

Agenda

December 20, 2017 – 5:30 p.m.
ORDER OF BUSINESS



Board of Commissioners

*Daniel C. Hudgins,
Chairman*

*George K. Quick,
Vice Chairman*

Patrice Y. Nelson

Thomas M. Niemann

Gloria M. Nottingham

Larry Yon, II

Robert Glenn

City Council Liaison

Jillian Johnson

Chief Executive Officer

Anthony Scott

- | | <u>PAGE (S)</u> |
|--|------------------------|
| I. CALL TO ORDER | |
| ♦ Roll Call | |
| ♦ Establish Quorum | |
| II. PUBLIC HEARING(S) | |
| ♦ 2018 Annual Operations Budget | |
| III. CHANGES TO THE AGENDA | |
| IV. APPROVAL OF MINUTES BOARD OF COMMISSIONERS | 5-19 |
| ♦ Minutes of the Regular Board Meeting of November 20, 2017 | |
| V. PRESENTATION | |
| ♦ Recognition of the Resident Patrol | |
| VI. CHIEF EXECUTIVE OFFICER'S BUSINESS REPORTS | 20-23 |
| VII. GENERAL BUSINESS ACTION ITEMS (COMMITTEE REPORTS) | 24-104 |
| ♦ Development Committee (25-30) | |
| ♦ Finance Committee (31-65) | |
| ♦ Operations Committee (66-104) | |
| VIII. RESOLUTIONS FOR APPROVAL | (105-163) |
| 1. Resolution Authorizing the Write-Off of Conventional Housing Collection Losses for the Period Beginning October 1, 2017 and Ending October 31, 2017 | |
| 2. Resolution Authorizing the Write-Off of Affordable Housing Collection Losses for the Period Beginning October 1, 2017 and Ending October 31, 2017 | |
| 3. Resolution to Consider and Approve the Renewal of the Family Unification Program Memorandum of Understanding for FY 2018 | |
| 4. Resolution Approving Ground Lease Between the Housing Authority of the City of Durham and The Miracle League of the Triangle, Inc. | |
| 5. Resolution Approving the Proposed Utility Allowances for the Conventional Public Housing Program | |
| 6. Resolution Authorizing Mechanics and Farmers Bank Line of Credit and Conversion of Edgemont Elms PHA Units to RAD Units | |
| 7. Resolution Approving the 2018 Annual Operating Budget | |

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IX. INFORMATION ITEMS

X. CLOSED SESSION

XI. ADJOURNMENT

HOUSING AUTHORITY OF THE CITY OF DURHAM

RESOLUTION APPROVING GROUND LEASE BETWEEN THE HOUSING AUTHORITY OF THE CITY OF DURHAM AND THE MIRACLE LEAGUE OF THE TRIANGLE, INC.

WHEREAS, The Miracle League of the Triangle, Inc. is a North Carolina non-profit corporation founded in 2005 whose mission is to create, through baseball, positive life experiences for both children and adults with special needs and their families (“*Miracle League*”);

WHEREAS, Miracle League is currently meeting its mission by serving nearly 400 players with special needs each season on 30 teams that play at specialized baseball facilities located in Cary (Andy’s Foundation Field at Adams Elementary School) and Raleigh (Fred Smith Company Field near the Living Arts College);

WHEREAS, Miracle League, in collaboration with Capitol Broadcasting Company, Incorporated (“*Capitol Broadcasting*”), is interested in exploring a partnership with the Housing Authority of the City of Durham (“*DHA*”) to construct a Miracle League baseball facility on property currently owned by an affiliate of Capitol Broadcasting and DHA (the “*Miracle League Partnership*”);

WHEREAS, the subject DHA property is located adjacent to the JJ Henderson public housing development at 473 Morehead Avenue, consists of roughly 1.5 acres of vacant land, and was recently being leased by DHA to the Durham Bulls as additional game-day parking (the “*DHA Property*”);

WHEREAS, the subject Capitol Broadcasting property borders the DHA Property, is located at 461 Morehead Avenue and consists of roughly .25 acres of vacant land (the “*Capitol Broadcasting Property*”);

WHEREAS, the proposed baseball facility would be located at the corner of Morehead Avenue and Blackwell Streets on the DHA Property and the Capitol Broadcasting Property; and

WHEREAS, in support of the Miracle League Partnership, DHA wishes to ground lease the DHA Property to Miracle League as described in that certain ground lease attached hereto as *Exhibit A* (the “Ground Lease”).

NOW, THEREFORE, BE IT RESOLVED by the Housing Authority of the City of Durham as follows:

1. The Ground Lease is hereby approved in its entirety, with such additional changes to be made by the Chief Executive Officer (or his designee), in his discretion, as may be necessary to reflect the final terms of the Ground Lease. The Chief Executive Officer shall report back to the Board of Commissioners on the final negotiated terms of the Ground Lease.

2. That the Chief Executive Officer (or his designee) is hereby authorized to execute the Ground Lease and any additional documents in connection with the Ground Lease that are consistent with this resolution.

Effective this the 20th day of December, 2017.

RECORDING OFFICER'S CERTIFICATION

I, Anthony Scott, the duly appointed Secretary of the Housing Authority of the City of Durham, do hereby certify that this resolution was properly adopted at a regular meeting held on December 20, 2017.

(SEAL)

BY: _____
Secretary

Exhibit A

(See Attached Proposed Ground Lease)

GROUND LEASE

(MIRACLE LEAGUE BASEBALL FIELD – DURHAM)

THIS GROUND LEASE (the “*Lease*”) is made as of this _____ day of _____, 20____ (the “*Commencement Date*”) by and between the **HOUSING AUTHORITY OF THE CITY OF DURHAM**, a North Carolina public body and a body corporate and politic (the “*Authority*”) and **THE MIRACLE LEAGUE OF THE TRIANGLE, INC**, a North Carolina non-profit corporation (the “*Tenant*”).

WITNESS THAT:

WHEREAS, the Authority is the fee simple owner of +1.5 acres of unimproved land located in Durham, Durham County, North Carolina, currently having a Durham County Parcel Identification Number of 0821-12-75-4493, and shown on EXHIBIT A, attached hereto and made a part hereof (the “*Land*”);

WHEREAS, the Tenant has agreed to construct on the Land, in accordance with plans and specifications agreed to by the Authority and Tenant, certain Improvements (as herein defined), including a baseball facility for special needs children and adults (the “*Project*”); and

WHEREAS, the Authority has agreed to lease the Land to the Tenant upon the terms and conditions of this Lease.

NOW, THEREFORE, in consideration of the mutual promises made herein, the parties hereto do agree as follows:

1. Lease of Premises. Upon the terms and conditions set forth herein, the Authority hereby leases to Tenant, and Tenant hereby accepts and rents from the Authority, the Land, together with all rights, privileges and easements appurtenant thereto (the “*Premises*”) located in the City of Durham, Durham County, North Carolina. The Premises shall not include any buildings, structures, parking facilities or other improvements, whether now existing or hereafter erected or constructed on the Premises, including without limitation, the improvements described in the plans and specifications approved by the Authority pursuant to Section 6(c) hereof, together with all fixtures now or hereafter located thereon or affixed thereto and all related amenities (collectively, the “*Improvements*”). Notwithstanding the foregoing, at all time during the Term, the Improvements shall be owned by Tenant and Tenant alone shall be entitled to all of the tax attributes of ownership, and the Tenant shall have the right to alter, improve and modify the Improvements without the Authority’s consent subject to the terms and conditions stated herein.

(a) Easements. Throughout the Term (as herein defined), within thirty (30) days after receipt of written requests from Tenant, time being of the essence, the Authority shall execute and join in any grants or easements for electric, telephone, gas, water, sewer, and other public utilities and facilities, or other facilities useful and/or necessary to the development, construction, alteration, subdivision, use, maintenance and/or operation of all or any part of the Project and any other

easements or grants that Tenant deems necessary for the development, construction, alteration, subdivision, use, maintenance and/or operation of the Project which are not inconsistent with the terms of this Lease.

(b) Quiet Enjoyment. The Authority covenants and agrees that Tenant, while paying the rent under this Lease and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Premises for the full Term without hindrance from the Authority, subject to the terms of this Lease, and to any and all matters affecting title to the Premises on the date of this Lease.

2. Term.

(a) Commencement Date. The term of the Lease shall begin on the Commencement Date.

(b) Initial Term. The initial term of the Lease shall begin on the Commencement Date and end ten (10) years after the Commencement Date, unless sooner terminated or extended as herein provided (the “*Initial Term*”).

(c) Extension Terms.

(i) First Option Term. Provided that Tenant has not been in default during the Initial Term, after notice and expiration of any applicable cure periods, Tenant shall have the sole option to extend the Lease, beyond the Initial Term, for one (1) additional period of five (5) years, upon all of the terms and conditions of this Lease, and at the Rent set forth in Section 3 hereof (the “*First Option Term*”). Tenant must provide written notice to Landlord of its intent to exercise the option to extend the Lease no later than ninety (90) days before the expiration of the Initial Term or this Lease shall automatically terminate.

(ii) Second Option Term. Provided that Tenant has not been in default during the First Option Term, after notice and expiration of any applicable cure periods, the Authority shall have the sole option to extend the Lease, beyond the First Option Term, for one (1) additional period of five (5) years, upon all of the terms and conditions of this Lease, and at the Rent set forth in Section 3 hereof (the “*Second Option Term*,” together with the Initial Term and First Option Term, collectively the “*Term*”). The Authority and Tenant agree that the Term of this Lease shall not, under any circumstances, exceed twenty (20) years.

3. Rent. For and in consideration of the execution of this Lease by the Authority, Tenant agrees to pay to the Authority, a lease payment in the amount of \$10,000.00 per year (the "Lease Payment"). The first Lease Payment shall be due and payable, in full, on the Commencement Date. Every year thereafter, the Lease Payment shall be due and payable, in full, on or before the anniversary of the Commencement Date.

4. Delivery of Premises. Upon complete execution of the Lease, the Authority shall have delivered the Premises to Tenant, and Tenant shall have accepted delivery thereof. Tenant has accepted delivery of the Premises in its current condition, "as-is" and with all faults and defects. The Authority shall have no obligation to make any repairs, alterations, or improvements thereto. Except as set forth herein, the Authority has not made and does not hereby make any express or implied representations or warranties regarding or relating to (i) the condition, suitability, value, marketability, or zoning of the Premises, (ii) the right to use the Premises for any particular purpose or in any particular manner, or (iii) the compliance of the Premises with applicable laws, ordinances, regulations, or orders of any governmental authority.

5. Construction. Tenant shall, immediately following the Commencement Date (or as soon thereafter as weather reasonably shall permit), commence with the construction of the Project. Thereafter, Tenant shall diligently pursue the construction of and complete the Project as soon as practicable, but in no event later than [six (6) months from the Commencement Date.] Tenant shall, at its sole cost and expense, procure all necessary permits and licenses in connection with the Project.

6. Use of the Premises. The Premises may be used by Tenant only as described herein, which expressly includes a baseball facility for special needs children or adults.

(a) Compliance with Laws. Tenant shall not use the Premises or suffer, or knowingly permit the Premises to be used in violation of any applicable law, ordinance, regulation, or order of any governmental authority (including, but not limited to, zoning ordinances, building codes, and environmental laws), or in any manner that will constitute a nuisance. The Authority shall make all changes to the Premises to the extent required for compliance with existing or future laws, ordinances, regulations, and orders. Tenant shall make all changes to the Improvements to the extent required for compliance with existing or future laws, ordinances, regulations and orders.

(b) Plans and Specifications. All Improvements shall be constructed, furnished, and installed in accordance with plans and specifications procured by Tenant and approved by the Authority, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall take no action to effectuate any material amendments, modifications or any other alterations to the plans and specifications unless the Authority has approved such, in writing and in advance.

7. Maintenance and Alterations. Tenant shall, at its own expense, keep and maintain the Premises in good order and repair and in a clean, safe and sanitary condition. Any alternations made to the Improvements by Tenant shall be made in a good and workmanlike manner using new materials of the same or better quality as the original Improvements, and in accordance with all applicable building codes without Authority consent or approval.

8. Signage. Tenant shall have the right, at its sole expense, to erect signage on the Improvements subject to the Authority's prior written approval.

9. Utilities. Tenant shall arrange and pay for, or cause to be paid for, all electricity, gas, water, sewerage, waste disposal and other utilities and services required in connection with the use and maintenance of the Improvements.

10. Taxes.

(a) Premises. Tenant shall pay or cause to be paid, when and as due, all taxes and fees of every kind or nature which are now or may hereafter be imposed or assessed upon or with respect to the Premises during the Term hereof. Tenant shall have the right to contest any taxes or fees assessed against the Premises, provided that Tenant posts any security or bond that may be required by law so that the Authority's interest in the Premises is not subject to forfeiture.

(b) Improvements. In addition to the amounts owed under paragraph 9(a) above, Tenant shall pay or cause to be paid, when and as due, all taxes, assessments, utility charges (e.g. water and sewer), rates and rents, excises, levies, license and permit fees and other charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed upon or accrue or become due or payable out of or on account of or become a lien on the Improvements or any part thereof, the appurtenances thereto or the sidewalks, streets or vaults adjacent thereto, or the rent and income that constitutes subrents received by or for the account of Tenant for any use or occupation of the Improvements, or any part thereof, and such franchises, licenses and permits as may be appurtenant to the use of the Improvements or any part thereof, or any documents to which Tenant is a party (which documents create or transfer any interest or estate in the Improvements or any part thereof, payable to any governmental body).

11. Insurance. Tenant shall maintain in force and effect the following insurance, in standard form generally in use in the State of North Carolina, with a responsible insurance company authorized to do business in the State of North Carolina and furnish true and complete copies of the policies to the Authority to evidence the following insurance coverage:

(a) Liability Insurance. Commercial general liability insurance (with no care, custody and control or similar exclusion) covering bodily injury, death and property damage with a single limit of at least Three Million Dollars (\$3,000,000), and an umbrella policy of public liability insurance with a single limit of at least One Million Dollars (\$1,000,000).] The insurance required by this subparagraph shall (i) name the Authority as an additional insured, and (ii) contain an endorsement requiring thirty (30) days written notice from the insurance company to the Authority prior to the cancellation of the insurance or any change in coverage, scope, or limits.

(b) Builder's Risk Insurance. If applicable, builder's risk insurance to be provided in form and content acceptable to the Authority by the Tenant's general contractor, during construction of the Project.

(c) Waiver of Subrogation. Each party shall cause each insurance policy obtained by it to provide that each insurance company waives all rights of recovery by way of subrogation against the other party in connection with any damage covered by any such policy. Neither party shall be liable to the other for any damage caused by any risk insured under any insurance policy required by this Lease.

12. Indemnity. To the full extent permitted by law and without regard to the minimum limits of insurance required hereunder, Tenant shall defend, indemnify and hold harmless the Authority from and against all claims, demands, costs and expenses (including reasonable attorneys' fees that have been incurred) arising out of or relating to this Lease, Tenant's use or occupancy of the Premises, or any occurrence in, upon, or from the Premises. However, the foregoing indemnity shall not apply to claims, demands, costs and expenses caused solely by the Authority's negligence or willful misconduct.

13. Ownership of Improvements and Surrender. Notwithstanding anything to the contrary contained herein, during the Term hereof, all Improvements shall be and remain the property of Tenant. Upon the expiration or earlier termination of this Lease, the Improvements shall become the property of the Authority, and Tenant shall surrender the Premises to the Authority in good condition and repair, normal wear and tear accepted and damage by fire or other casualty excluded. In addition, the Authority agrees and acknowledges that any and all depreciation and amortization related to the Premises, during the Term, shall be exclusively for the benefit of Tenant.

14. Authority Rights to Entry.

(a) Inspection. The Authority shall have the right to enter the Premises, including the Improvements, at all reasonable times upon reasonable notice and in a reasonable manner, for the purposes of inspection, assuring compliance under this Lease, and other lawful and justifiable purposes.

(b) DHA Use of Improvements. The Authority, including its employees, residents, agents, contractors, licensees or invitees, shall have the right to utilize the Improvements at such times that Tenant is not utilizing or does not plan to utilize the Improvements.

15. Encumbrances, Assignment and Leasing.

(a) Consent. Except for the utility easements and agreements deemed appropriate by Tenant for the operation of the Premises, Tenant shall not assign this Lease or transfer, mortgage, encumber, lease or sublease the Premises or the Improvements, as applicable, without the prior written consent of the Authority. Any attempted assignment, lease, sublease or transfer, other than a foreclosure or as otherwise described in the foregoing sentence, without such consent shall be null and void. Notwithstanding the foregoing, Authority consent shall not be required for any assignment, lease, sublease or transfer pursuant to Sections 14(a)(i) and (ii) above.

(b) Prohibited Transfers. Tenant agrees for itself and its successors and assigns in interest hereunder that it will not, other than pursuant to a Permitted Mortgage or with respect to any assignment, lease, sublease or transfer that does not require the consent of the Authority pursuant to paragraph 14(a) above: (i) assign this Lease or any of its rights under this Lease as to all or any portion of the Premises, or the other Improvements, or the equipment used in the Premises or the Improvements or (ii) make or permit any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of any or all of the Premises, or the other Improvements, or the equipment used in the Premises or the Improvements, other than in the ordinary course of business, without first obtaining the Authority's consent.

16. Damage by Fire or Other Casualty. If, during the term of this Lease, any of the Improvements are damaged or destroyed by fire, earthquake, act of God, or other casualty (a "Casualty"), Tenant shall either (i) repair and restore the affected Improvements to substantially the same condition as existed immediately prior to the Casualty, or (ii) raze the affected Improvements and remove all debris. All property insurance proceeds payable with respect to the Improvements shall belong to and be the exclusive property of Tenant. Notwithstanding the foregoing, the parties covenant and agree that this Lease shall not be terminated in connection with a partial Casualty.

17. Condemnation. If, during the term of this Lease, all or any part of the Premises, or any interest therein, are taken as a result of the exercise of the power of condemnation or eminent domain, including a conveyance in lieu of or in anticipation of the exercise of such power (a "Taking"), this Lease shall not terminate and Tenant shall have the right to retain the proceeds of such Taking only as it relates to the Improvements. The proceeds may be used to restore the Improvements and/or Premises. If a Taking occurs and the Taking renders the Premises unsuitable for Tenant's purposes, either the Authority or Tenant shall have the option to terminate this Lease by delivery of written notice to that effect to the

other party within sixty (60) days after the Taking; provided, however, that the Tenant shall still have the right to retain the proceeds of such Taking only as it relates to the Improvements. If the Lease is not terminated as a result of the Taking, Tenant shall diligently repair and restore the remaining Premises as nearly as possible to their condition immediately prior to the Taking.

18. Environmental Compliance. Tenant shall not cause or allow any hazardous wastes, toxic substances or toxic or hazardous materials (collectively, "Hazardous Materials") to be used, generated, stored or disposed of on, under or about, or transported to or from, the Premises (collectively, "Hazardous Materials Activities") without first receiving the Authority's written consent, which may be withheld for any reason and revoked at any time. If the Authority consents to any such Hazardous Materials Activities, Tenant shall conduct them in strict compliance (at Tenants expense) with all applicable laws, regulations and rules, and use all necessary and appropriate precautions. The Authority shall not be liable to Tenant for any Hazardous Materials Activities by Tenant, Tenants employees, agents, contractors, licensees or invitees, whether or not consented to by the Authority. Tenant shall indemnify, defend with counsel acceptable to the Authority and hold the Authority harmless from and against any claims, damages, costs and liabilities arising out of Tenants Hazardous Materials Activities.

19. Default and Remedies.

(a) Events of Default. Each of the following shall constitute an "Event of Default" by Tenant under this Lease:

(i) Tenant fails to pay any installment of rent or any other sum of money required of Tenant hereunder, and such failure continues for fifteen (15) days after written notice of default from the Authority to Tenant.

(ii) Tenant fails to observe or perform any covenant or condition to be observed or performed by Tenant hereunder, and such failure continues for fifteen (15) days after written notice of default from the Authority to Tenant.

(iii) Tenant no longer utilizes the Premises, including the Improvements, as a baseball facility for special needs children or adults.

(iv) Tenant conducts or allows any activities on, in, under or about the Premises that constitute waste, nuisance or unreasonable annoyance.

(v) A petition is filed by or against Tenant to declare Tenant bankrupt or to impose a plan of reorganization or arrangement under any chapter of the United States Bankruptcy Code, and the petition is not dismissed within ninety (90) days.

- (vi) Tenant's interest in the Premises is levied upon under execution or other legal process, and such levy is not dissolved within ninety (90) days.
 - (vii) A receiver or trustee is appointed for Tenant or Tenant's property and not removed within ninety (90) days.
 - (viii) Tenant sells, assigns, transfers, leases, conveys or otherwise disposes of all or substantially all of its assets.
 - (ix) Tenant is dissolved.
 - (x) Tenant ceases to be a North Carolina non-profit corporation or a 501(c)(3) entity as recognized by the Internal Revenue Code.
 - (xi) Tenant fails to commence construction of the Project in accordance with the plans and specifications immediately following the Commencement Date (or as soon thereafter as weather reasonably shall permit).
 - (xii) Tenant fails to achieve substantial completion of construction of the Project in accordance with the plans and specifications within [six (6) months] of the Commencement Date, subject to a force majeure.
- (b) Remedies. Upon the occurrence of an uncured Event of Default, the Authority may, at its option, exercise any one or more of the following remedies:
- (i) obtain specific performance, injunction, appointment of a receiver, or other equitable remedy.
 - (ii) cure Tenant's default and recover from Tenant the reasonable costs and expenses (including reasonable attorney fees actually incurred) of doing so.
 - (iii) recover actual damages suffered by the Authority as a result of Tenant's default.
 - (iv) terminate this Lease and Tenant's right of possession of the Premises, if and only if, the Event of Default is material and substantial, including, but not limited to, (i) a monetary default under the Lease, (ii) Tenant's bankruptcy (the petition of which is not terminated within ninety (90) days or receivership (which is not removed within ninety [90] days), or (iii) any repeated or persistent failure to perform any material obligation hereunder.

(c) Remedies Not Exclusive/Nonwaiver. No remedy contained in this Lease or otherwise conferred upon or reserved to either party shall be considered exclusive of any other remedy, but each remedy shall be distinct, separate and cumulative, and in addition to every other remedy provided in this Lease, or by applicable law. Each remedy may be exercised from time to time as often as occasion may arise, or as may be deemed expedient, and the exercise of one remedy shall not be considered an election of remedies or a waiver of the right to exercise at any time any other remedy. No delay or omission by either party in exercising any right or remedy available hereunder shall impair any such right or remedy or constitute a waiver thereof in the event of any subsequent occasion giving rise to such right or availability of remedy, whether of a similar or dissimilar nature.

20. Warranty. The Authority warrants and covenants to Tenant that, as of the date of this Lease: (i) the Authority owns the Premises in fee simple, (ii) the Authority has full right and authority to lease the Premises to Tenant upon the terms and conditions set forth herein; and (iii) Tenant shall peacefully and quietly hold and enjoy the Premises for the full Term hereof so long as no Event of Default occurs.

21. Short Form Lease. The parties do not at this time intend to record the entire Lease and instead intend to record in the office of the Register of Deeds of Durham County a memorandum of lease to be executed contemporaneously herewith.

22. Mechanics' Liens. If any mechanics' lien against the Premises or any interest therein is filed on account of labor, services, or materials furnished or allegedly furnished to or for the benefit of Tenant, Tenant shall cause the same to be discharged by bonding, payment, or otherwise within thirty (30) days thereafter. The Tenant must take all measures to prevent any encumbrance against the Premises or any interest therein including, but not limited to, obtaining the release, at Tenant's expense, of any such lien filed on account of labor, services, or materials furnished or allegedly furnished for the benefit of Tenant.

23. Notices. Any notice or other communication given or made pursuant to this Lease shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

If to the Authority:

Housing Authority of the City of Durham
330 East Main Street
Durham, North Carolina 27701
Attn: Chief Executive Officer

Copy to: The Banks Law Firm, P.A.
4309 Emperor Boulevard
Winchester Place, Suite 225
Durham, North Carolina 27703
Attn: Mr. Eric Pristell

If to Tenant: The Miracle League of the Triangle, Inc.
1000 Perimeter Park Drive
Morrisville, North Carolina 27560
Attn: Mr. Benjy Capps, Executive Director

All such notices and other communications shall be deemed given on the date of personal or local courier delivery, facsimile transmission (Fax), delivery to overnight courier or express delivery service, or deposit in the United States Mail, and shall be deemed to have been received (i) in the case of personal or local courier delivery, on the date of such delivery, (ii) in the case of facsimile transmission, upon receipt of electronic confirmation thereof, (iii) in the case of delivery by overnight courier or express delivery service, on the business date following dispatch, and (iv) in the case of mailing, on the date specified in the return receipt therefor.

24. Force Majeure. Neither party to this Lease shall be in default because of any failure to perform this Lease under its terms if the failure results from a force majeure. A force majeure includes, but are not limited to: (i) acts of God or the public enemy, (ii) acts of government in its sovereign capacity, or any governmental entity, (iii) fires, (iv) floods, (v) epidemics, (vi) quarantine restrictions, (vii) freight embargoes, (viii) strikes or labor disputes, (ix) unusually severe weather, (x) litigation against the Authority that causes a delay in the ability of the Authority to meet its obligations under this Lease, and (xi) delays caused by the Authority (this shall be a force majeure with respect to the obligations of Tenant only).

25. Nature and Extent of Agreement. This Lease and the instruments incorporated herein by reference contain the complete agreement of the parties regarding the terms and conditions of the lease of the Premises. There are no oral or written conditions, terms, understandings or other agreements pertaining thereto which have not been incorporated herein. This Lease creates only the relationship of lessor and lessee between the parties as to the Premises; and nothing in this Lease shall in any way be construed to impose upon either party any obligations or restrictions not expressly set forth in this Lease or in an instrument incorporated herein by reference.

26. Severability. If any provision of this Lease or its application to any person or circumstance shall, to any extent, be deemed invalid or unenforceable, the remaining provisions of this Lease, and the application of that provision to other persons or circumstances, shall not be affected.

27. Captions. The captions for each section in this Lease have been inserted only as a matter of convenience and for reference, and in no way define, limit or affect the scope or intent of that section.

28. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of North Carolina applicable to contracts made and to be performed therein.

29. Successors. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

30. Amendments. This Lease may be amended by mutual agreement of the Authority and Tenant, and provided that all amendments must be in writing and signed by both parties.

31. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall be deemed to constitute one and the same document. The parties agree that venue for the prosecution of any state court proceedings shall be Durham County, North Carolina, and any federal court proceeding shall be the Middle District of North Carolina.

32. Easements. The Authority shall cooperate with Tenant and consent to any easements or like instruments reasonably necessary for the development of the Project.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

TENANT:

The Miracle League of the Triangle, Inc.

By: _____
Benjy Capps, Executive Director

AUTHORITY:

Housing Authority of the City of Durham

By: _____
Anthony Scott, Chief Executive Officer

EXHIBIT A

Description of Land

RESOLUTION NO.

RESOLUTION APPROVING THE 2018 ANNUAL OPERATING BUDGET

WHEREAS, the Chief Executive Officer has submitted a comprehensive Operating Budget for the Housing Authority of the City of Durham for the year beginning January 1, 2018 and ending December 31, 2018; and

WHEREAS, the proposed annual budget reflects operating revenues and operating expenses as presented in the Operating Budget document for the year ending December 31, 2018; and

WHEREAS, the proposed revenues are estimated to be available during the fiscal year to fund the proposed expenditures.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners finds as follows:

1. That the budgets as presented in the Operating Budget document are approved for the fiscal year ending December 31, 2018;
2. That the Chief Executive Officer or his designee may authorize the transfer of line item appropriations between activities, objects and line items within each fund budget;
3. That the Board of Commissioners may authorize the transfer of funds between the individual funds;
4. That any change in the budgeted expenditures or revenues which serves to change the overall budget amount in any specific fund budget may be made only by the Board of Commissioners;
5. That any operating funds encumbered as of December 31, 2017, or otherwise designated, are hereby re-appropriated for the fiscal year ending December 31, 2018;
6. That the Chairman is authorized to execute Form HUD-52574 (PHA Board Resolution – Approving Operating Budget);
7. That this resolution shall take effect January 2, 2017.

Done this 20th day of December 2017.

RESOLUTION NO.

RESOLUTION APPROVING THE 2018 ANNUAL OPERATING BUDGET

RECORDING OFFICER'S CERTIFICATION

I, Anthony Scott, the duly appointed Secretary of the Housing Authority of the City of Durham, do hereby certify that this resolution was properly adopted at the Board of Commissioners meeting of the Housing Authority of the City of Durham held on December 20, 2017.

(SEAL)

BY: _____
Anthony Scott, Secretary