

CITY OF DURHAM / NCDOT LEASE AGREEMENT  
(Walker Warehouse Building Parking Lot Lease)

THIS LEASE AGREEMENT ("Agreement"), made and entered into on the last day executed below, by and between City of Durham, a municipal corporation organized under the laws of the State of North Carolina ("Lessor"), and the North Carolina Department of Transportation, an agency of the State of North Carolina ("Lessee"), whose main office is located at 1 South Wilmington Street, Raleigh, NC 27601.

WHEREAS, Lessor owns a tract of land ("Lessor's Property"), located in Durham, Durham County, North Carolina, more particularly described as "Lot U-1" on map entitled "Acquisition Survey – Property of the Redevelopment Commission of the City of Durham Project 26", dated November 1973 and prepared by George C. Love Registered Land Surveyor, and as shown on Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, Lessee desires to lease the above referenced property for vehicle parking purposes;

WHEREAS, Lessor is willing to allow Lessee to use Lessor's Land for such purposes on the terms and conditions contained herein;

NOW THEREFORE, for and in consideration of the foregoing promises, the mutual covenants and agreements set forth herein, and other good and valuable consideration, all of which each party respectively agrees constitutes sufficient consideration received at or before the execution hereof, the parties agree as follows:

1. Lessor hereby grants to Lessee a leasehold interest for the purpose of operating a parking lot on the property identified above to be used by Lessee, and National Railroad Passenger Corporation, as Tenants of the adjacent Walker Warehouse Building located at 601 West Main Street, Durham, NC, (hereinafter referred to as "Tenant").
2. Lessor shall remove all materials and debris from the site, which were located at the site as of the date of this Agreement, at no cost to Lessee.
3. Lessee shall maintain the property in good condition, including the removal of all debris during the term of the lease. Lessee shall have the right to make improvements at no expense to Lessor to secure the parking lots as necessary for the operation of a commercial parking lot and for no other purposes. Said improvements shall include grading, constructing, paving and lighting Lessor's Property in accordance with a site plan approved by the City-County Planning Design Review Board. Upon expiration of the Lease such improvements will become the property of the Lessor.
4. Lessee agrees to comply with all applicable laws, ordinance, codes, and any other legal requirements, including environmental and property maintenance requirements, pertaining to Lessor's Property during the lease period. Should Lessee, the Tenant, or the agents or employees of Lessee or Tenant violate any of such requirements during the effective period of this lease, Lessee agrees to take all actions necessary to bring Lessor's property into compliance within seven days

after notice by Lessor. If noncompliance with the requirements imposed by this paragraph is due to the act or omission of a party other than Lessee, its agents or employees, Lessee shall notify Lessor within ten (10) days of such noncompliance including all related documentation pursuant to paragraph 7 below.

To the maximum extent allowed by North Carolina law, Lessee shall indemnify and save harmless Lessor from and against all injuries, costs, expenses, losses, penalties, and fines that are directly and solely due to the use of the Lessor's Property by Lessee, Tenant or the agents or employees of Lessee or Tenant if the injury, cost, expense, loss, penalty, or fine is directly and solely caused by an act or omission of Lessee, Tenant, or the employees or agents of Lessee or Tenant.

5. Term: The lease shall become effective on September 1, 2008, and shall continue for a period of seven years; thereafter, the lease may be renewed for additional seven-year terms by the mutual consent of the parties hereto.
6. Payment terms shall be as follows: Lessee shall deduct \$14,400.00 from each annual invoice of Lessor's 25% share of Lessee's annual fee for Lessee's lease of the Walker Warehouse Building, 601 West Main Street, Durham, NC., as per the terms of that certain Reimbursement Agreement dated May 13, 2008, a copy of which is attached as Exhibit B and incorporated herein by reference.
7. Notice: Any notice, request, or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand; courier or overnight courier; or mailed by United States registered or certified mail, return receipt requested, postage prepaid and addressed to each party at its address as set forth below.

To Lessor Mailing Address:

City of Durham  
Attention: General Services, Real Estate Division  
101 City Hall Plaza  
Durham NC 27701  
Phone: 919-560-4197

Copy to:

City of Durham  
Attention: Transportation Division  
101 City Hall Plaza  
Durham NC 27701  
Phone: 919-560-4326

To Lessee:

North Carolina Department of Transportation - Rail Division  
1553 Mail Service Center  
Raleigh, North Carolina 27699-1553  
Attention: H. Allan Paul, Director - Operations & Facilities  
Phone: 919-733-7245, ext. 246

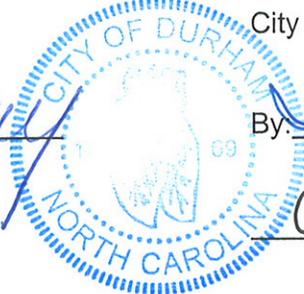
To Lessee Physical Address:  
1 S Wilmington Street  
Raleigh NC 27601

Notice shall be deemed given upon the date of actual receipt. Either party may designate a change of address by written notice to the other and such notice shall be deemed effective ten (10) days after it is received by the other party.

8. Governing Laws: This Agreement shall be governed by and construed under the laws of the State of North Carolina.
9. Lessee may not assign or sublease Lessor's Property without prior approval of Lessor, which shall not be withheld unreasonably.
10. Lessor reserves the right to enter on Lessor's Property at reasonable times to inspect Lessor's Property.
11. Surrender of the Premises: At the end of this Lease, all improvements to Lessor's Property made by the Lessee shall become the property of the Lessor. No compensation shall be payable to the Lessee for any such improvements.

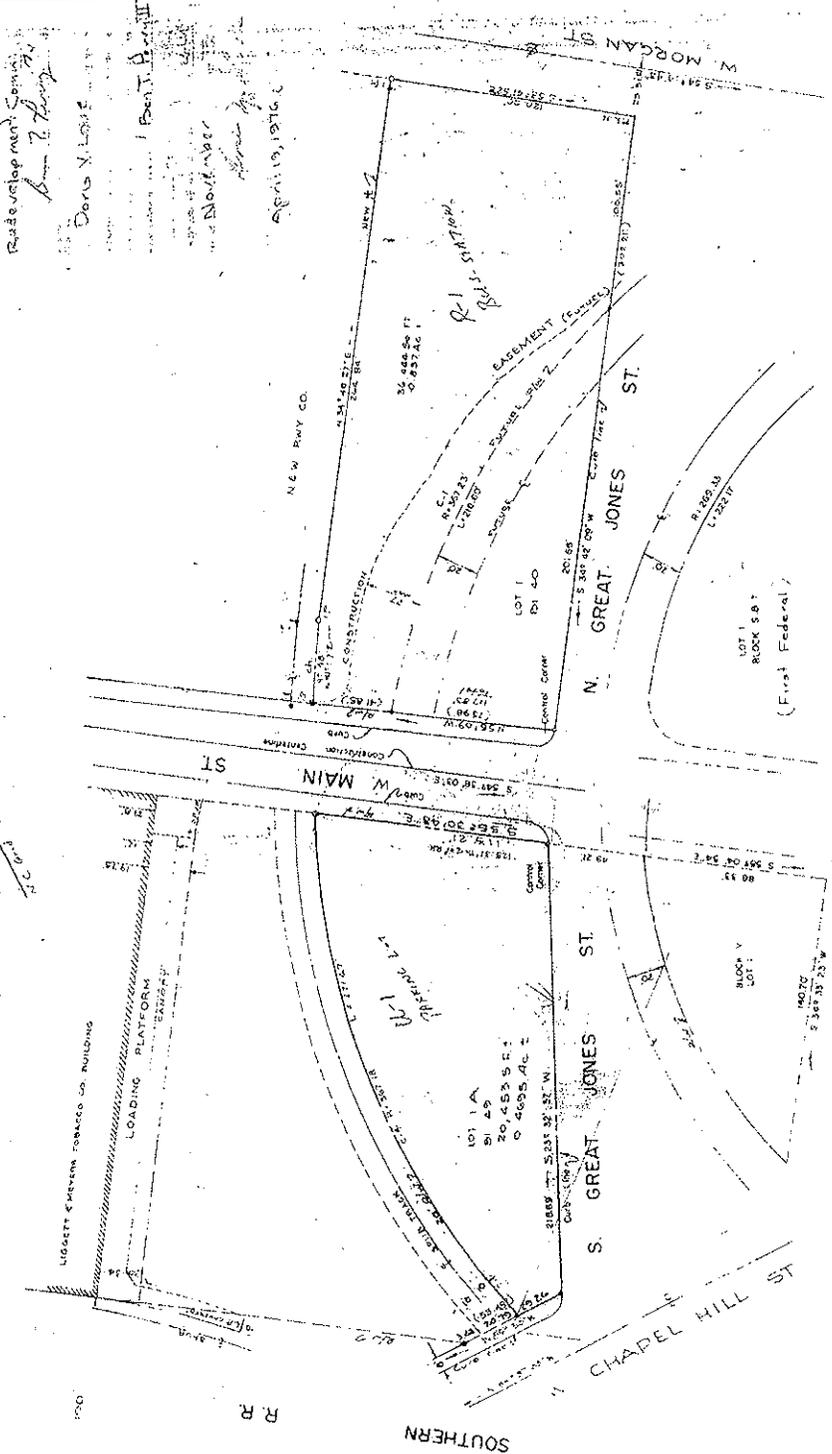
IN WITNESS THEREOF, the undersigned have executed and delivered this Agreement under seal as of the day and year first above written.

*[Signature]*  
Attest

 City of Durham  
By: *[Signature]*  
Name  
City Manager  
Title  
10/15/08  
Date

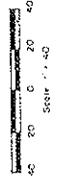
*[Signature]*  
Attest

North Carolina Department of Transportation  
an agency of the State of North Carolina  
By: *[Signature]*  
Name  
Director Rail Division  
Title  
10.27.8  
Date



ACQUISITION SURVEY

PROPERTY OF THE REDEVELOPMENT COMMISSION OF THE CITY OF DURHAM  
 PROJECT 26-21761  
 BL 40 LOT 14 BL 49 LOT 1A  
 DURHAM T.S. DURHAM CO. DURHAM, NORTH CAROLINA  
 SCALE 1" = 40'  
 NOV 1973  
 GEORGE T. LOVE JR. REG. LAND SURVEYOR NO. 555  
 LEG. NO. 8720 1968



LINE	DESCRIPTION	Setback line	Dimension line
1	BL 40 LOT 14	20.75	20.75
2	BL 49 LOT 1A	20.75	20.75

LOT SWFT. ACRES: LAND USE  
 40 1 20.453 0.471 street  
 49 1 20.453 0.471 street

RECORDED IN BOOK PAGE  
 1973 NOV 1973 1973

C	U	CH	OR	BRG
1	20,453	20,453	20,453	20,453
2	20,453	20,453	20,453	20,453
3	20,453	20,453	20,453	20,453
4	20,453	20,453	20,453	20,453

SLC 2-8-74

VICINITY MAP

