GROUND LEASE

This Ground Lease ("Lease") is entered into as of the "Effective Date" (as defined in <u>Section 2418</u>) by and between Town of Nags Head ("Landlord") and Carolina Telephone and Telegraph Company LLC d/b/a CenturyLink ("Tenant"). Landlord and Tenant may sometimes be referred to in this Lease individually as a "party" or collectively as the "parties."

BACKGROUND:

Landlord owns certain real property located at 104 E Gull Street, Nags Head, NC 27959 ("Land"). Tenant desires to lease a portion of the Land from Landlord for placing and maintaining certain equipment and facilities. Landlord is willing to lease a portion of the Land to Tenant upon the terms and conditions set forth in this Lease.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, Landlord and Tenant agree as follows:

- 1. <u>Lease of Premises</u>. Subject to the terms and conditions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord a portion of the Land ("Premises"), the Premises being described on <u>Exhibit A</u> attached to and incorporated by reference into this Lease.
- 2. <u>Access</u>. Tenant will have access to the Premises 24 hours per day, 7 days per week. If it is not possible for Tenant to access the Premises without crossing over portions of the Land that are outside of the Premises, then if applicable, Landlord grants to Tenant during the "Term" (as defined in <u>Section 4</u>) the right to cross over any portion of the Land so that Tenant may access the Premises to exercise its rights under this Lease. <u>Unless otherwise agreed to in writing by Landlord, the point at which Tenant may cross over a portion of the Land to access the Premises shall be limited to the area labeled "Access" on Exhibit A.</u>
- 3. Permitted Use. Tenant must use the Premises for the purpose of Tenant installing, constructing, operating, maintaining, expanding, replacing and removing on the Premises a communication system that Tenant may from time to time require, consisting of but not limited to underground cables, wires, conduits, manholes, drains, splicing boxes, surface location markers, equipment cabinets and associated wooden or concrete pads, aerial lines or cables, a cellular towers, poles, buildings and other facilities or structures as are reasonably necessary for Tenant to exercise the rights granted to it in this Lease (collectively, "Facilities") ("Permitted Use"). Tenant may not use the Premises for any purpose other than the Permitted Use without obtaining Landlord's prior written consent, which consent may be withheld by Landlord in its sole discretion.
- 4. **Term**. The term of this Lease will begin on the Effective Date and continue for a period of 5 years from the Effective Date ("Initial Term), and thereafter will automatically renew for 2 successive periods of 5 years each (each 5 year period, a "Renewal Term") upon the same terms and conditions, <u>andexcept that</u> "Annual Rent" (as defined in <u>Section 5</u>) <u>shall increase during the Lease for each Renewal</u> Term <u>will be</u> as set forth in <u>Section 5</u>. Landlord <u>orand</u> Tenant may terminate this Lease at the end of the Initial Term or any Renewal Term by providing notice of termination at least 1 year prior to the end of the Initial Term or relevant Renewal Term. The use of the word "Term" in this Lease means the Initial Term as extended by any Renewal Term.

- 5. Annual Rent. Tenant will pay to Landlord an annual amount of money as rent for the use of the Premises ("Annual Rent"). During the first 12 month period of the Lease Term, Annual Rent will be \$11,226.23, and for each 12 month period of the Lease Term thereafter, Annual Rent will increase by an amount that is 5% greater than the amount of Annual Rent due and payable for the immediately preceding 12 month period.
- 5.1 Annual Rent will be due and payable in advance without any prior demand or set-off. The first payment of Annual Rent will be due and payable within 30 days of the <u>Eeffective Delate</u>. Each subsequent payment of Annual Rent will be due and payable on the anniversary of the Effective Date.
- 5.2 Tenant will make all payments of Annual Rent (or any other payments Tenant is required to make to Landlord under this Lease) payable to Landlord and deliver the same in the manner for giving notice prescribed in <u>Section 21+5.+</u>, or by regular United States first class mail, postage prepaid, to Landlord at the following address:

Town of Nags Head Attn: Finance Officer P.O. Box 99 Nags Head, NC 27959

Landlord will give notice to Tenant of any change in this payment address in the manner for giving notice prescribed in <u>Section 2115.1</u>.

- 6. Applicable Law. This Lease will be governed, construed and interpreted in accordance with the laws of the State of North Carolina without regard to its conflict of laws principles, and is also subject to all other applicable laws, ordinances, requirements, codes, orders, decisions, rules and regulations of applicable state, municipal, county, federal or other governmental authorities (collectively, "Applicable Laws"). Tenant will comply with and observe all Applicable Laws relating to Tenant's Permitted Use, its duties and obligations under this Lease and its exercise of its rights and obligations under this Lease. Tenant will indemnify, hold harmless and defend Landlord from and against any and all claims, suits, actions, damages, penalties, loses, liabilities, costs, expenses and fees (including reasonable attorneys' fees) (collectively, "Damages") arising from or related to Tenant's failure to comply with and observe any Applicable Laws.
- 7. **Authorization.** If applicable, Tenant is solely responsible for obtaining all necessary licenses, authorizations, permits and consents from any governmental authority as may be required so that Tenant can engage in the Permitted Use and otherwise exercise its rights under this Lease (collectively, "Authorization"). Landlord will not be liable to Tenant for any failure of Tenant to obtain any Authorization, or any revocation, expiration or termination of any Authorization. Tenant will indemnify, hold harmless and defend Landlord from and against any and all Damages for a claim against Landlord arising from or related to Tenant's failure to obtain an Authorization or a revocation, expiration or termination of an Authorization.

86. **Indemnification, Hold Harmless and Duty to Defend.**

8.1 Landlord will not be liable to Tenant for any Damages in connection with the loss of life, bodily injury or damage to property (including but not limited to any motor vehicles or their contents) arising from or out of Tenant's exercise of the rights granted to it under this Lease, and arising from or

<u>out of any occurrence on or about the Premises, except to the extent caused by the negligence or</u> intentional misconduct of Landlord, its employees, agents or contractors.

8.2 Tenant will indemnify, hold harmless and defend Landlord from and against any and all elaims, suits, actions, damages, penalties, losses, liabilities, costs, expenses, fees (including reasonable attorneys' fees) of third-partiesDamages in connection with the loss of life, bodily injury or damage to property arising from or out of Tenant's exercise of the rights granted to it under this Lease, and arising from or out of any occurrence on or about the Premises, except to the extent caused by the negligence or intentional misconduct of Landlord, its employees, agents or contractors.

9. **Insurance**.

Throughout the Term, Tenant must obtain and maintain insurance with financially reputable insurers having an A.M. Best's rating of A-VII or better and that are licensed authorized to do business in the state where the Premises is located in the following types and amounts of coverage: (a) Workers' Compensation as provided for under any Workers' Compensation or similar law; (b) Commercial General Liability with respect to the Premises and including coverage for Contractual Liability and Products/Completed Operations Liability, with a limit of not less than \$1,000.000 combined single limit per occurrence for loss of life, bodily injury, property damage and personal injury liability and \$2,000,000 general aggregate, naming Landlord as additional insured; (c) Business Vehicle insurance covering the ownership, maintenance or use of any owned, non-owned or hired vehicle with a limit of not less than \$1,000,000 combined single limit per accident for loss of life, bodily injury and property damage liability, naming Landlord as additional insured; (d) Umbrella/Excess Liability with limits of not less than \$2,000,000 combined single limit per occurrence and annual aggregate in excess of the Commercial General Liability, Business Auto Liability and Employer's Liability, naming Landlord as additional insured; and (e) "All Risk" Property insurance covering not less than the full replacement cost of Tenant's personal property, leasehold improvements and leasehold interest. Tenant will, upon its receipt of Landlord's request, delivermake available to Landlord eertificates memorandum of insurance evidencing Tenant's compliance with the insurance coverage Tenant is required to carry under this Lease, including copies of any relevant endorsements or policy provisions. Evidence of Tenant's insurance is available at www.centurylink.com/moi.

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7. **Default and Remedies.** A party's failure to perform any monetary obligation under this Lease within 30 days of its receipt of notice of delinquency from the party owed the monetary obligation will constitute a default. A party's failure to perform any non-monetary obligation under this Lease within 30 days of its receipt of notice of non-performance from the other party will constitute a default. However, if the non-monetary non-performance cannot reasonably be cured within such 30 day period, it will not be a default under this Lease if the non-performing party commences action to cure the non-performance within such 30 day period and proceeds with due diligence to and fully cures the non-performance within 60 days following the receipt of said notice of non-performance. In the event of a default and failure to cure within any applicable default period, the non-defaulting party may terminate this Lease and/or resort to any remedies to which it is entitled under this Lease, at law or in equity. All remedies to which a party is entitled are cumulative and are not exclusive of other remedies to which a party may be entitled. Use of one or more remedies does not bar the use of any other remedy.

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- 8. Forum Selection and Waiver of Jury Trial. Any court proceeding brought by either party against the other must be brought, as appropriate, in the Court of Justice of the State of North Carolina or in the Federal District Court for the Eastern District of North Carolina. Each party agrees to personal jurisdiction in either court. The parties irrevocably and unconditionally waive their right to a jury trial in any court action arising among the parties under this Agreement, whether made by claim, counter-claim, third party claim or otherwise. This waiver of jury trial is binding on the parties and their respective successors and assigns, and will survive the expiration or termination of this Agreement.
- <u>12–9.</u> <u>Assignment and Sublease.</u> Tenant will not assign this Lease in whole or in part, and will not sublease all or any portion of the Premises, without the prior consent of Landlord in each instance, which consent will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing sentence, Tenant may assign this Lease in whole or in part or sublease all or any portion of the Premises without the prior consent of Landlord to: (a) any entity controlling, controlled by or under common control with Tenant; (b) any surviving successor entity or newly created successor entity in the event of a merger, reorganization or consolidation involving Tenant or any of Tenant's direct or indirect parent companies; (c) any entity that acquires a majority of the equity interests in Tenant or a direct or indirect parent company of Tenant; and (d) the purchaser of all or substantially all of Tenant's assets located in the village, city, town, township or municipality where the Premises is located.
- 130. <u>Maintenance</u>. Tenant will maintain the Premises and its Facilities at the Premises in reasonably proper and safe condition. Tenant may clear and keep clear all trees, roots, brush and other obstructions from the surface and sub-surface of the Premises that interfere with Tenant exercising the rights granted to it in this Lease.
- 13.1 During the Lease Term, Landlord will have no maintenance responsibilities whatsoever for the Premises and any Tenant improvements and property placed on the Premises. Tenant will be solely responsible at its own cost and expense for repairing and maintaining the Premises and any Tenant improvements and property placed at the Premises in a proper and safe condition.
- 13.2 Landlord, its employees, agents and contractors may, upon reasonable prior notice to Tenant, enter the Premises: (a) for all lawful purposes and to whatever extent necessary to enable Landlord to exercise all of its rights and carry out its obligations under this Lease; and (b) to do anything Landlord deems reasonably necessary or desirable for the good of the Premises. The exercise by Landlord of the foregoing right of entry will not constitute an eviction of Tenant and will not permit Tenant to withhold or abate Annual Rent. If in Landlord's reasonable sole discretion an emergency situation exists such that Landlord must immediately enter the Premises, Landlord may but shall not be obligated to enter the Premises without any prior notice, and will attempt to follow such entry with oral notice to Tenant as soon as is reasonably possible after the entry. Tenant's contact information for such oral notice is as follows: Beverly Burris, Regional Manager, 252-641-3490. Tenant will give notice to Landlord of any change in this contact information in the manner prescribed for giving notice in Section 21.
- 141. <u>Utilities</u>. Tenant may, at its own expense, bring to and place at the Premises electrical or other utility service for Tenant's use, and if required by the utility and permitted by applicable law, Landlord will grant a separate easement to the utility for the purpose of utility bringing its service to and having access to the Premises. Tenant will pay when due all charges for heat, water, sewage, electricity, telephone and any other

utility used or consumed by it on the Premises and in exercising the rights granted to it under this Lease, and will contract for those services in its own name.

- 15. Liens. If any mechanic's, materialman's or other lien is filed against the Premises or Land by reason of work, labor, services or materials performed by, for or furnished to Tenant or anyone holding any part of the Premises under Tenant, Tenant will, within 45 days after Tenant's receipt of written notice of the lien filing, cause the lien to be discharged of record by payment, bond, order of a court of competent jurisdiction or otherwise. The foregoing will not be construed to limit Tenant's rights to contest the basis for the lien, provided the lien is discharged of record. If Tenant fails to discharge any lien within the 45-day period, Landlord may, upon delivery of written notice to Tenant, remove the lien by paying the full amount thereof or by bonding or in any other reasonable manner Landlord deems appropriate, without investigating the validity of the lien and irrespective of the fact that Tenant may contest the propriety or the amount of the lien, and Tenant will pay Landlord, within 30 days after Tenant's receipt of a written demand from Landlord, the amount paid by Landlord to discharge the lien, together with reasonable, actual and documented expenses incurred in connection with the discharge, including reasonable attorneys' fees. Nothing contained in this Lease will be construed as consent on the part of Landlord to subject Landlord's interest or estate in the Premises and Land to any lien or liability under applicable lien laws.
- 16. Hazardous Substances. Tenant will not permit any "Hazardous Substances" (as defined below) to be used, stored, generated or disposed of on, in or under the Premises or Land, except for those Hazardous Substances which may lawfully be used in Tenant's engaging in the Permitted Use, or as are reasonably required in performing the obligations of Tenant under this Lease, and then only to the extent no laws pertaining to Hazardous Substances are violated in so doing. Tenant will promptly furnish Landlord with copies of any notices filed by Tenant or received by Tenant relating to Tenant's compliance with Environmental Laws. For purposes of this Lease, "Hazardous Substances" means any substance that is toxic, radioactive or corrosive and that is, in the form, quantity, condition and location then existing, regulated by any governmental agency. Tenant will indemnify, hold harmless and defend Landlord from and against any and all Damages for a claim arising from or related to Tenant's failure to comply with the requirements of this Section 16.
- 12. <u>Landlord Representations</u>. Landlord represents and warrants to Tenant that: (a) Landlord is the owner of the Premises and Land and will defend title to the Premises and Land against the claims of any and all persons; (b) Landlord has full authority to enter into this Lease according to its terms; and(c) to the best of Landlord's knowledge, the Premises and Land are free from any form of contamination and contain no hazardous, toxic or dangerous substances.
- 173. Quiet Enjoyment. Provided Tenant performs of all the agreements, terms and conditions on Tenant's part to be performed under this Lease and is not in default under this Lease, Tenant will peaceably and quietly hold and enjoy the Premises during the Term without hindrance or interruption.
- 18. **Surrender and Removal**. Tenant agrees to quit and peaceably surrender possession of the Premises to Landlord at the expiration or termination of this Lease in substantially the same condition as the Premises was in on the date in which Tenant took possession of the Premises (reasonable wear and tear excepted), which will include Tenant's complete removal from the Premises of Tenant's personal property and improvements.

- 194. Condemnation. If the entire Premises is appropriated or taken under the power of eminent domain by any public or quasi-public authority or conveyed in lieu thereof (collectively, "Condemned" or "Condemnation"), this Lease will terminate as of the earlier of the date of taking of possession by the condemning authority or the date title to the Premises vests in the condemning authority. If any portion of the Premises is Condemned, Landlord will provide written notice to Tenant of the same, setting forth in detail the circumstances of the same, including the portion so CC ondemned. Thereafter, if the remaining portion of the Premises is unsuitable for Tenant's Permitted Use, as reasonably determined by Tenant, Tenant may terminate this Lease by giving notice to Landlord within 60 days after Tenant's receipt of the written notice from Landlord advising as to the circumstances of the Condemnation. All compensation awarded or paid in connection with a Condemnation to Landlord will belong to and be the property of Landlord. Tenant may claim in the Condemnation proceedings as its own award any amounts as may be allowed for the costs for its Facilities and for the relocation of such Facilities, but only to the extent that any condemnation award granted to Tenant does not decrease the condemnation award paid or to be paid to Landlord.
- 20. Taxes. Tenant will pay to Landlord Tenant's pro-rata share of property taxes, assessments and other governmental charges (general and special) assessed against the Premises, based upon the percentage of the size of the Premises relative to the total size of the Land. Tenant will pay, prior to delinquency, all taxes assessed or levied against Tenant's personal property located on or about the Premises

2115. Notice.

<u>21</u>15.1 Whenever any notice, consent, approval, request, demand or authorization and the like (collectively, "Notice") is required or permitted under this Lease, the same must be in writing. Notice must be delivered by certified mail, return receipt requested, postage prepaid or by a nationally_-recognized overnight delivery service to the parties at the following addresses:

If Notice to Landlord:

Town of Nags Head Attn: Town Manager P.O. Box 99 Nags Head, NC 27959

If Notice to Tenant:

CenturyLink 100 CenturyLink Dr Monroe, LA 71203 Attn: Construction Services

With a copy of any Tenant-default Notice only (which alone will not constitute Notice to Tenant) to:

CenturyLink Law Department 600 New Century Parkway Floor 1 D New Century, KS 66031 Attn: Vice-President of Commercial Law

- 2115.2 Notice will be deemed effective on the date shown on the return receipt if Notice is given by certified mail or the confirmation of delivery form if Notice is given by overnight courier service. Rejection or refusal to accept or the inability to deliver because of a changed address of which no Notice was given will be deemed to be receipt of the Notice as of the date of rejection, refusal or inability to deliver. Either party may change its address in Section 2115.1 by giving Notice of address change to the other party in the manner for giving Notice prescribed in Section 2115.1.
- 2216. Miscellaneous. (a) This Lease contains all of the promises, agreements, conditions and understandings between the parties concerning the subject matter of this Lease, and there are no oral agreements or understandings between the parties affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties with respect to the subject matter of this Lease; (b) Except as may be otherwise expressly allowed for under this Lease, no provision of this Lease is deemed amended or modified unless amended or modified in a writing signed and dated by all parties; (c) The waiver by a party of any breach of any term, agreement or condition contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other term, agreement or condition. No agreement, term or condition of this Lease will be deemed to have been waived unless the waiver is in writing signed by the party charged with the waiver; (d) If any part of this Lease becomes or is held to be invalid for any reason, such determination will affect only the invalid portion of this Lease, and the remainder of this Lease will stand and remain in full force and effect as if the invalid provision had not been a part of this Lease; (e) The provisions of this Lease will extend to and bind the respective heirs, executors, administrators, successors and permitted assignees of the parties, including any subsequent purchasers of the real property that is the subject of this Lease; (f) Landlord will allow and permit any other person or entity to carry-in and attach their respective conduit, wires, cables or other such items to the Facilities as may be required by law; and (g) This Lease will be governed, construed and interpreted in accordance with the laws of the state where the Premises is located.
- 2+37. Recording. Neither party will record this Lease in whole or in part. However, Tenant may record a memorandum of this Lease that is in both form and substance the same as the memorandum of lease set forth on Exhibit B attached to and incorporated by reference into this Lease ("Memorandum of Ground Lease"). Tenant will pay for all recording costs and fees relative to the Memorandum of Ground Lease, and after recording, Tenant will provide Landlord with a file-stamped copy of the recorded Memorandum of Ground Lease. Upon the expiration or termination of this Lease, Landlord may sign and record a release of any recorded Memorandum of Ground Lease, without Tenant's permission, input or signature on the release.
- <u>2418</u>. <u>Effective Date</u>. This Lease becomes effective on the date this Lease is last signed by all of the parties ("Effective Date").
- <u>2519</u>. <u>Counterparts, Facsimile and Electronic Mail Signatures</u>. This Lease may be signed in several counterparts, each of which will be fully effective as an original and all of which together will constitute

Lease Agreement CenturyLink – 104 E Gull Street BOC Meeting March 14, 2018

one and the same instrument. Signatures to this Lease transmitted by facsimile or electronic mail will be deemed the equivalent of delivery of an original signature.

"Tenant"
Carolina Telephone and Telegraph Company, LLC
By:
Name:
Title:
Signature Date:

EXHIBIT A TO GROUND LEASE

PREMISES

Premise

Beginning at a point, said point being N17° 59'40W 40' from the same Beginning point described below, thence N17° 59'40W 40' to a point and northeast corner of Lot 21A, Block 6, thence S72°00'00"W 30' to a point, thence S17° 59'40E 40' to a point, thence N72°00'00"E 30' to the point of beginning, containing 1200 sq. ft. as shown on Exhibit A-1.

Access

Beginning at an iron rod in the right-of-way of E. Gull Street and Point of Beginning, said iron rod being S72°00'00"W 224.06' from an iron rod and control corner in the right-of way of US HWY 158, thence N17° 59'40W 40' to a point, thence S72°00'00"W 30' to a point, thence S17° 59'40E 40' to a point in the right-of-way of E Gull Street, thence N72°00'00"E 30' to the point of beginning, containing 1200 sq. ft as shown on Exhibit A-1.

EXHIBIT A-1 TO GROUND LEASE

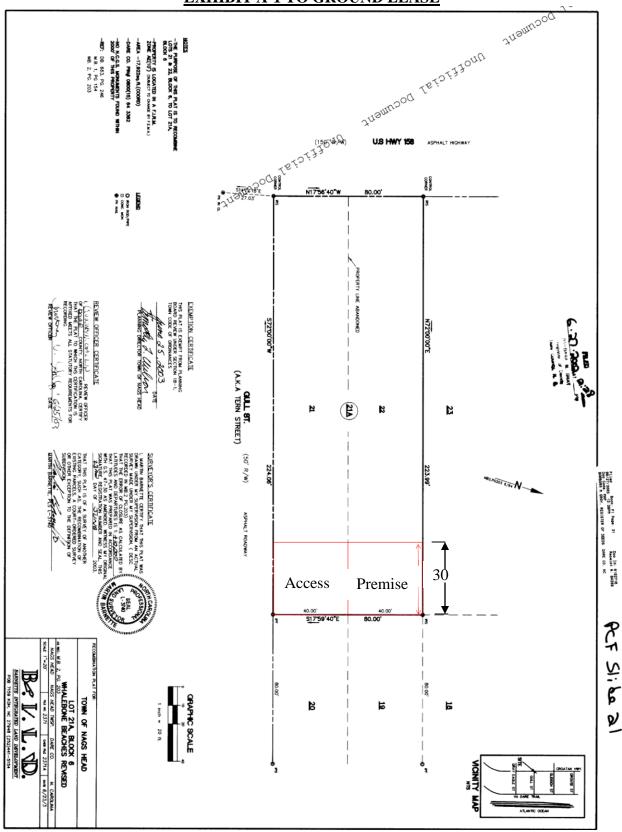


EXHIBIT B TO GROUND LEASE

MEMORANDUM OF GROUND LEASE

MEMORANDUM OF GROUND LEASE

	and Lease ("Memorandum") is entered into as of the date it is we Date") by and between ("Landlord") and k ("Tenant").
Landlord owns certain real incorporated by reference into this	property that is legally described on Exhibit A attached to and Memorandum ("Land").
2. Landlord and Tenant entere ("Ground Lease"), whereby Tenant	ed into that certain Ground Lease dated, 201_t leases the Land from Landlord.
years from that date, unless ear Term"). Pursuant to the Ground Lo	ase commenced on and continues for a period of rlier terminated as set forth in the Ground Lease ("Initial ease, Tenant has the right to renew the Ground Lease upon the successive periods ofyears each.
recordation of the same to evidence Tenant's right to renew the Lease b	red and entered into this Memorandum for the purpose of the e the existence of the Ground Lease, its Initial Term and beyond the Initial Term. The Ground Lease runs with the ay modifies the provisions of the Ground Lease.
Landlord and Tenant have	entered into this Memorandum as of the Effective Date.
	LANDLORD:
	D
	By:
	Printed Name:
	Title:

THE STATE OF)
COUNTY OF))
BE IT REMEMBERED, to Notary Public in and for said Co to me to be the same person acknowledged the signing of the s	that on this day of, 201_, before me, a unty and State, came, who is personally known who signed the herein instrument, and such person duly same to be the act and deed of F, I have hereunto subscribed my name and affixed my official
seal the day and year last above w	
	Notary Public
My appointment expires:	
	TENIA NIT.
	TENANT:
	d/b/a CenturyLink
	By:
	Printed Name: Title:
	Signature Date:
THE STATE OF)
THE STATE OF))
BE IT REMEMBERED, to Notary Public in and for said Co	that on this day of, 201_, before me, a punty and State, came, who is the of, and is personally known to me I the herein instrument, and such person duly acknowledged the
to be the same person who signed signing of the same as the act and	the herein instrument, and such person duly acknowledged the deed of
IN WITNESS WHEREOR seal the day and year last above w	F, I have hereunto subscribed my name and affixed my official vritten.
	Notary Public
My appointment expires:	

EXHIBIT A

LAND