

## INTRODUCTORY NOTE:

The lease agreement below enables two Quaker institutions, the Chapel Hill Friends Meeting (CHFM) and Carolina Friends School (CFS) to continue the loving relationship built over sixty years of cooperation. CFS gains a rent-free, well-built, light-filled structure designed for use as an early school, combined with a spacious playground and a convenient parking area in a unique Chapel Hill location. CHFM gains the daily opportunity to support Quaker education in our community, the assurance that the facilities we funded will be utilized on weekdays as well as by our use on weekends, and the professional maintenance of the facilities provided and paid by CFS.

We unite in recommending approval of the Agreement at the June 16, 2024 Meeting for Worship with Attention to Business.

The CHFM Schoolhouse Ad Hoc Committee: Matt Drake (clerk), John Hite, Marie Hopper, Rob Jones, Lloyd Kramer, John Pilgrim, and Monteze Snyder

## **Schoolhouse Lease Agreement Between Carolina Friends School and Chapel Hill Friends Meeting**

### **Date:**

Upon this date, [June\\_\\_\\_\\_, 2024](#) Chapel Hill Friends Meeting (CHFM) and Carolina Friends School (CFS) enter into this Lease agreement providing Carolina Friends School a legal right to use the property at 531 Raleigh Road, Chapel Hill, NC 27514 (the "Premises") under the following terms and conditions.

### **Properties and Spaces:**

The property consists of two (2) significant buildings, a playground, and a parking lot located at the Premises:

1. The Meetinghouse (also MH):-This building is located toward the westernmost part of the property facing Raleigh Road.
2. The Schoolhouse (also SH): This building is on the easternmost part of the property facing Raleigh Road.
3. The Playground: the area behind the MH and between the MH and SH enclosed by a wrought iron fence with access-coded gate.
4. Parking: The paved parking lot, located in front of the MH and SH contains 18 parking spaces, including two (2) identified ADA-compliant accessible parking spaces near the MH.

**Purpose:**

This lease describes the relationship between CFS and CHFM, specifically to set out the parties' rights and obligations concerning the use of the Schoolhouse, playground and parking lot (hereinafter "the Premises"). Both parties desire that these Premises will be operated for the benefit of and use of both the School and the Meeting. CFS is leasing the Schoolhouse, playground and parking lot for the express purpose of operating an accredited early school.

**Lease and Term:**

CHFM agrees to lease the Schoolhouse, playground, and parking lot to CFS with no regular monthly rent payment. In exchange for use of the Schoolhouse, playground and parking lot as described in this lease agreement, CFS is responsible for all major and minor repairs and ordinary maintenance of the Schoolhouse and playground and for an equal share of the major and minor repairs and ordinary maintenance of the parking lot. If a significant expense is encountered, CFS may ask CHFM if it would consider contributing toward the expense, taking into account the monthly rent payment foregone since the lease inception in 1993.

The term of this lease shall be for 10 years from August 1, 2024. The lease will automatically renew for additional 10-year periods unless notice is given by either party under the terms in Lease Termination below.

**Lease Termination:**

Either CFS or CHFM may terminate this lease prior to expiration of the lease term by written notification. The termination date must be no less than two years after the date of written notification. The "termination date" is the date by which CFS will have entirely vacated the premises. However, CFS has the right to terminate the lease by written notification during the lease term with only one year's notice to CHFM if a severe decline in enrollment or other financial crisis renders the School unable to use the building prudently as a regularly functioning unit of the Carolina Friends School.

If CFS is terminating they must send written notification to Chapel Hill Friends Meeting, Attention: Clerk of CHFM, 531 Raleigh Road, Chapel Hill, NC 27514. If CHFM is terminating, they must send written notice to Carolina Friends School, Attention: Head of School at 4809 Friends School Road, Durham, NC 27705. Each party will confirm receipt of the notification with the other.

**Mediation Clause:**

Should Quaker process be unable to resolve financial or other disputes in the lease, both sides agree to ask the Dispute Settlement Center, Inc. (Carrboro) to provide mediation assistance.

**Indemnity:**

CFS shall hold CHFM harmless from and against all claims, damages, and causes of action for injury to persons or property caused by, resulting from, or arising out of any of the following:

- a. CFS's (or its employees', students', families of students', or guests') use and occupancy of the Premises;
- b. The performance of any work or the making of any repairs to the Premises by CFS, employees', students', families of students', or guests'; except as shall result directly from CHFM's negligence or its failure to perform any of the affirmative covenants required of it pursuant to the terms of this lease.

CHFMs shall hold CFS harmless from and against all claims, damages, and causes of action for injury to persons or property caused by, resulting from, or arising out of any of the following:

- a. CHFMs's (its employees', or guests') use and occupancy of the Premises;
- b. The performance of any work or the making of any repairs to the Premises by CHFMs, its agents or employees; except as shall result directly from CFS's negligence or its failure to perform any of the affirmative covenants required of it pursuant to the terms of this lease.

**Insurance:**

CHFMs will provide insurance on the Schoolhouse, playground, parking lot, and personal property belonging to CHFMs contained therein or thereon as well as liability coverage.

CFS will maintain personal liability insurance and insurance on the personal property on the Premises that belongs to CFS. CFS will list CHFMs as an additional named insured on the property and provide documentation to CHFMs.

**Operating Costs and Utilities**

CFS will bear all operating costs and utilities for the Schoolhouse except water, for which they will pay 70% of the total OWASA bill and 50% of the Town of Chapel

Hill stormwater drainage/runoff fee to be billed annually. CHFM will pay the remaining portions each year.

**Use of the Schoolhouse, Playground and Parking Lot:**

CFS will have exclusive use of the Schoolhouse, playground and parking lot Mondays through Fridays, 7:30 AM to 6:00 PM year-round.

CHFM will have exclusive use of the Schoolhouse, playground and parking lot at all other times.

However, by agreement each party may use the Schoolhouse, playground and parking lot during the other party's period of exclusive use.

**General Communications:**

CFS and CHFM will work collegially to maintain Friendly relationships between the School and the Meeting, keeping in mind the timeless Quaker testimonies of simplicity, peace, integrity, community, and equality. Appointees from CHFM and CFS will meet at least once each year. The Carolina Friends Chapel Hill Early School Head Teacher and the CHFM resident will meet often, as needed, to facilitate ongoing communications. Both CFS and CHFM will set out annual systems to review and update the appendices so that this Lease remains a living document, holding both parties In the Light in their shared use of the Premises.

**Maintenance:**

CFS will be responsible for all operating expenses, routine maintenance, and major and minor repairs of the Schoolhouse and the playground.

CFS and CHFM will be responsible in equal shares for all maintenance and repair of the parking lot.

CFS and CHFM will promptly communicate any building issues that may result in substantial costs.

**APPENDIX A: Annual Meeting to include:**

1. The CHFM Clerk of Buildings and Grounds Committee and the Meetinghouse Resident, the CHES Head Teacher, and the CFS Director of Facilities and Director of Finance.
2. A check-in to make sure nothing material has changed for either group.
3. A document jointly prepared by CFS and CHFM outlining maintenance needs for the Schoolhouse, playground, and parking lot, and a maintenance

schedule to be reviewed pursuant to the general communication guidelines.

4. Update contact information.

**APPENDIX B: Current Contact Information:**

- Head of School, Carolina Friends School, 4809 Friends School Rd, Chapel Hill, NC 27705 Phone: 919-383-6602, [head@cfsnc.org](mailto:head@cfsnc.org)
- Head Teacher, Chapel Hill Early School, 531 Raleigh Rd, Chapel Hill, NC 27514, Phone: 919-929-7080 Email: \_\_\_\_\_
- Head of Facilities, Carolina Friends School, 4809 Friends School Rd., Chapel Hill, NC 27705, Phone: \_\_\_\_\_ Email: \_\_\_\_\_
- Clerk, Chapel Hill Friends Meeting, 531 Raleigh Rd, Chapel Hill, NC 27514, Phone: 919-929-5377, Email: [clerkofmeeting@chapelhillfriends.org](mailto:clerkofmeeting@chapelhillfriends.org)
- Meetinghouse Resident: 531 Raleigh Rd, Chapel Hill, NC 27514, Phone: 919-929-5377, Email: [resident@chapelhillfriends.org](mailto:resident@chapelhillfriends.org)
- Clerk, Buildings and Grounds Committee, 531 Raleigh Rd, Chapel Hill, NC 27514, Phone: \_\_\_\_\_, Email: [buildingandgrounds@chapelhillfriends.org](mailto:buildingandgrounds@chapelhillfriends.org)