
STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF CHATHAM

THIS AGREEMENT, made and entered into this 14th day of DECEMBER, 2007, by and between CHATHAM OUTREACH ALLIANCE, INC., a North Carolina non-profit corporation whose mailing address is 40 Camp Street, Pittsboro, North Carolina 27312, and CHATHAM COUNTY, NC, a body politic and corporate of the State of North Carolina, whose mailing address is Post Office Box 1809, Pittsboro, North Carolina 27312.

WITNESSETH:

That in consideration of the premises, the mutual covenant set forth below and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree, covenant and bind themselves as follows:

Section I.

1. Definitions. The following terms shall have these meanings:
 - A. "Lessee" shall mean Chatham Outreach Alliance, Inc.
 - B. "Lessor" shall mean Chatham County, NC.
 - C. "Premises" shall mean the office building and lot located at 40 Camp Street, Pittsboro, NC, consisting of approximately 1,700 square feet of office space, together with access driveway and parking area.
2. Construction. All other words and terms shall be construed in accordance with their ordinary and accepted meanings or trade usages, if appropriate, unless the context requires another meaning.

Section II.

1. Conveyance. Lessor hereby assigns, conveys, leases and Lessee hereby accepts a leasehold interest in the premises subject to the terms, conditions, and covenants set forth herein. Lessee, being subject to all of the terms and covenants of this Lease, on Lessee's part to be kept, observed, and performed, shall quietly have and enjoy the leased premises during the term of this Lease without hindrance or molestation by any person. Lessor for itself, its successors and assigns, agrees that Lessee, its successors, and assigns, shall have continuous, peaceful, uninterrupted and exclusive possession and quiet enjoyment of the entire premises during the term of this Lease. The Lessor covenants that at the time of the execution of this lease, Lessor has full right to lease the demised premises for the term aforesaid, and will put Lessee in actual possession of the premises herein before provided

2. Term. The terms of this lease shall be for five (5) years beginning November 1, 2007 and ending at midnight, October 31, 2012. At the expiration of the 5 year lease term, Lessee

shall promptly vacate the Premises. Lessee expressly acknowledges that Lessor will not entertain offers or options to renew the Lease.

3. Assignment and Subletting. Lessee shall not assign any rights under this agreement or sublet any portion of said premises.

4. Rent. Lessee shall not be required to pay rent to Lessor; provided, that Lessee shall: 1). vacate the Premises promptly upon the expiration of this Lease on October 31, 2012, or at such earlier time as Lessee shall choose; 2). abide by all of the terms and conditions of this Lease; 3). keep the Premises in clean and usable condition during the term of the Lease; and 4). pay for its own telephone and/or internet services.

5. Repair, Maintenance and Alterations. Lessee has inspected the premises, and the premises are now in habitable condition. Lessee shall not repair, or change the premises without the consent of Lessor. All alterations, improvements, and changes that Lessee may desire shall be done either by or under the direction of the Lessor. All damage or injury done to the premises by Lessee or any person who maybe in or on the premises with the consent of Lessee shall be paid for by Lessee. Lessee shall, at the termination of this lease, surrender the premises to Lessor in as good condition as at the beginning of this lease, reasonable wear and tear excepted. Lessor shall be responsible for making all repairs and for performing routine maintenance. Lessee shall permit Lessor and his agents to enter the premises at all reasonable times to inspect the premises, maintain the building and premises, make repairs, alterations, or additions to the premises, or any portion of the building when said repairs, alterations or additions have been requested by Lessee without any rebate of rent.

6. Utilities and Service Charges. Lessor shall pay for all utilities and service charges incurred in connection with its use of the premises, including, but not limited to, charges for water, sewer, gas, and electricity. Thereafter, Lessor shall pay the monthly charges for water/sewer, garbage, electricity and/or natural gas. Lessee agrees that it shall use best efforts to conserve its consumption of these services and to avoid incurring large utility bills, as the Lessor has no control over the use and consumption of these utilities.

7. Insurance. The Lessor shall place the physical structure of the Premises on its blanket County insurance policy covering loss or damage to the exterior of the building. The Lessee is strongly encouraged to acquire insurance covering the contents inside the Premises such as personal property, and to acquire a general liability insurance policy to protect against personal injury or loss. It is expressly acknowledged that the Lessor shall not be covering the Lessee's contents or any personal injury or liability occurring inside the Premises.

8. Compliance with Laws. The Lessee agrees to use the premises in accordance with all existing state laws and in conformity with all city and county building codes, ordinances and zoning laws. Lessor covenants that there is no zoning law or other governmental directive prohibiting or restricting the use of the premises for the intended purposes.

Section III.

1. Rights Upon Default. In the event that the leased property shall be vacated, or if Lessee damages the premises, or commits any unlawful act, or if there shall be default in the performance of any covenant, agreement, or condition herein contained for more than twenty (20) days after written notice of such default by the Lessor, this lease, if Lessor so elects, shall

thereupon become null and void, and the Lessor shall have the right to re-enter or repossess the leased property, in any manner provided by law.

2. Termination. In the event that Lessor defaults in the performance of any covenant, agreement or condition herein contained for more than twenty (20) days after written notice by Lessee of such default, Lessee may elect to terminate this lease immediately without any further liability to Lessor.

Section IV.

1. Miscellaneous.

A. Notice. All notices required or permitted in this agreement shall be deemed sufficiently given when made in writing and deposited in the United States mail with first class postage prepaid and addressed to the parties at the following address:

Lessor: County Manager, P.O. Box 1809, Pittsboro, NC 27312
Lessee: Chatham Outreach Alliance, Inc., 40 Camp Street, Pittsboro, NC
27312

B. Waiver. No term, condition, or covenant of this agreement shall be deemed waived by any act, omission or forbearance, or any series of the same, on the part of either Lessor or Lessee, the only waivers that shall be effective hereunder shall be those which are in writing and signed by the parties to be charged. No prior notice of non-waiver need to be given either party who has previously forborne from exercising a right hereunder.

C. Amendment. Modification and Release. This agreement shall not be amended or modified, nor shall any rights created or conferred hereunder be released, except by a writing by the party to be charged.

D. Governing Law. The legal effect and consequences of this agreement shall be determined under the laws of the State of North Carolina.

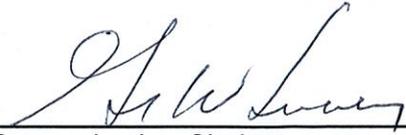
E. Complete and Exclusive Agreement. Lessor and Lessee agree and understand that all prior negotiations, representations, understandings, and agreements are merged into and do not survive the execution of this agreement as the sole, complete and exclusive statement of the terms of the parties agreement, that no other negotiations, representations, understandings, or agreements exist, except as may appear herein.

F. Severability. If any provisions of this agreement be declared unconstitutional, void or unenforceable, such provision shall be severed from this agreement and the surviving terms, conditions and obligations shall continue in full force and effect; provided however, that is the severed portion is a material term, this agreement shall terminate.

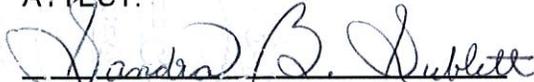
G. Use. Lessee shall have the right to use the premises as an office building for operation if any type of office as an office building for operation of any type of office permitted under the laws of North Carolina.

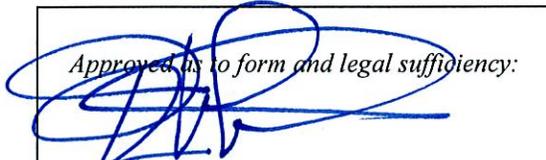
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names all as of the day and year first above written.

CHATHAM COUNTY, NC, a body politic and corporate

BY: 
George Lucier, Chairman
Chatham County Board of Commissioners

ATTEST:

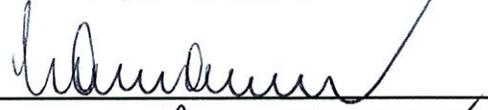

Sandra B. Sublett, Clerk to the Board

Approved by to form and legal sufficiency:

Kevin W. Whiteheart, County Attorney

This Instrument has been audited in the manner prescribed by the Local Government Fiscal Budget Act.

Vicki McConnell, Finance Officer

CHATHAM OUTREACH ALLIANCE, INC., a North Carolina non-profit corporation

By:  (SEAL)
Leo Koobman, President
(print name & title)

ATTEST:


Lynette W Bracey, Party Mgr
print name & title)