

DEPARTMENT OF THE NAVY  
LEASE FOR ARMED SERVICES HOUSING PROJECT  
CONSTRUCTED UNDER TITLE VIII,  
NATIONAL HOUSING ACT, AS AMENDED  
AT THE NEW RIVER MARINE CORPS AIR FACILITY

Lease No. NOy(R) 61041

THIS LEASE, made between the United States of America acting by and through the Department of Navy (hereinafter called "Department"), and NEW RIVER MARINE CORPS AIR FACILITY QUARTERS, INC., a corporation organized and existing under the laws of the State of Delaware, (hereinafter called the "Lessee" or the "Mortgagor-Builder"),

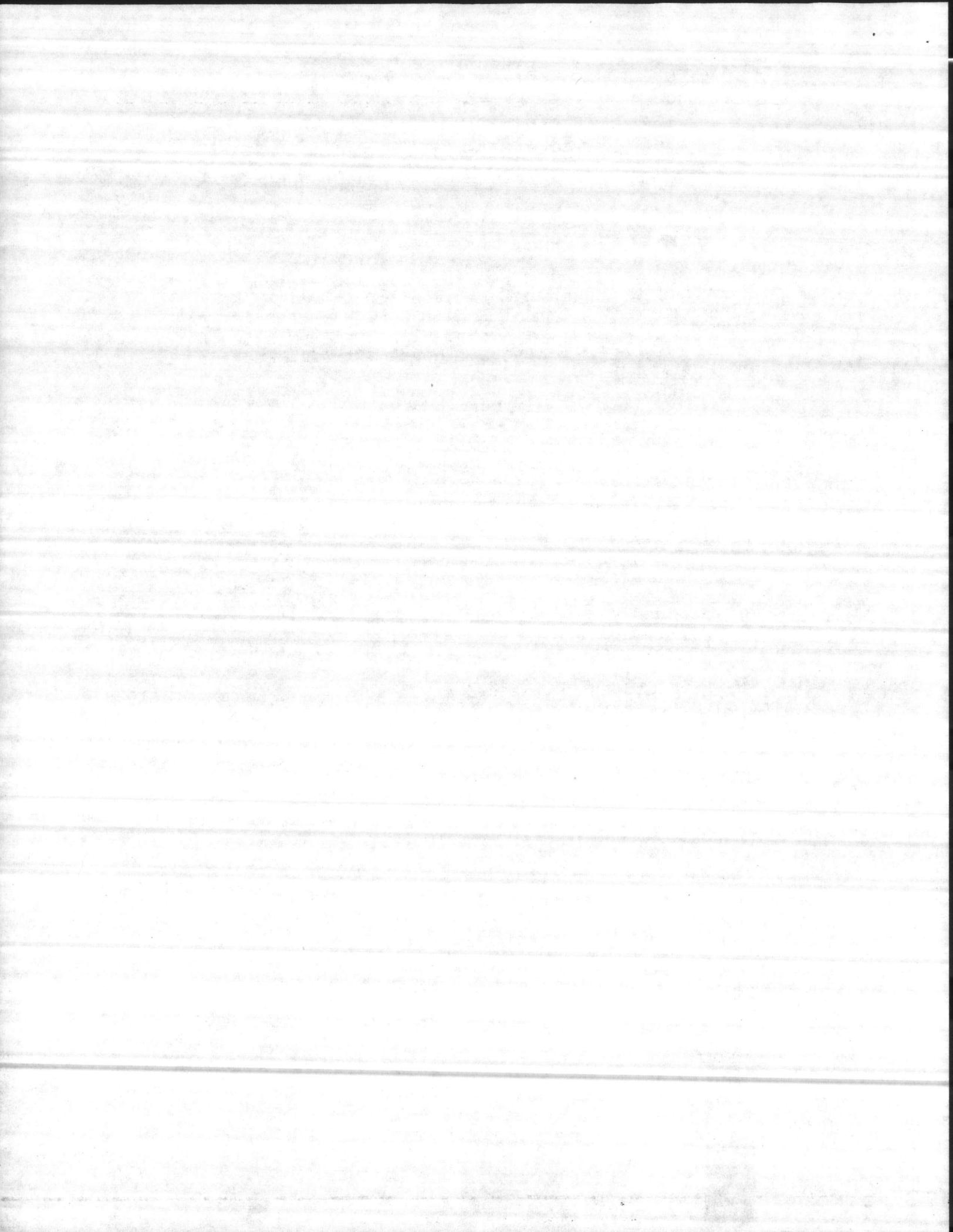
WITNESSETH:

THAT, under authority of Section 805 of the National Housing Act, as amended, the Secretary of the Navy has determined that the lease of the premises described herein is necessary to effectuate the purposes of Title IV of the Housing Amendments of 1955, as amended (hereinafter called the "Statute") and, in consideration of the covenants and conditions hereinafter set forth, the Government hereby leases to the Lessee for a period of fifty-five (55) years, commencing on the 7th day of March 1957, subject to termination as hereinafter provided, the premises described herein, to be used solely for purposes of constructing thereon an Armed Services Housing Project (hereinafter called the "Project").

THE PREMISES hereby leased are described in paragraph 19 of this instrument.

THIS LEASE is granted subject to the following covenants and conditions:

1. That the Lessee shall pay as total rental to the Department at the time of delivery of this lease the sum of One Thousand (\$1,000.00) Dollars, payable by certified or cashier's check to the Treasurer of the United States and delivered to the Contracting Officer for the Department (hereinafter called the "Contracting Officer").
2. That the Lessee shall have filed or caused to be filed with the Federal Housing Administration an application for mortgage insurance in accordance with the Statute and requirements thereunder of the Federal Housing Commissioner (hereinafter referred to as the "Commissioner"), and, pursuant thereto, the Commissioner shall have issued a commitment for mortgage insurance prior to the delivery of this Lease.



3. That the Lessee shall place each housing unit in the Project under the control of the Department as soon as it is available for occupancy as determined by the Commissioner.

4. That the Department shall furnish to each housing unit available for occupancy the following utilities and services during the term of this lease but in no case beyond the period for which the facilities from which such services are to be furnished remain under the control of the Government:

- a. Fire Protection
- b. Police Protection
- c. Water Service
- d. Sewerage Service
- e. Electric Service
- f. Refuse and Trash Collection

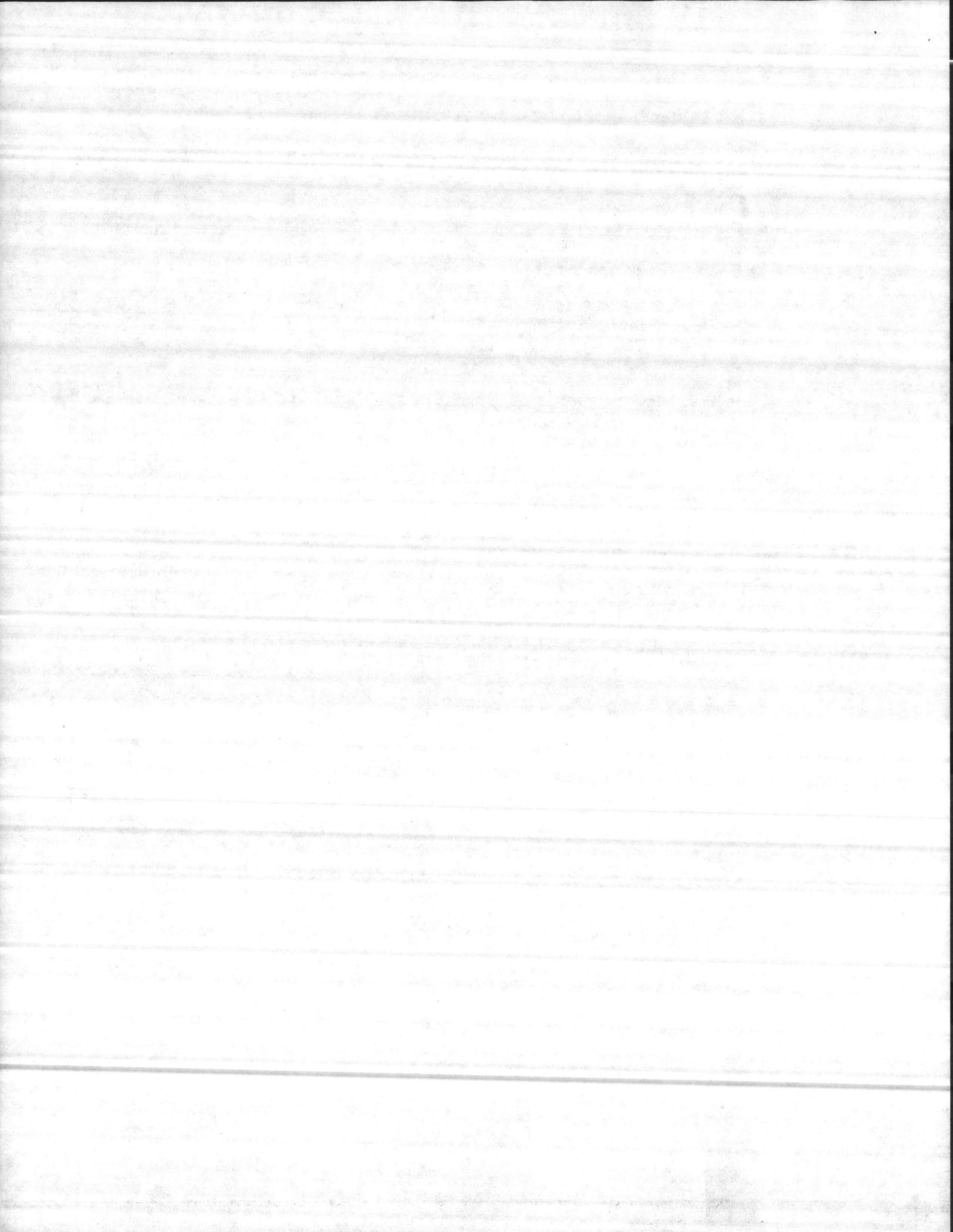
Any utilities or services furnished the Lessee during the period of construction shall be on a reimbursable basis. The Department retains the right to permit municipalities or public utility companies to extend water, sewer, gas, telephone and electric power lines on the leased premises for the purposes of furnishing utilities to the Project.

5. That the buildings and other improvements, including all items required to be furnished the project in accordance with the Drawings and Specifications shall be and become real estate and part of the leased premises and property of the United States; provided, however, that this condition shall not apply to facilities erected by municipalities or public utility companies on the leased premises for the purpose of furnishing utility services to the Project.

6. That the use and occupancy of the leased premises shall be subject to such rules and regulations as the Department may from time to time prescribe and the Lessee shall at all times exercise due diligence in the protection of the leased premises.

7. That the right is hereby reserved to the Department to enter upon the leased premises at any reasonable time for the purpose of inspection and when otherwise deemed necessary for the protection of the interests of the Department; provided, however, that, if the Department desires such entry, the opportunity shall be afforded to the Lessee's representatives to accompany representatives of the Department. The Lessee shall have no claim against the Department or any officer, agent or employee thereof on account of any inspection. This Condition 7 is subject to Condition 12 hereof.

8. That the Lessee shall maintain at its own cost and expense such insurance coverage as may be required by the Commissioner. This Condition 8 is subject to Condition 12 hereof.



9. That the Department shall not be responsible for damages to the Project or to property of the Lessee, nor for damages to the property or injuries to the person of the Lessee's officers, agents, servants, or employees, or other persons on the leased premises as invitees or licensees of the Lessee, and the Lessee shall indemnify and save the Department harmless from any and all such claims. The Department shall not be responsible for damages to any persons or property off the leased premises arising from the use of the leased premises by the Lessee, and the Lessee shall indemnify and save the Department harmless from any and all such claims. The provisions of this Condition 9 shall not apply to such claims as are cognizable under the Federal Tort Claims Act, as amended. This Condition 9 is subject to Condition 12 hereof.

10. That any property of the United States (excluding the buildings and other improvements constituting the Project) damaged or destroyed by the Lessee incident to the Lessee's use and occupation of the leased premises shall be promptly repaired or replaced by the Lessee to the satisfaction of the Department, or in lieu of such repair or replacement the Lessee shall, if so required by the Department, pay to the Department an amount sufficient to compensate the Department for the loss sustained by reason of such damage or destruction. This Condition 10 is subject to Condition 12 hereof.

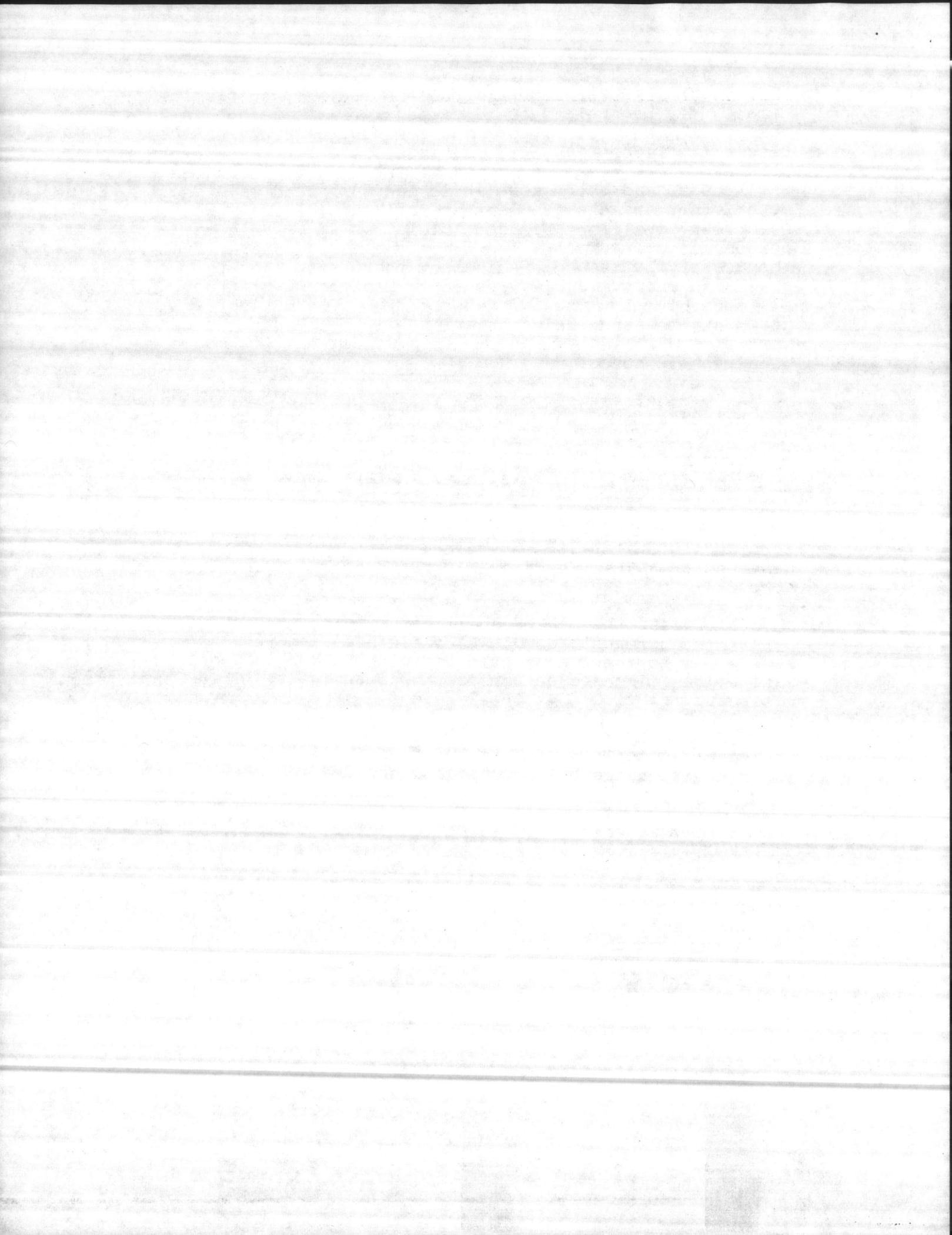
11. That the Lessee shall comply with and save the Department harmless from laws, ordinances and regulations applicable to the leased premises with regard to construction, sanitation, licenses or permits to do business. This Condition 11 is subject to Condition 12 hereof.

12. That Conditions 7, 8, 9, 10 and 11 shall not be applicable after final endorsement of the mortgage note for mortgage insurance by the Commissioner and transfer of the capital stock of the Lessee to the Department.

13. That this lease is not affected by Title 10, United States Code §2662.

14. That no member of, or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this lease or to any benefit that may arise therefrom, but this Condition shall not be construed to extend to this lease if made with a corporation for its general benefit.

15. That the Lessee shall neither transfer nor assign this lease without the prior written approval of the Department,

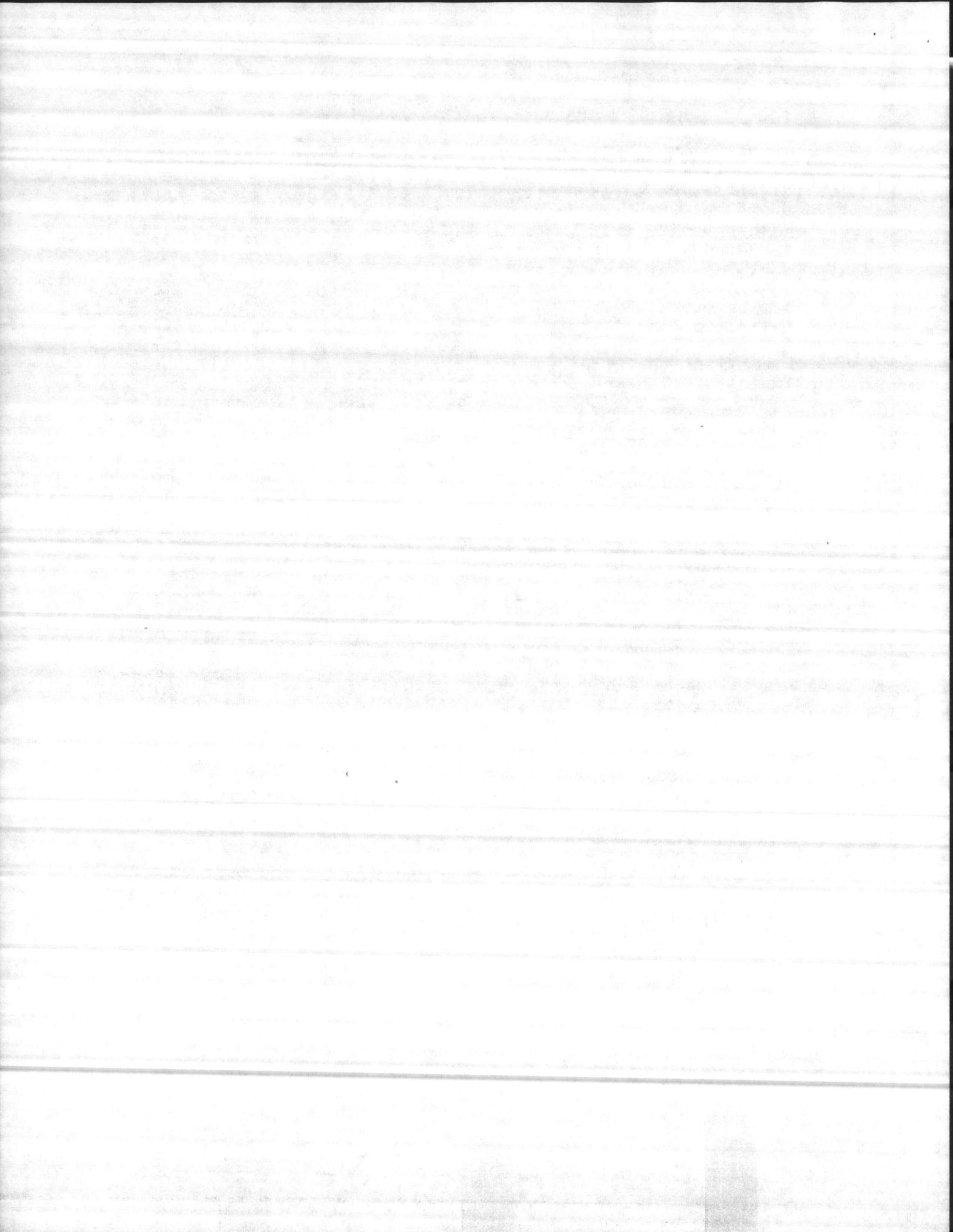


provided, however, that this Condition shall not apply to the placing of first mortgages, deeds of trust or similar liens on the leasehold pursuant to the Statute.

16. That all notices given pursuant to this lease shall be sent by registered mail and addressed to the Lessee at New River Marine Corps Air Facility, Jacksonville, North Carolina, or to the Chief, Bureau of Yards and Docks, Department of Navy, Washington 25, D. C., or as may otherwise from time to time be directed in writing by the parties hereto.

17. That the Department shall have the right, at its option, upon sixty (60) days' notice to the Lessee, to terminate this lease and all rights of the Lessee hereunder at any time after the Commissioner and the mortgagee have certified to the Department that the respective rights of the Federal Housing Administration and the mortgagee in this lease and in any mortgage on the leased premises and the Project thereon as insurer or otherwise has been fully terminated.

18. Except as otherwise provided in this lease, any dispute concerning a question of fact arising under this lease which is not disposed of by agreement shall be decided by the Chief of the Bureau of Yards and Docks, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. Within 30 days from the date of receipt of such copy, the Lessee may appeal by mailing or otherwise furnishing to the Chief of the Bureau of Yards and Docks a written appeal addressed to the Secretary of the Navy and the decision of the Secretary or his duly authorized representative for the hearing of such appeals shall, unless determined by a court of competent jurisdiction to have been fraudulent or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence, be final and conclusive; provided that, if no such appeal is taken, the decision of the Chief of the Bureau of Yards and Docks shall be final and conclusive. In connection with any appeal proceeding under this clause, the Lessee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Lessee shall proceed diligently with the performance of this lease in accordance with the decision of the Chief of the Bureau of Yards and Docks. The term "Chief of the Bureau of Yards and Docks" as used herein shall include his duly appointed successor or his representative specially designated for this purpose.



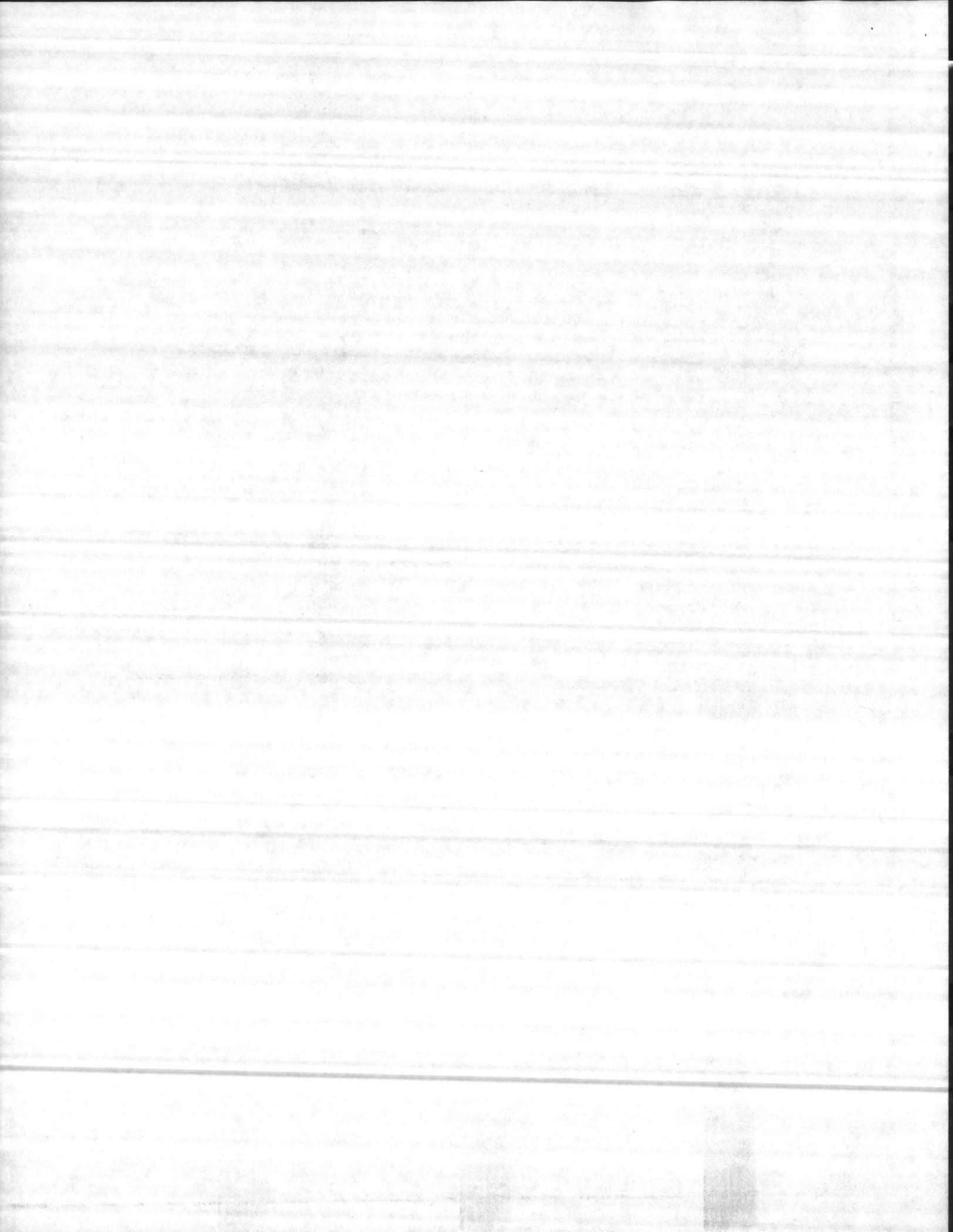
19. That the Premises hereby leased are two certain tracts or parcels of land located on and forming a part of the United States Marine Corps Air Facility, New River, Jacksonville, Onslow County, North Carolina, said tracts or parcels of land being more particularly described according to measured angles originating from U. S. Marine Corps grid markers corresponding to the North Carolina grid system, as follows:

TRACT ONE

BEGINNING at a steel pin set in a concrete monument, said pin being located South 71 degrees 18 minutes East 982.41 feet from United States Marine Corps grid marker No. 135, and which pin marks the control corner of the map hereinafter described; thence North 0 degrees 57 minutes West 1550.52 feet to a steel pin set in a concrete monument; thence South 70 degrees 40 minutes East 634.96 feet to a point; thence South 66 degrees 37 minutes East 190.42 feet to a point; thence South 28 degrees 43 minutes East 220.48 feet to a point; thence South 36 degrees 51 minutes East 216.19 feet to a point; thence South 2 degrees 21 minutes West 228.99 feet to a point; thence South 74 degrees 30 minutes West 250.10 feet to a point; thence South 12 degrees 28 minutes West 264.20 feet to a point; thence South 14 degrees 52 minutes East 179.48 feet to a point; thence North 84 degrees 15 minutes East 285.65 feet to a point; thence South 63 degrees 11 minutes East 289 feet to a point; thence South 37 degrees 22 minutes East 234.91 feet to a point; thence South 33 degrees 45 minutes East 370.13 feet to a point; thence South 21 degrees 32 minutes East 147.80 feet to a point; thence South 13 degrees 30 minutes East 173.22 feet to a point; thence South 56 degrees 00 minutes West 128.53 feet to a point; thence South 28 degrees 51 minutes West 171.44 feet to a point; thence South 4 degrees 31 minutes West 128.30 feet to a point; thence North 83 degrees 05 minutes West 617.70 feet to a point; thence North 65 degrees 26 minutes West 260.79 feet to a point; thence North 8 degrees 46 minutes West 311.08 feet to a point; thence North 45 degrees 56 minutes West 849.37 feet to the point of beginning, containing 54.42 acres as shown on District Public Works Office, Fifth Naval District Drawing No. 50382 (Y & D Drawing No. 741229) entitled "Marine Corps Air Facility, New River (Peterfield Point) North Carolina, Capehart Housing, 110 Married Officers Quarters, 325 Married Enlisted Mens Quarters, Property Map - MOQ Site" dated February 27, 1957, attached hereto and made a part hereof as Exhibit A.

TRACT TWO

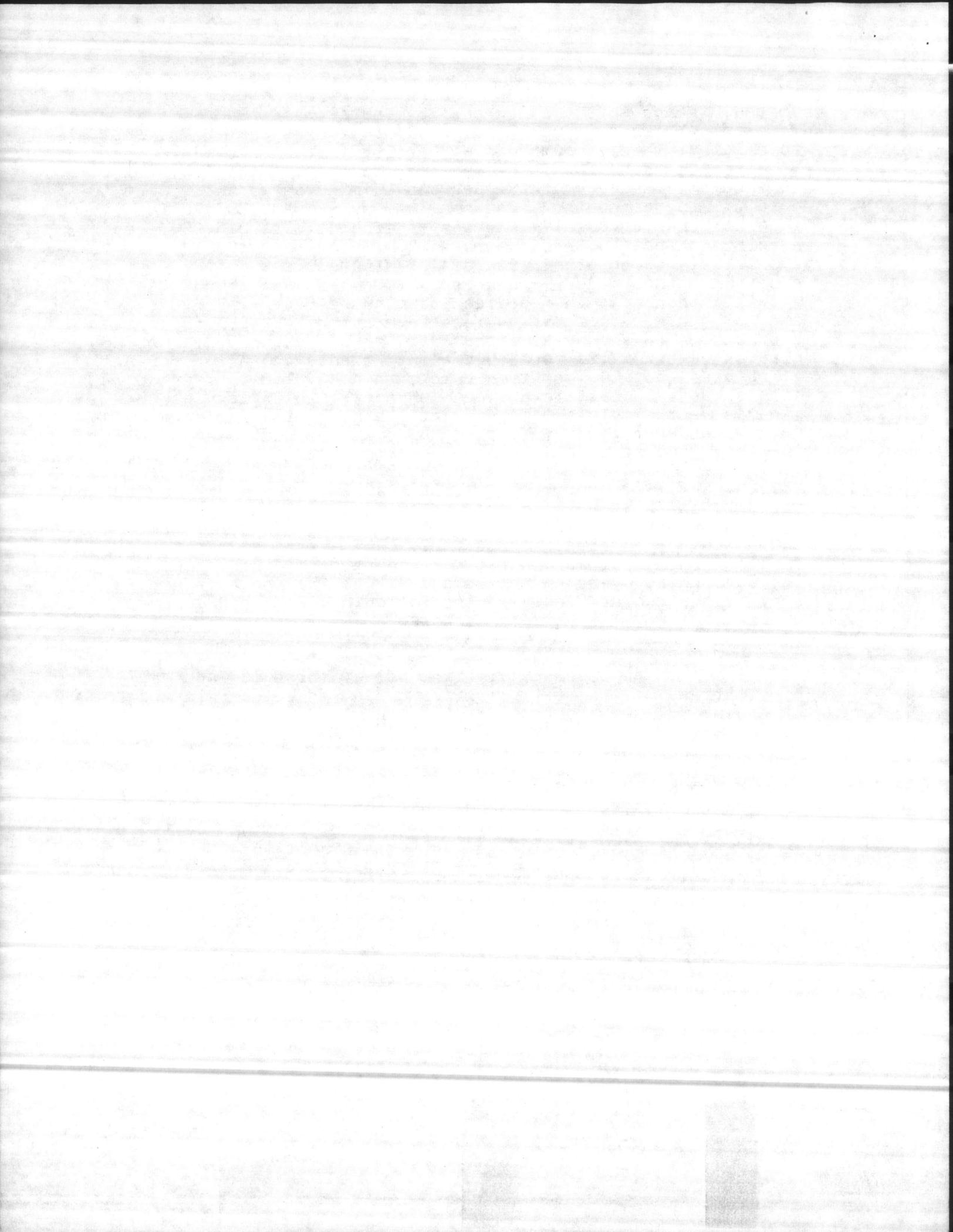
BEGINNING at a steel pin set in a concrete monument, said pin being located North 60 degrees 24 minutes East 349.77 feet from United States Marine Corps grid marker No. 358, and



which pin marks the control corner of the map hereinafter described; thence North 21 degrees 13 minutes East 1922.46 feet to a point; thence South 67 degrees 58 minutes East 91.84 feet to a point; thence South 45 degrees 06 minutes East 364.32 feet to a point; thence South 67 degrees 34 minutes East 470.47 feet to a point; thence South 74 degrees 10 minutes East 310 feet to a point; thence South 74 degrees 12 minutes East 206.46 feet to a point; thence South 74 degrees 52 minutes East 226.98 feet to a point; thence North 59 degrees 27 minutes East 195.14 feet to a point; thence South 41 degrees 38 minutes East 395.97 feet to a point; thence South 78 degrees 03 minutes East 235.67 feet to a point; thence South 5 degrees 34 minutes East 1042.61 feet to a point; thence South 14 degrees 29 minutes West 583.69 feet to a steel pin in a concrete monument; thence North 75 degrees 28 minutes West 1377.24 feet to a point; thence South 26 degrees 28 minutes East 14 feet to a point; thence South 63 degrees 32 minutes West 50 feet to a point; thence North 26 degrees 28 minutes West 57.45 feet to a point; thence North 75 degrees 28 minutes West 1455.77 feet to the point of beginning containing 99.21 acres as shown on District Public Works Office, Fifth Naval District Drawing No. 50383 (Y & D Drawing No. 741230) entitled "Marine Corps Air Facility, New River (Peterfield Point) North Carolina, Capehart Housing, 110 Married Officers Quarters, 325 Married Enlisted Mens Quarters, Property Map - MEMQ Site" dated February 27, 1957, attached hereto and made a part hereof as Exhibit B. Excepting and reserving unto the Government over, under, on and across the property hereinabove described as Tract Two the following described easements of right of way for utility purposes:

1. An easement of right of way for a 12 inch sanitary sewer main extending for 5 feet on either side of a center line which said center line is described as follows: BEGINNING at a steel pin set in a concrete monument forming the Southeastern corner of the property hereinabove described as Tract Two, coordinates North 357,566.31 East 2,468,415.48; thence North 75 degrees 28 minutes West, and along the Southern boundary line of said Tract Two, 372.50 feet to a point forming the true point of beginning of the center line herein described; thence North 14 degrees 34 minutes East 227.30 feet to a point; thence North 18 degrees 08 minutes East 507.33 feet to a point; thence North 7 degrees 57 minutes East 300.68 feet to a point; thence continuing North 7 degrees 57 minutes East 299.74 feet to a point and thence North 13 degrees 37 minutes East 230.44 feet to a point in the Northern boundary line of said Tract Two.

99.21  
54.42  
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153.63

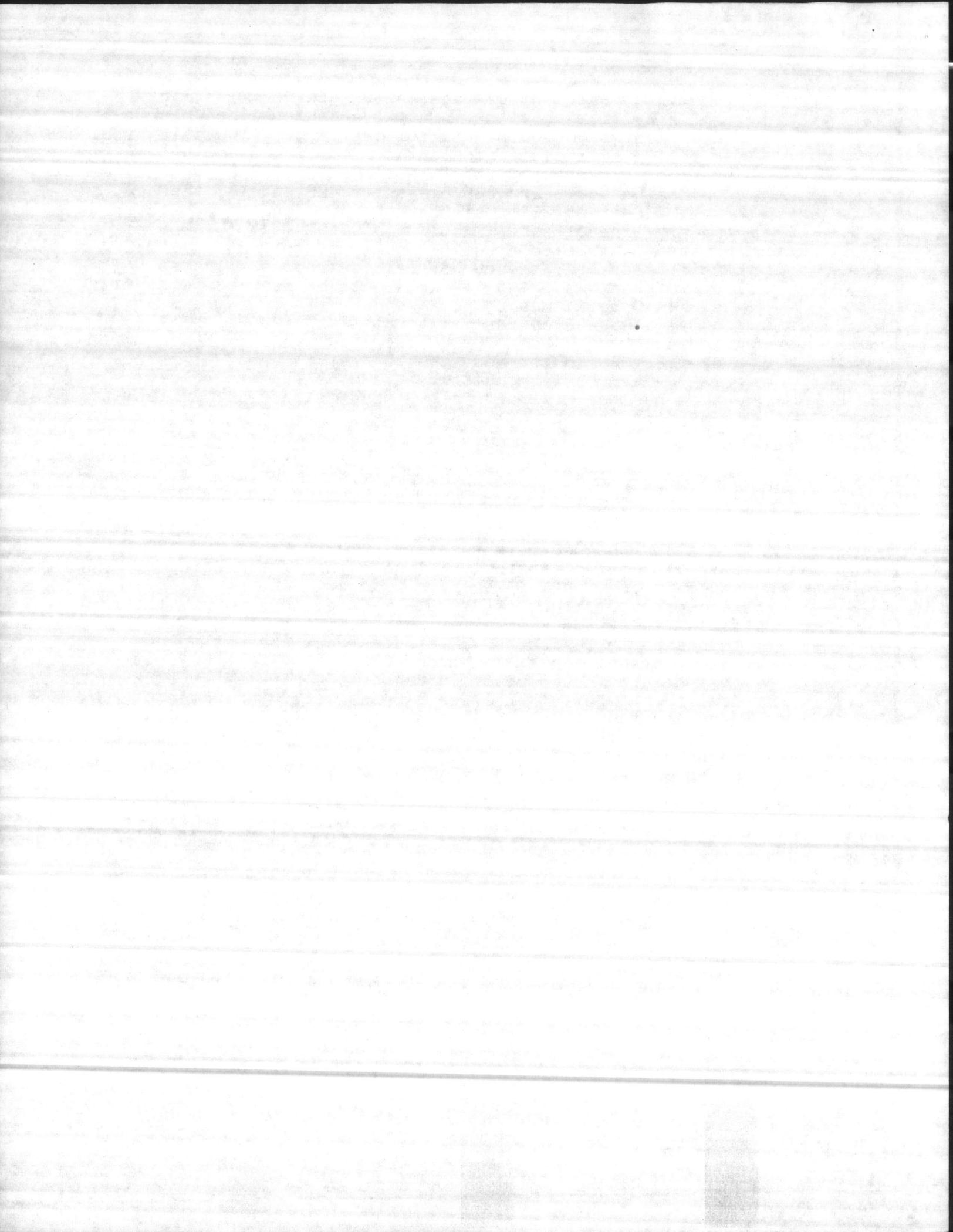


2. An easement of right of way for a water line extending  $2\frac{1}{2}$  feet on either side of a center line which said center line is described as follows: BEGINNING at a steel pin set in a concrete monument forming the Southeastern corner of the property hereinabove described as Tract Two, coordinates North 357,566.31 East 2,468,415.48; thence North 75 degrees 28 minutes West, and along the Southern boundary line of said Tract Two, 506.91 feet to a point forming the true point of beginning of the center line herein described; thence North 13 degrees 52 minutes East 199.22 feet to a point; thence South 77 degrees 54 minutes East 144.0 feet to a point; thence North 18 degrees 15 minutes East 260.30 feet to a point; thence North 17 degrees 44 minutes East 269.40 feet to a point; thence North 9 degrees 02 minutes East 299.35 feet to a point; thence North 8 degrees 17 minutes East 298.55 feet to a point and thence North 12 degrees 29 minutes East 232.29 feet to a point in the Northern boundary line of said Tract Two.

3. An easement for a water well, well house and 5 inch water line described as follows: BEGINNING at a steel pin in a concrete monument forming the Southwestern corner and the control corner of said Tract Two, as hereinabove described; thence South 75 degrees 28 minutes East and along the Southern boundary of said Tract Two 427.85 feet to a point forming the true point of beginning of the easement of right of way herein described; thence North 15 degrees 31 minutes East 309.74 feet to a point; thence North 74 degrees 28 minutes West 12.5 feet to a point; thence North 15 degrees 32 minutes East 22 feet to a point; thence South 74 degrees 28 minutes East 22 feet to a point; thence South 15 degrees 32 minutes West 22 feet to a point; thence North 74 degrees 28 minutes West 4.5 feet to a point; thence South 15 degrees 31 minutes West 309.66 feet to a point and thence North 75 degrees 28 minutes West 5 feet, more or less, to the true point of beginning.

All being as shown on District Public Works Office, Fifth Naval District, Drawing No. 50383 (Y & D Drawing No. 741,230) hereinabove described and attached hereto as Exhibit B.

RESERVING ALSO UNTO THE GOVERNMENT AND OTHERS THE RIGHT TO USE, jointly with the Lessee and others, as access for purposes of ingress and egress, all improved streets or roads constructed in connection with the use and occupancy of the above described premises, and to include the right to use, install, maintain and operate utility lines for the purpose of furnishing utility services to housing units, AND GRANTING TO THE LESSEE THE RIGHT TO USE, jointly with the Government and



others, as access for purposes of ingress and egress to and from the above described leased premises, streets or roads and such other routes as may be made available by the Commanding Officer, connecting the leased premises with public road or highway, and to include the right to use, install, maintain and operate utility lines for the purpose of furnishing utility services to the housing units within the above described premises.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth below, duly executed this lease.

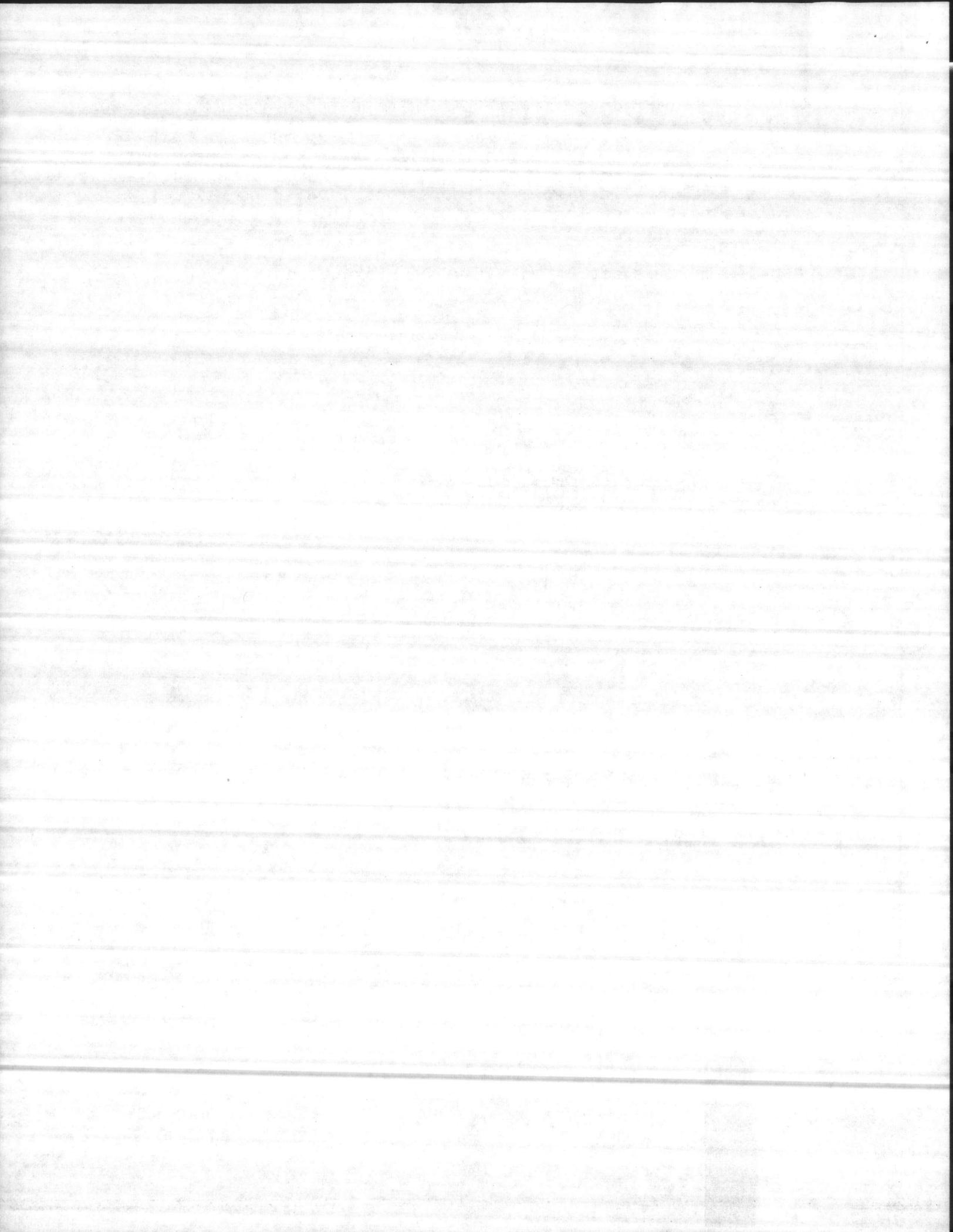
UNITED STATES OF AMERICA

Date: March 4, 1957 By /s/ CHARLES S. THOMAS  
Witness /s/ ROBERT T. BONHAM  
Witness /s/ V. PAUL McMANUS

NEW RIVER MARINE CORPS AIR FACILITY QUARTERS, INC.

/Seal/

Date: March 1, 1957 By /s/ C. D. SPANGLER  
President  
Witness /s/ JAMES M. POYNER  
Witness /s/ MARSHALL B. HARTSFIELD



I, THOMAS G. DORIAN, certify that I am the Secretary of NEW RIVER MARINE CORPS AIR FACILITY QUARTERS, INC., a corporation named as the Lessee herein; that C. D. SPANGLER who signed this lease on behalf of said corporation was then the President of said corporation; that said lease was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of the corporate powers.

/s/ THOMAS G. DORIAN  
Secretary

STATE OF VIRGINIA  
COUNTY OF ARLINGTON

I, WILLIAM L. OWENS, a Notary Public in and for the State of Virginia, Arlington

City, county ~~of District of Columbia~~  
CHARLES S. THOMAS, do hereby certify that CHARLES S. THOMAS, whose name is signed to the foregoing lease, personally appeared before me and is personally well known by me, and acknowledged the due execution by him of the foregoing instrument for and on behalf of the United States of America. Witness my hand and seal this 14th day of March, 1957.

SEAL /s/ WILLIAM L. OWENS  
Notary Public

My commission expires March 16, 19 50

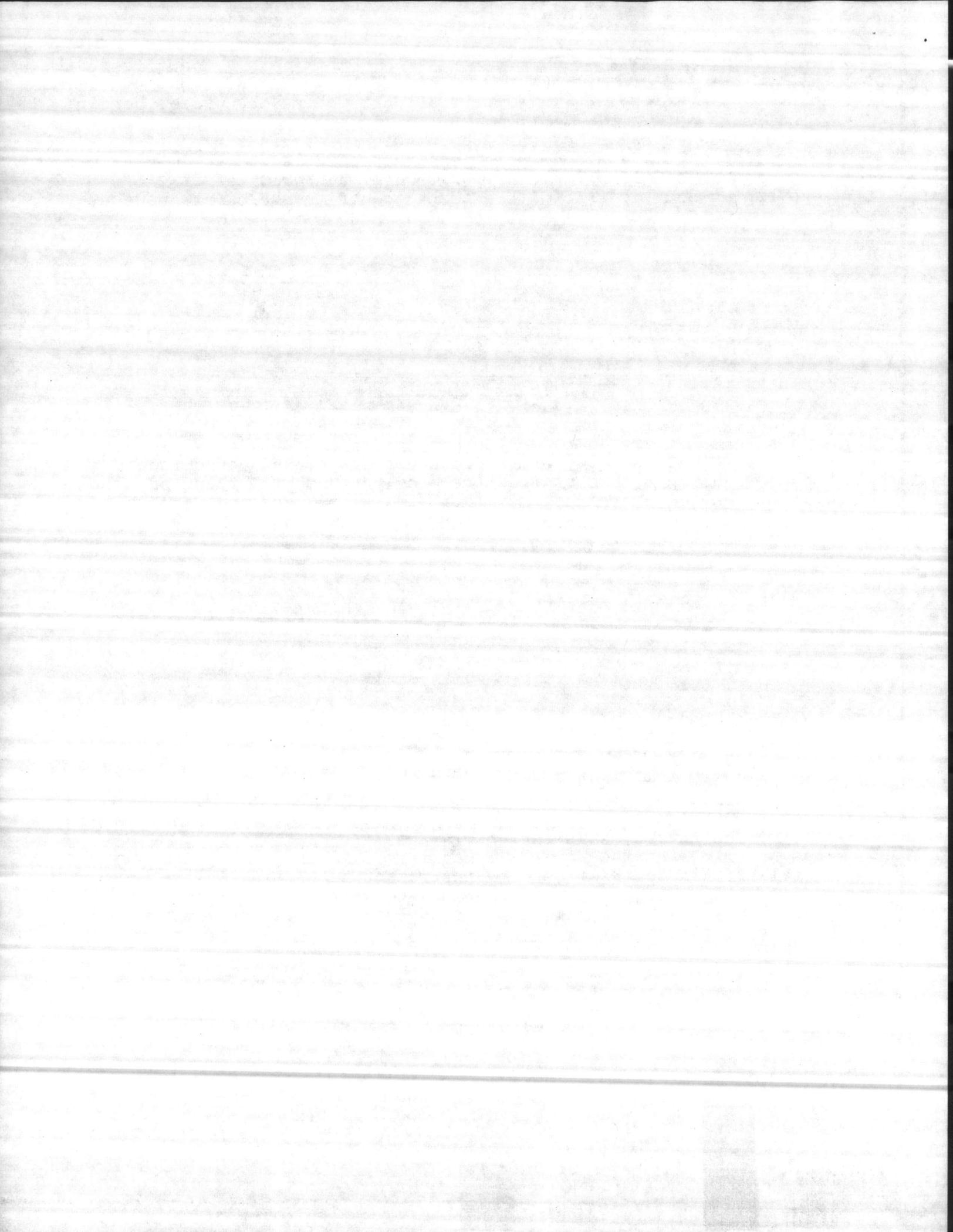
STATE OF NORTH CAROLINA  
COUNTY Wake

This 1st day of March, 1957, personally came before me, ELIZABETH G. POOLE, Rec: ELIZABETH I. GRIFFIN, a Notary Public, C. D. SPANGLER, who, being by me duly sworn, says that he is the President of New River Marine Corps Air Facility Quarters, Inc., and that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, and that said writing was signed and sealed by him, in behalf of said corporation, by its authority duly given. And the said C. D. SPANGLER acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and notarial seal this 1st day of March, 1957.  
/s/ ELIZABETH G. POOLE

SEAL Rec: ELIZABETH I. GRIFFIN  
Notary Public of Wake County

6/29/57



STATE OF NORTH CAROLINA  
COUNTY OF ONSLOW

The foregoing certificates of Elizabeth G. Poole, Nee:  
Elizabeth I. Griffin, a notary public of the County of Wake, and  
William L. Owens, a notary public of  
County of Arlington, State of Virginia, are adjudged to be correct  
and sufficient. Let the instrument and certificates be registered.

WITNESS my hand and seal this 7th day of March, 1957.

/s/ W. F. Justice  
Clerk Superior Court

Filed for registration 11:50 o'clock A. M., March 7, 1957 and  
registered in the office of the Register of Deeds for Onslow  
County, in Book 265 page , March 7, 1957.

/s/ Mildred M. Thomas  
Register of Deeds

