



**VILLAGE COUNCIL
AGENDA FOR REGULAR MEETING OF JULY 9, 2019
ASSEMBLY HALL
395 MAGNOLIA RD.
PINEHURST, NORTH CAROLINA
4:30 PM**

1. Call to Order.

2. Reports:

Manager

Council

3. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

A. Approval of Draft Village Council Meeting Minutes.

June 25, 2019 Regular Meeting

June 25, 2019 Work Session

B. Budget Amendments Report

End of Consent Agenda.

4. Discuss and Consider Renewal to Lease Village Property

5. Other Business.

6. Comments from Attendees.

7. Motion to Adjourn.

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement.



**COUNCIL
ADDITIONAL AGENDA DETAILS:**

ATTACHMENTS:

Description

- ▣ 2019 Key Partners and Collaborators



Council Member to Report	Partners & Collaborators
Nancy Fiorillo	Neighborhood Advisory Committee
	Moore County Schools
	Pinehurst Resort
John Bouldry	First Health
	NCDOT/MCTC/TARPO
	Triangle J. COG
	Moore County
Judy Davis	Pinehurst Business Partners
	Beautification Committee
	Given Memorial Library Working Group
Kevin Drum	Tri-Cities Work Group (Pinehurst, So. Pines, Aberdeen)
	Partners in Progress
Jack Farrell	Bicycle and Pedestrian Advisory Committee
	Convention and Visitors Bureau



**APPROVAL OF DRAFT VILLAGE COUNCIL MEETING MINUTES.
ADDITIONAL AGENDA DETAILS:**

June 25, 2019 Regular Meeting
June 25, 2019 Work Session

FROM:
Beth Dunn

CC:
Jeff Sanborn

DATE OF MEMO:
7/1/2019

MEMO DETAILS:
Attached are the draft minutes from the Village Council regular meeting and work session on June 25, 2019.

ATTACHMENTS:

Description

- ☐ June 25, 2019 Regular Meeting
- ☐ June 25, 2019 Work Session



**VILLAGE COUNCIL
MINUTES FOR REGULAR MEETING OF JUNE 25, 2019
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM**

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, June 25, 2019 in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. John Bouldry, Mayor Pro Tem
Ms. Judy Davis, Treasurer
Mr. Kevin Drum, Councilmember
Mr. Jack Farrell, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk

And approximately 25 attendees, including 10 staff and 1 press.

1. Call to Order.

Mayor Nancy Roy Fiorillo, called the meeting to order.

2. Invocation and Pledge of Allegiance.

Invocation by Jason Whitaker, Village of Pinehurst Chief Information Officer.

Cliff Aiken, Pinehurst Resident, performed a song he wrote called "A Little Bit of Heaven" about Pinehurst. By consensus of the Board they agreed to adopt his song as the official song of Pinehurst.

3. Reports:

Village Manager

- Spoke on the recent efforts in the General Assembly to try to limit authority from local governments. Collectively, with other municipalities, we had a positive effect on some of the bills that had been proposed. Last week the League of Municipalities brought a bill regarding short term rentals to their attention. Senate Bill 433 and House Bill 922, specifically titled pursuant to short term rentals. As currently drafted the bills state that short term rentals would be subject to all requirements just as any other rental. One item he noticed when he dug into the bill was that the bill refers to GS 160A-424, which states that local governments may not require owners and operators to register or to get a permit for short term rentals, therefore removing the ability of local governments to regulate, if desired.

Village Council

- Councilmember Drum thanked the Planning Department staff for the hard work that went into the Community Open House.
- Mayor Pro Tem Bouldry thanked staff for doing such a great job with the Community Open House.
- Mayor Nancy Fiorillo stated at the NAC meeting, this past week, there were several remarks on the great job with the Comprehensive Plan and Open House.
- Councilmember Davis thanked the staff and the community for coming out to participate in the event.

- Councilmember Farrell thanked the staff as well.

4. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

- Public Safety Reports for May, 2019
- Approval of Draft Village Council Meeting Minutes.
 - June 11, 2019 Regular Meeting
 - June 11, 2019 Closed Session
- Budget Amendments Report

End of Consent Agenda.

Upon a motion by Councilmember Davis, seconded by Councilmember Drum, Council unanimously approved the Consent agenda by a vote of 5-0.

5. Discuss Rezoning Request for Fairwoods Estates Planned Unit Development.

Darryn Burich, Planning and Inspection Director, explained this agenda item is to discuss the rezoning request for the Fairwood Estates Planned Unit Development, specifically three parcels consisting of approximately 1.6 acres further identified as Moore County PID #'s 20040078, 20040080 and 20040387. On June 11th, Council held a public hearing on the Granger Drive rezoning and after conducting an extensive review of the Village's records for approval of the Fairwoods development on May 20, 1996, staff has determined that Council does not have to take action on the rezoning request. Mr. Burich explained that in staff's opinion the current split zoning situation is a result of an ongoing mapping error carried over from Moore County's maintenance of the Village's Zoning Map.

Mr. Burich stated the following information was utilized to support the determination that this is a mapping error: 1) Certified Survey Map from 1991 indicating that the subject property was zoned MF. 2) Correspondence from Pinehurst Planning regarding the preliminary review to make an application for Major Site Plan review that details any potential development issues with no indication that the parcel was zoned incorrectly or needed to be changed from RD. 3) Correspondence from Pinehurst Planning and Zoning dated January 19, 1996 indicating that the subject property was zoned R-MF. 4) Correspondence from developer dated January 30, 1996 indicating that all units within the Major Site Plan will be detached single family townhouses of approximately 2,500 square feet. 5) Correspondence from Pinehurst Assistant Village Manager dated March 7, 1996 indicating that the subject property was zoned R-MF. 6) Major Site Plan Application dated March 15, 1996 indicating that the subject property was zoned RMF. 7) Minutes from the May 20th, 1996 Council meeting approving the Major Site Plan for the Fairwoods development which conditionally approved the project stating in particular that the "the Village reserves the right to reject any and all plans related to this application."

Mr. Burich explained that per Chapter 8.1 E of the PDO, "Where other uncertainty exists, the Village Planner shall interpret the Official Zoning Map as to the location of such boundaries. This decision may be appealed to the Zoning Board of Adjustment." Staff is proposing to utilize this provision in the PDO to initiate an administrative zoning map amendment to correct this ongoing mapping error. Correcting the mapping error will allow detached single family development to move forward under the previously approved Major Site Plan approval. Any changes that would include any proposal for "attached" single family units would require an amendment to the previously approved Major Site Plan for the Fairwoods development. This would require a public hearing and Village Council approval. Mr. Burich stated staff recommends making an administrative zoning map amendment, per Section 8.1E of the PDO and no Council action is needed at this time. Council had no objections to staff making that correction to the Official Zoning Map.

6. Discuss and Consider a Request Sponsorship/Waiver of Fees at Fair Barn.

Mark Wagner, Parks and Recreation Director, explained staff received a request from Clare Ruggles with the Northern Moore Family Resources Center (NMFRC) regarding use of the Fair Barn for an event on April 17, 2020. The NMFRC is a nonprofit organization serving children and families in northern Moore County and will be celebrating its 25th anniversary in 2020. Mr. Wagner explained NMFRC plans to host a fundraising event for up to 500 attendees which will include a dinner, silent auction and live auction and are requesting that the Village waive the rental fees for their event.

Mr. Wagoner explained should Council consider approving this request, the estimated revenues that would be waived for the event would be approximately \$2,600. The waiver of any fees does not include the mandatory deposit of \$750 or the \$150 Kitchen Cleaning/Trash Removal fee that NMFRC would be required to pay. Also, the deposit is also refundable at the conclusion of the event assuming there is no damage to the facility. Mr. Wagoner stated this request does fall under the Village's Sponsorship Policy and would be a Category "C" for events coordinated by a non-profit that is attempting to raise funds. In this case, sponsorship may be approved by the Council in public for the first event of its type and wouldn't have to come back in future years as long as it is for the same event.

Upon a motion by Mayor Pro Tem Bouldry, seconded by Councilmember Farrell, Council unanimously approved the request for sponsorship for the Northern Moore Family Resources Center regarding use of the Fair Barn for an event on April 17, 2020 by a vote of 5-0.

7. Discuss and Consider a Request for Event Sponsorship - Holly Arts Festival.

Mark Wagner, Parks and Recreation Direction explained staff has been in discussions with the Pinehurst Business Partners (PBP) about a partnership for the annual Holly Arts & Crafts Festival held downtown in the Village each October. Mr. Wagoner stated staff is proposing that the Village become a co-sponsor of the event where we could assist with marketing and promotion of the Festival while also assisting with event planning as needed. Staff feels this would be a good collaborative effort between the Village and the Pinehurst Business Partners on what is likely the largest event held in the downtown Village each year. Mr. Wagoner explained the Village logo would be placed on the exhibitor application and any promotions going forward for the Festival.

Mr. Wagner explained as part of the sponsorship, staff's recommendation is that the Village would waive a majority of the fees that PBP would typically pay for the event. Last year for the Holly Arts & Crafts Festival PBP paid a total of \$890 in Temporary Use Permit fees and park rental fees. Also, PBP separately paid for Police Department staffing during the event. Under the proposed sponsorship agreement, PBP would be responsible only for the \$290 which would cover their deposit for Tufts Park, which is refundable, post event cleaning and on-site staffing handling trash. PBP would still be responsible for Police Department staffing during the event. Councilmember Drum believes this is an ideal partnership that could help elevate the event. Councilmember Farrell asked if we have a plan for remote parking. Katrin Franklin, President Pinehurst Business Partners, stated that they have contracted with Kirk Tours the last two years to shuttle patrons into the Village from Pinehurst Elementary School. Mayor Nancy Fiorillo stated they could use the parking at Village Hall if the elementary school is being demolished at that time.

Upon a motion by Councilmember Davis, seconded by Mayor Pro Tem Bouldry, Council unanimously approved the Village of Pinehurst co-sponsoring of the 2019 Holly Arts Festival by a vote of 5-0.

8. Other Business.

Mayor Pro Tem Bouldry stated that in 2020 the Village will be 125 years old. He explained at the last meeting Council briefly discussed having a celebration of the anniversary. He asked that we put the item on the next work session to discuss with other partners. Mayor Nancy Fiorillo stated there are many organizations that would be willing to help and she would be willing to volunteer to help Mayor Pro Tem Bouldry with the event. Councilmember Farrell stated he believes the Resort would be helpful with the event. Jeff Sanborn stated he briefly discussed the idea with the Resort and they will need to have further discussions to determine a date and other details.

9. Comments from Attendees.

- Tom Campbell, Monticello Drive, stated that many years ago there was a group of about 4 residents that attended the Council meetings and he is sad to say one of those, Richard "Dick" E. Bisbe, passed away this morning.
- John Webster, 140 West McKenzie Road, gave comments in regards to the draft comprehensive plan. He stated there was never an option to say no to development. The comprehensive plans assumes 7,000 new residents in the next 10 years and he feels this is unrealistic. He feels not enough is done to preserve the long leaf pine ecosystem. He feels the Comprehensive Plan is being pushed to be approved before the election and he feels it needs to be a point of discussion for the election.
- Frank Pacifico, 155 East Mackenzie Road. The property on 211 behind Pinewild came up on at the Community Open house and the Consultants weren't aware that that was not part of the Village. He believes that we should use someone more local that knows the area. Mr. Pacifico asked what can be done to reduce heavy truck traffic on East Mackenzie Road, specifically the 18 wheelers. He asked was there a way to put up a sign saying no truck traffic. Also, he read in the Village newsletter that we are cooperating with the school system to renovate the Wicker Playground and wants to know how much it is costing and what part of the cost is ours.
 - Jeff Sanborn, Village Manager, stated the Village can't restrict a certain class of vehicles on a road, what is more

permissible is signs that say no thru trucks, however, that is difficult to determine what is really thru traffic. Currently East Mackenzie is the designated construction traffic route for the temporary school site.

- Mark Wagner, Parks and Recreation Director, stated the cost of the Wicker Park Playground renovations were \$140,000, the Village paid \$100,000 and \$40,000 was paid by Moore County Schools.
- John Root, Pinehurst resident, suggested the 125th Anniversary celebration be held either when the property was purchased or when the Resort first opened.
- John Hoffman, Everett Rd., stated the Community Presbyterian Church are still continuing to violate the PDO in regards to parking. He stated it seems it is selection to the enforcement of the PDO. He read portion of an article from the Pilot, from May 2017, about the Community Presbyterian Church.
- Bob Coats, 21 Edinburgh Lane, explained he believes the recommendation on the Comprehensive Plan to explore options to protect the Western Connector Corridor confused many residents, as the didn't understand what this options really meant.
 - Mayor Nancy Fiorillo stated protecting means not to have development in that area to protect the highway development in the future. Jeff Sanborn explained the highway is not in the current NCDOT funding plan, however, it is in the Moore County Transportation Plan and that's why it was included in the options for the Comprehensive Plan.
- Tom Campbell, Monticello Drive, stated he attended the Aberdeen Commissioner meeting last night they approved the Blake Village Development, despite the Aberdeen Planning Board recommendation to disapprove.

10. Motion to Adjourn.

Upon a motion by Councilmember Drum, seconded by Councilmember Davis, Council unanimously approved to adjourn the regular meeting by a vote of 5-0 at 5:48 pm.

Respectfully Submitted,

Beth Dunn,
Village Clerk

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**VILLAGE COUNCIL
MINUTES FOR WORK SESSION OF JUNE 25, 2019
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA**

IMMEDIATELY FOLLOWING THE REGULAR MEETING

The Pinehurst Village Council held a Work Session at 5:48 p.m., Tuesday, June 25, 2019, in the Assembly Hall of Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Mr. John Bouldry, Mayor Pro Tem
Ms. Judy Davis, Treasurer
Mr. Kevin Drum, Councilmember
Mr. Jack Farrell, Councilmember
Mr. Jeffrey Sanborn, Village Manager
Ms. Beth Dunn, Village Clerk

And approximately 21 attendees, including 6 staff.

1. Call to Order.

Mayor Nancy Roy Fiorillo, called the Council work session to order.

2. Review and Discuss Public Input Received at the Comprehensive Plan Open House.

Natalie Hawkins, Assistant Village Manager, explained this agenda item is to discuss the feedback we received on the draft Comprehensive Plan during the two-day Open House held on June 17th and 18th. Ms. Hawkins stated Village staff would like for Council to focus on the five focus areas and to strive to achieve as much consensus as possible on the preferred scenarios for these five areas. Ms. Hawkins stated that management has, for the first time, made their recommendations as well.

Ms. Hawkins reviewed focus area 1, the existing ETJ, and explained the consultants included the line for the possible Western Connector because the road is included in the Moore County Transportation Plan. This area is currently 1 unit per 5 acres. Ms. Hawkins explained the major public vote getter was for scenario 1, which was one or two conservation neighborhoods, with remaining land at 1 unit per 10 acre. Mayor Pro Tem Bouldry stated the developers and builders are so far in front of the infrastructure in place today. Jane Hogeman, 18 Lochdon Court, stated that mixed use villages, or conservation neighborhoods, do not work. Ms. Hogeman feels the ETJ needs to stay business as usual. For focus area 1, the existing ETJ, Council came to consensus to add a policy statement to potentially consider character based conservation neighborhoods (50% open space, small-scale mixed use) in the future and identify areas desired for land conservancy. Also, Council decided to include the northwest section of the ETJ in the focus area and to make the Western Connector a "dashed" line on the map.

Ms. Hawkins reviewed focus area 3, the medical district and stated that currently the medical district is currently is allowed to build up 75 feet, or 4 stories. Ms. Hawkins explained the largest vote getter from the public was for scenario 1, to convert existing development to 3-4 story buildings with parking garages. Council came to a consensus to go with Scenario 1 for the medical district, with modifications, to allow up to 4 story buildings, with hospital district up to 6 stories, and with multi-level parking garages. Council also added a policy statement to consider allowing pedestrian overpasses/bridges on Page Road and/or Memorial Drive in the future.

Ms. Hawkins reviewed focus area 5, Hwy 211 commercial area. The highest vote getter for this area was business as usual. Council discussed character based development for the area and how to achieve. Bill Comer, Pinehurst resident, stated that this particular strip of land is no longer a bunch of tiny lots anymore. A single owner has consolidated those lots into two very large lots.

Mr. Comer also noted that the Department of Transportation would only allow a certain number of curb cuts on Hwy 211, which is how you end up with the strip mall look. Council came to a consensus for focus area 5 to be business as usual for general office. Council agreed to add a policy statement to potentially consider character based, small scale supporting retail and service uses in the future, modeled after the Turnberry Wood development in Southern Pines.

Ms. Hawkins stated that for focus area 4, Village Place/Rattlesnake Trail Corridor the highest vote getter was for scenario 1, to convert existing development to a more mixed use and walkable destination. Council also agreed to go with scenario 1, to convert existing development to a more mixed use and walkable destination area. Also, they agreed to show entire area west of Rattlesnake Trail as Village Mixed Use.

Ms. Hawkins stated that many people were confused with the options for focus area 2, for Hwy 5 commercial area. Ms. Hawkins stated that the highest vote getter for this area was for business as usual, to develop the area as a mix of residential, office, and retail. Ms. Hawkins stated that she spoke with many residents who liked the idea of master planning the area but they were not comfortable with the Harness Track being developed. Council came to a consensus to go with Scenario 2, for focus area 2, but with modifications. Future development in this area as one connected master plan concept with a primary focus on office, medical, life science, research facilities with small-scale supporting retail and services, limited to two stories. Also, Council agreed to eliminate the Harness Track property and the western most portion, west of Goldthread Lane and Community Center Road from the focus area. Council also agreed to rename land use of "Major Employment Center".

Public Comments:

- Carol, Pinehurst resident, stated that in the ETJ, focus area 1, the public voted for 1 per 10 acres and Council is leaving it at 1 per 5 acres. She also doesn't feel it is appropriate to include a conservation neighborhood.
 - Mayor Nancy Fiorillo stated it would be hard to tell the people that they had 10 acres and now they only have 5.
- John Root, 180 Pine Vista Drive, suggested that a trigger point is added to aid in the planning process should something arrives to change the plans.
- John Webster, 140 West McKenzie Road, stated he feels that leaving focus area 1 at 1 per 10 acres and including conservation neighborhoods would make a higher density area than the prior option. He suggested adding language in no case should it have more population as we have today as business as usual.
- Jane Hogeman, 18 Lochdon Court, presented Council with a list of potential uses for the Hwy 211 corridor, based on the current zoning. Ms. Hogeman stated Pinewild POA will be reviewing these as well and giving their opinion.

3. Discuss Allowable Uses for Highway Corridors.

Council decided to delay this discussion until a future work session.

4. Work Session Business.

No other business was discussed.

5. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Bouldry, seconded by Councilmember Farrell, Council unanimously approved to adjourn the Work Session by a vote of 5-0 at 8:00 pm.

Respectfully Submitted,

Beth Dunn,
Village Clerk

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**BUDGET AMENDMENTS REPORT
ADDITIONAL AGENDA DETAILS:**

FROM:

Brooke Hunter

CC:

Jeff Sanborn & Natalie Hawkins

DATE OF MEMO:

7/2/2019

MEMO DETAILS:

Attached is the report of budget amendments approved by the Budget Officer as required for the current period.

ATTACHMENTS:

Description

- Budget Amendments Report - FY 2019



**VILLAGE OF PINEHURST
BUDGET AMENDMENTS APPROVED BY BUDGET OFFICER
FOR THE PERIOD JUNE 19 - JUNE 30, 2019**

Under Village of Pinehurst Ordinance #18-08, the Village Council grants the Budget Officer, or Village Manager, the ability to transfer appropriations under specific conditions. These conditions allow transfers of up to \$10,000 between departments (including contingency) of the same fund for the FY 2019 Budget. The Budget Officer may not transfer monies between funds at any time.

According to Section 159-15 of The Local Government Budget and Fiscal Control Act, "any such transfers shall be reported to the governing board at its next regular meeting and shall be entered in the minutes." Listed below are the amendments authorized by the Budget Officer for the period specified above.

Note: Since appropriations are made at the department level, line item adjustments within the same department may be made without limit and do not require a report since they do not actually amend the adopted budget ordinance.

	<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>DEBIT</u>	<u>CREDIT</u>	<u>APPROVED DATE</u>
1	10-00-970-7100	B&G - Capital Outlay: Land	\$ 9,000		6/19/2019
	10-00-970-5900	B&G - R&M: Buildings & Grounds		\$ 9,000	
	10-80-610-7120	Recreation - Capital Outlay: B&G Land Charges	\$ 9,000		
	10-80-610-5904	Recreation - B&G Maintenance ISF Charges		\$ 9,000	
		<i>Transfer funds from B&G operating to capital since Village's portion of Arboretum Pollinator Garden exceeds capitalization threshold. Adjusted the associated departmental allocations for capital outlay accordingly.</i>			
2	10-20-420-5300	Streets & Grounds - Contracted Services	\$ 10,000		6/27/2019
	10-00-230-4000	Financial Services - Salaries & Wages		\$ 10,000	
		<i>Transfer to Streets & Grounds Contracted Services to ensure there are adequate operating funds to complete the fiscal year. Funds transferred from available resources in Financial Services salaries</i>			
3	10-30-510-5110	Solid Waste - Landfill Fees	\$ 10,000		6/27/2019
	10-00-230-4000	Finance Services - Salaries & Wages		\$ 10,000	
		<i>Transfer to Solid Waste Landfill Fees to ensure there are adequate operating funds to complete the fiscal year. Funds transferred from available resources in Financial Services salaries</i>			



**DISCUSS AND CONSIDER RENEWAL TO LEASE VILLAGE PROPERTY
ADDITIONAL AGENDA DETAILS:**

FROM:

Mark Wagner

CC:

Jeff Sanborn, Jeff Batton, Brooke Hunter

DATE OF MEMO:

7/2/2019

MEMO DETAILS:

For consideration today are two lease agreements for facilities at the Pinehurst Harness Track, the Track Restaurant and the Tack Shop. Both lease agreements are renewals for a three year term from July 2019 through June 2022. The agreements include annual rent adjustments based on the previous 12 month Consumer Price Index.

The Track Restaurant continues to be managed by Real and Tracy Cormier who are long time tenants of that property. The annual rent for the restaurant will be \$7,044 payable at \$587 per month.

The Tack Shop, or Country Saddler which is managed by Wayne and Janet Rasmussen, have also been tenants for a number of years. Their annual rent for the shop will be \$5,376 payable at \$448 per month.

Both amounts above represent a CPI increase of 1.4% based on the May 2019 Southeast Information Office data.

The Village attorney has reviewed the agreement and found everything to be in order for Council approval. Jeff Batton will be available at the meeting to answer any questions on the agreements should they arise.

Thank you.

ATTACHMENTS:

Description

- ☐ Track Restaurant Lease
- ☐ Tack Shop Lease
- ☐ CPI Data

STATE OF NORTH CAROLINA

COUNTY OF MOORE

LEASE AGREEMENT

W I T N E S S E T H

THIS LEASE AGREEMENT, made as of this 1st day of July 2019, between the Village of Pinehurst, a Body Corporate and Politic in Moore County, North Carolina (hereinafter referred to as "Landlord") and Real and Tracy Cormier, (hereinafter referred to as "Tenant").

In consideration of the rent to be paid, the mutual covenants and agreement contained herein, and of other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged by both parties, that, subject to the terms and conditions hereinafter set forth, the Landlord does hereby demise and let and the Tenant does hereby rent and hire from the Landlord, the Pinehurst Track Restaurant located at 200 Beulah Hill Church Road South, Village of Pinehurst, NC (hereinafter referred to as the "Premises"), for the term set forth, at the rent stated, and which Premises shall be used and occupied by Tenant only for the uses permitted, and upon all terms, covenants, and conditions set forth below.

1. TERM. The term of this lease shall be for a period of thirty six (36) months, commencing on July 1, 2019 and ending on June 30, 2022. Tenant represents and warrants that there is no undisclosed principal and that the Tenant is and will be Real and Tracy Cormier only and no other person or entity.

2. RENTAL.

(a) **Basic Rent.** The Tenant covenants and agrees to pay the Landlord during the first twelve month period an annual basic rent of \$7,044 payable \$587.00 per month in advance on or before the fifth day of each month. Landlord reserves the right to increase the rent by the consumer price index for each subsequent twelve-month period payable in advance on or before the fifth day of each month. A late fee of 10% of the basic rent will be charged for payment received after the fifth of each month. Alterations and improvements may be made to the structure at Tenant's expense only in accordance with the procedures noted in item six of this Lease. Alterations and improvements, that are deemed necessary and/or desirable by the Landlord, may be eligible for a credit of 50% of the improvement's value toward the basic rent. The Landlord will make the sole determination as to whether a credit on rent would be applied. In such instances, the Landlord reserves the right to apply the credited amount over a period of up to thirty-six months.

(b). **Other Normal Items.** Taxes, assessments, charges, costs and expenses that Tenant assumes or agrees to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the failure of the Tenant to pay those items and all other damages, costs, expenses and sums that Landlord may suffer or incur or that may become due by reason of any default of Tenant or failure by Tenant to comply with the terms and conditions of this lease, including reasonable attorney fees incurred by Landlord based upon prevailing hourly charges in connection with the enforcement of this Lease, shall be deemed to be a prior charge and , in the event of non-payment within thirty (30) days upon demand in writing, Landlord shall have all the rights and remedies as herein provided under default.

3. COVENANT OF TITLE AND QUIET POSSESSION. Subject to the terms, provisions and conditions herein set forth, the Landlord covenants, represents, warrants and agrees that Tenant shall have and enjoy the Premises during the term hereof free from adverse claims of any and all other persons whomsoever.

4. USE OF PREMISES.

(a). Landlord guarantees that Tenant may use the spaces in front and adjacent to the Restaurant for parking for Tenant's customers and that access to Route #5 for Tenant's customers will remain open unless circumstances beyond the control of Landlord occur. For certain special events parking may be limited or relocated.

(b). The sole and exclusive use of the Premises use for the operation of a Non Franchise Restaurant for the preparation and sale of meals on the Premises. As used herein, the term Franchise means a National, Regional or Local Franchise food operation, as for example, a McDonalds, Hardees or Vito's Pizza operation.

(c). Tenant agrees to have restaurant open for business at least Tuesday through Sunday from September 1 through June 1, excluding holidays and days closed for repair or maintenance.

(d). Other uses by Tenant or any part of the Premises must first be authorized in writing by Landlord.

(e). Video games, pinball machines and pool tables are strictly prohibited.

(f). Tenant may apply for a wine and beer license and serve beer and wine only with the sale of food. Draft beer, liquor by the drink, advertising mentioning alcohol, selling beer "to go" and alcohol specials are all strictly prohibited.

(g). Tenant agrees to suspend business operations at 11:00am annually on the date of the Spring Matinee Races. The specific date of the Spring Matinee Races will be determined each year during the term of the lease in conjunction with the Pinehurst Driving and Training Club.

5. ACCEPTANCE OF PREMISES. Tenant accepts the Premises in an "as is" condition and Landlord makes no representations or warranties regarding the condition of the Premises. Repairs and improvements, however, will be made by Landlord as time and funds permit.

6. ALTERATION AND IMPROVEMENTS. The Tenant shall have the right and privilege at any time during the term of this Lease to make, at its own expense, such minor changes, improvements and alterations to the Premises as the Tenant may desire; provided however, the Tenant shall not make any material or structural changes to the Premises without the prior written consent of the Landlord, and such alterations so made shall be made at the sole cost and expense of the Tenant. Upon the termination or expiration of this Lease, all the said improvements shall remain in the Premises and become the sole property of the Landlord, and the Tenant will take any and all action and sign any and all documents reasonably required by the Landlord to effect or confirm the Landlord's ownership of said improvements.

Landlord reserves the right to terminate Lease without penalty at anytime Federal, State, or Local mandates require the Landlord to invest four times the monthly rent for building improvements or repairs.

7. FIXTURES. The Tenant may, during the term of this Lease, remove from the Premises all trade fixtures which the Tenant may have installed at its own expense in the said Premises, or otherwise acquired, provided the Tenant is not in default under any of the terms and conditions of this Lease and provided further that the same can be removed without injury to the Premises. Tenant shall repair any damages to the Premises caused by the removal of such trade fixtures. No trade fixture shall be removed unless the Landlord has previously given its written consent prior to its installation confirming that such item is a trade fixture. In the event no such written confirmation is obtained from the Landlord by the Tenant prior to installation, then such improvement shall be conclusively deemed an alteration or improvement under Paragraph 6 above.

8. UTILITIES/MISCELLANEOUS SERVICES. All applications and connections for necessary utility services, including but not limited to gas, water, fuel, electricity, telephone service and other utilities used by it in connection with the said Premises shall be made in the name of the Tenant only and Tenant shall be solely responsible and liable for such utility charges as they become due.

9. DAMAGE OR DESTRUCTION BY FIRE OR ACT OF GOD. In the event of damage to the Premises by fire or act of God, the Tenant shall give immediate notice thereof to Landlord who shall, except as provided below, have the damage to the Premises repaired with reasonable speed at the Landlord expense, due allowance being made for reasonable delay that may arise by reasons of adjustment of losses under insurance policies on the part of the Landlord and/or Tenant or any other cause beyond the Landlord's control, and to the extent that the Premises are rendered untenable, the rent shall proportionately abate; provided, however that if the damage to the Premises shall be so extensive that the Landlord shall in its sole discretion decide not to repair or rebuild, this Lease, at the option of the Landlord, shall be terminated upon written notice to the Tenant, and the rent in such case, shall be paid to or adjusted as of the date of such damage, and in such case the Tenant shall thereupon vacate the Premises and surrender the same to the Landlord.

10. INDEMNIFICATION AND LIABILITY INSURANCE. The Landlord shall not be liable for any damage to property or person by reason of the Tenant's use or occupancy of the Premises and the Tenant agrees to save Landlord harmless from and against all claims, suits, demands, actions, and the cost and expense thereof, including attorneys fees, arising out of any property damage or personal injury whatsoever occurring in or on the Premises. The Tenant further specifically agrees that it will procure and keep in force at its expense, Commercial General Liability Insurance in an amount not less than \$1,000,000.00 per occurrence, and Alcoholic Beverage Liability Insurance in an amount no less than \$1,000,000.00 per occurrence, which policy or policies of insurance shall show Landlord as an additional insured as Landlord's interest may appear. Tenant will cause a certificate of insurance to be furnished to Landlord evidencing such coverage and said policy shall provide that said insurance may not be canceled without written notice to Landlord at least thirty (30) days prior to any cancellation.

11. PROPERTY INSURANCE, LICENSES AND TAXES. Landlord shall keep the building of which the Premises are a part insured against loss or damage by fire or other casualty to the extent of the full insurable value thereof, excluding fixtures, improvements, alterations and changes made by the Tenant. All insurance proceeds collected shall be used toward the full compliance with the obligations of Landlord set forth herein relating to the duty of Landlord to maintain the Premises in good repair. Tenant, at its sole cost and expense, shall keep all property and interests in property owned by Tenant located on or in the Premises insured for the benefit of Tenant in such amount and to such extent as Tenant determines desirable against loss or damage by fire and against such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to said property. Landlord shall pay all ad valorem taxes which may be assessed, levied or charged against the Premises by governmental authorities, and the Tenant shall pay all operating license fees for the conduct of its business, and all ad valorem taxes, assessments and other governmental or public charges assessed, levied or charged against its personal property, trade fixtures, inventory, stock or merchandise and other property owned by Tenant.

12. MAINTENANCE AND REPAIRS. During the term of this Lease, the Landlord shall maintain, keep and repair at its own expense, the roof, exterior walls (excluding glass), hot water heater, heating and cooling systems, electrical and plumbing systems, and the exterior grounds of the building, but Tenant shall give Landlord seven (7) days written notice of needed repairs and Landlord shall have a reasonable time thereafter to make them. Except for the roof and exterior walls (excluding glass), hot water heater, heating and cooling systems, electrical and plumbing systems, and the exterior grounds of the building, but the Tenant shall keep and maintain the Premises, including hood system in as good order and condition and state of repair as the same is or may be put by Landlord, ordinary wear and tear excepted, and Tenant shall repair and maintain the Premises, all at Tenant's sole expense. Landlord shall provide monthly pest control service. Tenant further agrees that it is satisfied with the physical condition of the Premises and that its taking possession of same is conclusive evidence of the receipt of same in good order and repair, and Tenant agrees that no representation as to the condition of repair has been made. Tenant further agrees to keep the exterior free of debris, trash, or equipment.

13. SURRENDER OF POSSESSION. Upon the termination or expiration of this Lease the Tenant shall surrender the Premises to Landlord in good order and condition and state of repair, ordinary wear and tear excepted.

14. WAIVER OF SUBROGATION. Landlord and Tenant, each for itself and its personal representatives, successors and assigns, covenants and agrees with the other that no claim shall be made and no suit or action, either at law or in equity, shall be brought by either, through or under the Landlord or Tenant, their heirs, personal representatives, successors, sub lessees or assigns, against the other or their officers, agents, employees, successors, sub lessees or assigns, for any loss, cost or damage to the Premises, or the building in which the Premises are situated, or any improvement or other property located thereon, caused by or resulting from fire, explosion or other casualty of whatsoever maintained on the Premises or the contents thereof. All policies of insurance carried and maintained pursuant to this Lease shall contain or be endorsed to contain provision whereby the insured hereunder waives or is permitted to waive, prior to loss, all rights of subrogation against either Landlord or Tenant.

15. SIGNS. Tenant shall not erect, affix or display any awnings, signs or advertisements on the windows or exterior of the Premises without Landlord's written consent and the consent of any necessary governmental authorities.

16. SUBORDINATION. This Lease is subject and subordinate to all deeds of trust which may now or hereafter affect such Lease of the real property on which the Premises are located and form a part, and to all renewals, modifications, consolidations, replacements or extensions thereof. This clause shall be self-operative, and no further instrument of subordination shall be required by any mortgage or holder of any deed of trust, and in confirmation of such subordination, Tenant shall execute promptly any certificate that Landlord may request. Tenant hereby constitutes and appoints Landlord the Tenant's Attorney - in - Fact to execute any such certificate or certificates on behalf of Tenant.

17. HOLDING OVER. In the event Tenant remains in possession after the expiration of this Lease without the execution of a new Lease, the Tenant shall not acquire any right, title, or interest in or to the Premises, and in such event, the Tenant shall occupy the Premises as a Tenant from month - to - month at the last effective rent rate, but both Landlord and Tenant shall otherwise be subject to all of the conditions, provisions and obligations of this Lease insofar as the same shall be applicable.

18. INSOLVENCY OF TENANT. In the event that a receiver is appointed to take possession of the assets of the Tenant, or a general assignment for the benefit of creditors of Tenant is made, or any action is taken against or allowed to be taken by Tenant under bankruptcy act or Tenant becomes insolvent, then upon election of the Landlord, this Lease shall cease and terminate upon ten (10) days written notice by Landlord to Tenant.

19. DEFAULT. This Lease is made upon the condition that the Tenant shall punctually and faithfully perform all of the covenants and agreements by it to be performed as herein set forth, and if any of the following events shall occur, to wit:

(a) Any installment of rent above referred to, or any other sums required to be paid by the Tenant hereunder, or any part thereof shall at any time be in arrears and unpaid for thirty (30) days after its due date;

(b) There be any default on the part of the Tenant in the observance or performance of any of the other covenants, agreements or conditions of this Lease, on the part of the Tenant to be kept or performed, and said default shall continue for a period of twenty (20) days after written notice thereof is given by Landlord to Tenant;

Then and in such event it shall be lawful for the Landlord, at its option, to declare the said term ended and to enter into the Premises or any part thereof, either with or without process of law, and expel the said Tenant, or any person or persons occupying the Premises, using such force as may be necessary to do so, and so to repossess and enjoy the Premises as in the Landlord's former estate, all without prejudice to any other legal remedy Landlord may have on account of such default. Should said term of any time be ended by the election of the Landlord under the terms of and conditions hereof, or in any other manner, the Tenant covenants and agrees to surrender and deliver up the said Premises and property peaceable to the Landlord immediately upon the termination of the said term.

20. RIGHT OF ENTRY. Landlord's representative shall have the right to enter the Premises at all reasonable hours to examine same and make such alterations and repairs as may be desired and may during the ninety (90) day period of the term of this lease, or any extension or renewal thereof, show same to prospective Tenants at all reasonable hours and shall permit the usual notices of "For Rent" or "For Sale" to be placed on the Premises and to remain thereon without hindrance or molestation.

21. ASSIGNMENT AND SUBLETTING. Tenant may not assign or transfer this Lease of any estate, interest, or benefit thereof or sublet the Premises or any part or parts thereof. Landlord shall have the absolute right to assign this Lease without receiving the consent of the Tenant, and Tenant shall be obligated to any such assignee of Landlord under the term and provisions of this Lease as it Tenant had initially entered into this Lease Agreement with such assignee.

22. NOTICES. Any notice provided herein shall be deemed to have been served sufficiently if the same shall be in writing and either hand delivered to the addressee designated below or mailed via registered or certified mail, return receipt requested addressed as follows:

AS TO LANDLORD: 395 Magnolia Road
Pinehurst, NC 28374

AS TO TENANT: P.O. Box 3474, Pinehurst, NC 28374

Either of the parties hereto may change the address to which notices are to be sent by giving notice to the other party of such change of address as provided in this Paragraph.

23. PARAGRAPH HEADINGS, ETC. The paragraph headings throughout this instrument are for convenience and reference only, and words contained therein shall in no way be held to explain, modify, simplify or aid in the interpretation, construction or meaning of the provisions of this Lease. Whenever used herein, a pronoun in the neutral gender shall include the masculine and feminine gender and the singular, the plural unless the context clearly indicates otherwise.

24. LEASE BIND ON HEIRS, ETC. It is further hereby expressly agreed and understood that all covenants and agreements herein made shall extend to and be binding upon the parties hereto and their respective heirs, personal representatives, successors and permitted assigns, and that no modification of this Lease shall be binding unless evidenced by an agreement in writing signed by both the Landlord and the Tenant.

25. ENTIRE AGREEMENT. This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereto and sets forth all of the representatives and warranties of the parties hereto with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous oral and written agreements, representations, warranties or understandings with respect to the subject matter hereof.

26. IDENTITY OF INTEREST. The execution of this Lease or the performance of any act pursuant to the provisions hereof shall not be deemed or construed to have the effect of creating between the Landlord and Tenant the relationship of principal between them be only that of Landlord and Tenant.

27. CONTROLLING LAW. This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, each party has hereunto set its hand and seal or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal hereunto affixed by authority of its Board of Directors, in duplicate originals, as the day and year first above written.

LANDLORD:

Village of Pinehurst

By: _____
Nancy Fiorillo, Mayor

ATTEST:

Beth Dunn, Village Clerk

Real and Tracy Cormier
Federal ID # _____
Social Security # _____

STATE OF NORTH CAROLINA

COUNTY OF MOORE

LEASE AGREEMENT

THIS LEASE AGREEMENT, made as of this 1st day of July 2019, between the Village of Pinehurst, a Body Corporate and Politic in Moore County, North Carolina (hereinafter referred to as "Landlord") and "Wayne and Janet Rasmussen doing business as The Country Saddler" (hereinafter referred to as "Tenant");

W I T N E S S E T H

That, subject to the terms and conditions hereinafter set forth, the Landlord does hereby demise and let and the Tenant does hereby rent and hire from the Landlord, the Tack Shop (hereinafter referred to as the "Premises").

TO HAVE AND TO HOLD the said Premises, together with all privileges and appurtenances thereunto belonging, unto the said Tenant, upon the terms and conditions hereinafter set forth:

1. TERM. The term of this Lease shall be for a period of three (3) years, commencing on July 1st, 2019 and ending on June 30th, 2022 at midnight. If an option to extend this Lease is not offered by the Landlord at the time and in the manner provided herein, Tenant shall have no right in or to the Premises after June 30th, 2022 at midnight. Should either party have reason to terminate the lease agreement prior to the terms contained herein, a minimum of sixty (60) day's written notice should be provided to the other party of their intention to terminate early.

2. RENTAL.

(a). **Basic Rent** The Tenant covenants and agrees to pay the Landlord during the initial term of this lease an annual basic rent of \$ 5,376.00 payable in 12 monthly installments of \$448 per month. Landlord reserves the right to increase the rent by the consumer price index for each subsequent twelve-month period if it deems an increase is warranted. Rental fees are due from the Tenant to the Landlord by the 5th day of each month. Any payments received after this time will result in the Tenant being deemed in Default of this lease agreement and Landlord will exercise its rights accordingly.

(b). **Other Normal Items.** Taxes, assessments, charges, costs and expenses that Tenant assumes or agrees to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the failure of the Tenant to pay those items and all other damages, costs, expenses, and sums that Landlord may suffer or incur or that may become due by reason of any default of Tenant or failure by Tenant to comply with the terms and conditions of this Lease, including reasonable fees occurred by Landlord based upon prevailing hourly charges in connection with the enforcement of this Lease, shall be deemed to be a proper charge and, in writing, Landlord shall have all the rights and remedies as herein provided under default.

3. COVENANT OF TITLE AND QUIET POSSESSION. Subject to the terms, provisions and conditions herein set forth, the Landlord covenants, represents, warrants and agrees that Tenant, its permitted successors and assigns, shall have and enjoy the Premises during the term hereof free from adverse claims of any and all other persons whomsoever.

4. USE OF PREMISES. The Premises shall be used for the sole purpose of operating a Tack Shop together with purposes incidental or related thereto. All other usages by Tenant of any part of the Premises must first be approved in writing by Landlord. Tenant will make no unlawful or offensive use of the Premises and will comply with all laws, ordinances and regulations of duly constituted governmental authorities.

5. ACCEPTANCE OF PREMISES. Tenant accepts the Premises in an "as is" condition and Landlord makes no representations or warranties regarding the condition of the Premises.

6. ALTERATION AND IMPROVEMENTS. The Tenant shall have the right and privilege any time during the term of this Lease to make, at its own expense, such minor interior changes, improvements and alterations to the Premises as the Tenant may desire; provided, however, the Tenant shall not make any material or structural changes to the Premises without the prior written consent of the Landlord, and such alterations so made shall be made at the sole cost and expense of the Tenant. Any exterior improvements and alterations desired must be submitted to Landlord for written approval. Any and all interior and exterior improvements and alterations are also subject to approval by the Village Planning and Inspections Department and/or Pinehurst Historic Preservation Commission. Any improvements and alterations made without seeking all required approval could be grounds for eviction. Upon the termination or expiration of this Lease, all the said improvements shall remain in the Premises and become the sole property of the Landlord, and the Tenant will take any and all action and sign any and all documents reasonably required by the Landlord to effect or confirm the Landlord's ownership of said improvements.

Alterations and improvements, that are deemed necessary and/or desirable by the Landlord, may be eligible for a credit of 50% of the improvement's value toward the basic rent. The Landlord will make the sole determination as to whether a credit on rent would be applied. In such instances, the Landlord reserves the right to apply the credited amount over a period of up to twelve (12) months.

7. FIXTURES. The Tenant may, during the term of this Lease, remove from the Premises all trade fixtures which the Tenant may have installed at its own expense in the said Premises, or otherwise acquires, provided that Tenant is not in default under any of the terms and conditions of this Lease and provided further that the same can be removed without injury to the Premises. Tenant shall repair any damages to the Premises caused by the removal of such trade fixtures. No trade fixture shall be removed unless the Landlord has previously given its written consent prior to its installation confirming that such item is a trade fixture. In the event no such written confirmation is obtained from the Landlord by the Tenant prior to installation, then such improvement shall be conclusively deemed an alteration or improvement under Paragraph 6 above. Trade fixtures presently on the premises consist of all benches, bins, cabinets, shelves and sewing machines.

8. UTILITIES/MISCELLANEOUS SERVICES. All applications and connections for necessary utility services, including, but not limited to gas, water, fuel, electricity, telephone service and other utilities used by it in connection with the said Premises shall be made in the name of the Tenant only and Tenant shall be solely responsible and liable for such utility charges as they become due.

9. DAMAGE OR DESTRUCTION BY FIRE OR OTHER CASUALTY. In the event of damage to the Premises by fire or other casualty or act of God, the Tenant shall give immediate notice thereof to Landlord who shall, except as provided below, have the damage to the Premises repaired with reasonable speed at the Landlord's expense, due allowance being made for reasonable delay which may arise by reason of adjustment of losses under insurance policies on the part of the Landlord and/or Tenant or any other cause beyond the Landlord's control, and to the extent that the Premises are rendered untenable, the rent shall proportionately abate; provided, however, that if the damage to the Premises shall be so extensive that the Landlord shall in its sole discretion decide not to repair or rebuild, this Lease, at the option of the Landlord, shall be terminated upon written request to the Tenant, and the rent, in such cases, shall be paid to or adjusted as of the date of such damages and in such case the Tenant shall thereupon vacate the Premises and surrender the same to the Landlord.

10. INDEMNIFICATION AND LIABILITY INSURANCE. The Landlord shall not be liable for any damage to property or person by reason of the Tenant's use or occupancy of the Premises, and the Tenant agrees to save the Landlord harmless from and against all claims, suits, actions, and the cost

and expense thereof, including attorney's fees, arising out of any property damage or personal injury whatsoever occurring in or on the Premises. The Tenant further specifically agrees that it will procure and keep in force at its expense commercial liability insurance in an amount of not less than \$500,000 per occurrence. Tenant will cause a certification of insurance to be furnished to Landlord evidencing such coverage and said policy shall provide that said insurance may not be canceled without written notice to Landlord at least thirty (30) days prior to cancellation.

11. PROPERTY INSURANCE AND TAXES. Landlord shall keep the building of which the Premises are a part insured against loss or damage by fire or other casualty to the extent of the full insurable value thereof, excluding fixtures, improvements, alterations and changes made by Tenant. All insurance proceeds collected shall be used toward the full compliance with the obligations of Landlord set forth herein relating to the duty of Landlord to maintain the Premises in good repair. Tenant, at its sole cost and expense, shall keep all property and interests in property owned by Tenant located on or in the Premises insured for the benefit of Tenant in such amount and to such extent as Tenant determines desirable against loss or damage by fire and against other risks of a similar or dissimilar nature as are or shall customarily covered with respect to said property.

12. TAXES AND FEES. Landlord shall pay all ad valorem taxes which may be assessed, levied or charges against the Premises by governmental authorities, and the Tenant shall pay all operating license fees for the conduct of its business, and all ad valorem taxes, assessments and other governmental or public charges assessed, levied or charged against its personal property, trade fixtures, inventory, stock, or merchandise and other property owned by Tenant.

13. MAINTENANCE AND REPAIR. During the term of this Lease, the Landlord shall maintain, keep and repair at its own expense, the roof and exterior walls of the building, but Tenant shall give Landlord seven (7) days written notice of needed repairs and Landlord shall have a reasonable time thereafter to make them. Except for the roof and exterior walls, the Tenant shall keep and maintain the Premises, in as good order and condition and state of repair as the same is or may be put by Landlord, ordinary wear and tear excepted, and Tenant shall repair, restore and replace the same when necessary to so keep and maintain the Premises, all at Tenant's sole expense. Tenant further agrees that it is satisfied with the physical condition of the Premises and that its taking possession of same is conclusive evidence of the same in good order and repair, and Tenant agrees that no representation as to the condition of repair has been made. It is understood and agreed, however, that any repairs estimated to cost more than \$1,000.00 shall be considered a major repair, and the cost of same shall be borne by Landlord as funds are available.

14. SURRENDER OF POSSESSION. Upon the termination or expiration of this Lease the Tenant shall surrender the Premises to Landlord in good order and condition and state of repair, ordinary wear and tear excepted.

15. WAIVER OF SUBROGATION. Landlord and Tenant, each for itself and its personal representatives, successors and assigns, covenants and agrees with the other that no claim shall be made, and that no suit or action, either at law or in equity, shall be brought by either party, or by any person, firm or corporation claiming by, through or under Landlord or Tenant, their heirs, personal representatives, successors, subleases or assigns, against the other, or their officers, agents, employees, successors, subleases, or assigns for any loss cost or damage to the Premises, or the building in which the Premises are situated or any improvements or other property located thereon, caused by or resulting from fire, explosion or other casualty of whatsoever nature maintained on the Premises or the contents thereof. All policies of insurance carried and maintained pursuant to this Lease shall contain or be endorsed to contain a provision whereby the insured there under waives or is permitted to waive prior to loss, all rights of subrogation against either Landlord or Tenant.

16. SIGNS. Tenant shall not erect, affix or display any awnings, signs or advertisements on the windows or exterior of the Premises without Landlord's written consent and the consent of any necessary governmental authorities.

17. SUBORDINATION. This Lease is subject and subordination to all deeds of trust

which may now or hereafter affect such Lease or the real property on which the Premises are located and form a part, and to all renewals, modifications, consolidations, replacements or extensions thereof. This clause shall be self-operative, and no further instrument of subordination shall be required by any mortgage or holder of any deed of trust, and in confirmation of such subordination, Tenant shall execute promptly any certificate that Landlord may request. Tenant hereby constitutes and appoints Landlord the Tenant's Attorney - in - Fact to execute any such certificate on behalf of Tenant.

18. HOLDING OVER. In the event Tenant remains in possession after the expiration date of this Lease without the execution of a new Lease, the Tenant shall not acquire any right, title or interest in or to the Premises, and in such event, the Tenant shall occupy the Premises as a tenant month - to - month at the last effective rent rate, but both Landlord and Tenant shall otherwise be subject to all of the conditions, provisions and obligations of this Lease insofar as the same shall be applicable.

19. INSOLVENCY OF TENANT. In the event a receiver is appointed to take possession of the assets of the Tenant, or a general assignment for the benefit of creditors of Tenant is made, or any action is taken against or allowed to be taken by Tenant under any bankruptcy act or Tenant becomes insolvent, then upon election of the Landlord, this Lease shall cease and terminate upon ten (10) days written notice by Landlord to Tenant.

20. DEFAULT. This Lease is made upon the condition that the Tenant shall punctually and faithfully perform all of the covenants and agreements by it to be performed as herein set forth, and if any of the following events shall occur, to wit:

(a) Any installation of rent above referred to, or any other sums required to be paid by the Tenant hereunder, or any part thereof shall at any time be in arrears and unpaid by the specified due date and time;

(b) There may be default on the part of the Tenant in the observance or performance of any of the other covenants, agreements or conditions of this Lease, on the part of the Tenant to be kept or performed;

Then and in such event it shall be lawful for the Landlord, at its option, to declare the said term ended and to enter into the Premises or any part thereof, either with or without process of law, and expel the said Tenant, or any person or persons occupying the Premises, using such force as may be necessary to do so and so to repossess and enjoy the Premises as in Landlord's former estate all without prejudice to any other legal remedy Landlord may have on account of such default. Should the said term at any time be ended by the election of the Landlord, under the terms and conditions hereof, or in any other manner, the Tenant covenants and agrees to surrender and deliver up the said Premises and property peaceably to the Landlord immediately upon the termination of the said term. In the event Landlord determines Tenant is in Default of this agreement, written notice will be provided giving Tenant ten (10) days to vacate the facility.

21. RIGHT OF ENTRY. Landlord's representative shall have the right to enter the Premises at all reasonable hours to examine same and make such alterations and repairs as may be desired and may during the last ninety (90) day period of the term of the Lease, or any extension or renewal thereof, show same to prospective tenants at all reasonable hours and shall permit the usual notices of "For Rent" or "For Sale" to be placed on the Premises and to remain thereon without hindrance or molestation.

22. ASSIGNMENT AND SUBLETTING. Tenant may not assign or transfer this lease or any estate, interest or benefit thereof or sublet the Premises or any part or parts thereof. Landlord shall have the absolute right to assign this Lease without receiving the consent of Tenant, and Tenant shall be obligate to any such assignee of Landlord under the terms and provisions of this Lease as if Tenant had initially entered into this Lease Agreement with such assignee.

23. NOTICES. Any notice provided herein shall be deemed to have been served sufficiently if the same shall be in writing and either hand delivered to the addressee designated below or marked via registered or certified mail, return receipt requested, addressed as follows:

AS TO LANDLORD: 395 Magnolia Road,
Pinehurst, NC 28374

AS TO THE TENANT: PO Box 5322
Pinehurst, NC 28374

Either of the parties hereto may change the address to which notices are to be sent by giving notice to the other party of such change of address as provided in this Paragraph.

24. PARAGRAPH HEADINGS, ETC. The paragraph headings throughout this instrument are for convenience and reference only, and words contained therein shall in no way be held to explain, modify, simplify or aid in the interpretation, construction or meaning of the provisions of this Lease. Whenever used herein, a pronoun in the neutral gender shall include the masculine and feminine gender and the singular, the plural unless the context clearly indicates otherwise.

25. LEASE BINDING ON HEIRS, ETC. It is further hereby expressly agreed and understood that all covenants and agreements herein made shall extend to and be binding upon the parties hereto and their respective heirs, personal representatives, successors and permitted assigns, and that no modification of this Lease shall be binding unless evidenced by an agreement in writing signed by both the Landlord and the Tenant.

26. ENTIRE AGREEMENT. This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and sets forth all of the representations and warranties of the parties hereto with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous oral or written agreements, representations, warranties or understanding with respect to the subject matter hereof.

27. IDENTITY OF INTEREST. The execution of this Lease or the performance of any act pursuant to the provisions hereof shall not be deemed or construed to have the effect of creating between the Landlord and Tenant the relationship of principal and agent or of a partnership or joint venture and the relationship between them shall be only that of Landlord and Tenant.

28. CONTROLLING LAW. This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, each party hereunto set its hand and seal or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal hereunto affixed by authority of its Board of Directors, in duplicate originals, as of the day and year first above written.

LANDLORD:

Village of Pinehurst

Date: _____

TENANT:

Date: _____

Southeast Information Office

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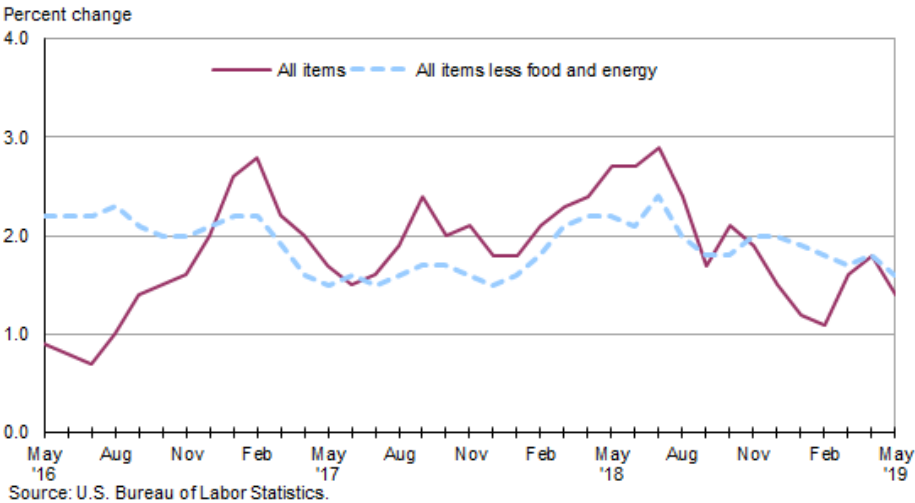
Consumer Price Index, South Region – May 2019

Prices in the South down 0.1 percent over the month; up 1.4 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) for the South declined 0.1 percent in May, the U.S. Bureau of Labor Statistics reported today. The all items less food and energy index inched down 0.1 percent and the food index edged down 0.2 percent over the month. The energy index also declined in May, down 0.1 percent. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes reflect the impact of seasonal influences.)

The all items CPI-U for the South increased 1.4 percent from May 2018 to May 2019. Over the year, the all items less food and energy index advanced 1.6 percent and the food index rose 1.9 percent. The energy index declined 1.7 percent over the 12 months. (See [chart 1](#) and [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, South region, May 2016–May 2019



Food

The food index edged down 0.2 percent in May, led by a 0.4 percent decline in the food at home index as the index for fruits and vegetables fell 2.1 percent. The food away from home index was little changed from April, up 0.1 percent in May.

The food index advanced 1.9 percent since May 2018, reflecting increases in the food away from home index (3.1 percent) and the food at home index (1.0 percent).

Energy

The energy index inched down 0.1 percent in May, reflecting declines in the gasoline index (-0.1 percent) and the utility (piped) gas service index (-1.2 percent). In contrast, the electricity index edged up 0.2 percent over the month.

The energy index decreased 1.7 percent for the 12 months ending May 2019, led by declines in the gasoline index (-3.5 percent) and the utility (piped) gas service index (-2.3 percent). Over the year, the electricity index was up 1.1 percent.

News Release Information

19-990-ATL
Wednesday, June 12, 2019

Contacts

Technical information:
(404) 893-4222
BLInfoAtlanta@bls.gov
www.bls.gov/regions/southeast

Media contact:
(404) 893-4220

PDF

 [PDF version](#)

Related Links

[CPI chart package](#)

All items less food and energy

The index for all items less food and energy inched down 0.1 percent in May. Several categories recorded declines, most notably recreation (-1.2 percent) and new and used motor vehicles (-0.8 percent). The shelter and medical care indexes edged up slightly over the month, up 0.3 and 0.2 percent, respectively.

Since May 2018, the index for all items less food and energy advanced 1.6 percent, reflecting increases for the shelter index (2.9 percent) and the recreation index (2.6 percent).

Geographic divisions

Additional price indexes are now available for the three divisions of the South. Since April, the all items CPI-U inched down 0.1 percent in the South Atlantic and the East South Central divisions. The all items index in the West South division was unchanged.

Since May 2018, the all items index advanced 1.9 percent in the South Atlantic division. Over the year, the all items index rose 1.0 percent in the West South Central division and 0.3 percent in the East South Central division.

Table A. South region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2015		2016		2017		2018		2019	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	-0.7	-0.4	0.0	1.2	0.5	2.6	0.5	1.8	0.2	1.2
February	0.5	-0.3	0.1	0.7	0.2	2.8	0.6	2.1	0.5	1.1
March	0.6	-0.3	0.6	0.7	0.0	2.2	0.2	2.3	0.7	1.6
April	0.3	-0.6	0.4	0.9	0.2	2.0	0.4	2.4	0.5	1.8
May	0.4	-0.4	0.4	0.9	0.0	1.7	0.3	2.7	-0.1	1.4
June	0.5	-0.1	0.4	0.8	0.2	1.5	0.2	2.7		
July	-0.1	-0.1	-0.2	0.7	-0.2	1.6	0.0	2.9		
August	-0.2	-0.2	0.1	1.0	0.4	1.9	-0.1	2.4		
September	-0.2	-0.4	0.2	1.4	0.7	2.4	0.0	1.7		
October	0.0	-0.1	0.1	1.5	-0.2	2.0	0.2	2.1		
November	-0.2	0.3	-0.1	1.6	-0.1	2.1	-0.3	1.9		
December	-0.4	0.5	0.1	2.0	-0.1	1.8	-0.5	1.5		

The Consumer Price Index for June 2019 is scheduled to be released on Thursday, July 11, 2019.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 5,000 housing units and approximately 22,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **South region** is comprised of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods
South (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Mar. 2019	Apr. 2019	May 2019	May 2018	Mar. 2019	Apr. 2019
Expenditure category						
All Items	245.554	246.847	246.667	1.4	0.5	-0.1
All items (December 1977=100)	398.323	400.419	400.128	-	-	-
Food and beverages	254.988	255.061	254.705	2.0	-0.1	-0.1
Food	256.326	256.387	255.978	1.9	-0.1	-0.2
Food at home	240.947	240.477	239.622	1.0	-0.5	-0.4
Cereal and bakery products	281.405	280.806	280.568	1.3	-0.3	-0.1
Meats, poultry, fish, and eggs	242.755	242.725	243.770	-0.2	0.4	0.4
Dairy and related products	220.743	221.183	219.780	0.9	-0.4	-0.6
Fruits and vegetables	293.784	293.617	287.366	1.5	-2.2	-2.1
Nonalcoholic beverages and beverage materials	171.784	169.856	169.855	2.9	-1.1	0.0
Other food at home	210.701	210.464	210.338	0.6	-0.2	-0.1
Food away from home	281.996	282.804	283.012	3.1	0.4	0.1
Alcoholic beverages	235.885	236.128	236.554	2.4	0.3	0.2
Housing	242.290	242.715	243.136	2.5	0.3	0.2
Shelter	279.940	280.555	281.372	2.9	0.5	0.3
Rent of primary residence	291.899	293.032	293.788	3.4	0.6	0.3
Owners' equiv. rent of residences ⁽¹⁾	281.175	282.154	282.696	3.0	0.5	0.2
Owners' equiv. rent of primary residence ⁽¹⁾	281.171	282.153	282.698	3.0	0.5	0.2
Fuels and utilities	237.465	236.765	236.775	0.9	-0.3	0.0
Household energy	190.571	189.722	189.698	0.6	-0.5	0.0
Energy services	190.672	189.806	189.793	0.6	-0.5	0.0
Electricity	188.748	187.991	188.298	1.1	-0.2	0.2
Utility (piped) gas service	187.655	186.107	183.880	-2.3	-2.0	-1.2
Household furnishings and operations	123.671	124.156	123.579	1.5	-0.1	-0.5
Apparel	135.636	136.487	135.596	-3.4	0.0	-0.7
Transportation	209.792	214.361	213.605	-0.5	1.8	-0.4
Private transportation	208.776	213.339	212.324	-0.5	1.7	-0.5
New and used motor vehicles ⁽²⁾	102.548	102.708	101.927	0.5	-0.6	-0.8
New vehicles	154.512	154.906	154.037	1.0	-0.3	-0.6
New cars and trucks ⁽²⁾⁽³⁾	105.196	105.467	104.876	1.0	-0.3	-0.6
New cars ⁽³⁾	154.414	154.950	153.797	1.2	-0.4	-0.7
Used cars and trucks	141.988	141.706	139.834	0.0	-1.5	-1.3
Motor fuel	215.717	234.413	234.131	-3.5	8.5	-0.1
Gasoline (all types)	214.333	233.301	232.977	-3.5	8.7	-0.1
Unleaded regular ⁽³⁾	209.064	227.884	227.542	-3.6	8.8	-0.2
Unleaded midgrade ⁽³⁾⁽⁴⁾	237.862	256.958	256.452	-2.8	7.8	-0.2
Unleaded premium ⁽³⁾	235.636	253.801	253.724	-2.5	7.7	0.0
Motor vehicle insurance ⁽⁵⁾	954.844	949.752	944.421	0.3	-1.1	-0.6
Medical care	468.551	470.483	471.203	1.3	0.6	0.2
Medical care commodities	356.655	357.944	357.919	-3.0	0.4	0.0
Medical care services	506.308	508.458	509.438	2.4	0.6	0.2
Professional services	366.632	366.274	366.107	0.1	-0.1	0.0
Recreation ⁽²⁾	121.886	121.906	120.480	2.6	-1.2	-1.2
Education and communication ⁽²⁾	132.249	132.496	132.605	0.3	0.3	0.1
Tuition, other school fees, and child care ⁽⁵⁾	1,330.374	1,330.655	1,332.079	2.7	0.1	0.1
Other goods and services	430.284	428.586	429.763	0.6	-0.1	0.3
Commodity and service group						
All Items	245.554	246.847	246.667	1.4	0.5	-0.1
Commodities	184.978	186.863	186.256	0.0	0.7	-0.3
Commodities less food and beverages	152.007	154.428	153.763	-1.1	1.2	-0.4

Nondurables less food and beverages	198.968	204.815	204.604	-2.2	2.8	-0.1
Nondurables less food, beverages, and apparel	238.288	246.911	247.045	-1.9	3.7	0.1
Durables	108.660	108.713	107.825	0.4	-0.8	-0.8
Services	306.479	307.121	307.399	2.3	0.3	0.1
Rent of shelter ⁽¹⁾	287.469	288.109	288.952	3.0	0.5	0.3
Transportation services	359.605	360.450	360.953	0.5	0.4	0.1
Other services	346.110	346.329	345.063	1.7	-0.3	-0.4
Special aggregate indexes						
All items less medical care	233.373	234.628	234.404	1.4	0.4	-0.1
All items less food	243.646	245.120	244.975	1.3	0.5	-0.1
All items less shelter	233.164	234.716	234.159	0.7	0.4	-0.2
Commodities less food	154.574	156.959	156.315	-1.0	1.1	-0.4
Nondurables	225.520	228.733	228.455	-0.1	1.3	-0.1
Nondurables less food	200.833	206.390	206.212	-2.0	2.7	-0.1
Nondurables less food and apparel	236.947	244.878	245.034	-1.6	3.4	0.1
Services less rent of shelter ⁽¹⁾	339.988	340.656	340.259	1.6	0.1	-0.1
Services less medical care services	288.450	288.971	289.193	2.3	0.3	0.1
Energy	198.068	206.745	206.597	-1.7	4.3	-0.1
All items less energy	251.680	252.140	251.957	1.7	0.1	-0.1
All items less food and energy	251.283	251.812	251.666	1.6	0.2	-0.1
Commodities less food and energy commodities	147.404	147.543	146.842	-0.4	-0.4	-0.5
Energy commodities	219.502	238.169	237.877	-3.5	8.4	-0.1
Services less energy services	318.723	319.531	319.841	2.4	0.4	0.1

Footnotes

- (1) Indexes on a December 1982=100 base.
- (2) Indexes on a December 1997=100 base.
- (3) Special index based on a substantially smaller sample.
- (4) Indexes on a December 1993=100 base.
- (5) Indexes on a December 1977=100 base.

- Data not available.
Regions defined as the four Census regions. South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

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