

**Lease Agreement between the Housing Authority of City of Asheville and
Asheville P.E.A.K. Academy Charter School**

THIS LEASE AGREEMENT (including any and all addenda attached hereto, this "Lease") is made and entered into this the 20 day of August, 2024 by and between the HOUSING AUTHORITY OF THE CITY OF ASHEVILLE, a body corporate and politic of the State of North Carolina ("HACA"), and ASHEVILLE P.E.A.K. ACADEMY CHARTER SCHOOL, a North Carolina nonprofit corporation ("Lessee"). HACA and Lessee are herein referred to collective as the "Parties" and each individually a "Party."

WITNESSETH:

WHEREAS, on or about April 8, 2024, HACA issued Request for Proposals No. P24004 (the "RFP"), requesting proposals from childcare and educational entity operators for the operation of certain facilities in the Asheville, North Carolina area; and

WHEREAS, on or about May 22, 2024 Lessee submitted a proposal pursuant to the RFP (the "Proposal"); and

WHEREAS, HACA has determined to accept Lessee's Proposal with respect to a school facility to be located in the building commonly known as the Arthur R. Edington Education & Career Center, located at 133 Livingston Street, Asheville, North Carolina 28801 (the "Property"); and

WHEREAS, HACA shall lease to Lessee, and Lessee shall lease from HACA, a portion of the Property subject to the further terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. INCORPORATED TERMS. The following documents (collectively, the "Incorporated Terms") are hereby incorporated into this Lease by reference:

- (i) The RFP, including any attachment thereto;
- (ii) The Proposal;
- (iii) U.S. Department of Housing and Urban Development ("HUD") General Conditions for Non-Construction Contracts (Form HUD-5370-C); and
- (iv) HUD Certification of Payment to Influence Federal Transaction (Form HUD 50071).

Lessee acknowledges that this Lease and its performance hereunder shall be subject to the terms and conditions of the Incorporated Terms. In the event of any conflict between the provisions of this Lease and any Incorporated Terms, the provisions of the Incorporated Terms shall be controlling, unless otherwise specifically stated herein.

2. PREMISES.

- 2.1. HACA hereby leases unto Lessee, and Lessee hereby leases and takes upon the terms and conditions set forth herein, the portion of the Property consisting of approximately 4,785 square feet of space being more particularly described on SCHEDULE A attached hereto and incorporated herein (the "Premises"). Lessee's access to the Premises shall be subject to the Shared Use Plan described on SCHEDULE B attached hereto and incorporated herein, unless otherwise agreed to in advance by Lessee and HACA.
- 2.2. All facilities furnished at the Property and designated for the general use, in common, of occupants of the Property and their invitees, agents, or employees, including Lessee hereunder, including but not limited to the gymnasium, restrooms, community room, parking areas, streets, driveways, sidewalks, loading

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platforms, ramps, and other facilities whether of a similar or dissimilar nature (“Common Areas”) shall at all times be subject to the exclusive control and management of HACA, and HACA shall have the right from time to time to change the area, level, location and arrangement of the Common Areas and to restrict parking by Lessees and their employees to employee parking areas, to make Rules and Regulations (as herein defined), and do such things from time to time as in HACA’s reasonable discretion may be necessary regarding the Common Areas.

3. PERMITTED USES. The permitted use of the Premises shall be the operation of a school facility (“Permitted Use”) in the manner not inconsistent with the Proposal. The Premises shall be delivered to Lessee upon the Lease Commencement Date in a condition reasonably suited for the Permitted Use. The Premises shall be used and wholly occupied by Lessee solely for the purposes of conducting the Permitted Use, and the Premises shall not be used for any other purposes unless Lessee obtains HACA’s prior written approval of any change in use. HACA makes no representation or warranty regarding the suitability of the Premises for or the legality (under zoning or other applicable ordinances) of the Permitted Use for the Premises, provided however, that HACA does represent that it has no contractual obligations with other parties which will materially interfere with or prohibit the Permitted Use of Lessee at the Premises. At Lessee’s sole expense, Lessee shall procure, maintain, and make available for HACA’s inspection from time to time any governmental license(s) or permit(s) required for the proper and lawful conduct of Lessee’s business in the Premises. Lessee shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing, or utility systems serving the Premises. Lessee shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors, or nuisances.

4. TERM.

4.1. Initial Term. The term of this Lease shall commence on [REDACTED], 2024 (“Lease Commencement Date”), and continue for a period of one (1) year (the “Initial Term”), unless sooner terminated as herein provided. Upon the expiration of the Initial Term, the term of this Lease shall automatically renew for up to four (4) successive terms of one (1) year each (each a “Renewal Term” and together with the Initial Term, the “Lease Term”) unless either party shall give notice to the other of their intent not to renew no less than ninety (90) days prior to the expiration of the then-current term. As used herein, a “Lease Year” shall mean the period commencing on the Lease Commencement Date and ending twelve (12) months thereafter, and each twelve (12) month period thereafter during the Lease Term.

4.2. Early Termination. In the event Lessee abandons the Premises, ceases the Permitted Use, or otherwise purports to terminate this Lease prior to the expiration of the Lease Term, HACA, at its option and in addition to any other remedies provided for hereunder or by applicable law, may terminate this Lease and declare the Remaining Rents (as hereinafter defined) immediately due and payable, and upon such declaration such amount shall be accelerated and HACA shall be entitled to recovery thereof. For purposes herein, the “Remaining Rents” shall mean the sum of total rents to be due to HACA under this Lease calculated at the rental rate in effect upon the date of termination under this Section 4.2 for a period of twelve (12) months. In the event of a termination under this Section 4.2, HACA shall be entitled to, but in no event shall be liable in any respect for the failure to, relet the Premises.

5. RENTAL.

5.1. Initial rent. Beginning on the Lease Commencement Date, Lessee agrees to pay HACA, without notice, demand, deduction or set off, an annual rental of Twelve Thousand Dollars (\$12,000), payable in equal monthly installments of One Thousand Dollars (\$1,000), in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Lessee shall pay to HACA the first monthly installment of rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly installment of rental due.

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5.2. **Annual Adjustment.** The annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted at the beginning of each Lease Year by the percentage increase (but not any decrease) in the numerical index of the "Consumer Price Index for All Urban Consumers" published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") for the immediately preceding twelve (12) month period over the amount then payable hereunder.

6. **LATE CHARGES.** If HACA fails to receive full rental payment within fifteen (15) days after it becomes due, Lessee shall pay HACA, as additional rental, a late charge equal to actual bank fees incurred for dishonored payments plus twenty percent (20%). The parties agree that such a late charge represents a fair and reasonable estimate of the cost HACA will incur by reason of such late payment.

7. **GOVERNMENTAL ORDERS; HUD REQUIREMENTS.** Lessee, at its own expense, agrees to comply with: (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental or quasi-governmental authority having jurisdiction over the Premises, (b) the rules and regulations of any applicable governmental insurance authority or any similar body, relative to the Premises and Lessee's activities therein; (c) provisions of or rules enacted pursuant to any private use restrictions, as the same may be amended from time to time and (d) the Americans with Disabilities Act (42 U.S.C. §12101, et seq.) and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time.

8. **UTILITY BILLS/SERVICE CONTRACTS.** HACA shall be responsible for the payment of all utility bills and service contracts ("**Service Obligations**") for the Premises. Each month during the Term of this Lease, Lessee shall reimburse to HACA Thirty-Seven and One-Half Percent (37.5%) of sewer, water, electric, gas, and telephone utilities furnished to the Property during the prior month of the Term. HACA shall not be liable for injury to Lessee's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Lessee, its employees, agents, invitees or contractors or any other person in or about the Premises (collectively, "**Lessee Invitees**"), caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises or the Property, except to the extent that such damage or loss is caused by HACA's gross negligence or willful misconduct. HACA represents and warrants that the heating, ventilation and air conditioning system(s) and utility installations existing as of the Lease Commencement Date shall be in good order and repair. Subject to the provisions of this Section 8, HACA shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning system(s) and Lessee shall have no right to terminate this Lease or withhold rental because of the same.

9. **RULES AND REGULATIONS.** Lessee agrees to comply with all rules and regulations of HACA in connection with the Premises and the Property ("**Rules and Regulations**") which are in effect at the time of the execution of the Lease or which may be from time to time promulgated by HACA in its reasonable discretion, provided notice of such new Rules and Regulations is given to Lessee in writing or are prominently displayed at the Property or Premises, and the same are not in conflict with the terms and conditions of this Lease. The initial Rules and Regulations are attached hereto as SCHEDULE C and incorporated herein by reference.

10. **TAXES, INSURANCE AND COMMON AREA AND PROPERTY OPERATING EXPENSES.** HACA shall pay all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Property, shall procure and pay for such commercial general liability, broad form fire and extended and special perils insurance with respect to the Property as HACA in its reasonable discretion may deem appropriate, and shall maintain and operate the Common Areas and the Property.

11. INSURANCE; WAIVER; INDEMNITY.

11.1. During the term of this Lease, Lessee shall maintain commercial general liability insurance coverage with broad form contractual liability coverage and with coverage limits of not less than One Million Dollars

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(\$1,000,000) combined single limit, per occurrence; Fifty Thousand Dollars (\$50,000) for fire damage (any one fire); Five Thousand Dollars (\$5,000) for medical expenses (any one person); and One Million Dollars (\$1,000,000) total general aggregate. Such policy shall insure Lessee's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Lessee's liability nor relieve Lessee of any obligation hereunder. All policies of insurance provided for herein shall name as "additional insureds" HACA, all mortgagees of HACA and such other individuals or entities as HACA may from time to time designate upon written notice to Lessee. Lessee shall provide to HACA, at least thirty (30) days prior to expiration, certificates of insurance to evidence any renewal or additional insurance procured by Lessee. Lessee shall provide evidence of all insurance required under this Lease to HACA prior to the Lease Commencement Date.

11.2. HACA (for itself and its insurer) waives any rights, including rights of subrogation, and Lessee (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to HACA or Lessee arising from any risk generally covered by the "all risks" insurance required to be carried by HACA and Lessee. The foregoing waivers of subrogation shall be operative only so long as available in the State of North Carolina. The foregoing waivers shall be effective whether or not the parties maintain the insurance required to be carried pursuant to this Lease.

11.3. Except as otherwise provided in Section 11.2, Lessee indemnifies HACA for damages proximately caused by the negligence or wrongful conduct of Lessee and Lessee Invitees. Except as otherwise provided in Section 11.2, HACA indemnifies Lessee for damages proximately caused by the negligence or wrongful conduct of HACA and HACA's employees, agents, invitees or contractors. The indemnity provisions in this Section 11 cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of HACA and Lessee (as the case may be). The indemnity obligations in this Section 11 shall survive the expiration or earlier termination of this Lease.

12. REPAIRS BY HACA. REPAIRS BY HACA. Except for repairs specifically required to be made by Lessee pursuant to Section 12 below, HACA shall, at its sole cost and expense and without reimbursement or contribution by Lessee, during the Term, maintain the Premises in good condition and repair, and repair and replace, as and when necessary, the roof; foundation; structural supports; interior and exterior walls; heating, cooling, ventilation, plumbing, electrical, and security systems and all parts thereof; fixtures upon the Premises not placed thereupon by Lessee; and roadways, sidewalks, and curbs located upon or adjacent to the Premises. Notwithstanding the foregoing, in no event shall HACA be responsible for repairs or capital replacements rendered necessary by causes outside ordinary wear and tear, including, but not limited to, any negligence or intentional wrongful acts of Lessee and Lessee Invitees. Lessee shall promptly report in writing to HACA any defective condition known to it which HACA is required to repair and failure to report such conditions shall make Lessee responsible to HACA for any liability incurred by HACA by reason of such conditions.

13. REPAIRS BY LESSEE. Lessee accepts the Premises in their present condition and as suited for the Permitted Use and Lessee's intended purposes. Lessee, throughout the term of this Lease, at its expense, shall maintain in good order and repair the Premises (except those repairs expressly required to be made by HACA hereunder), including general maintenance such as, but not limited to, all light bulb replacements; painting of interior walls; minor plumbing and other systems repairs within the Premises; and annual HVAC system maintenance. Lessee shall use only licensed contractors for repairs where such license is required. HACA shall have the right to preapprove the contractor as to any repairs in excess of \$1,000. Lessee and any Lessee Invitees shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Lessee shall indemnify and hold HACA harmless from any liability, claim, demand or cause of action arising on account of Lessee's breach of the provisions of this Section 13.

14. ALTERATIONS. Lessee shall not make any alterations, additions, or improvements to the Premises without HACA's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. HACA,

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in connection with HACA's consent to same, may designate any such alterations, additions, or improvements to the Premises as subject to removal upon the expiration or earlier termination of this Lease, in which case, upon HACA's written notice to Lessee to remove same at the expiration or earlier termination of this Lease, Lessee shall do so and restore the Premises to the condition that existed prior to such alterations, additions, or improvements being made. Lessee shall promptly remove any alterations, additions, or improvements constructed in violation of this Section 14 upon HACA's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by HACA, free of any liens or encumbrances. Lessee has no authority to allow, will not permit, and will indemnify HACA and hold it harmless from, any contractors', laborers', mechanics', or materialmen's liens, or any other similar liens filed against the Premises in connection with any alterations, additions, or improvements to the Premises.

15. SURRENDERING THE PREMISES. Lessee agrees to return the Premises to HACA, at the expiration or earlier termination of this Lease, broom clean and in as good condition and repair as on the Lease Commencement Date, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. By written notice to Lessee, HACA may require Lessee to remove any alterations, additions or improvements at the expiration or earlier termination of this Lease (whether or not made with HACA's consent and whether or not designated via Section 14 as subject to removal) and to restore the Premises to its prior condition as of the Lease Commencement Date, all at Lessee's expense. All alterations, additions and improvements which HACA has not required Lessee to remove shall become HACA's property and shall be surrendered to HACA upon the termination of this Lease, except that Lessee may remove any of Lessee's personal property or trade fixtures which can be removed without material damage to the Premises or the Property. Lessee shall repair, at Lessee's expense, any damage to the Premises caused by the removal of any such personal property or trade fixtures.

16. DESTRUCTION OF OR DAMAGE TO PREMISES.

- 16.1. If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, either Party shall have the right to terminate this Lease on written notice to the other Party within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between HACA and Lessee as of that date.
- 16.2. If the Premises are damaged but not wholly destroyed by any such casualties or if neither party elects to terminate the Lease under Section 16.1 above, HACA shall commence (or shall cause to be commenced) reconstruction of the Premises within one hundred twenty (120) days after such occurrence and prosecute the same diligently to completion, not to exceed two hundred seventy (270) days from the date upon which HACA receives applicable permits and insurance proceeds. In the event HACA shall fail to substantially complete reconstruction of the Premises within said two hundred seventy (270) day period, Lessee's sole remedy shall be to terminate this Lease.
- 16.3. In the event of any casualty at the Premises during the last one (1) year of the Lease Term, HACA and Lessee each shall have the option to terminate this Lease on written notice to the other of exercise thereof within sixty (60) days after such occurrence.
- 16.4. In the event of reconstruction of the Premises, Lessee shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management, and the obligation of Lessee to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. The annual rental and other sums due under this Lease shall be abated proportionately with the degree to which Lessee's use of the Premises is impaired, commencing from the date of destruction and continuing during the period of such reconstruction. Lessee shall not be entitled to any compensation or damages from HACA for loss of use of the whole or any part of the Premises, Lessee's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

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16.5. In the event of the termination of this Lease under any of the provisions of this Section 16, both HACA and Lessee shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

17. CONDEMNATION.

17.1. If the entire Premises shall be appropriated or taken under the power of eminent domain by any governmental or quasi-governmental authority or under threat of and in lieu of condemnation (hereinafter, "taken" or "taking"), this Lease shall terminate as of the date of such taking, and HACA and Lessee shall have no further liability or obligation arising under this Lease after such date, except as otherwise provided for in this Lease.

17.2. If more than twenty-five percent (25%) of the floor area of the Premises is taken, or if by reason of any taking of the Property or the Premises, regardless of the amount so taken, the remainder of the Premises is rendered unusable for the Permitted Use, either HACA or Lessee shall have the right to terminate this Lease as of the date the portion of the Premises of taking of the portion of the Premises or Property so taken, upon giving notice of such election within thirty (30) days after receipt by Lessee from HACA of written notice that said portion of the Premises or the Property have been or will be so taken. In the event of such termination, both HACA and Lessee shall be released from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

17.3. HACA and Lessee, immediately after learning of any taking, shall give notice thereof to each other.

17.4. If this Lease is not terminated on account of a taking as provided herein above, then Lessee shall continue to occupy that portion of the Premises not taken and the parties shall proceed as follows: (i) at HACA's cost and expense and as soon as reasonably possible, HACA shall restore (or shall cause to be restored) the Premises and/or Property remaining to a complete unit of like quality and character as existed prior to such appropriation or taking, and (ii) the annual rent provided for in Section 5 and other sums due under the Lease shall be reduced on an equitable basis, taking into account the relative values of the portion taken as compared to the portion remaining. Lessee waives any statutory rights of termination that may arise because of any partial taking of the Premises and/or the Property.

17.5. HACA shall be entitled to the entire condemnation award for any taking of the Premises and/or the Property or any part thereof. Lessee's right to receive any amounts separately awarded to Lessee directly from the condemning authority for the taking of its merchandise, personal property, relocation expenses and/or interests in other than the real property taken shall not be affected in any manner by the provisions of this Section 17, provided Lessee's award does not reduce or affect HACA's award and provided further, Lessee shall have no claim for the loss of its leasehold estate.

18. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this Lease or any interest hereunder or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Lessee, without HACA's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed; provided HACA may condition such assignment or sublease upon assignee or sublessor entering into an operational agreement for use of the Premises in the form satisfactory to HACA. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of HACA. No sublease or assignment by Lessee shall relieve Lessee of any liability hereunder.

19. EVENTS OF DEFAULT. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Lessee: (a) Lessee fails to pay when due the rental or any other monetary obligation as provided for herein; (b) Lessee abandons or vacates the Premises; (c) Lessee fails to comply with or abide by and perform any non-monetary obligation imposed upon Lessee under

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this Lease within thirty (30) days after written notice of such breach; (d) Lessee is adjudicated bankrupt; (e) A permanent receiver is appointed for Lessee's property and such receiver is not removed within sixty (60) days after written notice from HACA to Lessee to obtain such removal; (f) Lessee, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be, reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Lessee makes an assignment for benefit of creditors; or (h) Lessee's effects are levied upon or attached under process against Lessee, which is not satisfied or dissolved within thirty (30) days after written notice from HACA to Lessee to obtain satisfaction thereof.

20. REMEDIES UPON DEFAULT. Upon the occurrence of Event of Default, HACA may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) HACA may terminate this Lease by giving written notice to Lessee and upon such termination shall be entitled to recover from Lessee damages as may be permitted under applicable law; or (b) HACA may terminate this Lease by giving written notice to Lessee and, upon such termination, shall be entitled to recover from the Lessee damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) HACA, as Lessee's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term HACA deems proper, with Lessee being liable to HACA for the deficiency, if any, between Lessee's rent hereunder and the price obtained by HACA on reletting, provided however, that HACA shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Lessee's default and expressly shall have no duty to mitigate Lessee's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect HACA's right to collect rent for the period prior to termination thereof. Lessee acknowledges and understands that HACA's acceptance of partial rental will not waive Lessee's breach of this Lease or limit HACA's rights against Lessee hereunder or HACA's right to evict Lessee through a summary ejectment proceeding, whether filed before or after HACA's acceptance of any such partial rental.

21. EXTERIOR SIGNS. Lessee shall place no signs upon the outside walls, doors or roof of the Premises or anywhere on the Property, except with the express written consent of HACA, which consent shall not be unreasonably withheld. Any consent given by HACA shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises or on the Property. Any and all signs placed on the Premises or the Property by Lessee shall be maintained in compliance with governmental rules and regulations governing such signs and Lessee shall be responsible to HACA for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

22. HACA'S ENTRY OF PREMISES. HACA may enter the Premises upon prior notice at reasonable hours to exhibit same to prospective purchasers or Lessees, to make repairs required of HACA under the terms hereof, for reasonable business purposes and otherwise as may be agreed by HACA and Lessee. HACA may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Premises. Upon request of HACA, Lessee shall provide HACA with a functioning key to the Premises and shall replace such key if the locks to the Premises are changed.

23. QUIET ENJOYMENT. So long as Lessee observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, subject to the terms hereof.

24. HOLDING OVER. If Lessee remains in possession of the Premises after expiration of the term hereof, Lessee shall be a Lessee at sufferance and there shall be no renewal of this Lease by operation of law. In such event, commencing on the date following the date of expiration of the term, the monthly rental payable under Section 5 above shall for each month, or fraction thereof during which Lessee so remains in possession of the Premises, be twice the monthly rental otherwise payable under Section 5 above.

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25. ENVIRONMENTAL LAWS.

- 25.1. Lessee covenants that, with respect to any Hazardous Materials (as defined below), it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or the Property or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being Lessee shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and Lessee shall provide HACA with copies of all such items upon request. Lessee shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by Lessee, or related in any manner to Hazardous Materials. In addition, Lessee shall provide HACA with copies of all responses to such correspondence at the time of the response.
- 25.2. Lessee hereby indemnifies and holds harmless HACA, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against HACA as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises or the Property of any Hazardous Materials caused by Lessee or any Lessee Invitees. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises or the Property by Lessee, its agents, employees, invitees or successors in interest.
- 25.3. For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials laws or regulations, (ii) is regulated, controlled or governed by any Hazardous Materials laws or regulations, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).. Lessee shall remove from the Premises all Hazardous Materials that were placed on the Premises by Lessee or any Lessee Invitees, either after their use by Lessee or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.
- 25.4. The warranties and indemnities contained in this Section 25 shall survive the termination of this Lease.

26. SUBORDINATION; ATTORNMENT; ESTOPPEL.

- 26.1. This Lease and all of Lessee's rights hereunder are and shall be subject and subordinate to all currently existing and future mortgages affecting the Premises. Within ten (10) days after the receipt of a written request from HACA or any HACA mortgagee, Lessee shall confirm such subordination by executing and delivering HACA and HACA's mortgagee a recordable subordination agreement and such other documents as may be reasonably requested, in form and content satisfactory to HACA and HACA's mortgagee. Provided, however, as a condition to Lessee's obligation to execute and deliver any such subordination agreement, the applicable mortgagee must agree that mortgagee shall not unilaterally, materially alter this Lease and this Lease shall not be divested by foreclosure or other default proceedings thereunder so long as Lessee

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shall not be in default under the terms of this Lease beyond any applicable cure period set forth herein. Lessee acknowledges that any HACA mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Lessee, without Lessee's consent.

26.2. If HACA sells, transfers, or conveys its interest in the Premises or this Lease, or if the same is foreclosed judicially or non-judicially, or otherwise acquired, by a HACA mortgagee, upon the request of HACA or HACA's successor, Lessee shall attorn to said successor, provided said successor accepts the Premises subject to this Lease. Lessee shall, upon the request of HACA or HACA's successor, execute an attornment agreement confirming the same, in form and substance acceptable to HACA or HACA's successor and HACA shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, transfer or conveyance; and Lessee agrees to look solely to the successor in interest of HACA for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreement shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor shall have consented to such amendment.

26.3. Within ten (10) days after request from HACA, Lessee shall execute and deliver to HACA an estoppel certificate (to be prepared by HACA and delivered to Lessee) with appropriate facts then in existence concerning the status of this Lease and Lessee's occupancy, and with any exceptions thereto noted in writing by Lessee. Lessee's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Lessee in favor of HACA and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

27. ABANDONMENT. Lessee shall not abandon the Premises at any time during the Lease Term. If Lessee shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Lessee and left on the Premises, at the option of HACA, shall be deemed abandoned, and available to HACA to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

28. NOTICES. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid, at the addresses of the parties set forth below. All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

IF TO LESSEE:

Asheville PEAK Academy
Attn: Kidada Wynn
113133 Livingston Street
Asheville, NC 28801

IF TO HACA:

Housing Authority of City of Asheville
Attn: Terri Anello
165 South French Broad Avenue
Asheville, NC 28801

29. BROKERS. Except as expressly provided herein, Lessee and HACA agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the lease of the Property to Lessee.

30. GENERAL TERMS.

30.1. "HACA" as used in this Lease shall include the undersigned, its representatives, assigns and successors in title to the Premises. "Lessee" shall include the undersigned and its representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Lessee's assignees or sublessees as to the Premises covered by such assignment or sublease. "HACA" and "Lessee" include male and female, singular and plural, corporation, partnership, or individual, as may fit the particular parties.

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- 30.2. No failure of HACA to exercise any power given HACA hereunder or to insist upon strict compliance by Lessee of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of HACA's right to demand exact compliance with the terms hereof. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.
- 30.3. Time is of the essence in this Lease.
- 30.4. This Lease may be executed in one or more counterparts, which taken together shall constitute one and the same original document. Copies of original signature pages of this Lease may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Lease constitutes the sole and entire agreement among the parties hereto and no modification of this Lease shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Lease shall not affect the validity of any other provisions hereof and this Lease shall be construed and enforced as if such invalid provisions were not included.
- 30.5. Each signatory to this Lease represents and warrants that he or she has full authority to sign this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Lease are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Lease.
- 30.6. Upon request by either HACA or Lessee, the parties hereto shall execute a short form lease (memorandum of lease) in recordable form, setting forth such provisions hereof (other than the amount of annual rental and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.
- 30.7. If legal proceedings are instituted to enforce any provision of this Lease, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

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IN WITNESS WHEREOF, the parties hereto have hereunto caused this Lease to be duly executed.

HOUSING AUTHORITY OF THE CITY OF ASHEVILLE

By: Monique L. Pierre (SEAL)
Monique L. Pierre, President and CEO

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, a Notary Public of the State and County aforesaid, certify that Monique L. Pierre, as President and CEO of the Housing Authority of the City of Asheville, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this the 28th day of August, 2024.

NOTARY SEAL

Cherin Marmon-Saxe
Notary Public

My Commission Expires:

11/15/2025

CHERIN MARMON-SAXE
NOTARY PUBLIC
Buncombe County
North Carolina
My Commission Expires November 15, 2025

ASHEVILLE P.E.A.K. ACADEMY CHARTER SCHOOL

By: Kidada Wynn (SEAL)
Kidada Wynn, Executive Director

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

I, a Notary Public of the State and County aforesaid, certify that Kidada Wynn, as Executive Director of Asheville P.E.A.K. Academy Charter School, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this the 28th day of August, 2024.

NOTARY SEAL

Cherin Marmon-Saxe
Notary Public

My Commission Expires:

11/15/2025

CHERIN MARMON-SAXE
NOTARY PUBLIC
Buncombe County
North Carolina
My Commission Expires November 15, 2025

HOUSING AUTHORITY OF THE CITY OF ASHEVILLE, NC

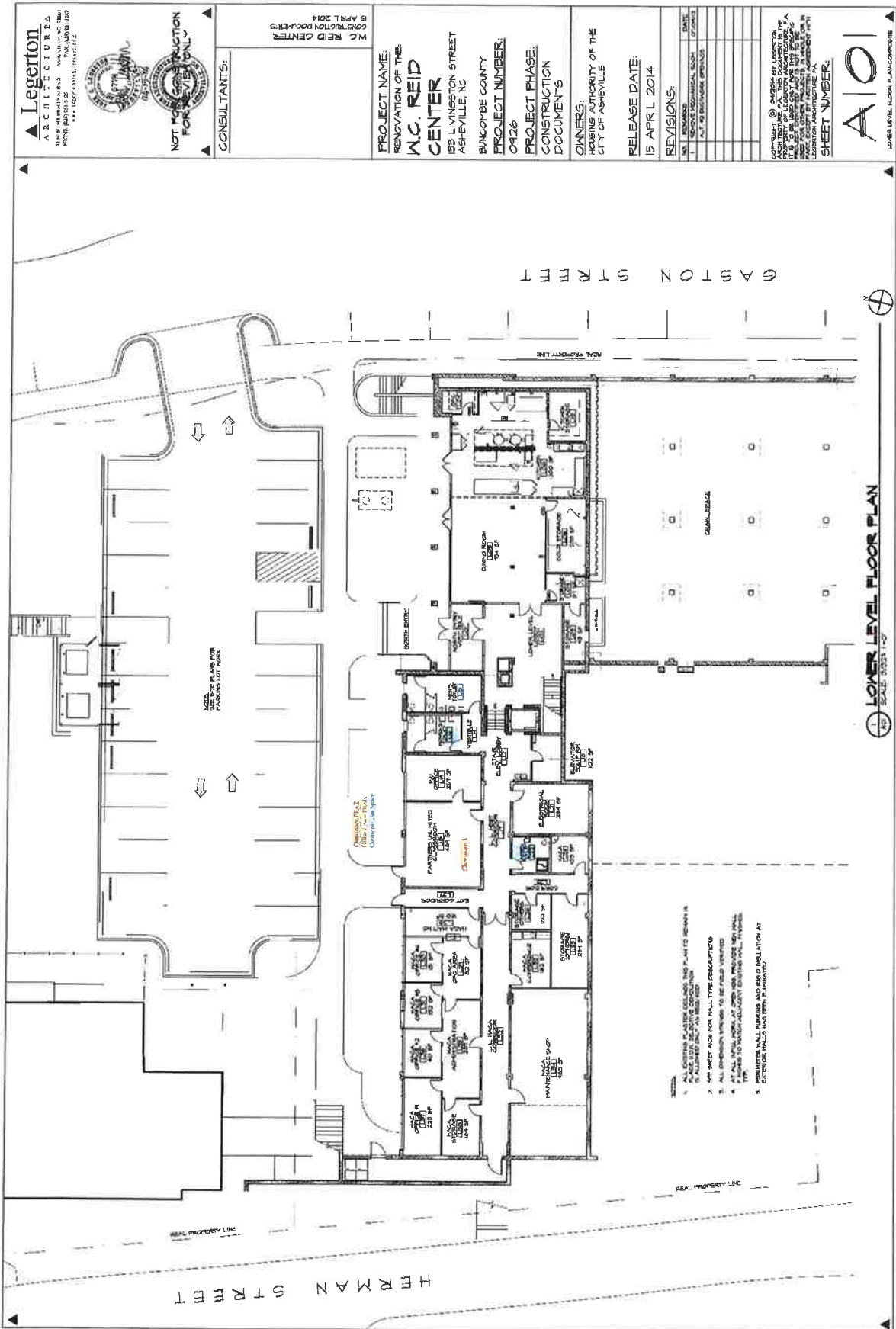
<p align="center">Lease Agreement between the Housing Authority of City of Asheville and Asheville P.E.A.K. Academy Charter School</p>

**SCHEDULE A
DESCRIPTION OF PREMISES**

The Premises shall include approximately 4,785 square feet of space within the Arthur R. Edington Education & Career Center, located at 133 Livingston Street, Asheville, North Carolina 28801, as more particularly shown on the floor plans attached hereto and as follows:

Space	Room Number	Sq. Ft	Assignment
Classroom A	M45	914	PEAK
Classroom B	M44	914	PEAK
Classroom C	M43	439	PEAK
Classroom D	M42	463	PEAK
Classroom E	M30	631	PEAK
Classroom F/G	M32	973	PEAK
Classroom H/I/J/K	M35	2,199	PEAK
Classroom L	L18	489	PEAK
Office Space	L19	267	PEAK
Office Space	M34	121	PEAK
Office Space	M33	111	PEAK
Office Space 1	M37	195	PEAK
Office Space 2	M38	118	PEAK
Office Space 3	M39	123	PEAK
Office Space 6	M24	362	PEAK
Office Space 7	M22	360	PEAK
Office Space 8	M20	447	PEAK
Auditorium	M08	3095	Common
Auditorium (Storage)	S2	n/a	PEAK
Gymnasium	M13	8,745	Common
Janitor's Closet 1	JC1	n/a	PEAK
Restrooms (F)	M40	n/a	Common
Restrooms (M)	M41	n/a	Common
Storage (Vault)	M16	n/a	PEAK
Unisex Restroom	L22	n/a	Staff
Restroom Lower (F)	L16	n/a	Staff
Restroom Lower (M)	L15	n/a	Staff
Kitchen	L08	1,100	Common

The areas designated as "Common" are predominately utilized by PEAK Academy during regular school hours. Occasional use will be coordinated so as not to be disruptive to the PEAK Academy. Lower level restrooms are for adult staff members.



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SCHEDULE B SHARED USE PLAN

Afterschool Transition Plan

In order to permit the PODS afterschool program to make necessary use of the Premises, Lessee, including its staff and students, shall vacate (i) the gymnasium and auditorium/multipurpose room by no later than 2:45 p.m. each school day and (ii) all classrooms, with the exception of the lower level room LL18, which will remain available for PEAK until 4:00 p.m., will be available by no later than 3:30 p.m. each school day. Notwithstanding the forgoing, Lessee shall have continued access to any office spaces designated for its use at any time.

Common Area Shared Use Plan

Lessee shall have the use of the classroom space during the school year with the exception of the afterschool transition plan. The use of office space will not be limited. The use of the multipurpose space will be constrained by previously scheduled events. Any events that are planned for the building will be discussed with the Lessee so as to not create a conflict with the use of space or interfere with Lessee's ability to operate their school facility.

Date/Time			
August 23, 2024 9:00 AM – 4:00 PM	Afterschool Staff Trainings	Multipurpose Room	Chosen PODS (Edington)
August 24, 2024 11:00 AM – 7:00 AM	Job Fair- Pratt & Whitney	Auditorium and Gymnasium	Employer will be providing onsite interviews and job offers.
April 14- 17, 2025 7:45 AM – 5:30 PM	Spring Break Camp	All spaces excluding PEAK administrative offices	
June 11, 2025 7:45 AM – 5:30 PM	SUMMER CAMP TRAINING	Staff begin training and preparation	Summer camp will begin Monday, June 16, 2025.
June 16, 2025 – August 15, 2024	SUMMER CAMP	All spaces excluding PEAK administrative offices	
<ul style="list-style-type: none"> Other dates and times will be added as the Resident Services department schedules community engagement and self-sufficiency events for residents of HACA. The gym and multipurpose spaces are often booked in advance for weekend events; therefore, outside events will need to be scheduled ahead of time to ensure availability. 			

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**SCHEDULE C
RULES & REGULATIONS**

1. **KEYS.** At the outset of this Lease, HACA shall provide to Lessee (i) two (2) sets of master keys for locks upon the Premises and (ii) one (1) keycard/badge for each member of Lessee's staff. Thereafter, new badges may be acquired from HACA for a fee. In the event any master key is lost or not returned to HACA upon termination of this Lease, Lessee shall bear all associated costs of rekeying locks, creating new keys, and so forth. At no time shall Lessee reproduce or add any keys and/or locks on any door, window, or gate upon the Premises without the express prior permission of HACA.

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**EXHIBIT A
PROPOSAL**

[See attached]

