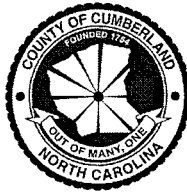


W. MARSHALL FAIRCLOTH
Chairman

GLENN B. ADAMS
Vice Chairman

JEANNETTE M. COUNCIL
KENNETH S. EDGE
CHARLES E. EVANS
JIMMY KEEFE
LARRY L. LANCASTER



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

BOARD OF COMMISSIONERS

CANDICE WHITE
Clerk to the Board

KELLIE BEAM
Deputy Clerk

MEMORANDUM

TO: Facilities Committee Members (Commissioners Adams, Edge, Evans and Keefe)

FROM: Kellie Beam, Deputy Clerk to the Board *KB*

DATE: May 2, 2016

SUBJECT: Facilities Committee Meeting – May 5, 2016

There will be a regular meeting of the Facilities Committee on Thursday, May 5, 2016 at 8:30 AM in Room 564 of the Cumberland County Courthouse.

AGENDA

1. Approval of Minutes – April 7, 2016 Facilities Committee Regular Meeting **(Pg. 2)**
2. Presentation by Mission Critical Partners on a Joint 911 Center with the City of Fayetteville **(Pg. 10)**
3. Consideration of Approval of Renovation and Lease Agreements with Cape Fear Valley Health System
 - A. E. Newton Smith Building **(Pg. 11)**
 - B. Executive Place **(Pg. 22)**
4. Other Items of Business **(NO MATERIALS)**

cc: Board of Commissioners
County Administration
County Legal
County Department Head(s)
Sunshine List

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ITEM NO. 1

CUMBERLAND COUNTY FACILITIES COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
APRIL 7, 2016 - 8:30 A.M.
MINUTES

MEMBERS PRESENT: Commissioner Glenn Adams
Commissioner Jimmy Keefe
Commissioner Kenneth Edge
Commissioner Charles Evans

COMMISSIONERS PRESENT:
Commissioner Larry Lancaster
Commissioner Jeannette Council

OTHERS PRESENT: Amy Cannon, County Manager
James Lawson, Deputy County Manager
Tracy Jackson, Assistant County Manager
Melissa Cardinali, Assistant County Manager
Sally Shutt, Governmental Affairs Officer
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Jeffery Brown, Engineering & Infrastructure Director
Deborah Shaw, Budget Analyst
Randy Beeman, Emergency Services Director
Heather Harris, Budget Analyst
Jim Grafstrom, Crown Complex General Manager
Seth Benalt, Crown Complex Assistant General Manager
Candice White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

Commissioner Glenn Adams called the meeting to order.

1. APPROVAL OF MINUTES – JANUARY 7, 2016 FACILITIES COMMITTEE

MOTION: Commissioner Edge moved to approve the minutes as presented.
SECOND: Commissioner Evans
VOTE: UNANIMOUS (4-0)

2. CONSIDERATION OF BUDGET REVISION FOR CRITICAL CIP PROJECTS
FOR THE CROWN CENTER COMPLEX

BACKGROUND:

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In the Capital Improvement Plan that was adopted along with the budget in June of 2015, there was a list of repair/replacement projects that were identified for fiscal year (FY) 2016 for the Crown Center Complex. These projects were not funded in the current FY 2016 budget.

The following four projects recently changed in priority and have become critical safety issues for the facility that must be addressed sooner in the Capital Improvement Plan:

- | | |
|---|-----------|
| 1. Upgrade radio system in Coliseum | \$142,000 |
| 2. Upgrade camera system at Coliseum | \$100,000 |
| 3. Repair washouts around the Coliseum | \$75,000 |
| 4. Re-caulk interior floor expansion joints in Coliseum | \$15,000 |

Funds from the Prepared Food & Beverage Tax have been identified to address these critical needs for the Coliseum.

RECOMMENDATION/PROPOSED ACTION

The Engineering and Infrastructure Director and County Management recommend that the Facilities Committee approve the proposed budget revision and place it on the agenda of the April 18, 2016 Board of Commissioners meeting for approval.

Jeffery Brown, Engineering and Infrastructure Director, reviewed the background information and recommendation recorded above.

Commissioner Keefe asked about the upgrade to the radio system in the Coliseum. Mr. Brown stated the radio system is an internal employee communication system that the employees use to communicate with each other. Mr. Brown further stated the radio system has not been updated and is not working properly and the employees are having a difficult time communicating with each other in the Coliseum.

Commissioner Edge asked about the upgrade to the camera system in the Coliseum. Mr. Brown stated there are certain areas in the Crown Complex that have no cameras and are complete blind spots and upgrading the camera system will cover the critical areas that do not currently have coverage. Commissioner Adams suggested Mr. Brown coordinate the new camera system with the Sheriff's Office. Mr. Brown stated he would have a discussion with the Sheriff's Office before moving forward with the new camera system at the Coliseum.

MOTION: Commissioner Keefe moved to recommend to the full board approval of the proposed budget revision to address the critical safety issues at the Crown Center Complex.

SECOND: Commissioner Edge

VOTE: UNANIMOUS (4-0)

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3. CONSIDERATION OF APPROVAL OF ARCHITECT FOR WINDING CREEK RENOVATIONS

BACKGROUND:

The Board of Commissioners approved a contract with Alliance Behavioral Healthcare on February 1, 2016 involving interior renovations for the County owned facility located at 711 Executive Place. Alliance Behavioral Healthcare has agreed to pay for the design work, construction of improvements and any office furnishings for the renovated space. This project is estimated to cost approximately \$1.3 million. Per the contract, the County is responsible for obtaining the services of a qualified architect to complete the necessary design work associated with the renovation.

The Engineering & Infrastructure Department selected SFLA Architects from the list of professional service consultants that the Board of Commissioners approved on December 3, 2015. This firm completed the initial design of the Winding Creek Office Building and managed the renovation project after the County purchased this facility. SFLA Architects has proposed a cost of \$101,400 for the necessary professional services required to complete this project.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Facilities Committee approve the Professional Services Agreement with SFLA Architects and place it on the agenda of the April 18, 2016 Board of Commissioners meeting for further consideration and approval.

Mr. Brown reviewed the background information and recommendation as recorded above. Commissioner Adams stated he would like to point out SFLA Architects is a local business located in the City of Fayetteville.

MOTION: Commissioner Edge moved to recommend to the full board approval of the Professional Services Agreement with SFLA Architects.

SECOND: Commissioner Evans

VOTE: UNANIMOUS (4-0)

4. CONSIDERATION OF APPROVAL OF BID AWARD TO HAYES, INC. FOR EXTERIOR WALL REPAIRS AT THE CENTRAL MAINTENANCE FACILITY

BACKGROUND:

Informal bids were received on March 29, 2016 for exterior wall repairs at the Central Maintenance Facility (CMF) located at 426 Mayview Street. The existing exterior panels have rusted through on the bottom and the paint has been peeling off the panels for years.

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This project will also include repairs to some of the steel structure that has significant rust damage in isolated areas.

The lowest base bid was submitted by Hayes, Inc. in the amount of \$123,500. In addition to the base bid, prices were also received on the following alternates:

Alternate #1	22 gauge wall panels	\$4,727.00
Alternate #2	Re-paint canopy	\$9,041.00
Alternate #3	Replace canopy panels	\$9,991.00

It is recommended that alternate #3 be awarded in conjunction with the base bid. Funding was approved in the Capital Improvement Projects list in the FY2016 budget process.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Facilities Committee accept the bids for the Cumberland County Central Maintenance Facility Exterior Wall Repairs Project and award a contract to Hayes, Inc. in the amount of \$133,491.00 for the base bid along with alternate #3 and place it on the agenda of the April 18, 2016 Board of Commissioners meeting for approval.

Mr. Brown reviewed the background information and recommendation as recorded above. Mr. Brown passed out a budget revision which would transfer additional funds to move forward with the contract with Hayes, Inc.

Commissioner Adams stated he noticed Hayes, Inc. bid was so much lower than the others. Mr. Brown stated when there is a large disparity he contacts the lowest bid and has them review the bid to make sure nothing has been missed. Mr. Brown stated the contract will state the amount is not to exceed the bottom line number.

MOTION: Commissioner Keefe moved to recommend to the full board approval to accept the bids for the Cumberland County Central Maintenance Facility Exterior Wall Repairs Project and award a contract to Hayes, Inc. in the amount of \$133,491.00 for the base bid along with alternates #3 and to approve the proposed budget revision.

SECOND: Commissioner Edge

VOTE: UNANIMOUS (4-0)

5. UPDATE OF THE JOINT 911 CENTER FEASIBILITY STUDY AND CONSIDERATION OF A JOINT 911 CENTER AS A CAPITAL IMPROVEMENT PLAN PROJECT

BACKGROUND:

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On February 15, 2015, the Finance Committee approved funding for a Joint 911 Center Feasibility Study. This study was recently completed, and the results were presented to the Fayetteville-Cumberland Liaison Committee at its February 25, 2016 meeting. At that time, representatives from Mission Critical Partners and the Schrader Group provided an overview of the study findings and recommendations.

The study reviewed the organizational structure of the respective City and County 911 Centers, recognized cooperative efforts currently undertaken by each agency, explained the need for a co-located facility, offered suggestions for governance of a co-located center, suggested methods for cost-sharing and funding, and described important programming and planning elements. The final analysis recommended a facility with a total area of approximately 40,000 square feet at an estimated cost ranging from \$29 million to \$34 million. The City of Fayetteville is presently discussing funding this project as part of their 2017-2021 Capital Improvement Plan.

RECOMMENDATION/PROPOSED ACTION:

Staff recommends adding the Joint 911 Center project to the County's Capital Improvement Plan and discussing this as a part of the FY2017 budget process.

Tracy Jackson, Assistant County Manager, reviewed the background information and recommendation as recorded above.

Commissioner Keefe stated he would rather be discussing consolidation rather than co-location. Mr. Jackson stated consolidation is a potential to work towards but co-location is more of a starting point in order to bring the two agencies together into one facility.

Ms. Cannon stated staff is mainly looking for feedback from the Facilities Committee today and during the upcoming budget work session to find out what direction the Board of Commissioners would like to move in regarding a Joint 911 Center. Ms. Cannon stated the Guilford-Greensboro model started out co-locating and eventually consolidated. Ms. Cannon stated if we decided to co-locate it would not lock us down forever and co-location could be a step one if the board decided to go that route with a goal to consolidate.

Commissioner Edge asked if there are any grants available to help fund a Joint 911 Center. Commissioner Edge stated he feels the greatest cost will be the construction and the building and asked how this would be funded. Ms. Cannon stated staff recommends putting this in the Capital Improvement Plan (CIP) and then try to marry it together with the other CIP projects. Ms. Cannon further stated this issue will have to be reviewed in totality with the other CIP projects as the County's debts fall off.

Commissioner Adams asked if anyone has looked towards federal funding through the Sheriff's Department and Justice Department for a Joint 911 Center. Mr. Jackson stated if the board decides to move forward, staff will look into federal funding and work with

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the consultants to try to find available funding. Mr. Jackson stated the consultants have worked all across the nation and are very familiar with funding that is out there.

Commissioner Edge stated he has no problem moving forward with this concept but he feels there needs to be consideration given to shared costs and consolidation. Commissioner Edge stated there is a difference in compensation for City and County employees and that would be a cost to think about if moving forward with consolidation. Commissioner Edge stated the board can recommend going forward with consolidation but the board has no control over whether the City of Fayetteville wants to partner on the Joint 911 Center. Mr. Jackson stated the City of Fayetteville is currently studying the information.

MOTION: Commissioner Edge moved to recommend to the full board approval to add the Joint 911 Center project to the County's Capital Improvement Plan and discuss as a part of the FY2017 budget process with a recommendation for consolidation.

SECOND: Commissioner Adams

VOTE: UNANIMOUS (4-0)

6. DISCUSSION REGARDING LEASE RATES BETWEEN GOVERNMENTAL BODIES

BACKGROUND:

Prior to this meeting, Commissioner Keefe requested County staff create a spreadsheet showing all leases with outside agencies and the specific costs associated with each of these lease agreements. It was also requested that any agency utilizing space within county owned property without a valid lease to be included on the spreadsheet, as well. The information requested has been compiled. Staff will give a brief overview of the information and give Committee members an opportunity to discuss the information and ask questions.

RECOMMENDATION/PROPOSED ACTION:

The Facilities Committee is not being asked to take action. The purpose of this item is to provide the Committee an overview of leases that the County currently has with outside agencies utilizing space within County facilities and the costs associated with existing leases.

Ms. Cannon reviewed the background information and recommendation as recorded above. Commissioner Keefe stated he wanted there to be a standard lease rate which meant staff would only bring matters regarding lease rates to the Facilities Committee when it was not in line with the standard lease rate. Commissioner Keefe further stated aside from a few leases it looks like the County is consistently working in that matter.

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No action taken.

7. REPORT ON OFFICE SPACE FOR THE GUARDIAN AT-LITEM PROGRAM

BACKGROUND:

The Engineering & Infrastructure (E&I) Department was contacted earlier in the year by staff from Guardian Ad Litem (GAL) concerning the need to create some additional office space within their allocated space on the lower level of the Courthouse. Their desire was to remove some existing cubicles and create three offices for their attorneys. The existing cubicle configuration provided no privacy for staff attorneys when discussing confidential case information.

Engineering and Infrastructure staff met with Dwight Torrey, GAL District Administrator to discuss possible renovation options. It was determined that three offices could not be established without impacting other important uses and office spaces. The GAL District Administrator opted to only create two offices at the present time to avoid disruption in other areas.

The proposed improvements, which include the purchase of the necessary furniture, is projected to cost approximately \$13,500. There is sufficient funding within the courts facilities current year budget to cover the expenses of the proposed improvements thus no budget revision will be required.

RECOMMENDATION/PROPOSED ACTION:

The Engineering and Infrastructure Director and County Management recommend that the Facilities Committee approve the proposed renovations that would create the needed office space for Guardian Ad Litem attorneys.

Mr. Brown reviewed the background information and recommendation as recorded above.

MOTION: Commissioner Evans moved to recommend to the full board approval of the proposed renovations that would create the needed office space for the Guardian Ad Litem attorneys.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (4-0)

8. OTHER ITEMS OF BUSINESS

No other items of business.

DRAFT

MEETING ADJOURNED AT 9:22 AM.

AMY H. CANNON
County Manager

JAMES E. LAWSON
Deputy County Manager



MELISSA C. CARDINALI
Assistant County Manager

W. TRACY JACKSON
Assistant County Manager



OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE MAY 5, 2016
MEETING OF THE FACILITIES COMMITTEE**

TO: FACILITIES COMMITTEE MEMBERS

FROM: W. TRACY JACKSON, ASST. COUNTY MANAGER

THROUGH: AMY H. CANNON, COUNTY MANAGER *ahc*

DATE: APRIL 25, 2016

SUBJECT: JOINT 9-1-1 CENTER PRESENTATION BY MISSION CRITICAL PARTNERS

Presenter(s): W. Tracy Jackson, Asst. County Manager

Estimate of Committee Time Needed: 20 Minutes

BACKGROUND

On February 15, 2015, the Finance Committee approved funding for a Joint 9-1-1 Center Feasibility Study. This study was completed, and the results were presented to the Fayetteville-Cumberland Liaison Committee at its February 25, 2016 meeting. At that time, representatives from Mission Critical Partners and the Schrader Group provided an overview of the study's findings and recommendations.

On April 7th, the Facilities Committee agreed to have Mission Critical Partners appear at a future meeting and provide a presentation regarding the Joint 9-1-1 Center Study. A brief overview of the study will be presented today along with information about the potential consolidation of City-County 9-1-1 Services.

RECOMMENDATION/PROPOSED ACTION:

No action is being requested at this time. This is for information purposes only.

AMY H. CANNON
County Manager

MELISSA C. CARDINALI
Assistant County Manager

JAMES E. LAWSON
Deputy County Manager

W. TRACY JACKSON
Assistant County Manager



OFFICE OF THE COUNTY MANAGER

MEMO FOR THE AGENDA OF THE
MAY 5, 2015 MEETING OF THE FACILITIES COMMITTEE

TO: FACILITIES COMMITTEE
FROM: AMY H. CANNON, COUNTY MANAGER *AKZ*
DATE: APRIL 29, 2015
SUBJECT: LEASE AGREEMENT BETWEEN CUMBERLAND COUNTY AND CAPE FEAR VALLEY HEALTH SYSTEM FOR SPACE AT THE E. NEWTON SMITH BUILDING

Presented by: Amy H. Cannon

Estimate of Committee Time Needed: 10 MINUTES

BACKGROUND

Cape Fear Valley Health System (Health System) is interested in leasing vacant space at our E. Newton Smith Building. They are requesting to renovate and lease the 4th floor which totals 18,911 square feet. The estimated cost of the renovation totals \$1,015,567 and includes wall demolition and construction, paint, flooring, electrical, HVAC and communications/IT wiring.

Attached you will find a proposed lease and leasehold improvement agreement. Below is a summary of the terms proposed by the Health System.

Lease Term	5 Years / Beginning July 1, 2016
Annual Lease Rate	\$5 per square foot or \$94,555 (Includes consideration of renovation costs)
Janitorial	Lessee shall provide
Utilities	Pro-rata share reimbursement from Lessee

The annual lease rate of \$5 per square foot plus the estimated value of the renovation for the lease term exceed the value of the square footage at our base rate of \$12 per square foot.

RECOMMENDATION/PROPOSED ACTION:

Consider approval of the Lease Agreement and the Agreement for Leasehold Improvements with the Health System.

CM042916-1

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF CUMBERLAND

Notice of Intent Published _____

Approved by Board of Commissioners on _____

This Lease Agreement, is made and entered into to be effective July 1, 2016, by and between Cumberland County Hospital System, Inc., having a principal office at _____, Fayetteville, North Carolina, hereinafter referred to as "LESSEE," and the County of Cumberland, a body politic and corporate of the State of North Carolina, having a principal office at 117 Dick Street, Fayetteville, North Carolina, hereinafter referred to as "LESSOR".

WITNESSETH:

IN CONSIDERATION of the mutual promises and subject to the terms and conditions contained or referred to herein, LESSOR does hereby lease and demise to LESSEE, the complete fourth floor of the E. Newton Smith Building located at Fountainhead Lane, Fayetteville, North Carolina, as more fully described as follows (hereinafter referred to as the "Leased Premises"):

the complete fourth floor of the E. Newton Smith Building, except the elevator enclosures and the stairwells, constituting 18,911 square feet, together with the shared use of the common area entrance to the building on the first floor and the elevator enclosures and stairwells connecting each of the floors and the shared use of the parking lots contiguous to the building with the other tenants of the building and their guests, customers and invitees

The Leased Premises is only a portion of the total building and all common areas of the building and the associated parking lots are to be shared with other tenants and users of the building.

TO HAVE AND TO HOLD said Leased PREMISES, together with all privileges and appurtenances thereto belonging including easements of ingress and egress, to the said LESSEE, under the following terms and conditions:

1. TERM: The Lease shall commence the 1st day of July, 2016, and unless sooner terminated, continue for a term of five years.

2. RENT: The rent shall be at an annual rate of \$5.00 per square foot in the total amount of NINETY FOUR THOUSAND, FIVE HUNDRED DOLLARS. Rent shall be payable in equal monthly installments of SEVEN THOUSAND EIGHT HUNDRES SEVENTY NINE and 58/100 DOLLARS (\$7,879.58) on or before the 1st day of each month commencing July 1, 2016.

3. DEPOSIT: LESSOR shall not require a security deposit from the LESSEE.
4. CONDITION OF PREMISES: The parties have agreed that LESSEE shall make certain renovations and improvements to the Leased Premises and shall execute a separate agreement to govern the construction of the renovations and improvements. LESSEE shall return the Leased Premises to LESSOR at the termination or expiration hereof in as good condition and state of repair as the same was at the commencement of the term hereof, except for loss, damage, or depreciation occasioned by reasonable wear and tear or damage by fire or other casualty.
5. PARKING LOT: The parking lot adjacent to the building shall be included in the Leased Premises for the shared use of LESSEE and its visitors and invitees with any other occupants of the building or the adjacent building and their respective visitors and invitees.
6. ASSIGNMENT OR SUB-LEASE: The LESSEE shall not assign this lease or sublet the Leased Premises or any part thereof, without the written consent of the LESSOR. Such written consent will not be unreasonably withheld by LESSOR.
7. USE AND POSSESSION: The Leased Premises are to be used by LESSEE exclusively for LESSEE'S activities to conduct certain financial functions as are normally conducted in a general office.
8. DESTRUCTION OF PREMISES: In the event that said building including the Leased Premises is damaged by fire, explosion, accident or any act of God, so as to materially affect the use of the building and Leased Premises, this Lease shall automatically terminate as of the date of such damage or destruction, provided, however, that if such building and Leased Premises are repaired so as to be available for occupancy and use within sixty (60) days after said damage, then this lease shall not terminate; provided further, that the LESSEE shall pay no rent during the period of time that the Leased Premises are unfit for occupancy and use.
9. CONDEMNATION: If during the term of this lease, the whole of the Leased Premises, or such portion thereof as will make the Leased Premises unusable for the purpose leased, be condemned by public authority for public use, then the term hereby granted shall cease and come to an end as of the date of the vesting of title in such public authority, or when possession is given to such public authority, whichever event occurs last. Upon such occurrence the rent shall be apportioned as of such date and any rent paid in advance at the due date for any space condemned shall be returned to LESSEE. LESSOR shall be entitled to reasonable compensation for such taking except for any statutory claim of LESSEE for injury, damage or destruction of LESSEE'S business accomplished by such taking. If a portion of the Leased Premises is taken or condemned by public authority for public use so as not to make the remaining portion of the leased premises unusable for the purpose leased, this lease will not be terminated but shall continue. In such case, the rent shall be equitably and fairly reduced or abated for the remainder of the term in proportion to the amount of leased premises taken. In no event shall LESSOR be liable to LESSEE for any interruption of business, diminution in use or for the value of any unexpired term of this lease.
10. INTERRUPTION OF SERVICE: LESSOR shall not be or become liable for damages to LESSEE alleged to be caused or occasioned by, or in any way connected with, or

the result of any interruption in service, or defect or breakdown from any cause whatsoever in any of the electric, water, plumbing, fire suppression, heating, air conditioning, ventilation or elevator systems, or any other structural component of the building, unless such damage arises from an intentional or grossly negligent act or omission of LESSOR, its employees or officers.

11. LESSOR'S RIGHT TO INSPECT: LESSOR shall have the right, at reasonable times during the term of this lease, to enter the Leased Premises, for the purposes of examining and inspecting same and of making such repairs or alterations therein as LESSOR shall deem necessary.

12. INSURANCE: LESSOR will be responsible for insuring its interest in the building and LESSEE will be responsible for insuring its personal property within the leased premises. LESSEE shall at all times during the term hereof, at its own expense, maintain and keep in force a policy or policies of general and premises liability insurance against claims for bodily injury, death or property damage occurring in, on, or about the demised premises in a coverage amount of no less than \$1,000,000 per occurrence and naming LESSOR as an additional named insured. LESSEE shall provide current copies of all such policies of insurance to LESSOR'S office of risk management.

13. LESSOR'S RESPONSIBILITY FOR MAINTENANCE: LESSOR shall be responsible for the maintenance and good condition of the roof, windows and exterior walls of the building; the parking lot; the landscaping; and the repair or replacement of the electrical system; overhead lighting system, including bulbs; plumbing system; fire suppression system; heating, air conditioning and ventilation system components; and elevator systems. LESSOR shall provide all services related to the landscaping and grassed areas, including trimming, mowing, planting, mulching and fertilizing as needed.

14. LESSEE'S RESPONSIBILITY FOR ALL OTHER MAINTENANCE: LESSEE shall be responsible for all other maintenance of the Leased Premises not specified as the responsibility of LESSOR above. LESSEE shall be responsible for the regular maintenance in good condition of all interior surfaces including floors, doors, ceilings, walls and windows. LESSEE shall not be responsible for ordinary wear and tear or for major damage or destruction caused by casualty or disaster for which there is insurance coverage.

15. JANITORIAL SERVICES: LESSEE shall provide for its own janitorial service in the Leased Premises. During any period when there is any other tenant, occupant or user of the building, LESSOR shall provide commercially reasonable trash removal from the premises and shall invoice LESSEE for LESSEE'S pro rata share of the cost of trash removal based on the ratio of the square footage occupied by LESSEE to the total square footage occupied by all tenants or users of the building. During any period when LESSEE shall be the only tenant or user of the building, LESSEE shall be responsible to obtain commercially reasonable trash removal services. LESSOR shall invoice LESSEE for the reimbursement of the costs of this service not less than quarterly.

16. PERSONAL PROPERTY AND IMPROVEMENTS: Any additions, fixtures, or improvements placed or made by the LESSEE in or upon the leased premises, which are permanently affixed to the Leased Premises and which cannot be removed without unreasonable damage to said premises, shall become the property of the LESSOR and remain

upon the premises as a part thereof upon the termination of this Lease. All other additions, fixtures, or improvements, to include trade fixtures, office furniture and equipment, and similar items, which can be removed without irreparable damage to the leased premises, shall be and remain as the property of the LESSEE and may be removed from the leased premises by the LESSEE upon the termination of this lease. LESSEE shall bear the expense of any repairs of the Leased Premises, other than reasonable wear and tear caused by such removal. LESSEE shall obtain LESSOR'S written consent before making any alterations or changes to the building or Leased Premises, other than those leasehold improvements for which the parties have already agreed upon.

17. TAXES: LESSOR acknowledges that all business personal property owned by LESSEE is exempt from property taxation. Notwithstanding the foregoing, in the event any property of LESSEE becomes taxable, LESSEE will list and pay all business personal property taxes on its taxable personal property located within the Leased Premises.

18. NOTICE: Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgement of receipt, or mailed by certified mail, return receipt requested, or delivered by receipt controlled express service, to the other party at their respective business addresses.

19. ADA AND OSHA REQUIREMENTS: LESSOR shall make such repairs and perform such maintenance as is necessary to keep the Leased Premises in compliance with all ADA and OSHA requirements. LESSEE shall keep the Leased Premises in good condition and repair and in a good, clean, and safe condition at all times during the term of this lease.

20. SUCCESSORS AND ASSIGNS: This lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

21. UTILITIES: Electrical power and water and sewer services are not metered separately for the different tenants in the building. LESSEE shall reimburse LESSOR for LESSEE'S pro rata share of the cost of these services. LESSEE'S pro rata share shall be computed as the ratio of the square footage occupied by LESSEE to the total square footage occupied by all tenants or users of the building. LESSOR shall invoice LESSEE for the reimbursement of the costs of these services not less than quarterly. LESSOR shall not be liable for any failure of any public utility to provide utility services over such connections and such failure shall not constitute a default by LESSOR in performance of this Lease. The installation, maintenance and service charges for any other utilities or services such as telephone, cable television, internet, or wireless connectivity shall be the sole responsibility of LESSEE.

22. RISK OF LOSS: As between the LESSOR and the LESSEE, any risk of loss of personal property placed by the LESSEE in or upon the Leased Premises shall be upon and the responsibility of the LESSEE, regardless of the cause of such loss.

23. DESTRUCTION OF PREMISES: If the Leased Premises should be completely destroyed or damaged so that more than fifty percent (50%) of the Leased Premises are rendered unusable, this Lease shall immediately terminate as of the date of such destruction or damage.

24. TERMINATION: If LESSEE shall fail to pay any installment of rent when due and payable or fail to perform any of the terms and conditions heretofore set forth and shall continue in such default for a period of thirty (30) days after written notice of default, LESSOR, at its discretion, may terminate this Lease and take possession of the Leased Premises without prejudice to any other remedies provided by law. If LESSOR shall fail to perform any of the terms and conditions heretofore set forth and shall continue such default thirty (30) days after written notice of such default, LESSEE, at its discretion, may terminate this Lease and vacate the Leased Premises without further obligation to pay rent as theretofore provided from date of said termination, without prejudice to any other remedies provided by law.

25. OCCUPANCY AND QUIET ENJOYMENT: LESSOR promises that LESSEE shall have quiet and peaceable possession and occupancy of the Leased Premises in accordance with the terms of this Lease, and that LESSOR will defend and hold harmless the LESSEE against any and all claims or demands of others arising from LESSEE'S occupancy of the premises or in any manner interfering with the LESSEE'S use and enjoyment of said premises

26. MODIFICATION: This Agreement may be modified only by an instrument duly executed by the parties or their respective successors.

27. MERGER CLAUSE: This instrument is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of its terms. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement shall not be relevant or admissible to determine the meaning of this Lease even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity to make objection. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein.

IN WITNESS WHEREOF, LESSOR and LESSEE have caused this Lease Agreement to be executed in duplicate originals by their duly authorized officers, to be effective for the term as stated above.

[SIGNATURE PAGE FOLLOWS]

LESSOR:
County of Cumberland
By:

Marshall Faircloth, Chair
Cumberland County Board of Commissioners

ATTEST:

Candice White, Clerk to the Board

LESSEE:
Cumberland County Hospital System, Inc.
By:

Approved for legal sufficiency:

County Attorney

Drafted by R. Moorefield April 27, 2016

NORTH CAROLINA

AGREEMENT FOR LEASEHOLD IMPROVEMENTS

CUMBERLAND COUNTY

This Agreement, is made and entered into the ___ day of _____, 2016, by the County of Cumberland, a body politic and corporate of the State of North Carolina, having a principal office at 117 Dick Street, Fayetteville, North Carolina, hereinafter referred to as "COUNTY," and Cumberland County Hospital System, Inc., a North Carolina corporation with a business address at _____, Fayetteville, North Carolina _____ hereinafter referred to as "LESSEE."

WITNESSETH:

WHEREAS, COUNTY is the owner of an office building located known as the E. Newton Smith Building located at Fountainhead Lane, Fayetteville, North Carolina; and

WHEREAS, together with this Agreement, COUNTY has agreed to lease a portion of this building to LESSEE pursuant to the terms of a lease with a five year term commencing July 1, 2016; and

WHEREAS, LESSEE must make leasehold improvements to make the leased premises suitable to its use; and

WHEREAS, COUNTY approves LESSEE to undertake leasehold improvements of the fourth floor of the building consisting of interior wall demolition and the construction or installation of new walls, painting, flooring, electrical components, HVAC components, and communications/IT wiring and equipment necessary to convert the full fourth floor into a 165 work stations layout for patient billing, as generally shown on the layout diagram attached hereto as Exhibit A (the "Project"), subject to the following terms and conditions:

1. COUNTY approves the Project as more specifically described in the Facilities Improvement Request attached hereto as Exhibit B, showing an estimated total project cost of \$1,232,857.63 including \$216,300 for furnishings.
2. COUNTY designates LESSEE as COUNTY'S agent for all purposes related to the Project, including selection of the design professional, bidding, selection of the contractor, and managing the construction of the Project, except approval of the performance and payment bonds required for the Project.
3. COUNTY'S Board of Commissioners shall have the sole authority to approve the performance and payment bonded required for the Project.

4. LESSEE, as COUNTY'S agent, shall comply will all applicable provisions of Article 8, *Public Contracts*, of Chapter 143 of the North Carolina General Statutes in conducting or performing any activities on the Project.

5. Before entering into a construction contract for the Project, LESSEE shall have its design professional certify to COUNTY under seal that the design complies in all respects with the North Carolina State Building Code and all zoning and permit conditions of the City of Fayetteville, to specifically include that any necessary allocation of parking spaces for the use of the fourth floor will not require a number of parking spaces that is proportionally greater than one-fourth of the total number of parking spaces required for the entire building under any state or city code or regulation.

6. LESSEE shall keep COUNTY informed of the progress and status of the Project on no less than a weekly basis.

7. LESSEE shall be solely responsible for all costs of the project to include design, permitting, construction and purchasing.

8. COUNTY designates County Engineer Jeffrey Brown as the person with whom LESSEE should direct all communications with respect to any matter covered by this Agreement.

9. LESSEE acknowledges that that first floor of the building is occupied by the Cumberland County Employee Pharmacy and that controlled substances may be stored within the pharmacy premises. LESSEE further acknowledges that this circumstance requires that extraordinary security measures be taken by LESSEE during construction of the Project to control access to the building and to maintain a record of all persons having access to the building at all times. LESSEE shall notify COUNTY in writing at least one business day in advance of any access to the building by its contractors, invitees, agents or vendors before or after usual business hours of 8:00 a.m. to 5:00 p.m. on weekdays and any holidays when the county departments in the building are not open for business.

10. Any furnishings purchased by LESSEE for the Project shall remain the property of LESSEE. All construction, improvements, fixtures and other additions to the building as a result of the Project shall become and remain the property of COUNTY.

11. By the signature affixed hereto the officer signing this Agreement on behalf of the LESSEE certifies that LESSEE has allocated or set aside funds or secured a loan to fully fund all costs of the Project.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed in duplicate originals by their duly authorized officers.

[SIGNATURE PAGE FOLLOWS]

County of Cumberland

By:

Marshall Faircloth, Chair
Cumberland County Board of Commissioners

ATTEST:

Candice White, Clerk to the Board

Cumberland County Hospital System, Inc.

By:

Approved for legal sufficiency.

R. Moorefield, County Attorney

Drafted by R. Moorefield, 4/27/2016

AMY H. CANNON
County Manager

JAMES E. LAWSON
Deputy County Manager



CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

ITEM NO. 3.B.

MELISSA C. CARDINALI
Assistant County Manager

W. TRACY JACKSON
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

**MEMO FOR THE AGENDA OF THE
MAY 5, 2015 MEETING OF THE FACILITIES COMMITTEE**

TO: FACILITIES COMMITTEE

FROM: AMY H. CANNON, COUNTY MANAGER *AKZ*

DATE: APRIL 29, 2015

**SUBJECT: LEASE AGREEMENT BETWEEN CUMBERLAND COUNTY
AND CAPE FEAR VALLEY HEALTH SYSTEM FOR SPACE AT
EXECUTIVE PLACE**

Presented by: Amy H. Cannon

Estimate of Committee Time Needed: 10 MINUTES

BACKGROUND

Cape Fear Valley Health System (Health System) is interested in leasing vacant space at Executive Place for Behavioral Health Services provided to the community. They are requesting to lease office space on the 4th floor which totals 7,826 square feet and to make minor renovations in this area. The estimated cost of the renovation is \$41,476.25.

Below is a summary of the terms proposed by the Health System for the fourth floor.

Lease Term	5 Years / Beginning July 1, 2016
Annual Lease Rate	\$5 per square foot or \$39,130 (Includes consideration of renovation costs)
Janitorial	Lessee shall provide
Utilities	Pro-rata share reimbursement from Lessee

As you may recall, our walk-in Mental Health Clinic was transferred to the Health System a few years ago as a result of mental health reform. Initially, the clinic was on the Health System's campus until a major weather event caused flooding of the building which housed these services. The Health System approached the County regarding use of vacant space at Executive Place on a temporary basis. The Health System is now looking for an opportunity to house the entire community mental health program at one location and to provide an opportunity for expansion of services. Therefore, the lease agreement includes the third floor which captures the space currently occupied. The Health System has asked to lease this 8,704 square feet at \$8 per square foot. This reduced lease rate has been requested since the Health System provides community mental health services to many citizens without full reimbursement.

Below are the proposed lease terms for this space:

Lease Term	5 Years / Beginning July 1, 2016
Annual Lease Rate	\$8 per square foot or \$69,632
Janitorial	Lessee shall provide
Utilities	Pro-rata share reimbursement from Lessee

RECOMMENDATION/PROPOSED ACTION:

Consider approval of the Lease Agreement and the Agreement for Leasehold Improvements with the Health System.

CM042916-2

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF CUMBERLAND

Notice of Intent Published _____
Approved by Board of Commissioners on _____

This Lease Agreement, is made and entered into to be effective July 1, 2016, by and between Cumberland County Hospital System, Inc., having a principal office at _____, Fayetteville, North Carolina, hereinafter referred to as "LESSEE," and the County of Cumberland, a body politic and corporate of the State of North Carolina, having a principal office at 117 Dick Street, Fayetteville, North Carolina, hereinafter referred to as "LESSOR".

WITNESSETH:

IN CONSIDERATION of the mutual promises and subject to the terms and conditions contained or referred to herein, LESSOR does hereby lease and demise to LESSEE, the following portions of the office building located at 711 Executive Place, Fayetteville, North Carolina, as more fully described as follows (hereinafter referred to as the "Leased Premises"):

Fourth Floor Room Numbers 402 - 418, 427 - 430, and 432;
Third Floor Room Numbers 303 - 317, 319-323, 325 - 347, and 351; together with the shared use of the common area entrance to the building on the first floor and the elevator enclosures and stairwells connecting each of the floors and the shared use of the parking lots contiguous to the building with the other tenants of the building and their guests, customers and invitees

The Leased Premises is only a portion of the total building and all common areas of the building and the associated parking lots are to be shared with other tenants and users of the building.

TO HAVE AND TO HOLD said Leased PREMISES, together with all privileges and appurtenances thereto belonging including easements of ingress and egress, to the said LESSEE, under the following terms and conditions:

1. TERM: The Lease shall commence the 1st day of July, 2016, and unless sooner terminated, continue for a term of five years.
2. RENT: The rent for Rooms 303 - 317, 319-323, 325 - 347, and 351 constituting 8,704 square feet shall be at an annual rate of \$8.00 per square foot in the total amount of \$69,632. The rent for Rooms 402 - 418, 427 - 430, and 432 constituting 7,826 square feet shall be at an annual rate of \$5.00 per square foot in the total amount of \$39,130. The rent shall be paid in equal monthly installments of \$9,063.50 on or before the 1st day of each month commencing July 1, 2016.

3. DEPOSIT: LESSOR shall not require a security deposit from the LESSEE.

4. CONDITION OF PREMISES: The parties have agreed that LESSEE shall make certain renovations and improvements to the Leased Premises and shall execute a separate agreement to govern the construction of the renovations and improvements. LESSEE shall return the Leased Premises to LESSOR at the termination or expiration hereof in as good condition and state of repair as the same was at the commencement of the term hereof, except for loss, damage, or depreciation occasioned by reasonable wear and tear or damage by fire or other casualty.

5. PARKING LOT: The parking lot adjacent to the building shall be included in the Leased Premises for the shared use of LESSEE and its visitors and invitees with any other occupants of the building or the adjacent building and their respective visitors and invitees.

6. ASSIGNMENT OR SUB-LEASE: The LESSEE shall not assign this lease or sublet the Leased Premises or any part thereof, without the written consent of the LESSOR. Such written consent will not be unreasonably withheld by LESSOR.

7. USE AND POSSESSION: The Leased Premises are to be used by LESSEE exclusively for LESSEE'S activities to conduct certain functions as are normally conducted in a general office.

8. DESTRUCTION OF PREMISES: In the event that said building including the Leased Premises is damaged by fire, explosion, accident or any act of God, so as to materially affect the use of the building and Leased Premises, this Lease shall automatically terminate as of the date of such damage or destruction, provided, however, that if such building and Leased Premises are repaired so as to be available for occupancy and use within sixty (60) days after said damage, then this lease shall not terminate; provided further, that the LESSEE shall pay no rent during the period of time that the Leased Premises are unfit for occupancy and use.

9. CONDEMNATION: If during the term of this lease, the whole of the Leased Premises, or such portion thereof as will make the Leased Premises unusable for the purpose leased, be condemned by public authority for public use, then the term hereby granted shall cease and come to an end as of the date of the vesting of title in such public authority, or when possession is given to such public authority, whichever event occurs last. Upon such occurrence the rent shall be apportioned as of such date and any rent paid in advance at the due date for any space condemned shall be returned to LESSEE. LESSOR shall be entitled to reasonable compensation for such taking except for any statutory claim of LESSEE for injury, damage or destruction of LESSEE'S business accomplished by such taking. If a portion of the Leased Premises is taken or condemned by public authority for public use so as not to make the remaining portion of the leased premises unusable for the purpose leased, this lease will not be terminated but shall continue. In such case, the rent shall be equitably and fairly reduced or abated for the remainder of the term in proportion to the amount of leased premises taken. In no event shall LESSOR be liable to LESSEE for any interruption of business, diminution in use or for the value of any unexpired term of this lease.

10. INTERRUPTION OF SERVICE: LESSOR shall not be or become liable for

damages to LESSEE alleged to be caused or occasioned by, or in any way connected with, or the result of any interruption in service, or defect or breakdown from any cause whatsoever in any of the electric, water, plumbing, fire suppression, heating, air conditioning, ventilation or elevator systems, or any other structural component of the building, unless such damage arises from an intentional or grossly negligent act or omission of LESSOR, its employees or officers.

11. LESSOR'S RIGHT TO INSPECT: LESSOR shall have the right, at reasonable times during the term of this lease, to enter the Leased Premises, for the purposes of examining and inspecting same and of making such repairs or alterations therein as LESSOR shall deem necessary.

12. INSURANCE: LESSOR will be responsible for insuring its interest in the building and LESSEE will be responsible for insuring its personal property within the leased premises. LESSEE shall at all times during the term hereof, at its own expense, maintain and keep in force a policy or policies of general and premises liability insurance against claims for bodily injury, death or property damage occurring in, on, or about the demised premises in a coverage amount of no less than \$1,000,000 per occurrence and naming LESSOR as an additional named insured. LESSEE shall provide current copies of all such policies of insurance to LESSOR'S office of risk management.

13. LESSOR'S RESPONSIBILITY FOR MAINTENANCE: LESSOR shall be responsible for the maintenance and good condition of the roof, windows and exterior walls of the building; the parking lot; the landscaping; and the repair or replacement of the electrical system; overhead lighting system, including bulbs; plumbing system; fire suppression system; heating, air conditioning and ventilation system components; and elevator systems. LESSOR shall provide all services related to the landscaping and grassed areas, including trimming, mowing, planting, mulching and fertilizing as needed.

14. LESSEE'S RESPONSIBILITY FOR ALL OTHER MAINTENANCE: LESSEE shall be responsible for all other maintenance of the Leased Premises not specified as the responsibility of LESSOR above. LESSEE shall be responsible for the regular maintenance in good condition of all interior surfaces including floors, doors, ceilings, walls and windows. LESSEE shall not be responsible for ordinary wear and tear or for major damage or destruction caused by casualty or disaster for which there is insurance coverage.

15. JANITORIAL SERVICES: LESSEE shall provide for its own janitorial service in the Leased Premises. During any period when there is any other tenant, occupant or user of the building, LESSOR shall provide commercially reasonable trash removal from the premises and shall invoice LESSEE for LESSEE'S pro rata share of the cost of trash removal based on the ratio of the square footage occupied by LESSEE to the total square footage occupied by all tenants or users of the building. During any period when LESSEE shall be the only tenant or user of the building, LESSEE shall be responsible to obtain commercially reasonable trash removal services. LESSOR shall invoice LESSEE for the reimbursement of the costs of this service not less than quarterly.

16. PERSONAL PROPERTY AND IMPROVEMENTS: Any additions, fixtures, or improvements placed or made by the LESSEE in or upon the leased premises, which are permanently affixed to the Leased Premises and which cannot be removed without

unreasonable damage to said premises, shall become the property of the LESSOR and remain upon the premises as a part thereof upon the termination of this Lease. All other additions, fixtures, or improvements, to include trade fixtures, office furniture and equipment, and similar items, which can be removed without irreparable damage to the leased premises, shall be and remain as the property of the LESSEE and may be removed from the leased premises by the LESSEE upon the termination of this lease. LESSEE shall bear the expense of any repairs of the Leased Premises, other than reasonable wear and tear caused by such removal. LESSEE shall obtain LESSOR'S written consent before making any alterations or changes to the building or Leased Premises, other than those leasehold improvements for which the parties have already agreed upon.

17. TAXES: LESSOR acknowledges that all business personal property owned by LESSEE is exempt from property taxation. Notwithstanding the foregoing, in the event any property of LESSEE becomes taxable, LESSEE will list and pay all business personal property taxes on its taxable personal property located within the Leased Premises.

18. NOTICE: Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with written acknowledgement of receipt, or mailed by certified mail, return receipt requested, or delivered by receipt controlled express service, to the other party at their respective business addresses.

19. ADA AND OSHA REQUIREMENTS: LESSOR shall make such repairs and perform such maintenance as is necessary to keep the Leased Premises in compliance with all ADA and OSHA requirements. LESSEE shall keep the Leased Premises in good condition and repair and in a good, clean, and safe condition at all times during the term of this lease.

20. SUCCESSORS AND ASSIGNS: This lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

21. UTILITIES: Electrical power and water and sewer services are not metered separately for the different tenants in the building. LESSEE shall reimburse LESSOR for LESSEE'S pro rata share of the cost of these services. LESSEE'S pro rata share shall be computed as the ratio of the square footage occupied by LESSEE to the total square footage occupied by all tenants or users of the building. LESSOR shall invoice LESSEE for the reimbursement of the costs of these services not less than quarterly. LESSOR shall not be liable for any failure of any public utility to provide utility services over such connections and such failure shall not constitute a default by LESSOR in performance of this Lease. The installation, maintenance and service charges for any other utilities or services such as telephone, cable television, internet, or wireless connectivity shall be the sole responsibility of LESSEE.

22. RISK OF LOSS: As between the LESSOR and the LESSEE, any risk of loss of personal property placed by the LESSEE in or upon the Leased Premises shall be upon and the responsibility of the LESSEE, regardless of the cause of such loss.

23. DESTRUCTION OF PREMISES: If the Leased Premises should be completely destroyed or damaged so that more than fifty percent (50%) of the Leased Premises are rendered unusable, this Lease shall immediately terminate as of the date of such

destruction or damage.

24. TERMINATION: If LESSEE shall fail to pay any installment of rent when due and payable or fail to perform any of the terms and conditions heretofore set forth and shall continue in such default for a period of thirty (30) days after written notice of default, LESSOR, at its discretion, may terminate this Lease and take possession of the Leased Premises without prejudice to any other remedies provided by law. If LESSOR shall fail to perform any of the terms and conditions heretofore set forth and shall continue such default thirty (30) days after written notice of such default, LESSEE, at its discretion, may terminate this Lease and vacate the Leased Premises without further obligation to pay rent as theretofore provided from date of said termination, without prejudice to any other remedies provided by law.

25. OCCUPANCY AND QUIET ENJOYMENT: LESSOR promises that LESSEE shall have quiet and peaceable possession and occupancy of the Leased Premises in accordance with the terms of this Lease, and that LESSOR will defend and hold harmless the LESSEE against any and all claims or demands of others arising from LESSEE'S occupancy of the premises or in any manner interfering with the LESSEE'S use and enjoyment of said premises

26. MODIFICATION: This Agreement may be modified only by an instrument duly executed by the parties or their respective successors.

27. MERGER CLAUSE: This instrument is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of its terms. No course of prior dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement shall not be relevant or admissible to determine the meaning of this Lease even though the accepting or acquiescing party has knowledge of the nature of the performance and an opportunity to make objection. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein.

IN WITNESS WHEREOF, LESSOR and LESSEE have caused this Lease Agreement to be executed in duplicate originals by their duly authorized officers, to be effective for the term as stated above.

[SIGNATURE PAGE FOLLOWS]

LESSOR:
County of Cumberland
By:

Marshall Faircloth, Chair
Cumberland County Board of Commissioners

ATTEST:

Candice White, Clerk to the Board

LESSEE:
Cumberland County Hospital System, Inc.
By:

Approved for legal sufficiency:

County Attorney

Drafted by R. Moorefield April 27, 2016

NORTH CAROLINA

AGREEMENT FOR LEASEHOLD IMPROVEMENTS

CUMBERLAND COUNTY

This Agreement, is made and entered into the ___ day of _____, 2016, by the County of Cumberland, a body politic and corporate of the State of North Carolina, having a principal office at 117 Dick Street, Fayetteville, North Carolina, hereinafter referred to as "COUNTY," and Cumberland County Hospital System, Inc., a North Carolina corporation with a business address at _____, Fayetteville, North Carolina _____ hereinafter referred to as "LESSEE."

WITNESSETH:

WHEREAS, COUNTY is the owner of an office building located at 711 Executive Place, Fayetteville, North Carolina; and

WHEREAS, together with this Agreement, COUNTY has agreed to lease a portion of this building to LESSEE pursuant to the terms of a lease with a five year term commencing July 1, 2016; and

WHEREAS, LESSEE must make leasehold improvements to make the leased premises suitable to its use; and

WHEREAS, COUNTY approves LESSEE to undertake leasehold improvements of the fourth floor of the building consisting of painting, flooring, wall construction, door and window installation and communications/IT wiring and equipment necessary or useful to LESSEE'S intended use (the "Project"), subject to the following terms and conditions:

1. COUNTY approves the Project at LESSEE'S estimated total project cost of \$41,476.25.
2. COUNTY designates LESSEE as COUNTY'S agent for all purposes related to the Project including selection of the design professional, selection of the contractor, and managing the construction of the Project.
3. LESSEE shall keep COUNTY informed of the progress and status of the Project on no less than a weekly basis.
4. LESSEE shall be solely responsible for all costs of the project to include design, permitting, construction and purchasing.

5. COUNTY designates County Engineer Jeffrey Brown as the person with whom LESSEE should direct all communications with respect to any matter covered by this Agreement.

6. LESSEE acknowledges that there is another tenant leasing portions of the building on multiple floors and for which renovations are being undertaken now or in the near future. LESSEE agrees that it will coordinate the construction of the Project with the other tenant to the greatest extent possible to minimize the disturbance of the ordinary business operations of the other tenant.

7. Any furnishings purchased by LESSEE for the Project shall remain the property of LESSEE. All construction, improvements, fixtures and other additions to the building as a result of the Project shall become and remain the property of COUNTY.

8. By the signature affixed hereto the officer signing this Agreement on behalf of the LESSEE certifies that LESSEE has allocated or set aside funds or secured a loan to fully fund all costs of the Project.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed in duplicate originals by their duly authorized officers.

County of Cumberland

By:

Marshall Faircloth, Chair
Cumberland County Board of Commissioners

ATTEST:

Candice White, Clerk to the Board

Cumberland County Hospital System, Inc.

By:

Approved for legal sufficiency.

R. Moorefield, County Attorney

Drafted by R. Moorefield, 4/27/2016