less than every two (2) months during the Term of this Agreement, and upon reasonable notice not to exceed 24 hours, to inspect the Demised Premises.
23. SURRENDER OF DEMISED PREMISES. Subject to the provisions of this Agreement, Lessees will deliver up the Demised Premises at the end of the Term or any holdover period, or upon termination thereof, in a like condition to the condition of the Demised Premises as of the date of commencement of this Agreement, reasonable wear and tear excepted.
24. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.
25. JOINT AND SEVERAL OBLIGATION. This Agreement and all of the covenants and conditions set forth herein, including, but not limited to, the obligation to pay rent, shall be the joint and several obligations of all parties designated herein as Lessees.
26. REMEDIES. In the event of a breach of this Agreement by Lessees, Lessor shall have all rights and remedies available to Landlords as are allowed by N.C.G.S. Chapter 42 and other applicable law.
27. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, and the terms "Lessor" and "Lessees" as used throughout this Lease shall include the respective successors and assigns of the parties hereto.

28. MISCELLANEOUS. Headings of paragraphs are for convenience only and shall ~~not~~ be considered in construing the meanings of the contents of such paragraph. The invalidity of any portion of this Agreement shall not have any effect on the balance hereof. Should Lessor or Lessees institute any legal proceedings against the other party for breach of any provision herein contained, the prevailing party in such action shall be liable for the costs and expense of the non-prevailing party's expenses incurred in such action, including but not limited to reasonable attorney's fees. This Agreement supersedes and cancels all prior negotiations and prior written agreements between the parties. Any changes to this Agreement, in order for them to be enforceable, shall be in writing and signed by both Lessor and Lessees. The singular shall include the plural, and the masculine or neuter includes the other.
29. CONSTRUCTION OF LEASE. The fact that one party drafted this Agreement, or any specific provision hereof, shall not be construed against that party. Instead, the language of this Agreement shall be interpreted consistently with the ordinary and reasonable meanings of the words used.

IN WITNESS WHEREOF, the Lessor and Lessees have executed identical originals of this Agreement, each party retaining one original hereof, the day and year first above written.

LESSEES:

LESSOR:

_____(SEAL)
Edward James Gehrke, II

WAKE COUNTY

by: _____
Manager

_____(SEAL)
Marynell Gehrke