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REAL ESTATE MANAGEMENT AGREEMENT

THIS AGREEMENT ("Agreement"), is made as of the Commencement Date (as defined below), by and between the **County of Durham**, North Carolina a public body corporate and politic, having its principal offices at 200 East Main Street, Durham, NC 27701 ("Owner") and _**TradeMark Properties, Inc.** ("Manager") having its principal offices at 1001 Wade Ave, Suite 300, Raleigh NC 27605

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WHEREAS, The Owner owns fee simple title to a block of real property containing approximately _16.65_ acres located at _3825 S Roxboro Street, Durham, NC 27713_____, and having Durham County Tax Parcel Number 145719________________________________ and Durham County Parcel Identification Number 0820-30-2208 (the "**Property**").

WHEREAS, The Property includes the Owner's commercial space ("**Commercial Space**"), as such Commercial Space is designated in the drawings attached as Exhibit A.

WHEREAS, Owner has agreed to have the Commercial Space managed by the same property management company that will manage operate the residential units at the Property.

WHEREAS, Owner and Manager are entering into this Agreement to set forth the terms and conditions for the management of the Commercial Space by Manager.

WHEREAS, Owner wishes to retain Manager to provide property management services for the Commercial Space, and Manager desires to provide such management services for the Commercial Space as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Manager hereby agree as follows:

1. Appointment of Manager.

1.1 Commencement Date. The "term" of this Agreement shall become effective on December 1, 2023 (the "**Commencement Date**") and shall continue until terminated by either party as hereinafter provided in Section 5.2 below, or elsewhere within this Agreement.

1.2 Owner's Representations and Warranties. Owner represents and warrants to Manager that as of the Commencement Date: (i) it is or will be the fee owner of the Commercial Space; (ii) subject to the rights of any mortgagee, it has or will have the sole right to receive the rents and profits from the Commercial Space; (iii) to Owner's knowledge, execution of this Agreement does not violate or conflict with any other agreement to which Owner is a party; and (iv) to Owner's knowledge, any consents or approvals required as a condition to the entry by Owner into this Agreement have been obtained or requested.

1.3 Appointment. Effective as of the Commencement Date, Owner hereby hires and appoints Manager as the sole and exclusive managing agent for the Commercial Space, to manage, operate, receive rents, maintain, lease and rent the Commercial Space for the term of this Agreement in accordance with the terms and conditions set forth herein, including without limitation, the Budget (as defined in Section 2.12.2 below), and Manager hereby accepts such appointment, upon the terms and conditions contained herein.

1.4 Exclusive Agency. Effective as of the Commencement Date, Manager shall be the sole rental agent for the Commercial Space, and Owner shall not employ any outside rental agent or broker without the consent of Manager. All inquiries made to Owner or to any entity directly or indirectly related to Owner concerning any leases or renewals or agreements for the rental of any tenant space in the Commercial Space shall be referred to Manager, and all negotiations connected therewith shall be conducted by or under the direction of the Manager.

1.5 Licensing. Manager hereby represents, warrants and covenants that it now has and throughout the term of this Agreement will obtain and maintain in effect and in good standing all brokerage and other licenses necessary for the lawful performance of Manager's obligations hereunder.

1.6 Designation of Owner Representative. Owner hereby designates [_TBD________] to serve as the Owner's representative in all dealings with Manager hereunder. Whenever the approval, consent or other action of Owner is called for hereunder, such approval, consent or action shall be binding on Owner if specified in a writing executed by the designated representative. The representative may be changed at any time in the sole discretion of the Owner by written notice to Manager, effective upon receipt by Manager.

1.7 Designation of Manager Representative. Manager hereby designates Carly Stevenson to serve as the Manager representative in all dealings with Owner hereunder. Whenever the approval, consent or other action of Manager is called for hereunder, such approval, consent or action shall be binding on Manager if specified in a writing executed by the designated representative. The representative may be changed at any time in the sole discretion of the Manager by written notice to Owner, effective upon receipt by Owner.

2. Services to be Performed.

Manager agrees to perform the following services pertaining to the Commercial Space:

2.1 Management Activities.

2.1.1 Manager shall employ best practices in accordance with industry standards in the management of the Commercial Space and to promulgate reasonable rules and regulations related to the use of the Commercial Space. Individual leases shall be completed by Manager on standard forms of lease prepared by Manager and approved by Owner ("**Lease Agreement**"), and in conformance with the Rental Rates (as defined in Section 2.1.5 below). In the event of any material changes in the Lease Agreement, such revised Lease Agreement shall first be approved by Owner in writing, before being used in connection with the Commercial Space. Leases and other agreements with tenants (which conform to the terms set forth in this Agreement) shall be executed and delivered by Manager as agent of Owner.

2.1.2 Manager shall maintain businesslike relations with tenants, whose service requests shall be received, logged, and considered in systematic fashion in order to show the action taken with respect to each. Complaints of a material nature shall, after thorough investigation, be reported to Owner with appropriate recommendations.

2.1.3 Applications to Lease: Before entering into any Lease Agreement, Manager will obtain from prospective tenants a complete and executed rental application which shall include, but is not limited to, the prospective tenant's credit references.

2.1.4 [Reserved.]

2.1.5 Rental Rates: A range of rental rates for various tenants ("**Rental Rates**") shall be in accordance with the Budget. Manager shall, promptly following the execution of this Agreement and from time to time thereafter, make recommendations to Owner with respect to Rental Rates.

2.2 Employment of Personnel.

2.2.1 To perform its duties hereunder, Manager will utilize on-site employees or employees from nearby properties to maintain and operate the Commercial Space ("**Personnel**"). Such Personnel are employees of the Manager for all purposes; provided however the cost for such Personnel shall be reimbursed by Owner as set forth herein and in conformance with the Budget. All matters pertaining to the employment, supervision, compensation, promotion, and discharge of Personnel, as well as union negotiations and compliance with applicable local, state and federal laws and regulations dealing with employee matters, including minimum wage laws, are the responsibility of Manager, which is in all respects the employer of such Personnel. Manager shall be responsible for all hiring and firing of, and supervision and direction given to such employees. The cost for any Personnel that are assigned both to the Commercial Space and to other properties managed by Manager will be prorated based on the time that such Personnel spend at the Commercial Space.

Owner shall reimburse Manager for the costs of the gross salary and all wages (including commissions and bonuses) or proportionate shares thereof, payroll taxes, employee's benefits (including health insurance, 401k, and worker's compensation), pre-employment background checks, training and development costs, termination benefits payable pursuant to State law where the Commercial Space is located and other benefits of the Personnel who are located on-site, including temporary employees performing on-site services in connection with the Commercial Space, provided that such costs are provided for in the Budget. Manager shall not be entitled to pay such employees in advance.

If Manager deems it appropriate and the position is provided for in the Budget, and in any applicable business plan, Manager shall retain a full-time Property Manager. Manager shall not discriminate against any employee or applicant for employment in hiring or terms of employment in violation of any applicable state, federal, or local law, ordinance, or regulation.

2.2.2 Manager and all Personnel who handle or who are responsible for the handling of Owner's monies shall, at the expense of Owner, be bonded in favor of Owner by a fidelity bond acceptable both to Manager and Owner, a copy of which fidelity bond shall be

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furnished to Owner, and Manager hereby assigns all proceeds of said bond(s) as they relate to the Commercial Space to Owner and agrees to execute such further assignments and notices thereof as required by Owner. Notwithstanding the aforesaid, certain services to the Commercial Space may be provided by other employees of Manager, as agreed with Owner, and the cost of such services, based on the hourly rate established from time to time by Manager for such employees, shall be Owner's expenses and shall be reflected in the Budget.

2.2.3 All off-site employees (which are not Personnel) are the employees of Manager and all costs incidental to these employees shall be a cost to the Manager, not reimbursable by Owner. Notwithstanding the foregoing, with respect to Manager's employees, to the extent they are performing standard onsite management services on behalf of the Commercial Space but are located in any central or regional office of Manager, Owner shall pay a duly allocated share of expenses for such Manager's employees as set forth in the Budget. Such expenses shall not include central or regional office overhead, nor shall they include services by Manager's executives in connection with the administration of this Agreement.

2.3 Initial Inspection and Inventory. Promptly upon the later to occur of (a) ninety (90) days following the execution of this Agreement, or (b) Owner's notice to Manager that Manager may access the Commercial Space, the Manager shall:

2.3.1 Inspect the common facility at the Commercial Space and ascertain its general condition, including using reasonable efforts to identify (i) any water infiltration, mold or Microbial Matter (as defined below) in the Commercial Space, and (ii) any areas of potential concern relating to any water infiltration, mold or Microbial Matter that may affect the Commercial Space, and promptly give the Owner written notice of any such issues that come to Manager's attention. As used herein, "**Microbial Matter**" shall mean the presence of fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including, but not limited to, mold, mildew, and viruses, whether or not such Microbial Matter is living. With respect to the facility in the Commercial Space, which has been occupied and which in Manager's reasonable discretion is determined to be in need of repairs, within ninety (90) days from the date of inspection Manager shall prepare a written report of recommended repairs, and the estimated cost thereof, required to bring the Commercial Space into compliance with the standards of repair and maintenance under Section 2.4 hereof. Subsequent reports of unfinished work shall be furnished to Owner, on a monthly basis, until all such unfinished work has been completed or waived by Owner;

2.3.2 Cause an inventory to be taken of all furniture, office equipment, recreational equipment, material, supplies (including a determination as to the amount of fuel on hand), maintenance tools and supplies, and any other material furnishings, fixtures, equipment and supplies belonging to the Commercial Space (the "**Personal Property**"), all of which shall be deemed a part of the Commercial Space. Within thirty (30) days from the date hereof, a written inventory of the Personal Property shall be given to Owner; and

2.3.3 Manager shall inform itself with respect to the layout, construction, location, character, plan, and operation of the lighting, heating, plumbing, security, and ventilating systems, as well as elevators, if any, and other mechanical equipment in the Commercial Space. Copies of guarantees and warranties pertinent to the equipment of the Commercial Space and in force at the time of execution of this Agreement shall be furnished by Owner to Manager, who will review them and remain familiar with their requirements and expiration dates and will be responsible for their safekeeping. Manager will further be similarly responsible for the safekeeping of copies of construction plans and "as-built" drawings furnished to it by Owner, provided that Owner furnishes sufficient on-premises office space and filing facilities for such purpose.

2.4 On-Going Maintenance and Repair of Property.

2.4.1 On Owner's behalf and at Owner's expense, in accordance with the Budget, Manager shall cause the Commercial Space to be maintained according to appropriate standards mutually acceptable to the Owner and the Manager, including, but not limited to, interior and exterior cleaning, repairs and alterations, plumbing, carpentry and decorating, and such other normal maintenance and repair work as may be deemed desirable or necessary by Manager, subject only to the limitations of the current Budget approved by Owner and any other limitations imposed by Owner in addition to those contained herein. Notwithstanding anything to the contrary contained herein, no more than $5,000 for items not included in the Budget or an amount which exceeds the lesser of (1) $15,000 or (2) 10% of any line item amount set forth in the Budget, shall be expended for any one item or repair or maintenance without Owner's prior written approval, except emergency repairs if, in the reasonable opinion of Manager and after reasonable attempts to contact Owner, such repairs are necessary to protect the Commercial Space from damage or to maintain services to tenants as called for in their leases. Manager shall promptly inform Owner of material increases in repair and maintenance costs not reflected in the Budget. Notwithstanding this authority as to emergency repairs, it is understood and agreed that Manager shall confer as soon as possible with Owner regarding every such expenditure. Manager shall also acquire in Owner's name at net cost without mark-up such equipment, tools, appliances, materials, and supplies as are necessary to properly maintain the Commercial Space, subject to limitations of the current Budget.

2.4.2 The responsibilities set forth in Subsection 2.4.1 do not refer to, and Manager shall not be obligated to make or supervise, any major capital improvements or casualty restorations, except as set forth in the Budget. However, at Owner's request, Manager may agree to provide general contractor's or construction management services to the Owner in connection with major capital improvements to the Commercial Space or in connection with restoration of the Commercial Space after a casualty loss. In such event, Manager shall be compensated for such additional services at the rate set forth per an Addendum hereto.

2.4.3 For all maintenance and repair work, minor or major, Manager shall give good faith consideration to retaining minority or women contractors, and where this Agreement requires that estimates be obtained, shall seek estimates from minority and women contractors. Provided, the foregoing shall not limit the Manager's obligation to comply with any recruiting or hiring requirements imposed on the Commercial Space.

2.4.4 Environmental Compliance: Manager shall use reasonable efforts to determine if any Hazardous Materials (as defined below) is being stored, used or discharged by any tenant or other party at the Commercial Space and shall immediately notify Owner of (i) any storage, dumping, use or leakage of any such Hazardous Materials on or near the Commercial

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Space, and (ii) any areas of potential concern relating to Hazardous Materials that may affect the Commercial Space.

2.4.5 Moisture Management Program: In accordance with the Budget, Manager shall implement a moisture management program at the Commercial Space, which program shall be submitted to Owner for review and approval on or before ninety (90) days after full- execution of this Agreement

2.5 Compliance with Regulations. Manager shall use best efforts to comply with the Lease Agreements and any and all orders or regulations pertaining to the Commercial Space promulgated by any federal, state, county or municipal authority having jurisdiction thereover, at Owner's expense, but subject to the limitation on repair or maintenance expenditures set forth in Section 2.4 hereof or in the Budget. Manager shall not take any such action, however, as long as Owner is actively contesting or has expressed an intention to contest and promptly institutes proceedings contesting any such order or requirements; provided that, if failure to comply promptly with any such order or requirement would or might expose Manager to criminal liability, Manager may cause the same to be complied with, without the Owner's approval. Manager shall notify Owner promptly of any such order or notice of requirement in writing.

2.6 Service Contracts. On behalf of, and in the name of the Owner, and as is consistent with the amounts for such purpose set forth in the Budget, Manager shall enter into or renew contracts for electricity, gas, steam, telephone, water, cleaning, fuel, oil, elevator maintenance, vermin extermination, trash removal and other services deemed necessary or advisable by Manager, subject to Owner's direction, for the operation of the Commercial Space; provided, however, that if providers of goods and services shall require that Manager contract in Manager's own name, Manager may do so as Owner's agent hereunder. Manager shall not enter into any contract on behalf of Owner which are not cancellable upon thirty (30) days' notice without penalty unless prior written approval of Owner is obtained. Upon termination of this Agreement, Owner shall remain bound by the obligations of all approved contracts for services, supplies, utilities, repairs, alterations, and the like which Manager has entered into in connection with the performance of its obligations hereunder. All such contracts, unless otherwise approved by Owner, shall be terminable by either party upon not more than thirty days' written notice without penalty. When taking bids or issuing purchase orders, Manager shall act at all times under the direction of Owner and shall be under a duty to use reasonable commercial efforts to secure for and credit to Owner any discounts, commissions, or rebates obtainable as a result of such purchases. In making payments to any party under any such contract, or to any other vendor, Manager shall, if and as directed by Owner, withhold a portion of such payments as back-up withholding in accordance with the Internal Revenue Code.

2.7 Collection of Rents. Manager is hereby authorized to and shall collect on behalf of Owner as its agent, all rent and other charges due from tenants and lessees, from users of parking spaces, if any, from lessees of any non-residential facilities in the Commercial Space maintained primarily for the benefit of tenants, or otherwise as are due Owner with respect to the Commercial Space. Owner authorizes Manager to request, demand, collect, receive and receipt for all such rent and other charges and to institute legal proceedings in the name of and as an expense reimbursable by Owner for the collection thereof and for the dispossession of tenants and other persons from the Commercial Space, and such expense may include the engaging of legal counsel of Manager's choosing for any such matter, including legal counsel in the sole employ of Manager, provided that such legal counsel and rates must be approved by Owner and consistent with the Budget. All legal proceedings or compromises in excess of $1,000 or exceeding any amount allocated thereto under the Budget shall be subject to the prior written approval of Owner.

2.8 Signage. Manager may place and remove or cause to be placed on the Commercial Space and removed at Owner's expense, project and building identification, directional and location signs, and other signage as Manager deems appropriate and as provided in the Budget. Manager may install signs or LSA Management flags on or about the Commercial Space stating that the Commercial Space is under the management of LSA Management. All signage shall be subject to compliance with applicable governmental sign ordinances, statutes, and regulations.

2.9 Payments by Manager.

2.9.1 To the extent funds are available in the operating account held by Manager with respect to the Commercial Space, pursuant to Section 2.10 hereof, Manager shall, on behalf of Owner and, pursuant to the Budget, pay, before delinquency:

(i) All expenditures required to be made in performance of the services specified in Sections 2.1 through 2.15 hereof;

(ii) Amounts otherwise due and payable as operating expenses of the Commercial Space incurred under the terms of this Agreement, including, without limitation, all fees and charges constituting the Manager's compensation and related fees, as applicable, in accordance with any Addendum;

(iii) The amount of all real estate taxes and assessments levied against the Commercial Space which, if not escrowed with any mortgagee or land contract vendor or required by such person to be paid at an earlier date, shall be paid by Manager, before interest and penalties shall begin to accrue thereon; and

(iv) Amounts otherwise due and payable as operating expenses of the Commercial Space incurred under the terms of this Agreement, including, without limitation, all fees and charges constituting the Manager's compensation and related fees, as applicable, in accordance with any Addendum hereto.

2.9.2 All payments made by Manager hereunder shall be made at Manager's discretion as to order or priority, subject to direction by Owner, (i) from such funds as Manager may from time to time hold for the account of Owner as specified in Section 2.10 below, or (ii) as may otherwise be provided by Owner. Owner shall be responsible for ensuring that the said operating account maintains a minimum balance sufficient to meet the Commercial Space's monthly expenses as set forth in the Budget. If Manager reasonably determines that collections will be insufficient to meet such cash requirements, or if at any time there is not sufficient cash in the operating account to pay all bills due and owing on the Commercial Space pursuant to the Budget or as otherwise approved by Owner herein on a timely basis, Manager shall request additional funds from Owner therefor. Owner agrees to deposit the amount of funds so requested by Manager upon five (5) business days' notice in the operating account of Manager referred to in Section 2.10 below. Manager shall timely notify Owner if any additional funds are required and

Manager shall not be obligated to make any advance to or for the operating account maintained by Manager pursuant to the terms hereof, nor shall Manager be obligated to incur any liability or obligation for the account of the Owner without adequate assurance, in Manager's discretion, that the necessary funds for the discharge thereof will be provided; however, if Owner was timely notified and fails to deposit additional funds and Manager voluntarily advances for Owner's account any amount for the payment of any necessary expense connected with the maintenance or operation of the Commercial Space in accordance with this Agreement, Manager shall give Owner prompt notice thereof, and Owner shall reimburse Manager therefor promptly on demand with interest thereon at a rate per annum equal to Three (3%) Percentage points in excess of the annual interest rate then announced by the Wall Street Journal as its "prime" or base rate, from the date such payment is made by Manager. Any sums due Manager hereunder may be collected by Manager from future rental or other payments collected by Manager from the Commercial Space.

2.10 Bank Accounts. Manager shall establish an operating account for the Commercial Space in a federally insured depository institution recommended by Manager and agreed upon by Owner, and all funds collected by Manager for the account of Owner shall be held in trust and deposited in such account (referred to herein as the "operating account"). All funds in the operating account shall be the Commercial Space of Owner and shall not be commingled with the funds of Manager, subject to the express rights of Manager provided herein. Manager shall have the authority to sign checks drawn on such account for all expenditures permitted by this Agreement.

2.11 Tenant Security Deposits. Owner shall provide Manager a complete and accurate accounting for all tenant security deposits as of the commencement of the term hereof, and Manager shall thereafter be responsible for collection and administration of security deposits in compliance with applicable law. The total amount of such deposits will be delivered to Manager by Owner upon the effective date hereof. Owner agrees to hold Manager harmless for any errors in said accounting and prior actions taken by Owner and Owner's agents with respect to tenant security deposits. All tenant security deposits shall be maintained in a separate account arranged by Manager consistent with Applicable Law. Manager may pay such deposits to tenants at the expiration of the terms of their leases or at such other times as they may become entitled thereto, as shall be determined by Manager, and Manager may deduct from such deposits appropriate amounts determined by Manager pursuant to the terms of the lease agreement with such tenants, subject to applicable laws regulating security deposits.

2.12 Annual Budget.

2.12.1 The fiscal year of the Commercial Space shall be July 1 to June 30, subject to the right of Owner to change such fiscal year from time to time upon at least ninety (90) days prior written notice to Manager.

2.12.2 Within thirty (30) days after the execution of this Agreement, Manager shall prepare for Owner's approval the annual budget ("**Budget**" or "**budget**") for any remaining fraction of the fiscal year in which this Agreement is signed, and if such fraction of the current fiscal year is less than 90 days, then for the succeeding fiscal year as well. At least ninety (90) days prior to the expiration of the last part of the initial period covered by the Budget, and then at least ninety (90) days before the end of each successive fiscal year, Manager shall prepare and submit to Owner the annual budget in preliminary draft form for the next fiscal year. The annual budget shall include, but not be limited to, anticipated gross revenues, operating expenses (including ordinary repair and maintenance), capital expenditures (together with supporting data and assumptions used, including cost and timing estimates therefor), debt service payments, management fees, and reserves taking into account, without limitation, the general condition of the Commercial Space, the expected rate of completion of contemplated repairs, and the occupancy, physical condition of, and rentals charged in the competing projects in the relevant marketing area. Among other things, Manager shall project in the Budget the cash requirements for the Commercial Space in accordance with Section 2.9 above. Each annual Budget shall include a schedule of job descriptions and requirements for all employees, a schedule of wage rates and all other compensation, a list of recommended capital improvements and major repairs, an item for contingencies and a statement from Manager outlining a plan of operation and justifying the estimates made in every important particular.

2.12.3 Owner shall have the right to make any changes or modifications to the annual budget during the 90 day period referred to in Subsection 2.12.2, but no such changes or modifications may alter the payments otherwise due Manager as fees or reimbursement under this Agreement or impose such an unrealistically low level of expenditures that it would hinder or make unreasonably difficult the operation and maintenance of the Commercial Space in accordance with appropriate standards as provided in this Agreement and as required by applicable law. Any draft annual Budget not explicitly rejected or modified in writing by Owner within the 90-day period shall be deemed approved as submitted. In the event that Owner does make revisions to the Budget during the 90-day period, then the budget as so revised by the Owner shall be deemed final, provided that the revised budget does not conflict with the requirements set forth in the immediately previous sentence.

2.12.4 Following its approval by Owner (as submitted, or as modified, as the case may be), the final approved draft Budget shall constitute the "Budget" for the fiscal year covered thereby and shall constitute a standard to which Manager shall adhere. Approval of the annual Budget by Owner shall constitute Owner's (i) authorization to Manager to make all those expenditures provided for in the Budget, and (ii) instruction not to make or incur expenditures in excess of the lesser of ten percent (10%) of any line item in the Budget or one thousand dollars ($1,000), or in excess of ten percent (10%) of the Budget as a whole (including contingencies), unless Manager's discretion to make expenditures in excess of budgeted amounts is subject to a different threshold in any specific instance is set forth herein, in which case such specific limit will apply.

2.12.5 Additional Items: Manager shall maintain, and shall promptly supply to Owner upon request within two (2) business days of written notice from the Owner, copies of (a) all bank statements, bank deposit slips and bank reconciliations available to date, (b) detailed cash receipts and disbursement records, (c) paid invoices, (d) summaries of adjusting journal entries, and (e) supporting documentation for payroll, payroll taxes and employee benefits.

2.12.6 Accounting; Taxes: Manager shall cooperate with Owner's accountants, auditors and other representatives in regard to and assist in facilitating audits and periodic inspections of the books and records (as described in Section 3.5) and all other accounting documentation of Owner and Manager relating to the Commercial Space, and shall cooperate with

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Owner's accountants in regard to the preparation and filing on behalf of Owner of Federal, state, city and any other income and other tax returns required by any governmental authority.

2.12.7 Audit: Owner shall have the right to conduct by an independent third party an audit of the Commercial Space's operations at any time. Manager shall promptly correct all errors, if any, by Manager disclosed by such audits, and shall timely inform Owner in writing of all corrective actions taken. Such audit shall be at Owner's expense unless an error is discovered that, when netted against all errors that were made during the audit period in question, results in a difference equal to or greater than two percent (2%) of all gross receipts for the period audited, in which case Manager shall bear the full cost of the subject audit. Any adjustments in amounts due and owing from Owner to Manager shall be paid within fifteen (15) calendar days following Owner's or Manager's (as applicable) receipt of the audit.

2.12.8 Rebates Discounts and Commissions: Manager shall utilize, to the fullest extent, its purchasing abilities for the benefit of Owner. Except as otherwise herein expressly provided, Manager shall not collect or charge any undisclosed fee, rebate, discount, or commission relating to the operation of and purchasing of supplies and services for the Commercial Space without crediting same to the account of Owner.

2.13 Three-Year Business Plan. Owner may require that Manager prepare, concurrently with the draft annual Budget, a three-year business plan in a format prescribed by Owner. If Owner so directs, Manager shall update the three-year plan for Owner's review and approval concurrently with the preparation of the annual Budget.

2.14 Transfer of the Commercial Space. If Owner decides to sell, mortgage, or otherwise transfer the Commercial Space or any part thereof or interest therein, Manager shall comply in timely manner with all reasonable requests of Owner in connection with such proposed transfer, including without limitation the following:

(i) As directed by Owner, Manager will cooperate and assist in the marketing of the Commercial Space.

(ii) Manager will provide a current tenant roll, stating, for each unit, the name of the tenant, the expiration date of the lease, the amount of the security deposit (if any), the date to which rent is paid, any renewal, extension, or expansion options or any unexpired tenant incentives, and whether any defaults are known to exist, and Manager will represent and warrant, to its best knowledge, the accuracy of such information to Owner and to any such proposed transferee.

(iii) Manager will provide a list of threatened or actual suits or other action by private parties or governmental entities, including a factual summary of each such matter, and Manager will represent and warrant, to its best knowledge, the accuracy of such information to Owner and to any such proposed transferee.

(iv) Manager will provide an updated schedule of Personal Property belonging to the Commercial Space, and Manager will represent and warrant, to its best knowledge, the accuracy of such information to Owner and to any such proposed transferee.

(v) Manager will allow Owner and / or any such proposed transferee to have access to all records for the Commercial Space as are typically subject to due diligence review in similar commercial transactions.

2.15 Additional Services. Manager shall provide such additional services as may be agreed upon in writing by Owner and Manager, including, but not limited to, such risk management and insurance services, tax and entity management services, financing, and underwriting services, and legal and closing services as agreed to by the Owner in its sole and absolute discretion.

3. Manager's Compensation.

3.1 Amount of Compensation. Owner shall pay Manager as compensation for the management services rendered hereunder (except for services pursuant to Section 2.15 or pursuant to other provisions expressly providing for additional compensation) an amount computed and payable monthly which shall be designated as the "management fee" and which shall be equal to $1500 per month. The Management Fee shall be paid on an accrual basis on the first (1st) business day of each subsequent month. The Management Fee shall commence to accrue and become due and payable hereunder upon the later to occur of (a) the Commencement Date, or (b) the date that the Manager employs a site-level employee at the Commercial Space (the "**Fee Commencement Date**"); prorated for any partial month.

3.2 Commissions to be Paid: Owner shall pay Manager commissions for all leases and lease renewals in accordance with **Exhibit B – Commission Schedule**

3.3 Expenses. Owner shall reimburse Manager and its affiliates for actual, reasonable, and necessary out-of-pocket costs which they shall incur as operating expenses in connection with the performance of this Agreement, provided that such costs and expenses are set forth in the Budget. Manager shall have the discretion, exercised reasonably, to determine the necessity for the expenditure of any such amounts, which shall include, without limitation, reasonable travel, meals, lodging, telephone, electronic communications, postage, air expenses, costs of employee recruitment (including applicable agent's fee) and other related or incidental expenses solely with respect to Central Office Employees (as defined below); providing that such reimbursed expenses shall be set forth in the Budget. Manager shall be entitled to reimbursement of expenses hereunder directly from the Commercial Space account at the time incurred. Such reimbursements shall be in addition to the management fee, and payment or reimbursement of expenses shall not be deemed to be indirect payment of the management fee or other fees for services set forth herein or offset against such fees. Notwithstanding the aforesaid, Manager shall be responsible for its central office expenses, including expenses related to Manager's (i) Senior Executive Leader, Regional Director(s), Asset Manager(s), Accounting and Information Technology, and Treasury and Banking, (ii) Chief Executive Officer and Chief Executive Officer Support team, Chief Real Estate Officer, and any other employees of the Manager, and (iii) corporate office overhead and office support, to the extent any of the foregoing persons are not employed full or part-time at the Commercial Space, unless Owner shall otherwise approve in writing ("**General Manager Expenses**"). Sales Director, Facilities Director, Compliance Director and Marketing, Media and Attractions Director shall be deemed "**Central Office Employees**" and shall not be a property expense. Expenses of the Commercial Space to be paid by Owner hereunder shall include expenditures made by Manager pursuant to Sections 2.1 through 2.15 hereof, including, without limitation, bank service charges incurred in performance of Section 2.10, provided that the foregoing is set forth in the Budget. To the extent that Owner elects to share in an expense pool for advertising, office costs, marketing, and staff training and education expense, Owner agrees to promptly remit funds, from the Commercial Space's account or as otherwise provided by Owner, to pay for these costs.

3.4 Remittance of Funds to Owner. The Manager shall simultaneously with the delivery of the monthly reports, but in no event later than the 20th of each month, pay over in accordance with directions reasonably given by Owner's representative the amount of gross receipts for such preceding calendar month less:

(i) all expenses incurred, including any and all specified debt service;

(ii) the management fee specified herein, and any other fees charged pursuant to this Agreement, including any Addendum hereto; and

(iii) any agreed-upon sums to be reserved for future expenses.

3.5 Books and Records. Manager agrees to keep and maintain a proper and adequate system of books of accounts and records, all satisfactory to Owner and in accordance with generally accepted accounting standards and procedures on an accrual basis with cash reconciliations showing income and expenditures in connection with operating of the Commercial Space, together with sufficient supporting documentation to ensure that all entries in the books and records are accurate and complete at Manager's sole expense, and to preserve the same for a period of at least five (5) years after the close of the calendar year to which they relate. Such books and records shall be maintained at the Commercial Space, or such other location as may be mutually agreed upon in writing. Manager shall use its best effort to exercise control over accounting and financial transactions so as to protect Owner's assets from theft or fraudulent activity on the part of Manager's employees or its contractors. Losses arising from such instances are to be borne by Manager except to the extent covered by insurance. Manager further agrees to permit the Owner and / or its accountants and authorized representatives to examine and copy during regular business hours all books and records of the Manager in any way pertaining to gross receipts and expenses and operation of the Commercial Space, including, but not limited to, all checks, bills, vouchers, statements, cash receipts, correspondence and all other records in connection with the management of the Commercial Space. Manager shall also maintain complete payroll records of all Personnel. Manager agrees to keep all financial information concerning the Commercial Space confidential at all times during and after the term of this Agreement, except as expressly authorized in writing by Owner, or unless Manager shall be under compulsion of legal process to disclose such information. Manager agrees that, upon Owner's request, at the termination of this Agreement or otherwise, Manager will deliver to Owner all books, records, accounts, and sums held or maintained by it hereunder pursuant to Section 3.5.

3.6 Financial and Legally-Required Reporting.

3.6.1 Once within each accounting month by no later than the 15th day of the month during the term of this Agreement, commencing with the second full calendar month following the commencement of this Agreement, and within the first full calendar month following the termination of this Agreement, the Manager shall furnish to Owner a true, correct and complete monthly statements relating to the operation of the Commercial Space showing in detail all receipts and disbursements for the previous month and an annual statement summarizing receipts and disbursements of the preceding calendar year or portion thereof. Manager shall also prepare quarterly statements reflecting the foregoing including a quarter-to-date statement. Such accountings shall also show collections, delinquencies, uncollectible items, vacancies, and other matters pertaining to the management, operation and maintenance of the Commercial Space as may be required by Owner. The monthly statements shall be issued by the fifteenth (15th) of the next month and shall report the collection of rents through the end of the month and all expenses paid during the preceding month. The quarterly statements shall be issued by the 15th day after the end of a quarter.

3.6.2 If requested by Owner, Manager shall deliver to Owner within ninety (90) days after the end of each fiscal year of the Commercial Space, a Profit and Loss Statement showing the results of operations for that fiscal year and a Balance Sheet of the Commercial Space as of the end of that fiscal year, both in form satisfactory to Owner and prepared in accordance with generally accepted accounting principles and certified by Manager at the expense of Owner.

3.6.3 Manager, as Owner’s agent, shall execute and file punctually when due all forms, reports and returns required by law relating to the employment of personnel and the operation of the Commercial Space.

3.7 Additional Compensation. In addition to the management fee, Manager shall be entitled to compensation for additional services such as marketing, construction management, insurance administration, adjustment of fire claims, tax preparation, returns and appeals, human resources, financing and / or sales. The precise nature of such services and the compensation to be paid to the Manager therefor shall be set forth in an Addendum to this Agreement and in any separate agreement specifying in greater detail the nature and scope of such services.

4. Insurance.

4.1 Insurance Requirements. The parties acknowledge and agree that the insurance requirements in connection with this Agreement are set forth in Exhibit C attached hereto and made a part hereof by this reference.

4.2 Insurance Claims. Manager shall promptly investigate and make a full written report to Owner as to all material accidents and all claims for damage or injury relating to or occurring at the Commercial Space, and any damage or destruction to the Commercial Space and its estimates of the cost of repair thereof, and shall prepare for approval by Owner any and all reports required by any insurance company in connection therewith. All such reports shall be filed with Owner promptly, and in any event within five days after the occurrence of any such accident, claim, damage, or destruction of a material nature, which shall also be noted in the monthly report delivered to Owner pursuant to Section 3.6. All claims with respect to personal injury, or damage to property other than the Commercial Space, shall be promptly referred by Manager to Owner for further action and Manager shall use its best efforts to refer these claims to Owner within one business day of notification by Claimant.

4.3 Restrictions in Use of Property Related to Insurance Coverage. Manager agrees not to permit the use of the Commercial Space for any purpose which might void or cause an increase in the premium for any policy of insurance held by Owner or Manager, or which might render any loss thereunder uncollectible, or which would be in violation of any legal requirement under any law, ordinance or regulation or other restriction or under any mortgage of the Commercial Space. Manager shall to the best of its ability ensure that all tenants are in full material compliance with the terms and conditions of their respective leases and with all legal requirements, and to this end, Manager shall see that all tenants are informed with respect to such rules, regulations, and notices as Owner shall require Manager to promulgate.

5. Term of Agreement.

5.1 Term. This Agreement shall commence as of the Commencement Date (as defined in Section 1.1 above) and shall thereafter continue for a period of Three (3) years (the "**Initial Term**"), unless sooner terminated according to the terms hereof, and unless terminated, and may be renewed up to three times for a period of One (1) Year. Notwithstanding the aforesaid, (i) this Agreement shall be subject to any right of termination set forth in any mortgage of the Commercial Space granted by Owner, and (ii) if applicable, this Agreement shall be subject to termination, without penalty and with or without cause, upon written request by the Secretary of Housing and Urban Development addressed to Owner.

5.2 Termination. This Agreement shall terminate:

5.2.1 Intentionally Deleted.

5.2.2 Upon expiration of any term hereof, provided that the Owner or Manager shall give notice to the other party of its intent to terminate, not less than thirty (30) days prior to the end of the then current term; otherwise, this Agreement shall renew automatically for additional one (1) year periods upon the same terms as contained herein.

5.2.3 By election of either party to this Agreement to cancel and terminate this Agreement at any time after the Initial Term, with or without cause, upon not less than thirty (30) days' prior written notice, provided that such notice is actually received by the other party prior to the effective date of the decision to so terminate this Agreement, without payment of a fee or penalty of any kind; provided however, Owner may direct Manager to cease some or all services within such notice period.

5.2.4 [Reserved.]

5.2.5 Upon the occurrence of any of the following events with respect to a party (the "**Impacted Party**"): (i) the filing of an involuntary petition in bankruptcy or similar proceeding; (ii) the adjudication as bankrupt or insolvent; (iii) the appointment of a receiver or trustee to take possession of all or substantially all of its assets; (iv) a general assignment for the benefit of creditors; or (v) any other action taken or suffered by the Impacted Party under state or federal insolvency or bankruptcy law, or any comparable law which is now or hereafter may be in effect. Upon the occurrence of any such event, the non-Impacted Party may, at its option, terminate this Agreement by written notice to the Impacted Party, and upon the giving of such notice this Agreement and the term hereof shall immediately terminate.

5.2.6 Immediately upon the giving of written notice by any party hereunder to the other party if (i) the Commercial Space shall be damaged or destroyed to the extent of 25 % or more by fire or other casualty and Owner elects not to restore or replace such property, or (ii) there shall be a condemnation or deed in lieu thereof of 10% or more of the Commercial Space.

5.3 After Termination. Manager's obligation to provide reports and accountings pursuant to Section 3.6 hereof shall survive termination of this Agreement. Termination of this Agreement hereunder shall not release either party from liability for failure to perform any of the duties or obligations as expressed herein and required to be performed by such party for the period prior to such termination. Upon termination of this Agreement, it is agreed:

(a) That the Manager's right to compensation shall cease as of the effective date of the termination, or title transfer date of the Commercial Space, whichever is applicable;

(b) That the agency created by this Agreement shall cease as of the earlier of (i) notice from Owner to cease all services, (ii) the effective date of the termination, or (iii) title transfer date of the Commercial Space, whichever is applicable;

(c) Upon termination, Manager shall request a wire transfer to pay all outstanding invoices for the Commercial Space from the operating account. Any bona fide charge for services rendered or materials provided to the Commercial Space received by Manager more than ninety (90) days after termination of the Agreement shall be paid directly by the Owner, to the extent such charge is consistent with Section 2 of this agreement;

(d) That a final accounting shall be prepared by Manager and delivered to Owner within sixty (60) days after the effective date of termination and all funds remaining in the bank accounts maintained for the Commercial Space shall be immediately transferred to Owner as it so designates;

(e) Within ten (10) business days of notice from the Owner to cease all services, or upon the effective date of the termination, whichever is earlier, Manager shall deliver to Owner all books and records of the Manager pertaining to the operation of the Commercial Space.

(f) Upon the earlier of (i) notice from Owner to cease all services, or (ii) the effective date of the termination, Manager shall deliver all keys, income and security deposits, unpaid bills, leases, receipts, and all other documents related to the Commercial Space and in Manager's possession or control.

(g) That Manager shall assign such existing contracts relating to the operation and maintenance of the Commercial Space as Owner shall require, which by their terms as assignable, provided that the Owner herein shall agree to assume all liability thereunder.

5.4 Notification of Tenants. Immediately after the termination of this Agreement or upon the sale of the Commercial Space by Owner, Owner and Manager shall notify each tenant of the Commercial Space of such termination or sale. Such notice shall identify the name and address of the new owner or manager, as the case may be, of the Commercial Space, and shall direct each tenant with respect to the future payment of rent. Upon termination of this Agreement, Manager shall transfer the control of all Property accounts to Owner, or as directed by Owner, and the notification to tenants required by this Section 5.4 shall specify the person to whom inquiries regarding such deposits should be directed and shall otherwise comply with applicable law.

5.5 Assignment by Owner. Without limiting any of its rights under Section 5.2 hereof, Owner may assign its rights and obligations hereunder to any successor entitled to the Commercial Space, and upon such assignment, Owner shall be relieved of all liabilities accruing after the effective date of such assignment; provided, however, that no transfer of the Commercial Space and / or assignment of this Agreement shall relieve the Owner of liability hereunder unless such assignee or transferee of the Commercial Space shall expressly assume the obligations of the Owner hereunder, in writing. In the event Owner transfers and / or assigns the Commercial Space to any person and / or entity, Manager shall have the option to cancel this Agreement by written notice to Owner within thirty (30) days of receipt of notice of such transfer and / or assignment, which notice of transfer shall be given not fewer than thirty (30) days prior to the effective date of such proposed transfer and / or assignment. Upon assignment or transfer of the Commercial Space, Owner shall promptly comply with the notification provisions of Section 5.4 hereof and all applicable laws. In the event Owner shall assign or transfer the Commercial Space, without giving notice to Manager as required herein, Manager may, by giving written notice to Owner, terminate this Agreement, effective as of the moment of such assignment or transfer. In the event the Commercial Space shall now or hereafter be subject to an assignment of rents and leases for security purposes, the provisions of this Section 5.5 shall apply, and if elected by Manager, termination may be made effective, upon the exercise by the assignee under such assignment of its rights thereunder, in the same manner as if the Commercial Space itself were transferred as of the date of such exercise.

5.6 Post-Termination Matters; Reimbursements to Manager. Upon any termination or expiration of this Agreement for any reason whatsoever, Owner expressly agrees that Manager may remove from the Commercial Space any of its documents which are proprietary to Manager (including, without limitation, employee files, manuals, software programs, stored data and internal correspondence of a proprietary nature) but specifically excluding financial records, documents, correspondence or other materials proprietary to the Commercial Space which shall be deemed property of Owner. Manager shall have the right to make copies of all other non-proprietary files and information relating to its management of the Commercial Space. Upon such termination or expiration of this Agreement, within 20 days of billing thereof, Owner shall pay to Manager, in addition to any other amounts due pursuant to this Agreement (i) Manager's reasonable out-of-pocket costs incurred by reason of requests by Owner for assistance after termination of this Agreement and not otherwise reasonably expected of Manager in the orderly termination of its operations at the Commercial Space, (ii) any undisputed unpaid fees and other undisputed charges and reimbursements due Manager hereunder, and (iii) termination-related employee expenses, including payments of accrued and earned sick and vacation times, pension due to such employees but excluding bonus and other termination payments and moving expenses.

6. Miscellaneous Provisions.

6.1 (a) Manager shall defend (with counsel satisfactory to Owner), indemnify and hold harmless Owner, its affiliated companies and their respective employees,

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officers, directors, shareholders, agents and representatives ("**Owner Indemnitees**") from any loss, damage, expense or liability (including reasonable attorney's fees) arising from the gross negligence, willful misconduct or fraud by Manager, or its employees, officers, or agents in the performance of its duties and responsibilities herein. In addition, Manager shall defend (with counsel satisfactory to Owner), indemnify and hold Owner harmless from any loss, damage, expense or liability (including reasonable attorney's fees), which may be incurred by or asserted against Owner arising from the employment or termination of Personnel by Manager. The indemnification obligations set forth in this paragraph shall survive the expiration or earlier termination of this Agreement.

(b) Owner shall defend (with counsel satisfactory to Manager), indemnify and hold harmless Manager, its affiliated companies and each of their respective employees, officers, directors, shareholders, agents and representatives from any losses, costs, damages, expenses and liabilities (including reasonable attorneys' fees) to or for third persons relating to or arising out of the Commercial Space or Manager's performance of this Agreement except to the extent any of the foregoing are proximately caused by Manager's gross negligence, willful misconduct or fraud pursuant to Section 6.1(a) above. Owner further agrees to defend, indemnify and hold Manager harmless for any losses, costs, damages, claims, expenses and liabilities (including reasonable attorneys' fees) asserted against Manager and arising out of or related to the acts or omissions of the prior manager(s) or owner(s) of the Commercial Space, which occurred prior to the date Manager commenced management of the Commercial Space. The indemnification obligations set forth in this paragraph shall survive the expiration or earlier termination of this Agreement. This section only applies only in the manner and to the extent provided by North Carolina law. Nothing in this section shall be deemed to constitute a waiver of the governmental immunity of Owner, which immunity is hereby reserved to Owner.

(c) Hazardous Materials:

(i) Owner represents and warrants to Manager that, to Owner's actual knowledge, the Commercial Space is not in violation of any federal, state or local law, ordinance or regulation relating to any Hazardous Materials (as defined below); to Owner's actual knowledge, there exists no presence, use, treatment, storage, release or disposal of any Hazardous Materials at, on or beneath the Commercial Space which has created or is likely to create any liability under any current federal, state or local law, ordinance or regulation or which would require reporting to a governmental agency; and to Owner's actual knowledge, no asbestos or PCBs (as defined below) are contained in or stored on the Commercial Space; and there is not and has never been landfill containing decomposable material, petroleum wells, mineral-bearing mines, sewage treatment facilities, storage tanks, sink holes, radon or other toxic emissions in, on or under the Commercial Space. Notwithstanding anything to the contrary stated above, the representations and warranties contained in this Section expressly exclude any and all matters and items disclosed in any environmental reports, studies or other such documentation delivered by Owner to Manager prior to the date of this Agreement. Owner shall indemnify, defend and hold Manager, its officers, directors, employees and agents harmless from and against all fines, suits, procedures, claims, actions, costs or expenses whatsoever (including, without limitation, attorney and related expenses and sums paid in settlement of claims) arising out of or in any way connected with (i) Owner's breach or alleged breach of any of the foregoing environmental representations, or (ii) any alleged or actual release, spill or discharge of Hazardous Materials on the Commercial

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Space or any condition created by or arising from, in whole or in part, Hazardous Materials on the Commercial Space, unless such release, spill, discharge or condition is caused by the gross negligence or willful misconduct of Manager. If any such release, spill, discharge or other Hazardous Materials condition is caused by Manager's gross negligence or willful misconduct, Manager shall, at Manager's sole cost and expense, take all necessary actions to completely remedy the Hazardous Materials condition; provided that, Owner's prior approval shall be required before Manager may commence any such remedial action, which approval shall not be unreasonably withheld. This section only applies only in the manner and to the extent provided by North Carolina law. Nothing in this section shall be deemed to constitute a waiver of the governmental immunity of Owner, which immunity is hereby reserved to Owner.

(ii) For purposes of this Agreement, the term "**Hazardous Materials**" shall mean any hazardous, toxic or dangerous substance, material, or waste as defined for purposes of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended 42 U.S.C. § 9601, et seq., or any other federal, state or local law, ordinance, or regulation applicable to the Commercial Space, and establishing liability, storage, uncontrolled loss, seepage, filtration, disposal, removal, use or existence of a hazardous, toxic or dangerous substance, material or waste, including, without limitation, petroleum or petroleum products, asbestos, radon, polychlorinated biphenyls ("**PCBs**") and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any federal, state or local law based upon its being, directly or indirectly, hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytoxicity, infectiousness or other harmful or potentially harmful properties or effects.

(iii) Manager shall not use, store or bring onto the Commercial Space (or knowingly permit the use, storage or the bringing onto Property of) any Hazardous Materials, except in such ordinary or de minimis amounts as may be reasonably necessary or typically found in the ordinary course of business, such as reasonable amounts of cleaning supplies, painting supplies, pool chemicals and fuel which do not violate applicable environmental laws.

6.2 <u>Notices</u>. All notices or other communications required or permitted hereunder shall be in writing, and shall be delivered or sent, as the case may be, by any of the following methods: (i) personal delivery, (ii) overnight commercial carrier, (iii) registered or certified mail, postage prepaid, return receipt requested, (iv) facsimile, or (iv) electronic mail. Any such notice or other communication shall be deemed received and effective upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice; (b) if delivered by overnight commercial carrier, one day following the receipt of such communication by such carrier from the sender, as shown on the sender's delivery invoice from such carrier; (c) if mailed, on the date of delivery as shown by the sender's registry or certification receipt; (d) if given by facsimile or electronic mail, when sent. Any notice or other communication sent by facsimile or electronic mail must be confirmed within forty-eight hours by letter mailed or delivered personal delivery, overnight commercial carrier, or registered or certified mail. The address to be used in connection with notices are the following, or such other address as a party shall from time to time direct by notice given in accordance with this Section:

As to Manager:	TradeMark Properties, Inc. Attn: Amy Carroll, President 1001 Wade Ave, Suite 300 Raleigh NC 27605
As to Owner:	County of Durham, NC Attn: __________ 200 East Main Street Durham, NC 27701 Email:

6.3 Protection of Intellectual Property Rights.

6.3.1 All trademarks, trade names, domain names, copyrights, and all other intellectual property or other proprietary rights shall remain the sole and exclusive property of their respective owner. For the avoidance of doubt, as between the parties, each party shall retain exclusive ownership of their trademarks, trade names, domain names, copyrights, and all other intellectual property or other proprietary rights. The use of all trademarks, trade names, domain names, copyrights, and all other intellectual property or other proprietary rights shall inure solely to the benefit of its respective owner. Nothing in the Agreement or in the performance thereof, or that might otherwise be implied by law, shall operate to grant either party any right, title, or interest in the trademarks, trade names, domain names, copyrights, or other intellectual property rights of the other.

6.3.2 Neither party shall attack or impair or put at issue the other party's trademarks, trade names, domain names, copyrights and all other intellectual property or other proprietary rights nor assist anyone else in doing so. Neither party shall apply to register or register the other party's trademarks, trade names, domain names, copyrights and all other intellectual property or other proprietary rights, or any identical or deceptively or confusingly similar service marks, trademarks, trade names, domain names, trade dress, copyrights, or designs, or any derivations thereof, in any language, during the Term, any extension of the Term and forever thereafter. Further, neither party shall use the trademarks, trade names, copyrights and all other intellectual property or other proprietary rights in any manner likely to jeopardize the exclusiveness or distinctiveness of the trademarks, trade names, copyrights and all other intellectual property or other proprietary rights, or to cause injury to the good name to the other party or to the reputation of the other party's goods or services.

6.4 No Partnership; Independent Contractor. Manager understands and agrees that its relationship to Owner is that of independent contractor and that it will not represent to anyone that its relationship to Owner is other than that of independent contractor. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between the Owner, its successors, or assigns, on the one part, and Manager, its successors or permitted assigns, on the other part. In the event any provision of this Agreement shall cause the Manager to be other than an "independent contractor", or in the event that there is any change in the affairs of the Manager which would terminate its status as an "independent contractor" as so defined, then, in that event this Agreement shall be deemed immediately amended to remove or modify the provision which gives rise to such disqualifications.

6.5 No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer any rights or remedies upon persons other than the parties hereto and their respective successors and permitted assigns, nor to confer upon anyone the status of third-party beneficiary of this Agreement.

6.6 Severability. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and all other application of such provisions and the balance of this Agreement shall not be affected thereby.

6.7 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State where the Commercial Space is located.

6.8 Binding and Entire Agreement. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and assigns of the parties hereto; provided, however, that Manager may not assign this Agreement without the prior written consent of Owner. This Agreement shall constitute the entire agreement between the parties hereto and may be amended only by the written instrument duly executed by the parties.

6.9 No Representations. Owner and Manager acknowledge there have been no representations, inducements, promises or agreements, express or implied, made by Manager or Owner other than those specifically set forth herein. Manager and its affiliates cannot and do not warrant or guarantee in any way any financial projections, budgets, or other forecasts. Said financial projections, budgets and forecasts have been prepared for information only and not as an inducement for action. Owner understands and acknowledges that no guaranty is made or implied by Manager or its affiliates as to the cost, or the future financial success or profitability of the Commercial Space.

6.10 Authority. Each individual executing this Agreement represents that he or she is duly authorized to execute and deliver this Agreement on behalf of the party for whom they are executing the Agreement.

6.11 Attorney Fees. In the event an action is commenced between the parties to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs. Owner's liability for bodily injury, property damage, attorney fees and costs, or any other matter sounding in tort is determined in accordance with the provisions, procedures, and limits of the North Carolina Tort Claims Act, N.C.G.S.143-291, et seq., and Owner's assertion of sovereign immunity.

6.12 Cooperation and Assistance. Should any claim, demand, action, or other legal proceeding arising out of matters covered by this Agreement be made or instituted by any third party against a party to this Agreement, the other party to this Agreement shall furnish such

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information and reasonable assistance in defending such proceeding as may be requested by the party against whom such proceeding is brought.

6.13 Waiver of Jury Trial. Manager and Owner acknowledge that they are aware of their right to trial by jury under applicable laws. Nonetheless, each party does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by either party hereto against the other (and / or against its officers, directors, employees, agents or subsidiary or affiliated entities) on any matters or disputes whatsoever arising out of or in any way connected with the Agreement or work performed thereunder. Nothing in this section shall be deemed to constitute a waiver of the governmental immunity of Owner, which immunity is hereby reserved to Owner.

6.14 No Discrimination. Manager herein covenants that it shall not establish or knowingly permit discrimination against or segregation of a person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, disability or other protected classes in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Commercial Space nor shall the Manager or any person claiming under or through the Manager knowingly establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, tenure or enjoyment of the Commercial Space. Manager shall be responsible for ensuring the compliance of the Commercial Space with all Applicable Laws related to accessibility and non-discrimination including without limitation the state and federal Fair Housing Acts, the Civil Rights Act, Section 504 of the Rehabilitation Act, the Violence Against Women Act, and the Americans with Disabilities Act.

6.14.1 County Non-Discrimination Policy. Manager shall not discriminate against any employee or applicant for employment because of age, race, sex, sexual orientation, gender identity or expression, creed, national origin or ancestry, marital or familial status, pregnancy, military status, religious belief or non-belief, or disability. Manager shall take affirmative action to ensure that qualified applicants are employed and that employees are treated fairly and legally during employment with regard to their age, race sex, sexual orientation, gender identity or expression, creed, national origin or ancestry, marital or familial status, pregnancy, military status, religious belief or non-belief, or disability. In the event Manager is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Contract may be canceled, terminated or suspended in whole or in part by County, and Manager may be declared ineligible for further County contracts. **Manager certifies that Manager shall abide by Durham County Ordinance Article I, Sections 15-1 through 15-85. Failure to abide by said Ordinance is a breach of this contract and grounds for terminating the contract for cause and without fault or liability to Manager.**

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and the year first above written.

"OWNER"

County of Durham, NC
a North Carolina public body corporate and politic

By DocuSigned by: Dr. Kimberly J. Sowell
8EBF0A6C1C89469...

Name: Dr. Kimberly J. Sowell

Title: County Manager

TradeMark Properties, Inc.

By: DocuSigned by: Amy Carroll
7C55B34802AE41C...

Name: Amy Carroll

Title: President

This instrument has been pre-audited in the manner required by
DocuSigned by: Crystally Wright
ment Budget and Fiscal Control Act.
64D5F27463AF4D4...
, Durham County Interim Chief Financial Officer

402210646.3

Exhibit A

LEGEND

■	Available
□	Not a Part
	Unavailable

LEASE INFORMATION

Lease Type:	NNN	Lease Term:	Negotiable
Total Space:	1,500 - 54,436 SF	Lease Rate:	Negotiable

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EXHIBIT B
Leasing Commission Schedule

New Leases (no third party broker)	
0 – 4,999 sf	$3.00 psf
5,001 – 9,999 sf	$2.50 psf
New Leases (co-brokered with third party)	
0 – 4,999 sf	$4.00 psf
5,001 – 9,999 sf	$3.50 psf
Lease Renewals	
0 – 4,999 sf	$1.50 psf
5,001 – 9,999 sf	$1.25 psf

Minimum Commission is $3000 for all leases and renewals

Exhibit _C_

Insurance Requirements

(a) Owner shall comply with the following insurance requirements set forth in Section (b) below.

(b) Owner's Insurance. During the term of this Agreement, Owner shall carry property damage insurance, or builder's risk insurance, where applicable, to cover physical loss or damage to the Commercial Space from fire and extended coverage perils, including vandalism and malicious mischief. Owner shall also carry commercial general liability insurance with respect to the Commercial Space covering third-party bodily injury, property damage, and personal injury with such limits as Owner shall deem necessary, but in no event shall such insurance have primary limits of less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate, with an Excess Liability insurance policy with limits of not less than Five Million Dollars ($5,000,000) per occurrence for bodily injury and property damage (collectively "**Liability Policies**"). All insurance required of Owner hereunder shall be (i) issued by insurers with an A.M. Best Insurance Guide rating of A or higher, and a financial size category rating of 10 or higher and (ii) in full force and effect as of the commencement of the Term. Owner shall furnish Manager, at the time of execution of this Agreement or upon withdrawal from the Master Policy, with certificates of insurance, or other proof evidencing its insurance coverage as required under this Section (b), together with all exclusions and endorsements.

Manager shall use its best efforts at all times to comply with all the warranties, terms, and conditions of such insurance. Manager shall notify Owner within 24 hours after the Manager receives notice of any loss, damage, or injury and shall not take any action which might prejudice Owner in its defense to a claim based on such loss, damage, or injury. Manager shall not be responsible for the type, amount or sufficiency of property, casualty, liability, or other insurance carried by Owner with respect to the Commercial Space.

(i) Additional Insured / Primary and Non-Contributing: It is the intent of the parties that the above referenced Owner insurance policies shall respond to all claims against Owner and / or Manager related to the Commercial Space, including the management thereof. Insurance provided by the Owner's policies shall not be limited to claims arising out of the negligence or sole negligence of Owner. Manager, as well as its officers, directors, agents, employees, divisions, subsidiaries, partners, shareholders, and affiliated companies, shall be named as additional insureds under the Owner Liability Policies. The above referenced policies of the Owner are primary and any other insurance or self-insurance maintained by Manager and / or any other additional insured is excess and non-contributing with respect to all claims related to the Commercial Space, including the management thereof.

(ii) Deductible / SIR: To the extent any of the above insurance policies provide for a deductible and / or self-insured retention ("**SIR**"), such deductible and / or SIR must be reasonably acceptable to Manager. All deductibles and SIRs in the above insurance policies may be satisfied directly by Manager and / or any additional insured to trigger said insurance regardless of the approval or participation of Owner. Such policies shall not require that the deductible and / or SIR only be satisfied by the Owner and / or "Named Insured" to the exclusion of the Manager and other additional insureds.

(iii) Lapse in Coverage: To the extent Owner fails to purchase any type of insurance required herein and / or should there be any lapse in coverage for any such insurance, Manager is authorized to purchase insurance coverage on Owner's behalf and at Owner's expense to maintain all insurances required herein and / or to ensure there are no lapses in coverage. Manager is authorized to pay all premiums associated with any such replacement insurance directly from the operating account as an Authorized Expenditure.

(c) Manager's Insurance: Manager shall maintain the following insurance coverage:

Insurance	**Minimum Standards**
Workers' Compensation	Coverage A: Minimum limits required by Statute (with proof of compliance as acceptable to Owner) Coverage B: $1,000,000 Bodily Injury by Accident (Each Accident) $1,000,000 Bodily Injury by Disease (Policy Limit) $1,000,000 Bodily Injury by Disease (Each Employee)
Commercial General Liability Insurance	$1,000,000 per occurrence $2,000,000 aggregate
Automobile, Single Limit Bodily Injury and Property Damage including hired and non-owned autos	$1,000,000 per occurrence
Fidelity Bond / Crime / Employee Dishonesty / Forgery & Alteration	Not less than $1,000,000

All insurance required of Manager hereunder shall be (i) issued by insurers with an A.M. Best Insurance Guide rating of A or higher, and a financial size category rating of 10 or higher and (ii) in full force and effect as of the commencement of the Term. Manager shall furnish Owner, at the time of execution of this Agreement, with certificates of insurance, or other proof evidencing its insurance coverage as required under this Section (c), together with all exclusions and endorsements. Owner acknowledges the receipt and approval of such certificates as of time of execution of this Agreement. All such policies, except for workers' compensation for Manager's employees directly involved with the operation of the Commercial Space, shall be at Manager's sole cost.

(d) Owner's and Manager's Insurance. All insurance coverages required of Owner and Manager herein shall require not less than thirty (30) days written notice prior to any cancellation or material alteration of said coverage except for non-payment of premium in which case not less than ten (10) days prior written notice will be given. Copies of all certificates as evidence of the insurance required hereunder shall be delivered to the other party and naming the other party as "Certificate Holder," and where required, Additional Insured Endorsements.

(e) Waiver of Subrogation: Each insurance policy maintained by Owner and Manager with respect to the Commercial Space shall contain a waiver of subrogation clause (if commercially available) so that no insurer shall have any claim over or against Owner or Manager, as the case may be, by way of subrogation or otherwise with respect to any claims or losses that are insured under such policy. Owner and Manager hereby release each other from all rights of recovery under or through subrogation or otherwise for any and all losses and damages to the extent of such insurance coverage and agree that no insurer shall have a right to recover any amounts paid with respect to any claim against Owner or Manager by subrogation, assignment, or otherwise.

(f) Contractor's and Subcontractor's Insurance: Manager shall require that each contractor and subcontractor hired to perform work at the Commercial Space maintain insurance coverage at such contractor's and subcontractor's expense, in the following minimum amounts:

Insurance	**Minimum Standards**
Workers' compensation	As required by law
Employer's liability	$1,000,000
Commercial general liability*	$1,000,000
Business auto coverage*	$500,000

** These coverages shall be primary and will respond to any allegation, claim, loss, damage, demand or judgment, or other causes of action arising out of work done at the Commercial Space by the contractor or subcontractor on behalf of Owner and Manager. Manager shall be named as additional insureds on such policies. The policies shall be written on an "an occurrence" basis. Each coverage shall include Waiver of Subrogation.*

Owner may require additional coverage if the work to be performed is, in Owner's judgment, sufficiently hazardous. Manager shall obtain not later than 30 days after the date of hiring of each contractor or subcontractor performing work at the Commercial Space and keep on file policies of insurance, or other evidence of compliance with these requirements. The policies of insurance shall provide at least 30 days' prior written notice of cancellation, or any material change in coverage to Manager and Owner.