

REQUEST FOR BOARD ACTION
HENDERSON COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: March 18, 2020

SUBJECT: Amendment renewing lease with American Red Cross

PRESENTER: Charles Russell Burrell

ATTACHMENT(S): Proposed Lease
Original Lease

SUMMARY OF REQUEST:

Attached is a proposed Amendment extending the lease of the American Red Cross at 211 First Avenue East, Hendersonville (First Avenue entrance of the King Street building).

County staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approval of lease Amendment.

If the Board is so inclined, the following motion is suggested:

I move that the Board approve the Amendment of the Lease with the American Red Cross.

**FIRST AMENDMENT TO LEASE AGREEMENT
(EXTENSION OF TERM)**

This Amendment is made effective as of the date signed by both of Landlord and Tenant (the "Effective Date") by and between **County of Henderson**, a body corporate and politic of the State of North Carolina, (the "Landlord"), and **The American National Red Cross**, a nonprofit corporation, a Federally chartered instrumentality of the United States, and a body corporate and politic under the laws of the United States (36 U.S.C. §§ 300101-300111 (2007)), (the "Tenant"), under that certain Lease Agreement dated January 24, 2018, for the Premises consisting of approximately 1,993 square feet located at 211 First Avenue East, (Suite E911 Room), Hendersonville, NC (the "Lease"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Lease.

The Lease expires on **June 30, 2020**, and Landlord and Tenant desire to extend the Term as hereinafter set forth.

In consideration of the following mutual covenants and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant, intending legally to be bound, agree as follows:

1. Extension of the Lease Term. The Term of the Lease is hereby extended for a period of thirty-six (36) months commencing on July 1, 2020 and expiring on June 30, 2023.
2. Modification of the Rent. Base Rent shall be payable in accordance with the following schedule:

| <u>LEASE PERIOD</u> | <u>ANNUAL RENT</u> | <u>MONTHLY RENT</u> |
|---------------------|--------------------|---------------------|
| Months 01 – 36 | \$3,000.00 | \$250.00 |

3. Renewal Options. Tenant's shall have the right to Extend the Term of this Lease for two (2) additional periods of three (3) years each ("Extension Period"). Tenant rights to extend shall be exercised by giving Notice (the "Option Notice") to Landlord not later than ninety (90) days prior to Expiration Date of the current Lease Term or any extension thereof.

Renewal Option Rent shall be based and in accordance with the following Option Rental schedule.

| <u>OPTION PERIOD</u> | <u>LEASE PERIOD</u> | <u>ANNUAL RENT</u> | <u>MONTHLY RENT</u> |
|----------------------|---------------------|--------------------|---------------------|
| #1 | Months 01 - 36 | \$5,400.00 | \$450.00 |
| #2 | Months 01 – 36 | \$7,200.00 | \$600.00 |

4. Tenant's Address for Notice. The Lease is hereby amended such that Tenant's address for notice is the following:

Director, Lease Administration
The American National Red Cross
9450 SW Gemini Drive, #75048
Beaverton, OR 97008-7105

With an email copy to: Real.Estate@redcross.org

And for issues requiring legal notice (e.g., default), a copy to:

Office of the General Counsel
The American National Red Cross

431 18th Street, NW
Washington, DC 20006
Attention: Real Estate Counsel

5. Termination Rights. To avoid any confusion and per the terms of the Original Lease, Tenant's termination rights shall continue to be applicable during this Lease extension term. In the event Tenant exercises their Renewal Options as referenced within this 1st Amendment, both Parties shall have the on-going right to terminate this Lease (at anytime), by providing 180 day prior written notice to the other Party.

6. No Broker. The parties each confirm to the other that no broker or agent procured this Amendment and that no commission, finder's fee, or any other compensation of any kind or nature is due to any such person or firm.

7. No Default. The parties each confirm to the other that as of the effective date of this Amendment, there is no default under the Lease, and nothing has occurred to their knowledge that, with the passage of time, would constitute a default under the Lease.

8. Ratification. Except as otherwise expressly modified by the terms of this Amendment, the Lease remains unchanged and shall continue in full force and effect. All terms, covenants, and conditions of the Lease not expressly modified herein are hereby confirmed and ratified, and, as amended hereby, constitute valid and binding obligations of Landlord and Tenant enforceable according to the terms thereof. In the event of a conflict between the Lease and this Amendment, the terms of this Amendment shall control.

[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this Amendment to Lease Agreement to be effective as of the date first set forth above.

LANDLORD:

COUNTY OF HENDERSON

Signature: _____

Print Name: _____

Title: _____

Date: _____

TENANT:

THE AMERICAN NATIONAL RED CROSS

REAL PROPERTY LEASE

211 First Avenue East, Hendersonville, NC

**LANDLORD:
COUNTY OF HENDERSON**

**TENANT:
THE AMERICAN NATIONAL RED CROSS**

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REAL PROPERTY LEASE

This is a commercial real property lease ("Lease") between **County of Henderson, a body corporate and politic of the State of North Carolina**, ("Landlord") and **The American National Red Cross**, a nonprofit corporation, a Federally chartered instrumentality of the United States, and a body corporate and politic under the laws of the United States (36 U.S.C. §§ 300101-300111 (2007)) ("Tenant").

1. EFFECTIVE DATE

This Lease is effective and binding on the parties upon the completion of the signatures of Landlord and Tenant (the "Effective Date"); provided, if a party fails to date its signature, then the Effective Date shall be the date that one party dated its signature, and, if neither party dates its signature, then the Effective Date shall be the Lease Commencement Date (as hereinafter defined).

2. GRANT OF THE PREMISES TO TENANT.

For the term of this Lease, Landlord leases to Tenant and Tenant leases from Landlord approximately **1,993 square feet** (the "Premises"), commonly known as **211 First Avenue East, (Suite E911 Room), Hendersonville, NC**, together with the non-exclusive right to use, in common with Landlord and the other tenants of the Building, all exterior and interior, if any, common and public areas and facilities benefitting the Building, including, without limitation, as applicable, all lobbies, stairwells, freight and passenger elevators, hallways, beneficial easements, driveways, sidewalks, parking, loading areas, landscaped areas, and any detention and/or retention ponds benefitting the Building or the Land (hereinafter referred to as the "Common Areas"; the Building, Land and Common Areas being herein collectively referred to as the "Property"), if applicable. The floor plan of the Premises, are attached hereto as Exhibit A.

3. TERM OF THE LEASE; RENEWAL OPTION.

The initial term of this Lease (the "Initial Term") begins on January 1, 2018 (the "Lease Commencement Date") and shall continue thirty (30) months, ending on June 30, 2020, (the "Expiration Date"), unless sooner terminated or extended, as hereinafter provided.

Notwithstanding the foregoing, in the event that Tenant remains in possession beyond the Expiration Date, the Initial Term of this Lease shall automatically be renewed on a month-to-month basis upon all of the terms and conditions herein set forth (including, without limitation, Base Rent at the rate in effect during the last month of the Initial Term) until terminated by either party by the giving of at least thirty (30) days' prior

Legal Notice to the other party (the Initial Term, as it may be so extended on a month-to-month basis, being herein called the "Term").

4. RENEWAL OPTIONS.

- (a) Tenant shall have one (1) option (an "Extension Option") to extend the Term of this Lease for additional three (3) year period (an "Extension Period"). Tenant's right to extend the Term shall be exercised by giving Notice (the "Option Notice") to Landlord not later than ninety (90) days prior to the Expiration Date. If Tenant fails to timely elect to extend the Term, this Lease shall terminate on the Expiration Date, Tenant shall be deemed to have waived all of its rights under the Extension Option and thereafter the Extension Option shall be null and void and of no further force or effect. During the Extension Period, all of the terms and conditions of this Lease shall remain unmodified and in full force and effect, and all references to Lease Term and Term contained in this Lease shall be deemed to mean the Lease Term, as extended hereby.
- (b) During the Extension Period, if any, the Annual Base Rent payable by Tenant shall be \$3,000.00 per annum, payable in equal monthly installments of \$250.00 per month during the Extension Option period.

5. EARLY TERMINATION.

Notwithstanding anything contained herein to the contrary, the Parties shall each have the annual right to terminate this Lease by providing a one hundred eighty (180) day written Legal Notice to the other party.

6. BASE RENT.

Base Rent during the Initial Term shall be waived.

Each monthly installment of Base Rent thereafter is due in advance on the first day of each month. Tenant may pay Rent by electronic funds transfer. Base Rent for any partial month shall be prorated on a per diem basis. Landlord agrees to email Landlord's W-9 form, together with the address of the Premises to real.estate@redcross.org, and, notwithstanding anything contained herein to the contrary, until such email has been received by Tenant, Tenant shall have no obligation to commence making any Base Rent or other payments under this Lease.

7. DELIVERY OF POSSESSION OF THE PREMISES TO TENANT.

Landlord shall, at Landlord's sole cost and expense, place the Building, the Premises and mechanical equipment and systems serving the Building and Premises, in good condition and proper working order, and in compliance with all applicable "Laws" (as hereinafter defined) ("Landlord's Work"), and deliver possession of the Premises to Tenant on or before the January 1, 2018 (the "Anticipated Completion Date").

8. USE OF PREMISES.

Tenant shall use the Premises for general and administrative office purposes and for any other purpose consistent with the mission or business of The American National Red Cross, including but not limited to; Red Cross blood donation, processing, testing, storage and distribution facility, for use in connection with Red Cross training and classes, and for the storage and distribution of disaster relief supplies and materials, ("Tenant's Use"), and for any other lawful purposes. Tenant may operate and shall have access to the Premises 24 hours per day, 7 days per week, and 365 days per year.

Tenant shall comply, at its sole cost and expense, with all present and future federal, state and local laws, ordinances, regulations and orders (collectively, "Laws") applicable to (a) Tenant's particular use of the Premises for any purpose other than general office purposes and/or (b) any "Alterations" (as hereinafter defined) installed by Tenant, exclusive of any structural alterations and improvements to the Premises required by reason of a change in Laws (collectively, "Tenant's Compliance Obligations"). Except for Tenant's Compliance Obligations, Landlord, at its sole cost and expense, shall (a) maintain the Property (including the Premises) in compliance with all present and future Laws, and (b) make any structural alterations and/or improvements to the Property (including the Premises) required by reason of any change in Laws.

9. SUPPLYING SERVICES AND UTILITIES.

Landlord shall supply to the Premises (i) heating, ventilation and air-conditioning ("HVAC") with sufficient capacity to provide HVAC during the required seasons; (ii) electricity, gas, water and other utilities necessary to operate the Premises for Tenant's Use; (iii) elevator service (if there is an elevator in the Building); (iv) janitorial service and trash removal for Common Areas; (v) exterior window-cleaning service, as reasonably required; (vi) illumination and systems sufficient to make secure all Common Areas (including light bulb replacement); (vii) snow and ice removal from all vehicular and pedestrian areas of the Common Areas, including, but not limited to, parking areas, driveways, sidewalks, loading areas, exterior stairs and porch areas (collectively, the "Paved Areas"); and (viii) landscape maintenance services. In the event that the HVAC equipment fails to maintain the temperature of the Premises in

accordance with the operating ranges set forth above for a period that exceeds 72 hours, Landlord shall replace the equipment.

10. PAYING FOR SERVICES AND UTILITIES.

Subject to Tenant's expense obligations referenced in Section 10(a), the Base Rent includes all of the (a) taxes and assessments levied or assessed upon the Property and/or Landlord; (b) Landlord's insurance premiums and costs; (c) all expenses incurred by Landlord with respect to the operation, maintenance, repair, replacement and management of the Property and the Premises; and (d) all utility charges for the Property and the Premises (collectively, the "Expenses"), all of which Expenses shall be timely paid by Landlord, at its sole cost and expense, before any interest or penalties accrue. There are no "pass-through" expenses.

- (a) Notwithstanding any terms and conditions referenced herein, Tenant shall reimburse Landlord for their "pro-rata share" of utilities, not to exceed an average of \$350.00 per month. Payment shall be made to Landlord within fifteen (15) days of the Landlord providing a statement (the "Utility Statement") demonstrating the utility costs incurred for the building in which the Premises are located, and the Tenant's prorated share. It is understood by the parties that the Utility Statement may be provided by the Landlord as frequently as monthly, or as infrequently as semi-annually.

11. MAINTENANCE AND REPAIRS OF THE PREMISES AND THE BUILDING.

- (a) Except as shall be the obligation of Landlord under this Lease, Tenant, at Tenant's sole cost and expense, shall maintain the Premises in clean and sanitary condition (collectively, "Tenant's Obligations"). If there is an "Event of Default" (as hereinafter defined) by Tenant in the performance of Tenant's Obligations, Landlord may, at Landlord's option, after Legal Notice to Tenant, perform such Tenant's Obligations, and Tenant shall reimburse Landlord for the cost thereof within ten (10) days after Landlord's written demand therefor accompanied by reasonable supporting documentation.
- (b) Landlord, at Landlord's sole cost and expense, shall maintain and repair (including, without limitation, replacements, as reasonably required) the Property (including, without limitation, the Premises) in good condition and repair, including, without limitation, (i) the Building exterior walls, trim (including, but not limited to, the exterior paint and finish), (ii) the load bearing elements and foundations, (iii) the pipes and conduits, (iv) the roof, (v) the Building systems, including, without limitation, all mechanical, electrical, HVAC,

plumbing, fire sprinkler and life safety systems serving the Building and/or the Premises, (vi) the Common Areas, including, without limitation, cleaning, sweeping, patching, repaving and removing snow and ice from the Paved Areas of the Common Areas, and (vii) all windows and doors (collectively, "Landlord's Obligations"). If there is an "Event of Default" (as hereinafter defined) by Landlord in the performance of Landlord's Obligations, Tenant may, at Tenant's option, after Legal Notice to Landlord, perform any Landlord's Obligations, and deduct the cost thereof from monthly installment of Base Rent until Tenant has been reimbursed in full therefor.

12. ALTERATIONS. Tenant shall not make or permit any of Tenant's employees, agents or contractors to make any alteration in or to the Premises (other than interior cosmetic changes) or the Building (herein referred to as "Alterations") without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay. Unless Landlord requires their removal by so stipulating at the time of providing consent, as set forth above, all Alterations which may be made on the Premises shall, at the expiration or termination of the Term, become the property of Landlord and remain upon and be surrendered with the Premises. Notwithstanding the provisions of this Section, Tenant's trade fixtures, furnishings, equipment and other personal property (collectively, "Tenant's Property") shall remain the property of Tenant and may be removed by Tenant at any time prior to the expiration or earlier termination of this Lease.

13. CONDITION OF THE PREMISES AT THE END OF THE TERM.

At the expiration or earlier termination of the Term, Tenant shall surrender the Premises in the condition in which Tenant was required to maintain the Premises (as modified by any Alterations which were not stipulated for removal pursuant to Section 11 above), casualty, condemnation, Landlord's obligations under this Lease, and ordinary wear and tear consistent with Tenant's Use hereunder excepted. If any of Tenant's Property is left in the Premises by Tenant upon expiration or earlier termination of the Term and is not removed within ten (10) days after Legal Notice thereof from Landlord, then the same may be deemed abandoned and thereupon become Landlord's property and Landlord has the right to dispose of such Tenant's Property without any liability or obligation to any party.

14. SIGNS.

Tenant, at its sole cost and expense and with Landlord's consent, shall have the right to install (a) its sign on the exterior walls of the Building and in any vacant position on any monument sign serving the Property; and (b) its flag on any flagpole serving the

Property; provided, that Tenant (i) obtains Landlord's prior written consent to the dimensions of the signs and the means and methods of installation, (ii) obtains all governmental permits and approvals required in connection therewith, (iii) maintains such sign(s) and flag, as applicable, in good condition and repair (iv) removes such sign(s) and flag, as applicable, upon the expiration or earlier termination of the Term and (v) repairs any damage to the Building or monument sign occasioned by such removal. Landlord approves the standard "American Red Cross" graphics standards.

15. SECURITY DEPOSIT.

In recognition of Tenant's charitable purpose, Landlord agrees to waive the requirement of a security deposit.

16. ASSIGNMENT AND SUBLETTING.

Tenant shall not assign this Lease or sublet the Premises or any part thereof, without the prior written consent of Landlord, which consent Landlord shall not unreasonably withhold, condition, or delay.

17. HOLDING OVER.

If Tenant does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Term or the Extension Period (if any), then Tenant shall pay Base Rent at an increased rate equal to (i) for the first month of the holdover period, one hundred ten percent (110%) of the Base Rent set herein for the Extension Period, then (ii) for the next month of the holdover period, one hundred twenty percent (120%) of such Base Rent, then (iii) for any other period after that, one hundred fifty percent (150%) of such Base Rent ("Holdover Rent").

18. TENANT'S INSURANCE.

(a) Tenant, at its expense, shall keep, throughout the Term,

(1) Commercial General Liability insurance, with minimum limits of liability not less than \$1,000,000 per occurrence and naming Landlord as an additional insured;

(2) Property insurance (at full replacement value) on Tenant's contents, trade fixtures, equipment, furnishings, improvements and betterments wherein and with respect solely to such improvements and betterments Landlord is named as loss payee as its interests may appear;

(3) Workers Compensation insurance covering Tenant's employees in

statutory limits and Employers Liability coverage with at least the following limits, \$250,000 per accident, \$500,000 per disease and \$250,000 per disease (each employee); and

(4) Auto Liability insurance including coverage for Tenant's owned, nonowned and hired vehicles in an amount not less than \$1,000,000.

(b) With respect to Tenant's operations and obligations under this Lease all such insurance shall be considered primary coverage and not contributing with or in excess of any similar insurance maintained by Landlord. On request, Tenant shall furnish to Landlord proof of Tenant's insurance coverage then in place, in compliance with these terms and conditions, via a Memorandum of Insurance or a Certificate of Insurance.

19. LANDLORD'S INSURANCE.

(a) Landlord, at its expense, shall have in full force and effect during the Term:

(1) Commercial General Liability insurance, with minimum limits of liability not less than \$1,000,000 each occurrence and with respect to Landlord's obligations under this Lease;

(2) Property insurance (at full replacement value) on the Building and Landlord's property and equipment therein; and

(3) Workers Compensation insurance covering Landlord's employees in statutory limits and Employers Liability coverage with at least the following limits, \$250,000 per accident, \$500,000 per disease and \$250,000 per disease (each employee).

(b) With respect to Landlord's operations and obligations under this Lease all such insurance shall be considered primary coverage and not contributing with or in excess of any similar insurance maintained by Tenant. On request, Landlord shall furnish to Tenant proof of Landlord's insurance coverage then in place, in compliance with these terms and conditions, via a Memorandum of Insurance or a Certificate of Insurance.

20. INDEMNITY.

(a) Tenant shall indemnify, defend and hold Landlord, its employees and agents, and any mortgagee of the Property harmless from and against legal liability for bodily injury, death or property damage to the extent that such legal liability is caused by the negligence of the Tenant, its governors, officers, directors, employees, volunteers and agents, in the Tenant's use of the Premises during the

Term.

- (b) To the extent insured by the Landlord's insurance coverage (including coverage through the North Carolina Association of County Commissioners' Insurance Pool), Landlord shall indemnify, defend and hold Tenant, its governors, volunteers, officers, directors, employees and agents harmless from and against legal liability arising from bodily injury, death or property damage to the extent that such legal liability is caused by the negligence of the Landlord, its directors, officers, employees, agents and contractors in its ownership and operation of the Common Areas, the Building and the Land during the Term.

21. DAMAGE OR DESTRUCTION.

If the Premises or the Building are totally or partially damaged or destroyed thereby rendering the Premises totally or partially unusable for the use permitted, then Landlord and Tenant each may terminate this Lease as of the date of such damage or destruction by giving the other Legal Notice of termination within ninety (90) days after the occurrence of the damage or destruction. If this Lease is not terminated as a result of such damage or destruction, then Landlord shall promptly repair and restore the Building and Premises (other than any Alterations previously made by Tenant), at Landlord's sole cost and expense, and Base Rent and other charges due hereunder shall be reduced in proportion to the area of the Premises which, in Tenant's reasonable opinion, cannot be used or occupied by Tenant for Tenant's Use as a result of such casualty, from the date of such casualty until the date on which the Premises are restored; provided, however, Landlord is not required to repair or restore any Alterations previously made by Tenant or any of Tenant's Property. In the event that this Lease is terminated, then all Base Rent and other charges due hereunder shall be apportioned and paid to the date of the damage or destruction, and Tenant shall vacate the Premises according to such notice of termination.

22. CONDEMNATION.

If any portion of the Premises or occupancy thereof is taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the date title vests in such authority and Base Rent and all other charges shall be apportioned as of that date. All awards, damages and other compensation paid by such authority on account of such condemnation belong to Landlord, unless such award, or any portion thereof, is specifically awarded or designated to be paid to the Tenant.

23. TENANT'S DEFAULT.

- (a) An "Event of Default" by Tenant is any one or more of the following: (i) Tenant's failure to make when due any payment of the Base Rent, additional rent or other sum due hereunder, which failure continues for ten (10) days after Landlord delivers written Legal Notice Tenant; (ii) Tenant's failure to perform or observe any term, covenant or condition of this Lease, which failure continues for thirty (30) days after Landlord delivers written Legal Notice thereof to Tenant, provided, however, that such cure period shall be extended for a reasonable period of time if the failure does not raise a life/safety issue or property protection issue and Tenant commences to cure within such 30-day period and thereafter, using good faith efforts, completes such cure; or (iii) Tenant shall become subject to any bankruptcy or insolvency proceeding.
- (b) If there is an Event of Default by Tenant, Landlord has the right, at its sole option, to terminate this Lease by the giving of an additional at least ninety (90) days' prior Legal Notice of such termination to Tenant (and if Tenant fails to cure such Event of Default within such 90-day period, then this Lease shall automatically terminate and be of no further force or effect on the expiration of such 90-day period). In addition, with or without terminating this Lease, Landlord may, after receipt of an order of possession from a court of competent jurisdiction, re-enter, terminate Tenant's right of possession and take possession of the Premises. Landlord shall give such notices as are required by law. Landlord shall use reasonable efforts to relet the Premises or any part thereof, alone or together with other premises, for such term(s) (which may extend beyond the date on which the Lease Term would have expired but for Tenant's default) and on such terms and conditions (which may include concessions or free rent and alterations of the Premises) as Landlord, in its sole discretion, may determine. If Landlord relets the Premises and collects rent in excess of the Base Rent and additional rent owed by Tenant hereunder, Landlord may retain any such excess and Tenant shall not be entitled to a credit for it.
- (c) Tenant waives any right of redemption, re-entry or restoration of the operation of this Lease under any present or future law, including any such right that Tenant would otherwise have if Tenant shall be dispossessed for any cause.
- (d) Landlord waives its right to non-judicial self-help remedies, a distress action for rent and any statutory or common law landlord's lien on Tenant's property in the Premises.
- (e) Upon occurrence of a bankruptcy or insolvency of Tenant or Landlord, the non-

bankrupt party has all of the rights and remedies available under the Bankruptcy Code, to the extent applicable.

24. LANDLORD'S DEFAULT.

If Landlord fails to perform or observe any term, covenant or condition of this Lease, which failure continues for thirty (30) days after Tenant delivers Legal Notice thereof to Landlord; provided, however, that such cure period shall be extended for a reasonable period of time if the failure does not raise a life/safety issue or property protection issue and Landlord commences to cure within such 30-day period and thereafter, using good faith efforts, completes such cure (herein called an "Event of Default" by Landlord), in addition to the rights and remedies available to Tenant at law in equity, and elsewhere in this Lease, Tenant shall have the right to: (a) bring suit for the collection of any amounts for which Landlord may be in default, or for the performance of any other covenant or agreement devolving upon Landlord, without terminating this Lease; (b) terminate this Lease without waiving Tenant's rights to damages for Landlord's failure to perform any of its covenants or agreements hereunder by the giving of an additional at least ninety (90) days' prior Legal Notice of such termination to Landlord (and if Landlord fails to cure such Event of Default within such 90-day period, then this Lease shall automatically terminate and be of no further force or effect on the expiration of such 90-day period); and/or (c) cure such default for the account of Landlord, and Landlord, within ten (10) days of the receipt of a statement therefor, shall reimburse Tenant for any amount paid and any expense or contractual liability so incurred, and if no so reimbursed by Landlord, Tenant shall be entitled thereafter to offset the amounts owed by Landlord against Base Rent due hereunder until Tenant has been reimbursed in full therefor. Tenant's adherence to its agreements under this Lease is dependent on Landlord's adherence to its agreements.

25. COVENANT OF QUIET ENJOYMENT.

Landlord agrees that so long as there is no Event of Default by Tenant under this Lease, then, subject to the provisions of this Lease, Tenant will peaceably and quietly occupy and enjoy possession of the Premises without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, including, without limitation, any tenants of Landlord (inclusive of any patrons of such tenants).

26. GENERAL PROVISIONS.

- (a) Landlord represents and warrants to Tenant that, as of the Lease Commencement Date, (i) Landlord owns fee simple title to the Property, (ii)

Landlord is duly organized, validly existing and in good standing under the laws of the State described above and has all necessary power to execute this Lease and to lease the Premises, upon the terms and conditions herein set forth, (iii) this Lease constitutes the binding obligation of Landlord, (iv) the below named signatories on behalf of Landlord have the power to execute and deliver this Lease on behalf of Landlord and to bind Landlord in accordance with the terms of this Lease, (v) the heating, ventilating and air conditioning equipment and other Building Systems are in good condition and proper working order; (vi) the Property (including the Premises) and Tenant's Use are in compliance with all applicable Laws, including, without limitation, the Americans With Disabilities Act of 1990 (42 U.S.C. § 1201 et seq.), as amended and supplemented, and all Laws pertaining to the protection of health and/or the environment and (vii) there is a current certificate of occupancy in effect for the Premises. Landlord shall indemnify, defend and hold Tenant harmless from and against all suits, liabilities, obligations, damages, penalties, claims, losses, charges, expenses and costs arising out of or in connection with Landlord's breach of Landlord's foregoing representations and warranties. The provisions of this Section 26(a) shall survive the expiration or earlier termination of this Lease.

- (b) Tenant represents and warrants to Landlord that (i) Tenant is a duly organized, validly existing corporation in good standing under the laws of the United States and has all necessary power to execute this Lease and to lease the Premises without the consent of any other person or entity, (ii) this Lease constitutes the binding obligation of Tenant, and (iii) the below named signatories on behalf of Tenant have the power to execute and deliver this Lease on behalf of Tenant and to bind Tenant in accordance with the terms of this Lease.
- (c) This Lease contains the entire agreement of the parties and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties and discussions between the parties. This Lease may be changed in any manner only by an instrument signed by both parties.
- (d) Nothing contained in this Lease creates any relationship between Landlord and Tenant other than that of landlord and tenant.
- (e) Landlord and Tenant each warrants that in connection with this Lease it has not employed or dealt with any broker and/or agent.
- (f) From time to time (but no more than twice per calendar year) upon twenty (20) days' prior Legal Notice, Landlord and Tenant shall deliver to the requesting party and any designee of the requesting party a written estoppel certificate

provided that the same shall be true and correct and does not alter the rights and obligations of Landlord or Tenant.

- (g) All notices or other required communications intended to exercise a right under this Lease ("Legal Notice") must be in writing and will be deemed given only when delivered in person (with receipt), or when sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at the Landlord Address for Legal Notices, (b) if to Tenant, at the Tenant Address for Legal Notices. Landlord may, but shall not be obligated to, give notice through an attorney or other agent. Either party may change its address for the giving of notices by notice given in accordance with this Section. The parties may communicate informally by any reasonable written means, including electronic mail.
- (h) Each provision of this Lease is valid and enforceable to the fullest extent permitted by law. The obligations of the respective parties in this Lease are bilateral and dependent on the performance of the parties respectively.
- (i) The provisions of this Lease are binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting.
- (j) Landlord and its designees may enter the Premises by appointment except in the case of an emergency, to examine, inspect or protect the Premises and the Building, to make alterations or repairs, and to exhibit the Premises to prospective purchasers and lenders and, during the last six (6) months of the Term only, to prospective tenants.
- (k) This Lease is governed by the laws of the jurisdiction in which the Property is located.
- (l) This Lease may be executed in multiple counterparts, each of which is deemed an original and all of which constitute one and the same document. This Lease may be executed and delivered electronically, and electronic copies of the fully executed Lease may be treated as originals by the parties.
- (m) If either party is delayed or prevented from performing any obligation due to fire, act of God, governmental act or failure to act, labor dispute, inability to procure materials or any cause beyond such party's reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for the time necessary to compensate for the period of such delay or

prevention.

- (n) In the event it is necessary for either party to institute legal proceedings to enforce any of the terms and conditions of this Lease, the prevailing party in any such action shall be entitled to recover from the non-prevailing party a reasonable additional sum as and for attorney's fees, costs and expenses.
- (o) E-VERIFY. The Tenant shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

27. LEGAL NOTICE ADDRESSES.

Landlord's Address for "Legal Notice" is:

County of Henderson
c/o Office of the County Attorney
1 Historic Courthosue Square, Suite 5
Hendersonville, NC 28792

Tenant's Address for Legal Notice is:

Director, Lease Administration
The American National Red Cross
9450 SW Gemini Drive, #75048
Beaverton, OR 97008-7105

With an email copy to: Real.Estate@redcross.org

And for issues requiring legal notice (e.g., default), a copy to:

Office of the General Counsel
The American National Red Cross
431 18th Street, NW
Washington, DC 20006
Attention: Real Estate Counsel

And a copy (as to communications regarding maintenance and repair issues) to the Premises.

[Signature page follows.]

SIGN AND DATE BELOW

TENANT:

The American National Red Cross

Phillip E. Olsberg

Phillip E. Olsberg

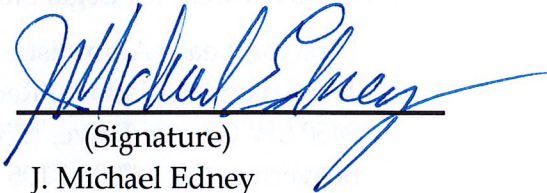
Director, Real Estate Services

January 24, 2018

LANDLORD:

County of Henderson

By:



(Signature)

Name:

J. Michael Edney

Title:

Chairman, Henderson Co.
Board of Commissioners

Phone:

828-697-4808

Fax:

828-692-9855

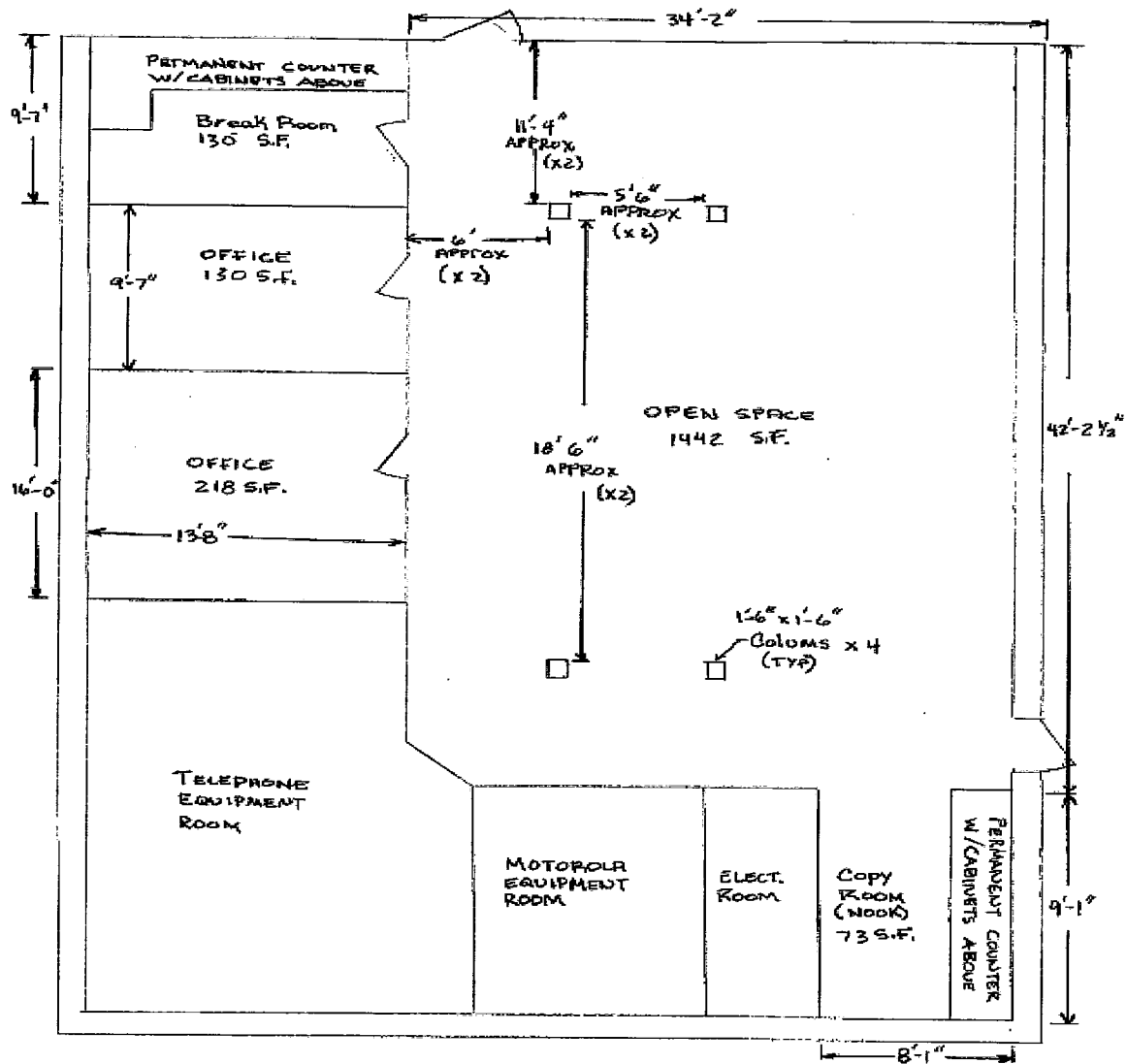
E-mail

jm.edney@hendersoncountync.org

Date:

1/17/2018

EXHIBIT A
FLOOR PLAN OF PREMISES



E911 ROOM
Not to Scale

| |
|------------------------|
| 130 S.F. (Break Room) |
| 130 S.F. (OFFICE) |
| 73 S.F. (COPY SPACE) |
| 218 S.F. (OFFICE) |
| 1442 S.F. (open space) |
| <hr/> |
| 1993 S.F. |

10/5/2017
By Natalie J. Berry

