

The Honorable Board of County Commissioners met in joint session at the Columbus County Hospital Conference Room with the Hospital Board of Trustees in an adjourned meeting to discuss changes in the present hospital lease on July 8, 1975, at 10:00 a.m.

MEMBERS OF THE BOARD PRESENT:

Donald P. Currie, Chairman

Mayo Brown, Vice-Chairman

Edward W. Williamson

C. Waldo Marlowe

W. B. Buffkin (Absent)

Sankey W. Robinson, Attorney

Emogene W. Suggs, Clerk

The meeting was called to order and the Chairman announced the purpose of the meeting was to discuss changes that must be made in the lease agreement of the Hospital before the bond funds could be released. The County Attorney gave the details of the changes and read the sections that were to be considered. WHEREAS, Columbus County, a body politic and Columbus County Hospital, Inc. have heretofore entered into lease agreements dated and recorded as follows:

- (1) October 2, 1972, recorded in Book 203, page 307, Columbus County Registry;
- (2) March 5, 1973, recorded in Book 266, page 499, said registry;
- (3) March 26, 1974, recorded in Book 278, page 747, said registry;

wherein Columbus County leased to Columbus County Hospital, Inc. the premises upon which the new Columbus County Hospital is to be constructed and whereas, Mitchell, Petty & Shetterly, Bonding Attorneys for Columbus County, have made recommendations as to amendments or changes in said lease.

Upon motion made by Edward Walton Williamson, seconded by C. Waldo Marlowe and unanimously carried, the following resolution was unanimously adopted:

That the County of Columbus enter into a lease agreement with Columbus County Hospital, Inc., said lease agreement to supercede and replace leases dated and recorded as follows:

- (1) October 2, 1972, recorded in Book 203, page 307, Columbus County Registry;
- (2) March 5, 1973, recorded in Book 266, page 499, said registry.
- (3) March 26, 1974, recorded in Book 278, page 747, said registry.

That said new lease agreement shall contain the following paragraph:

"USE OF PREMISES. The leased premises shall be used for the operation of a non-profit hospital, and such auxiliary activities as Lessee may deem necessary and admissable in connection therewith, subject to the terms and conditions herein contained. Lessee covenants that the hospital facilities shall continue to operate on a non-profit basis in accordance with the provisions of the laws of the State of North Carolina during the full term hereof, and that Lessee will continue to operate the hospital facilities known as Columbus County Hospital, Inc., as a non-profit hospital to furnish hospital, clinic or related services to the people of Columbus County, upon reasonable rates and charges, to provide for the care and maintenance of the indigent sick and afflicted poor of Columbus County in substantially the same manner that Lessee has provided up to the time of the execution of this lease. Should the Lessor determine that the Lessee is not operating the leased premises in accordance with the requirements of this section or in the public interest, Lessor shall submit their written recommendations to the Lessee stating the steps to be taken by the Lessee in order to be in compliance therewith. If the Lessor subsequently determines that the Lessee has failed to follow timely such recommendations, then

then the Lessor may terminate the lease immediately."

That all the terms and conditions of the aforesaid leases with the excepting of the above paragraph be retained in the new lease.

That upon the drafting of said new lease agreement, Donald P. Currie, Chairman of the Columbus County Board of Commissioners, be and he is hereby authorized to execute same on behalf of the Board of County Commissioners of Columbus County.

H O S P I T A L L E A S E

STATE OF NORTH CAROLINA

COUNTY OF COLUMBUS

THIS LEASE, made and entered into this 8th day of July, 1975, by and between COLUMBUS COUNTY, a political subdivision of the State of North Carolina, party of the first part, and hereinafter referred to as "LESSOR", and the COLUMBUS COUNTY HOSPITAL, INC., a public charitable, non-profit hospital corporation, organized under and existing pursuant to the laws of the State of North Carolina, party of the second part, and hereinafter referred to as "LESSEE";

W I T N E S S E T H : That whereas, the Lessor and Lessee have heretofore entered into the following described three Lease Agreements dated and recorded as follows:

- (1) October 2, 1972, recorded in Book 203, page 307, Columbus County Registry;
- (2) March 5, 1973, recorded in Book 266, page 499, Columbus County Registry;
- (3) March 26, 1974, recorded in Book 278, page 747, Columbus County Registry;

And whereas, the Lessor and Lessee wish to enter into a Lease Agreement which supersedes and replaces the said leases hereinabove set out.

Now, therefore, for and in consideration of the covenants and agreements hereinafter set forth, Lessor has demised and leased, and Lessee accepts as tenant of Lessor, all of that certain tract or parcel of land located in Columbus County and more particularly described as follows:

BEGINNING at an old iron pipe by a ditch, the Southeast corner of that tract conveyed by Doris M. Pridgen to Columbus County, by deed dated March 16, 1969, recorded in Book 218, page 280, Columbus County Registry, and running thence with the East line of Columbus County property and also with the East line of the tract conveyed by J.T. McKenzie to W.E. Miller, dated February 23, 1935, recorded in Book 145, page 222, Columbus County Registry, said tract being the site of the existing Columbus County Hospital; and running thence North 3 degrees 40 East 749 feet to a new iron pipe in the Southern margin of the right of way of U. S. Highway 74-76, said iron pipe being located South 3 degrees 40 minutes West 36.54 feet from a nail in the center line of said highway; thence with the Southern margin of the right of way of said highway North 83 degrees 47 minutes East 1745.31 feet to an iron pipe, said iron pipe being located in the Western margin of the Tram Road, where it intersects with U. S. Highway 74-76; thence with the Western margin of the right of way of the Tram Road South 3 degrees 05 minutes West 749 feet to an iron pipe; thence South 83 degrees 49 minutes 30 seconds West 1783.14 feet to the point of beginning, containing 29.66 acres, subject to additional highway right of way as recorded in Book 234, page 578, Columbus County Registry; and being those lands conveyed by deeds from Doris M. Pridgen to Columbus County, dated and recorded as follows: Dated September 26, 1972, recorded in Book 267, page 186; dated January 5, 1973, recorded in Book 265, page 403; and dated January 14, 1974, recorded in Book 275, page 346, Columbus County Registry; and also being all those lands as shown on and designated as Tract 1, 2, and 3, on plat entitled "Map Of a Survey for Columbus County

Hospital, " dated September 25, 1972, as prepared by Willis & Walker, Registered Surveyors, recorded in Plat Book 15, page 52, Columbus County Registry; reference to which is hereby made for a more complete and accurate description.

TO HAVE AND TO HOLD the same and the privileges and appurtenance thereunto in any wise appertaining to the Lessee and its successors, upon the following terms and conditions:

1. TERM OF LEASE AND USE OF FUNDS. The term of this lease shall commence upon the execution thereof, and shall continue thereafter until March 6, 1987. All profits, funds and gifts accumulated by the hospital shall be held by the hospital and used only in the regular operation of the hospital and expansion or replacement of buildings and equipment. The Lessee shall not erect any new buildings without the consent of the Board of Commissioners of Columbus County.

2. RENTAL PAYMENT. The annual rental payment for the term hereof shall be the sum of \$1.00 per year payable on or before the 6th day of March, 1976, and on or before the 6th day of March of each succeeding year thereafter during the term hereof.

3. NAME OF FACILITIES. The hospital facilities on the leased premises shall bear the name of Columbus County Hospital, Inc.

4. USE OF PREMISES. The leased premises shall be used for the operation of a non-profit hospital, and such auxiliary activities as Lessee may deem necessary and admissable in connection therewith, subject to the terms and conditions herein contained. Lessee covenants that the hospital facilities shall continue to operate on a non-profit basis in accordance with the provisions of the laws of the State of North Carolina during the full term hereof, and that Lessee will continue to operate the hospital facilities known as Columbus County Hospital, Inc., as a non-profit hospital to furnish hospital, clinic or related services to the people of Columbus County, upon reasonable rates and charges, to provide for the care and maintenance of the indigent sick and afflicted poor of Columbus County in substantially the same manner that Lessee has provided up to the time of the execution of this lease. Should the Lessor determine that the Lessee is not operating the leased premises in accordance with the requirements of this section or in the public interest, Lessor shall submit their written recommendations to the Lessee stating the steps to be taken by the Lessee in order to be in compliance therewith. If the Lessor subsequently determines that the Lessee has failed to follow timely such recommendations, then the Lessor may terminate the lease immediately.

5. COMPOSITION OF LESSEE.

(a) The Lessee is composed of the Board of Trustees as follows: C.L. Tate, Chairman, Clyde Wayne, A. P. Rogers, Sr., W. F. Floyd, J. B. Lattay, D. H. Lennon, and J. T. Wooten. If, through death or resignation, a vacancy occurs among the seven members of the Board of Trustees, the remaining six members shall search and select a successor, providing further that at least one hospital trustee shall reside in each county commissioner's district or zone.

(b) The Board of Trustees of Columbus County Hospital, Inc. shall receive no compensation for the performance of their duties as a hospital trustee.

6. RESPONSIBILITIES OF LESSEE.

(a) Shall cause to be prepared and furnish to Lessor an annual audit of the books records and affairs of Lessee, prepared by an independent Certified Public Accountant mutually satisfactory to Lessor and Lessee. Lessee shall make available to such auditor all necessary books records and information requested by said auditor for the purpose of obtaining a complete and

comprehensive audit. Once each year, at the completion of the hospital audit by the independent auditor, a joint meeting of the Columbus County Commissioners and the Board of Trustees of Columbus County Hospital, Inc. shall be held at which time the independent auditor will present the audit report to the joint meeting of the financial condition of the hospital and a copy of the audit report will be given to the Chairman of the Columbus County Commissioners.

(b) Shall operate said hospital facilities in accordance with standard practices for operating hospitals in the State of North Carolina, in compliance with the laws of the State of North Carolina, and rules and regulations of any government body having jurisdiction thereover, and in a manner to fully comply with the duties, responsibilities and obligations of the individual members constituting Trustees of the Columbus County Hospital, Inc., as are fixed by law.

7. DUTIES OF LESSEE. Lessee agrees to make no unlawful or offensive use of the premises, to keep the same in good repair, and to deliver up the same at the end of the term hereof in good order and condition, ordinary wear and tear, fire and other unavoidable accidents excepted.

8. COLUMBUS COUNTY NOT RESPONSIBLE FOR OPERATIONS. Lessor shall not be responsible in any wise for any mismanagement or failure to operate said hospital in a proper manner, nor shall Lessor, without its consent, be or become responsible for and financial deficit in the operation of the hospital not previously authorized by the County of Columbus.

9. DESTRUCTION OF BUILDING BY FIRE OR CASUALTY. If any of the buildings should be destroyed or rendered unfit for use by fire or other casualty during the term of this Lease, it is understood and agreed that any proceeds derived from insurance as a result of fire or other casualty, together with such proceeds as Columbus County or other parties may see fit to make available, shall be used in the repair or reconstruction of the hospital; and upon the repair or reconstruction of the same, this Lease, upon mutual agreement of the parties hereto, shall continue in effect.

10. LESSEE TO CARRY INSURANCE. Lessee shall carry such insurance on the property and for its protection in the operation of the hospital and for the protection of Columbus County as their interest may appear, as it deems advisable.

It is understood and agreed by the parties hereto that upon the execution of this lease between the parties, the leases heretofore existing as set out herein shall become void.

IN WITNESS WHEREOF, Columbus County has caused this instrument to be executed in its corporate name by the Chairman of its Board of County Commissioners and attested by the Secretary of said Board, pursuant to the resolution duly and regularly adopted at the July 8, 1975, meeting of said Board of County Commissioners, and the Columbus County Hospital, Inc., has caused this instrument to be executed in its corporate name by its Chairman, and its corporate seal to be affixed thereto and attested by its Secretary, pursuant to resolution duly and regularly adopted by the Trustees of Columbus County Hospital, Inc., at a meeting held on July 8, 1975, all as of the day and year first above written.

ATTEST:

Emogene W. Suggs /S/
Secretary, Board of County Commissioners for
Columbus County

COLUMBUS COUNTY

By: Donald P. Currie /S/
Chairman, Board of County Commissioners for
Columbus County

ATTEST:

/S/ A.P. Rogers
Secretary, Columbus County Hospital, Inc.

COLUMBUS COUNTY HOSPITAL, INC.

/S/ C.L. Tate
Chairman, Trustees, Columbus County Hospital, Inc.

The Hospital Board of Trustees, having a quorum, voted to accept the changes.

Upon motion the meeting adjourned until July 21st at 10:00 a.m.

APPROVED:

Eugene W. Suggs
Clerk

Donald P. Curtis
Chairman