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News Release

CENTRAL CAROLINA COMMUNITY COLLEGE

BOARD OF TRUSTEES

May 9, 2023

The Central Carolina Community College Board of Trustees met at 6 p.m. on Tuesday, May 9, 2023, at the CCCC Lee Main Campus in Sanford, N.C., and virtually.

The Trustees voted their approval of a proposed lease with Lee County for the property on which the E. Eugene Moore Manufacturing and Biotech Solutions Center is located.

The CCCC Board of Trustees will meet in retreat on Monday, May 22, 2023, at the Dennis A. Wicker Civic & Conference Center in Sanford, N.C.

Prepared by:

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Return to:

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NORTH CAROLINA

LEE COUNTY

AMENDED AND RESTATED LEASE AGREEMENT

This AMENDED AND RESTATED LEASE AGREEMENT, dated as of May 10, 2023 (the “Lease”), between the COUNTY OF LEE, NORTH CAROLINA, a body politic and corporate and a political subdivision existing under the laws of the State of North Carolina (the “County”), and THE BOARD OF TRUSTEES OF CENTRAL CAROLINA COMMUNITY COLLEGE, a body corporate existing under the laws of the State of North Carolina (the “Board of Trustees”);

WITNESSETH:

WHEREAS, the County is a body politic and corporate and a political subdivision existing under the laws of the State of North Carolina vested with the powers and authority conferred upon counties by the laws of the State of North Carolina, acting through its Board of Commissioners;

WHEREAS, the Board of Trustees is the governing board of Central Carolina Community College (“CCCC”), vested with the powers and authority conferred upon boards of trustees by the laws of the State of North Carolina, including general control and supervision of all matters pertaining to CCCC;

WHEREAS, pursuant to Section 153A-158.2 of the General Statutes of North Carolina, as the same applies to the County, the County may acquire by any lawful method the fee or any lesser interest in real or personal property for use by the Board of Trustees;

WHEREAS, pursuant to Section 153A-158.2 and Section 160A-274(b) of the General Statutes of North Carolina, as amended, the County may lease to the Board of Trustees, and the Board of Trustees may lease from the County any interest in real or personal property that the County may own upon such terms and conditions negotiated between the County and the Board of Trustees;

WHEREAS, the County has previously acquired a certain parcel of real property more fully described in Schedule I attached hereto, being an approximately 21.40-acre site and existing facilities previously owned by Magneti Marelli Power Train USA, LLC (the "Site");

WHEREAS, the County initially financed the acquisition of the Site pursuant to an Installment Financing Agreement, dated as of June 30, 2021 (the "Original Financing Agreement"), between the County and Regions Commercial Equipment Finance, LLC (the "Lender");

WHEREAS, the County's obligations under the Original Financing Agreement are secured by a Deed of Trust and Security Agreement, dated as of June 30, 2021 (the "Original Deed of Trust"), from the County to the deed of trust trustee named therein for the benefit of the Lender, granting a lien on the Site, together with all buildings, improvements and fixtures located or to be located thereon, all as more fully described in the Original Deed of Trust;

WHEREAS, the County has leased the Leased Premises (hereinafter defined) to the Board of Trustees pursuant to a Lease Agreement, date as of July 11, 2022 (the "Original Lease"), between the County and the Board of Trustees to be used for community college purposes;

WHEREAS, simultaneously with the execution and delivery of this Lease, the County is issuing its \$_____ County of Lee, North Carolina Limited Obligation Bond, Series 2023 (the "2023 Bond") pursuant to a Master Trust Agreement, dated as of May 1, 2023 (the "Master Trust Agreement"), between the County and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and a First Supplemental Trust Agreement, dated as of May 1, 2023 (the "First Supplemental Trust Agreement"), between the County and the Trustee;

WHEREAS, the County's obligations under the 2023 Bond, the Master Trust Agreement and the First Supplemental Trust Agreement will be secured by a Deed of Trust, dated as of May 1, 2023 (the "Deed of Trust"), executed and delivered by the County in favor of the Trustee, as beneficiary thereunder, granting a lien on the Leased Premises;

WHEREAS, Section 14 of the Original Lease provides that if the County enters into a new financing agreement of similar debt instrument for the purpose of refinancing its obligations under the Original Financing Agreement and/or to make further improvements to the Leased Premises, and if a lien on all or any part of the Leased Premises is required to secure such new financing, then (a) the Original Lease shall be terminated, (b) the Board of Trustees' option to purchase the Leased Property as described in Section 14 of the Original Lease shall be null and

void and (c) the County and the Board of Trustees shall negotiate and enter into a new lease relating to the Leased Premises to provide for the use of the Leased Premises during the term of such new financing;

WHEREAS, this Lease is intended to serve a replacement for the Original Lease in accordance with Section 14 of the Original Lease to reflect the terms of the new financing arrangement as described above; and

WHEREAS, the parties hereto have mutually agreed to the terms of this Lease as hereinafter set forth,

NOW THEREFORE, in consideration of the premises, the rents to be paid, the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged by the parties hereto, the County and the Board of Trustees hereby amends and restates the Original Lease as follows:

Section 1. Lease of the Leased Premises. The County hereby leases and rents to the Board of Trustees, and the Board of Trustees hereby leases and rents from the County, the Site and all buildings, improvements and fixtures thereon, save and except for that portion of the Leased Premises generally comprising the building generally known as the shipping/receiving warehouse building, together with appurtenant facilities, as more specifically described in Schedule I attached hereto (such warehouse facility being hereinafter referred to as the “Warehouse Site”), which is hereby expressly reserved for use by the County (the Site, less and except the Warehouse Site, being hereinafter collectively referred to as the “Leased Premises”), together with all right, title and interest, if any, of the County in and to easements, rights-of-way, streets, alleys, passages, water rights, waters, water courses, water privileges, tenements, hereditaments, appurtenances and all other rights, whatsoever, now or hereafter in any way belonging, relating or appertaining to the Leased Premises, and all rights, title, and interest, if any, of the County, in and to the land lying in the streets, roads or avenues, open or proposed, in front of, adjoining or servicing the Leased Premises.

Section 2. Term of Lease. The term of this Lease (the “Term”) shall commence on May 10, 2023, and shall terminate, subject to prior termination as hereinafter provided, on July 31, 2062. Notwithstanding the foregoing, (a) this Lease may be terminated earlier by mutual agreement of both parties on or after the date that all payments under the 2023 Bond (and any additional Bonds issued under the Master Trust Agreement), the Master Trust Agreement, any Supplemental Trust Agreement (as defined in the Master Trust Agreement) and the Deed of Trust (collectively, the “Bond Documents”) are paid or duly provided for as set forth in the Bond Documents and (b) this Lease shall be automatically terminated upon the transfer of the fee title to the Leased Premises by foreclosure or by a deed in lieu of foreclosure under the terms of the Deed of Trust (such transfer of title described in (b) being hereinafter referred to as a “Foreclosure”).

Section 3. Rental. The annual rental for each year of the Term shall be one dollar (\$1.00) payable in advance on the date of delivery hereof and thereafter on August 1 each year. The County hereby acknowledges receipt of the annual rent for the first year of the Term.

Section 4. Quiet Enjoyment. The County hereby covenants that the Board of Trustees shall, during the Term of this Lease, peaceably and quietly have and hold and enjoy the Leased Premises without suit, trouble or hindrance from the County, except as expressly required or permitted by this Lease (specifically including the rights of the beneficiary under the Deed of Trust). The County shall not interfere with the quiet use and enjoyment of the Leased Premises during the Term of this Lease. The County shall, at the request of the Board of Trustees and at the cost of the County, join and cooperate fully in any legal action in which the Board of Trustees asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Premises. In addition, the Board of Trustees may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Premises, and shall be joined (to the extent legally possible, and at the expense of the Board of Trustees) in any action affecting its liabilities hereunder. The provisions of this Section shall be subject to rights to inspect the Leased Premises granted to parties under Section 9 hereof.

Section 5. Use and Maintenance of Leased Premises. During the Term, the Leased Premises shall be used solely for the accomplishment of public purposes and, in particular, the administration and operation of CCC or any other community college-related purpose (including use by any other person or entity for the purpose of providing workforce training and similar uses for students). The Board of Trustees shall use, or cause to be used, the Leased Premises in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole cost and expense, shall service, repair and maintain the Leased Premises so as to keep it in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Leased Premises as may from time to time become worn out, lost, stolen, destroyed or damaged or unfit for use. The Board of Trustees hereby further agrees not to take or omit to take any action with respect to the Leased Premises which would cause the County to be in default of its obligations under the Bond Documents.

Section 6. Utilities. The Board of Trustees shall pay or cause to be paid all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility service furnished to or used on or in connection with the Leased Premises.

Section 7. Insurance. If so requested by the County, the Board of Trustees shall procure and maintain throughout the term of this Lease such fire, casualty, public liability, property damage and theft insurance as required by law and/or by Article VI of the Master Trust Agreement, and the County and the Trustee shall be named as a mortgagee/loss payee or additional insured with respect to all such insurance (to the extent provided in the Master Trust Agreement with respect to the Trustee). The policies of insurance required by Article VI of the Master Trust Agreement shall contain such endorsements as may be required by the Trustee. The Board of Trustees shall cooperate fully with the County in filing any proof of loss with respect to such insurance policies. In no event shall the Board of Trustees voluntarily settle, or consent to the settlement of, any proceedings arising out of any insurance claim with respect to the Leased Premises without the prior written consent of the County.

The Board of Trustees hereby agrees that the net proceeds of such insurance shall be applied in accordance with the provisions of Section 507 of the Master Trust Agreement.

Section 8. Installation of Additional Improvements. The Board of Trustees may at any time and from time to time, in its sole discretion and at its own expense, construct real property improvements and install items of equipment or other personal property in or upon any portion of the Site that do not materially impair the effective use, nor materially decrease the value, of the Leased Premises. All such items shall be subject to the lien of the Deed of Trust. The Board of Trustees shall repair and restore any and all damage resulting from the construction, installation, modification or removal of any such items of equipment.

Section 9. Access to the Leased Premises. The Board of Trustees agrees that the County and the Trustee, and their respective representative and agents, shall have the right at all reasonable times to enter upon the Leased Premises or any portion thereof to examine and inspect the Leased Premises. The Board of Trustees further agrees that the County and the Trustee, and their respective representative and agents, shall have such rights of access to the Leased Premises as may be reasonably necessary to cause the proper maintenance of the Leased Premises in the event of failure by the Board of Trustees to perform its obligations hereunder.

Section 10. Liens. Except for permitted encumbrances acceptable to the County, the Board of Trustees shall not create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claims on or with respect to the Leased Premises. The Board of Trustees shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The Board of Trustees hereby agrees, to the extent permitted by law, to reimburse the County for any expense incurred by either of them in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which the Board of Trustees is responsible.

Section 11. Indemnification of the County. To the extent permitted by law, the Board of Trustees covenants to defend, indemnify and hold harmless the County against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, to which such indemnified party may become subject under any statute or at law or in equity or otherwise in connection with the failure by the Board of Trustees to comply with covenants set forth in this Lease and shall reimburse any such indemnified party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the failure by the Board of Trustees to comply with covenants set forth in this Lease; provided, however, that the Board of Trustees shall not be obligated to indemnify the County for any liability arising from any act of negligence or willful misconduct on the part of the County or any of its agents, officers or employees.

As between the Board of Trustees and the County, the covenant of the Board of Trustees in this Section is unconditional and absolute except to the extent that it may not be permitted by law. As between the Board of Trustees and any third-party, the Board of Trustees hereby reserves the right and defense of sovereign immunity.

Section 12. General Tax Covenant. The Board of Trustees covenants that it will not use nor permit the use of the Leased Premises in any manner that the Board of Trustees is advised by the County might result in the 2023 Bond or any additional Bonds issued under the Master Trust

Agreement to be a “private activity bond” within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, to the extent that such requirements thereof are, at the time, applicable and in effect, or that would otherwise cause the interest payable on the 2023 Bond or any such additional Bonds to be included in the gross income of the recipient thereof for federal income tax purposes.

Section 13. Assignment by the Board of Trustees. The Board of Trustees shall not assign its rights under this Lease to any other person, firm or corporation without the prior written consent of the County.

Section 14. [Reserved].

Section 15. Recording. The Board of Trustees and the County agree that this Lease or a memorandum of this Lease may be recorded in the office of the Lee County Register of Deeds; provided, however, that the recordation of this Lease or a memorandum of this Lease shall be subsequent to the recordation of the Deed of Trust in the office of the Lee County Register of Deeds.

Section 16. Hazardous Materials. The Board of Trustees, its successors and assigns represents, warrants and agrees that (a) the Leased Premises shall not be used to generate, manufacture, transport, treat, store, handle, dispose of, or process Hazardous Materials except in accordance with all applicable Environmental Laws (as such terms are defined in the Deed of Trust); (b) the Board of Trustees shall not cause or permit the improper installation of Hazardous Materials on the Leased Premises or a release of Hazardous Materials on the Leased Premises; (c) the Board of Trustees shall at all times comply with and ensure compliance by all other parties with all applicable Environmental Laws relating to or affecting the Leased Premises and shall keep the Leased Premises free and clear of any liens imposed pursuant to any applicable Environmental Laws; (d) the Board of Trustees shall at all times obtain and/or maintain all licenses, permits, and/or other governmental or regulatory actions necessary to comply with Environmental Laws with respect to the Leased Premises (the “Permits”), and the Board of Trustees will comply with the terms and provisions of the Permits; (e) the Board of Trustees shall immediately give the County oral and written notice in the event that the Board of Trustees receives any notice from any governmental agency, entity, or any other party with regard to Hazardous Materials on, from or affecting the Leased Premises and shall conduct and complete all investigations, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Leased Premises in accordance with all applicable Environmental Laws. To the extent permitted by law, the Board of Trustees hereby agrees to indemnify the County and hold it harmless from and against any and all losses, liabilities, damages, injuries (including, without limitation, reasonable attorneys’ fees) and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against the County for, with respect to, or as a direct or indirect result of (a) the presence on, or under, or the escape, spillage, emission or release from the Leased Premises of any Hazardous Material regardless of whether or not caused by or within the control of the Board of Trustees, (b) the violation of any Environmental Laws relating to or affecting the Leased Premises, whether or not caused by or within the control of the Board of Trustees, (c) the failure by the Board of Trustees to comply fully with the terms and provisions of this paragraph, or (d) any warranty or representation made by the Board of Trustees in this paragraph being false or untrue in any

material respect; provided, however, that the Board of Trustees shall not be obligated to indemnify the County for any liability arising from any act of negligence or willful misconduct on the part of the County or any of its agents, officers or employees.

Notwithstanding the foregoing provisions, the County and the Board of Trustees acknowledge the known existing hazardous conditions affecting the Leased Premises, and the County and the Board of Trustees acknowledge and agree that the County shall remain responsible for the remediation thereof as previously agreed to between the parties.

As between the Board of Trustees and the County, the covenant of the Board of Trustees in this section, except to the extent permitted by law, is unconditional and absolute. As between the Board of Trustees and any third-party, the Board of Trustees, to the extent permitted by law, hereby reserves the right and defense of sovereign immunity.

Section 17. Priority of Deed of Trust. Notwithstanding any other provisions to the contrary herein, the County and the Board of Trustees hereby expressly acknowledge that this Lease is junior and subordinate in all respects to the rights of the Trustee (and its successors and assigns), as beneficiary under the Deed of Trust, and the County and the Board of Trustees shall cooperate with the Deed of Trust trustee and the Trustee, or their respective successors and assigns, in such manner as shall be necessary to assure that the Trustee, or its successors and assigns, enjoy the full benefits of the rights granted under the Deed of Trust.

Section 18. Events of Default. Each of the following events shall be an “Event of Default” under this Lease:

- (a) the failure of the Board of Trustees to make any payments hereunder when due;
- (b) the failure of the Board of Trustees to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Board of Trustees by the County, unless the County shall agree in writing to an extension of such time prior to its expiration; or
- (c) the dissolution or liquidation of the Board of Trustees or the voluntary initiation by the Board of Trustees of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Board of Trustees of any such proceeding which shall remain undismissed for sixty (60) days, or the entry by the Board of Trustees into an agreement of composition with creditors or the failure of the Board of Trustees generally to pay its debts as they become due.

Section 19. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the County may take one or any combination of the following remedial steps:

- (a) terminate this Lease, evict the Board of Trustees (including any sublessee or other user of the Leased Premises) from the Leased Premises or any portion thereof and re-lease the Leased Premises or any portion thereof;

(b) have reasonable access to and inspect, examine and make copies of the Board of the books, records and accounts of the Board of Trustees during regular business hours if reasonably necessary in the County's opinion; or

(c) take whatever action at law or in equity may appear necessary or desirable, including the appointment of a receiver, to collect the amounts then due, or to enforce performance and observance of any obligation, agreement or covenant of the Board of Trustees under this Lease.

No remedy herein conferred upon or reserved to the County is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right and power may be exercised from time to time as may be deemed expedient. In order to entitle the County to exercise any remedy reserved in this Section, it shall not be necessary to give any notice other than such notice as may be required in this Section.

If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 20. Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. The Board of Trustees and County agree, to the extent permitted by law, that in the case of a termination of this Lease by reason of an Event of Default, neither the Board of Trustees nor the County nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of any remedy provided hereunder; and the Board of Trustees and the County, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of such laws.

Section 21. Miscellaneous. (a) If any term or provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby.

(b) The headings in this Lease are for purposes of reference only and shall not limit or define the meaning hereof.

(c) Subject to express provisions hereof to the contrary, this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns during the Term hereof and during any extensions or renewals of said Term.

IN WITNESS WHEREOF, the parties hereto have executed and attested this Agreement by their duly authorized representatives as of the day and year first written above.

COUNTY OF LEE, NORTH CAROLINA

[SEAL]

By: _____
Chair of the Board of Commissioners

Attest:

Clerk to the Board of Commissioners

THE BOARD OF TRUSTEES OF CENTRAL
CAROLINA COMMUNITY COLLEGE

[SEAL]

By: _____
Chairman

Attest:

Secretary

ACKNOWLEDGEMENT FOR COUNTY

STATE OF NORTH CAROLINA

COUNTY OF LEE

I, the undersigned, a Notary Public in and for the said County and State, do hereby certify that Hailey Hall, who, being by me duly sworn, says that she is the Clerk to the Board of Commissioners for the County of Lee, North Carolina and by authority duly given and as the act of said County, the foregoing instrument was signed in its name by Kirk D. Smith, as Chair of said Board of Commissioners, sealed with its seal, and attested by herself as the Clerk to said Board of Commissioners.

WITNESS my hand and notarial seal this ____ day of May, 2023.

[NOTARIAL SEAL]

Notary Public

Printed Name: _____

My commission expires:

ACKNOWLEDGEMENT FOR THE BOARD OF TRUSTEES

STATE OF NORTH CAROLINA

COUNTY OF LEE

I, the undersigned, a Notary Public in and for the said County and State, do hereby certify that _____, who, being by me duly sworn, says that he(she) is the Secretary of The Board of Trustees of Central Carolina Community College and by authority duly given and as the act of said Board of Trustees, the foregoing instrument was signed in its name by _____, as Chairman of said Board of Trustees, sealed with its seal, and attested by himself(herself) as the Secretary to said Board of Trustees.

WITNESS my hand and notarial seal this ____ day of May, 2023.

[NOTARIAL SEAL]

Notary Public

Printed Name: _____

My commission expires:

SCHEDULE I

LEGAL DESCRIPTION OF THE SITE

Being all of Tract 1, containing 21.40 acres, more or less, as shown on the survey entitled "Recombination Survey for Magneti Marelli, U.S.A., Inc. (Owner)" by Timmons Group, dated May 12, 2021, and recorded in Plat Cabinet 2021, Slide 110, Lee County Registry.

LESS AND EXCEPT that certain portion of the property depicted on Schedule IA attached hereto as the Warehouse Site, together with non-exclusive rights of ingress and egress over all current roads providing access to the Warehouse Site from Nash Street, and from Nash Street to the Warehouse Site (as such current roads are depicted on Schedule IA), together with any and all utility easements currently serving the Warehouse Site or any future utility easements needed for the Warehouse Site, along with a right to maintain and repair such access and utility easements.

SCHEDULE IA

[Attach map or drawing delineating Warehouse Site from Leased Premises]