

SUBLEASE

KEY PROVISIONS SUMMARY

Effective Date:	May 24, 2023	
Sublandlord:	300 East Main, LLC, a North Carolina limited liability company ("Sublandlord")	
Subtenant:	County of Durham, a public body corporate and politic ("County" or "Subtenant")	
Premises or Childcare Facility:	Approximately 10,390 square feet of space located at 321 East Main Street, Durham, North Carolina 27701, in a building to be constructed ("Building"), and located upon 1.202 acres of land ("Property") a description of which is attached hereto as <u>Exhibit A</u> and shall include an additional 4,270 square feet playground outside area ("Childcare Playground") as depicted on the site plan of the Premises is also attached hereto as <u>Exhibit B</u> . The Childcare Playground is exclusive to Subtenant and included as part of the Premises.	
Notices:	<u>Sublandlord:</u> 300 East Main, LLC 2132 Thrift Road, Suite A Charlotte, NC 28208 Attn: Dionne Nelson With a copy to: The Banks Law Firm, P.A. Winchester Place, Suite 110 4309 Emperor Boulevard Research Triangle Park, NC 27703 Attn: Sherrod Banks	<u>Subtenant:</u> Durham County Office of the County Manager 200 East Main Street Durham, NC 27701 Attn: Dr. Kimberly J. Sowell With a copy to: Parker Poe Adams & Bernstein LLP 620 South Tryon St., Suite 800 Charlotte, NC 28202 Attn: Anthony Fox Attn: Deirdre Denechaud
Delivery Date:	The date the Sublandlord delivers Premises to Subtenant substantially completed.	
Estimated Delivery Date:	November 1, 2024	
Rent Commencement Date:	The date that is the earlier of (i) the date the Premises opens as a childcare center, or (ii) ninety (90) days after the Delivery Date.	
Expiration Date:	The date that is 15 years after the Rent Commencement Date, provided that if such date falls during the middle of a month, then the Expiration Date shall be the last day of such month.	
Term:	<u>Initial Term</u> – The period from the Delivery Date to the Expiration Date <u>Renewal Terms</u> - Seventeen (17) options of Five (5) years each (with a rent escalation of 2% annually)	
Rent:	<u>Period</u>	<u>Annual Payment</u>
	Sublease Year 1	\$169,500.00
	Sublease Year 2	\$172,890.00
	Sublease Year 3	\$176,347.80
	Sublease Year 4	\$179,874.76
	Sublease Year 5	\$183,472.25
	Sublease Year 6	\$187,141.70
	Sublease Year 7	\$190,884.53
	Sublease Year 8	\$194,702.22
	Sublease Year 9	\$198,596.27
	Sublease Year 10	\$202,568.19
	Sublease Year 11	\$206,619.55
	Sublease Year 12	\$210,751.95
Sublease Year 13	\$214,966.98	

	Sublease Year 14	\$219,266.32
	Sublease Year 15	\$223,651.65
	For the purpose of this Sublease, "Sublease Year" means each successive consecutive twelve (12) month period during the Term of this Sublease commencing on the Effective Date, provided that if the Effective Date is not on the first (1st) day of a calendar month, then the first (1st) Sublease Year shall commence on the Effective Date and shall end on the last day of the calendar month one (1) year after the Effective Date.	
Permitted Use:	Childcare space and related uses, and any other lawful use.	
Childcare Tenant Improvement Allowance:	\$198,000.00.	
Sublandlord's Work:	Collectively, the Warm Vanilla Shell, as such term is defined on Exhibit C, and the Plans and Specifications (as approved by Subtenant), as such term is defined in Exhibit C.	

This Sublease is subject and subordinate to that certain Ground Lease between Subtenant and 300 East Main, LLC, a North Carolina limited liability company ("300 Main"), of even date herewith (the "Ground Lease"). The parties shall not cause nor suffer any act of negligence that will violate any of the provisions of the Ground Lease.

Sublandlord's Initials *W*

Subtenant's Initials *JS*

SUBLEASE AGREEMENT

This Sublease Agreement (this “Sublease”) is made and entered into as of the Effective Date by and between Sublandlord and Subtenant. The above Key Provisions Summary and the exhibits attached hereto are a part of this Sublease.

RECITALS

WHEREAS, the County is the fee simple owner of the Property containing approximately 1.202 acres located at 335 East Main Street, Durham, North Carolina, as more particularly described in Exhibit A attached hereto; and

WHEREAS, the County desires to redevelop the Property to include, among other things, the Building in which a Childcare Facility will be located and the grounds adjacent to the Building which shall include the Childcare Playground for the exclusive use of the Childcare Facility; and

WHEREAS, the County and Laurel Street Residential, LLC (the “Developer”) entered in that certain Master Development Agreement effective as of January 8, 2021, as amended (the “MDA”), in connection with the redevelopment of the Property to, among other things, develop the Building including the Premises; and

WHEREAS, Sublandlord is the Tenant under that certain Ground Lease, a copy of which is attached herein as Exhibit E, in which the County leases the Property to Sublandlord; and

WHEREAS, the Sublandlord has agreed to lease the Childcare Facility to Subtenant upon the terms and conditions of this Sublease.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1. DEMISE, DELIVERY, DESCRIPTION, TERM AND USE

1.01 Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, the Premises, together with all rights, easements and privileges appurtenant to, or benefiting, the Premises, all upon the terms and conditions set forth in this Sublease. The Term of this Sublease shall commence on the Delivery Date and shall end on the Expiration Date, subject to Subtenant’s right to extend the Term for the Renewal Terms pursuant to Section 2 below and subject to any earlier termination of this Sublease pursuant to the terms of this Sublease. During the Term, Subtenant may, from time to time in Subtenant’s discretion, cease business operations on the Premises, provided that Subtenant continues to perform Subtenant’s obligations under this Sublease.

1.02 Sublandlord agrees to complete the buildout of the Premises required for delivery to Subtenant by the Delivery Date (“Sublandlord’s Work” as more particularly described in the Key Provision Summary and in Exhibit C attached hereto) in compliance with applicable governmental requirements or laws, including without limitation the Americans with Disabilities Act, as

amended (the “ADA”), and pursuant to Section 6.6 of the MDA. Sublandlord shall provide Subtenant with written notice that all major construction items are complete (“Substantial Completion”) at least thirty (30) days prior to delivery of the Premises (the “Substantial Completion Notice”) which shall include a description of the Punchlist Items (as defined in Exhibit C attached hereto). Sublandlord shall deliver to Subtenant exclusive possession of the Premises upon final completion of the construction of Premises, which shall occur no earlier than thirty (30) days after the Substantial Completion Notice (such date referred to as the “Delivery Date”), and Sublandlord shall provide Subtenant with notice of the same (the “Delivery Date Notice”). Sublandlord shall use commercially reasonable efforts to cause the Delivery Date to occur on or before the Estimated Delivery Date set forth in the Key Provisions Summary. Upon Subtenant’s receipt of the Delivery Date Notice, Subtenant agrees to accept exclusive possession of the Premises from Sublandlord; provided, however, that if Subtenant shall, within ten (10) business days of Subtenant’s receipt of the Delivery Date Notice, deliver to Sublandlord a notice signed by Subtenant’s architect, inspector or contractor, contesting completion of the Premises with particular reference(s) to elements of the Plans and Specifications (as defined in Exhibit C attached hereto) which are deficient in excess of the Punchlist Items (the “SC Objection”), then the Delivery Date shall not be deemed to have occurred until Sublandlord shall have addressed the objections made in the SC Objection and sent a subsequent Delivery Date Notice. By accepting delivery of the Premises, Subtenant shall be deemed to have acknowledged that Sublandlord’s Work has been fully completed (i) except for the Punchlist Items, (ii) subject to any response required from Sublandlord in response to a SC Objection sent in accordance with the preceding sentence, and (iii) subject to Sublandlord’s obligation with respect to Latent Defects as stated in Exhibit C. Promptly after the Delivery Date and Rent Commencement Date are ascertained and upon request of either party, Sublandlord and Subtenant shall execute a certificate confirming the Delivery Date and Rent Commencement Date in the form attached hereto as Exhibit D.

1.03 In the event the Delivery Date does not occur within sixty (60) days of the Estimated Delivery Date, Subtenant will be entitled to one (1) day of free rent for each day of delay after such sixtieth (60th) day following the Estimated Delivery Date until the Delivery Date occurs. All free Rent under this Section 1.03 shall be applied following the Rent Commencement Date and shall be in addition to any other abated rent under this Sublease.

1.04 In the event the Delivery Date does not occur on or before April 30, 2026 (the “Outside Delivery Date”), Subtenant shall have the right to extend the Delivery Date in Subtenant’s sole discretion or, declare Sublandlord in Default of this Sublease, and Subtenant may thereafter avail itself to any of the remedies under Section 14.04 herein. The terms of this Section 1.04 are subject to extension due to Force Majeure, acts of God, and unavoidable delays.

1.05 Notwithstanding anything in this Sublease to the contrary, Subtenant shall have the right, in its sole discretion and at its sole cost and expense, to select an operator for the purpose of operating the Premises for the Permitted Use.

ARTICLE 2. OPTION TO RENEW AND HOLD OVER

2.01 Subtenant shall have the option to extend the Term (and the Expiration Date) for the Renewal Terms, provided that (a) Subtenant exercises each Renewal Term by delivering to Sublandlord notice of such exercise at least one hundred twenty (120) days prior to the end of the then current Term, and (b) Subtenant is not in default under this Sublease beyond all applicable

notice and cure periods at the time Subtenant exercises such Renewal Term. If Subtenant exercises a Renewal Term, then such Renewal Term shall be upon the same terms and conditions contained in this Sublease, except as otherwise set forth in this Sublease. "Term" shall mean and include the Initial Term and any Renewal Terms exercised by Subtenant pursuant to this Section 2.01.

2.02 If Subtenant holds over on the Premises beyond the expiration of the Term, then such holding over by Subtenant shall be deemed a month-to-month tenancy at the monthly rental due under this Sublease for the last month of the Term prior to such holding over (prorated on a per diem basis for each day of such hold over by Subtenant).

ARTICLE 3. RENT; COMMON AREA

3.01 Commencing as of the Rent Commencement Date and continuing until the expiration or earlier termination of this Sublease, Subtenant shall pay Sublandlord rent for the Premises as set forth in the Key Provisions Summary. Such rent shall be payable in advance on the first day of each calendar month, and such monthly rent shall be prorated on a per diem basis for any period of less than a month. Rent shall be paid on a monthly basis. Subtenant shall have the option of paying rent via check or via ACH, and if by ACH, Sublandlord shall complete and execute any forms required by Subtenant in connection therewith. Except for rent, Subtenant has no obligation to pay Sublandlord any other amounts. Rent payable pursuant to the Key Provisions Summary shall include all taxes, insurance, and operating expenses. Notwithstanding anything to the contrary contained in this Sublease to the contrary, in no event shall the rent in any given year exceed 20% of the gross rental income generated from the Property. If, in any year, the rent under this Sublease shall be projected to exceed 20% of the gross rental income generated from the Property, then such rent shall automatically be reduced to an amount at or below 20% of the gross rental income generated from the Property.

3.02 "Common Area(s)" shall mean all areas, facilities and improvements in the Building and on the Property from time to time intended for the non-exclusive, common and joint use and/or benefit of Sublandlord, Subtenant and/or some or all other tenants of the Property, including but not limited to sidewalks, stairways, elevators, service corridors, ramps, dumpsters, service areas, parking areas, delivery areas, landscaped areas, vestibules, public washrooms, water features, pedestrian mall areas (enclosed or open), and lighting facilities. Subtenant and its employees and invitees shall have the right to use the Common Areas for their respective intended purposes in common with other parties; provided, however, that the term Common Areas shall not refer to areas, facilities and improvements in the Building dedicated to residential tenants of the Building such as residential units, laundry facilities, residential lounges and equipment, and dedicated parking spaces. The parties agree to comply with such reasonable rules and regulations which may be negotiated from time to time by the parties for the proper efficient use, operation and maintenance of the Common Areas; provided, such rules and regulations shall not materially interfere with Subtenant's use of the Premises for the Permitted Use or have a materially adverse effect upon Subtenant's rights and remedies under this Sublease.

ARTICLE 4. TAXES

4.01 Rent amounts payable by Subtenant to Sublandlord pursuant to the Key Provisions Summary includes all taxes currently or hereafter levied upon the Premises.

ARTICLE 5. DESTRUCTION OF PREMISES

5.01 If during the Term, the Premises are damaged or destroyed by fire, earthquake, act of God, or other casualty (a "Casualty"), the parties shall proceed in accordance with the applicable requirements of HUD, NCHFA, Sublandlord's investor(s) and Permitted Mortgagees (as such terms are defined in the Ground Lease), and the rights and obligations of all affected parties shall be governed thereby. Subject to the requirements set forth in the Ground Lease, all property insurance proceeds payable with respect to the Sublandlord's Work shall belong to and be the exclusive property of Sublandlord, less and except the Subtenant Improvement Expenses. Notwithstanding the foregoing, Subtenant shall be entitled to receive any and all insurance proceeds for the Subtenant Improvements (as defined in Exhibit C) made to the Premises payable from Subtenant's insurance policies.

ARTICLE 6. UTILITIES/SERVICES

6.01 Rent payable by Subtenant to Sublandlord pursuant the Key Provisions Summary shall not include the cost of utilities supplied to the Premises. Sublandlord shall establish a submeter for water and sewer Sublandlord shall furnish the Premises with the following utility services: (a) water for use in the lavatories/break rooms; (b) customary heat and air conditioning in season during the building service hours; (c) elevator service; (e) electricity for customary building lighting fixtures and for the operation of desk top portable office equipment; (f) connections to telephone and telecommunications services ; and (f) such other services as the parties reasonably determine are necessary or appropriate for Subtenant's operation of the Premises.

ARTICLE 7. ENVIRONMENTAL

7.01 Subtenant shall comply with all applicable Environmental Laws (as defined below) with respect to Subtenant's use of any Hazardous Substances (as defined below) on the Premises. Subtenant shall not use the Premises or suffer, or knowingly permit the Premises to be used in violation of any applicable law, ordinance, regulation, or order of any governmental authority (including, but not limited to, zoning ordinances, building codes, environmental laws), or in any manner that will constitute a nuisance. Notwithstanding the foregoing, Subtenant may use and store upon the Premises any and all Hazardous Substances and other substances commonly used in or associated with the Permitted Use, including, without limitation, cleaning substances, provided that Subtenant's use, handling and storage of such Hazardous Substances is in compliance with applicable Environmental Laws. Sublandlord shall indemnify, defend and hold harmless Subtenant from and against all claims, liabilities, penalties, fines, judgments, losses, costs and expenses (including attorneys' fees) arising from or caused by the release or presence on, in or under the Premises of any Hazardous Substances located on, in or under the Premises as of the Effective Date or caused by Sublandlord or any of Sublandlord's agents. Sublandlord shall, at Sublandlord's expense, be responsible and liable for (and Sublandlord shall, at Sublandlord's expense, be required to diligently remediate, remove and dispose of in accordance with (but only to the extent required by) all Environmental Laws) all Hazardous Substances located on, in or under the Premises as of the Effective Date or caused by Sublandlord or any of Sublandlord's agents.

7.02 For purposes of this Sublease: (i) "Hazardous Substance(s)" means any and all toxic, dangerous, or hazardous substances, chemicals, materials, waste or pollutants of any kind or nature

(including, without limitation, asbestos, lead-based paint, radon, oil, gasoline, and petroleum based substances), which are regulated, governed, restricted or prohibited by any federal, state or local law, decision, statute, rule, or ordinance currently in existence or hereafter enacted or rendered; and (ii) "Environmental Laws" means all federal, state, local and municipal environmental laws (including, without limitation, principles of common law), rules, statutes, directives, binding written interpretations, binding written policies, ordinances and regulations issued by any authorities and in effect as of the date of this Sublease with respect to or which otherwise pertain to or affect the Property or any portion thereof, or the development, use, ownership, occupancy or operation of the Property or any portion thereof, and as the same have been amended, modified or supplemented from time to time prior to and are in effect as of the date of this Sublease, including but not limited to CERCLA, the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), RCRA, the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), comparable state and local laws, and any and all rules and regulations which are in effect as of the date of this Agreement under any and all of the aforementioned laws.

7.03 The provisions of this Section 7 shall survive the expiration or earlier termination of this Sublease.

ARTICLE 8. REPAIRS; SERVICES

8.01 Sublandlord shall, at Sublandlord's expense, diligently maintain and repair (including replacing if necessary) in good condition and in compliance with all laws, ordinances, regulations and other governmental requirements (a) all structural portions and components of the Premises, including the roof, roof membrane, roof covering, structural walls, slabs, footings, masonry, foundations and water tightness of the building; (b) all exterior portions of the Building and all Common Areas, (c) the storm water drainage system for the Premises, including all piping, swells and other means of directing storm water; (d) all water, sewerage, gas, electrical, mechanical and plumbing services, lines and facilities and other utility lines and facilities serving the Building, including the Premises; (e) all pavement, concrete and asphalt areas; (f) and all portions of the Premises if required to be repaired, maintained or replaced because of Sublandlord's negligence or Sublandlord's failure to comply with any of Sublandlord's obligations under this Section 8.01 or the Ground Lease or any and all other damages caused by another tenant or subtenant (or their agents, invitees or assignees). Sublandlord shall not, however, be required pursuant to this Section 8.01 to repair any damage caused by Subtenant's negligence or willful misconduct. Sublandlord shall, at Sublandlord's expense, also promptly make all replacements, additions, alterations and improvements to the Premises if necessitated by, or required as a result of, any law, ordinance, regulation or other governmental requirement.

8.02 Subject to Sublandlord's maintenance, repair, replacement and restoration obligations under this Sublease, Subtenant shall, at Subtenant's expense, maintain and repair the interior, non-structural portions, including Subtenant Improvements, of the Premises.

8.03 Except for the obligations to provide the utilities and service included in the Sublandlord's Work, Subtenant agrees that Sublandlord shall not be liable for damages, or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or

for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any unavoidable delay or by inability to secure electricity, gas, water, or other fuel at the building or upon the Property after commercially reasonable effort to do so, or by act or default of Subtenant or other parties. Furthermore, Sublandlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Subtenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Section except for the installation as provided in the Sublandlord's Work. Notwithstanding the foregoing, if (a) water, sewer, electricity, or HVAC service is not furnished to the Premises as required by this Sublease as a result of the negligence or willful misconduct of Sublandlord, its contractors, agents or employees (a "Service Failure"), and (b) the Service Failure renders all or a portion of the Premises untenable or materially and adversely interferes with Subtenant's business operations in the Premises, then Subtenant shall notify Sublandlord in writing promptly with regard to such situation and the approximate extent of the Premises so affected, and Sublandlord shall promptly remedy such Service Failure as soon as reasonably possible. If Subtenant shall have vacated the Premises or was closed for operations because of the Service Failure for a period exceeding three (3) consecutive days, then rent for the Premises shall abate on a day for day basis for the shorter of the period of such Service Failure or the period of the Premises not being occupied by any of Subtenant's agents, employees, contractors, or invitees.

ARTICLE 9. ALTERATIONS; SIGNAGE AND PERSONAL PROPERTY

9.01 After the completion of the Sublandlord's Work and provided that Subtenant does not alter any structural, mechanical or electrical components of the Premises that are Sublandlord's obligation to repair and maintain, Subtenant shall have the right, without being required to obtain Sublandlord's consent, to place, affix and install Subtenant's personal property, trade fixtures and equipment to, in and/or on the Premises. Subtenant may place or attach to the Premises such signage and other identification or advertisements as are permitted by local ordinances and approved by Sublandlord, whose approval shall not be unreasonably withheld, conditioned or delayed. All such personal property, trade fixtures, equipment and signage placed or installed in or affixed to or on the Premises shall remain Subtenant's property, and Subtenant shall have the right, at any time and from time to time, to install, remove and reinstall any and all such personal property, trade fixtures, equipment and signage; provided that upon the expiration or earlier termination of this Sublease, Subtenant shall remove such personal property, trade fixtures, equipment and signage from the Premises and repair any damage to the Premises caused by such removal.

9.02 Subtenant shall, with Sublandlord's written consent (which consent shall not be unreasonably withheld, conditioned or delayed), have the right to make such alterations, additions and improvements to the Premises as Subtenant deems necessary or desirable; provided, however, Subtenant shall have the right, without being required to obtain Sublandlord's consent, to make non-structural alterations, additions and/or improvements to the Premises which do not cost in excess of \$100,000.00 per instance. In no event shall Subtenant be required to remove any alterations, additions or improvements from the Premises upon the expiration or earlier termination of this Sublease, unless Sublandlord specifically notifies Subtenant in writing, at the time Sublandlord approves the applicable alteration, addition or improvement, that Subtenant shall be

required to remove such alteration, addition or improvement upon the expiration or earlier termination of this Sublease.

9.03 Subtenant shall keep the Premises free and clear of any mechanic's or materialman's liens arising from or related to any alterations, additions, improvements or work made or done by Subtenant upon the Premises, and shall promptly remove or bond over such liens upon Subtenant's receipt from Sublandlord of written notice of the filing thereof. Subtenant's obligations under this Section 9.03 shall survive the expiration or earlier termination of this Sublease.

ARTICLE 10. COVENANTS

10.01 During the entire Term, so long as Subtenant is not in default under this Sublease beyond all applicable notice and cure periods, Sublandlord covenants, warrants and agrees that Subtenant shall have and enjoy the exclusive right to peaceably and quietly use, enjoy and possess the entire Premises and all of Subtenant's rights under this Sublease without any interference from Sublandlord or any other person or entity.

ARTICLE 11. DELIVERY OF POSSESSION

11.01 In accordance with Section 1, on the Delivery Date, Sublandlord shall deliver to Subtenant sole and exclusive possession of the Premises.

ARTICLE 12. SURRENDER OF PREMISES

12.01 Upon the expiration or earlier termination of the Term, Subtenant shall surrender and deliver the Premises to Sublandlord in the same (or substantially the same) condition as the Premises existed on the Effective Date, ordinary wear and tear, permitted alterations, repairs required to be made by Sublandlord, damage caused by Sublandlord or Sublandlord's agents, and damage caused by casualty, the elements, fire, condemnation, and act of God all excepted.

ARTICLE 13. CONDEMNATION

13.01 If during the Term, all or any part of the Premises, or any interest therein, are taken as a result of the exercise of the power of condemnation or eminent domain except by the Subtenant, including a conveyance in lieu of or in anticipation of the exercise of such power (a "Taking"), the parties shall proceed in accordance with the applicable requirements of HUD, NCHFA, the Investor Member and Permitted Mortgagees (as such terms are defined in the Ground Lease), and the rights and obligations of all affected parties shall be governed thereby. If the Taking renders the Premises unsuitable for the Permitted Use, the Subtenant shall have the option to terminate this Sublease by delivery of written notice to that effect to the Sublandlord within sixty (60) days after the Taking. If the Sublease is not terminated as a result of the Taking, Sublandlord shall diligently repair and restore the remaining Premises as nearly as possible to their condition immediately prior to the Taking. Subject to any inconsistent requirements of the Ground Lease, all damages and compensation paid by the condemning authority for the Taking shall be apportioned and applied as follows: (i) any award for the Subtenant Improvements shall be paid and distributed to the Subtenant; and (ii) any award for the Sublandlord's Work shall be payable to Sublandlord, subject to any mandatory debt retirement and less and except the Subtenant Improvement Expenses.

ARTICLE 14. DEFAULT

14.01 If (a) Subtenant shall allow the rent or any other sum due from Subtenant under this Sublease to be in arrears for more than ten (10) days after Subtenant's receipt of written notice from Sublandlord of such delinquency, or (b) Subtenant shall remain in default under any other condition of this Sublease for a period of sixty (60) days after Subtenant's receipt of written notice from Sublandlord describing such default (provided that if any such default cannot reasonably be cured within such sixty (60) day period, then Subtenant shall have such additional time as is reasonably necessary to cure such default so long as Subtenant uses reasonable diligence to promptly cure such default), then any of foregoing shall be an "Event of Default" by Subtenant under this Sublease.

14.02 Upon the occurrence of an Event of Default by Subtenant, Sublandlord (i) shall be entitled to the payment of monies owed by Subtenant during the period of default, and (ii) if Subtenant fails to perform Subtenant's obligations to maintain the Premises, Sublandlord may elect to enter upon the Premises and remedy the maintenance default and all reasonable costs for such maintenance shall be due and payable from Subtenant to Sublandlord as additional rent.

14.03 If either (a) Sublandlord defaults in the performance or observance of any term, covenant or condition required to be performed or observed by Sublandlord under this Sublease and such default is not cured by Sublandlord within thirty (30) days of Sublandlord's receipt of written notice of such default (provided that if any such default cannot reasonably be cured within such thirty (30) day period), then Sublandlord shall have such additional time as is reasonably necessary to cure such default so long as Sublandlord uses reasonable diligence to promptly cure such default, not to exceed sixty (60) days), or (b) any of Sublandlord's representations or warranties in this Sublease are breached, false or incorrect in any material respect, then any of the foregoing shall be an "Event of Default" by Sublandlord under this Sublease.

14.04 Upon the occurrence of an Event of Default by Sublandlord, Subtenant shall be entitled to, in addition to Subtenant's other rights and remedies available under this Sublease, at law or in equity, elect and pursue all or any of the following rights and remedies: (i) Subtenant may obtain specific performance, injunction, appointment of a receiver, or other equitable remedy (ii) Subtenant may remedy and cure such default at Sublandlord's expense, and all costs, expenses and other sums (including reasonable attorney's fees) expended or incurred by Subtenant in connection therewith shall be paid by Sublandlord to Subtenant on demand (and if Sublandlord fails to pay Subtenant all such costs, expenses and amounts within ten (10) days of demand, then Subtenant may, in addition to any other right or remedy that Subtenant may have, deduct and offset such costs, expenses and amounts from rent subsequently becoming due hereunder), or (iii) Subtenant may terminate this Sublease and Sublandlord shall reimburse Subtenant for all of the costs and expenses associated with the Subtenant Improvements and all Subtenant Improvement Expenses.

ARTICLE 15. INSPECTION BY SUBLANDLORD

15.01 Upon reasonable prior written notice from Sublandlord to Subtenant, Subtenant shall permit Sublandlord to enter the Premises at all reasonable times for the purpose of inspecting the Premises or for the purpose of making repairs to the Premises required to be made by Sublandlord under this Sublease. In connection with entering the Premises pursuant to this Section 15.01, Sublandlord shall minimize any interference with Subtenant's use of the Premises.

Notwithstanding anything else stated herein, Sublandlord shall have the right to enter the Premises at all times without prior written notice to Subtenant in order to make emergency repairs to the Premises.

ARTICLE 16. ASSIGNMENT AND SUBLEASE

16.01 Sublandlord shall have the right, with the consent of Subtenant (which consent shall not be unreasonably withheld, conditioned or delayed), to assign it's interest in this Sublease, provided that (a) such assignment conforms with the terms of the Ground Lease and the MDA, and (b) Sublandlord shall remain liable for each and every obligation of Sublandlord under this Sublease.

16.02 Subtenant shall have the right, with the consent of Sublandlord (which consent shall not be unreasonably withheld, conditioned or delayed), to assign it's interest in this Sublease, provided that (a) such assignment conforms with the terms of the Ground Lease and the MDA, and (b) Subtenant shall remain liable for each and every obligation of Subtenant under this Sublease.

ARTICLE 17. INSURANCE

17.01 During the Term, to the extent permitted by law, Subtenant agrees that it is self-insured, with a limit of not less than One Million Dollars (\$1,000,000) of commercial general liability insurance. Subtenant agrees to furnish Sublandlord at any time upon request, a letter from its office of risk management certifying that it is self-insured.

17.02 During the Term, Sublandlord shall, at Sublandlord's expense, maintain (a) commercial general liability insurance with limits of liability of not less than One Million Dollars (\$1,000,000) per occurrence and naming Subtenant as an additional insured thereunder, (b) workers' compensation insurance as required by applicable law, and (c) commercial property insurance on the Premises (including all buildings and leasehold improvements) which, at a minimum, covers all perils insured under the ISO special causes of loss form (CP 10 30) (or its equivalent) (including fire, extended coverage, vandalism and malicious mischief), in an amount not less than the full replacement cost thereof (the "All Risk Property Insurance").

17.03 All insurance, if required, under this Section 17 shall be issued by insurance companies licensed to do business in the State where the Premises is located. Each party shall, upon the request of the other party, provide certificates of insurance evidencing such insurance coverage as is required under this Section 17.

17.04 Subtenant agrees to defend, indemnify and hold Sublandlord harmless from and against all claims or causes of action for damage or injury to persons or property arising out of Subtenant's negligence or willful misconduct. Sublandlord agrees to defend, indemnify and hold Subtenant harmless from and against all claims or causes of action for damage or injury to persons or property arising out of Sublandlord's negligence or willful misconduct.

17.05 Notwithstanding anything contained in this Sublease to the contrary, Sublandlord and Subtenant each release and relieve the other, and waive any and all rights of recovery, claim, action or cause of action against each other and their respective agents, officers and employees, for any loss or damage that may occur to the Premises, the Property, and to all property, whether real or

personal or mixed, located at the Premises, by reason of fire or any other casualty insured against under the terms of any policy of property insurance carried or maintained by the respective parties or required to be carried or maintained by a party under this Sublease (including the All Risk Property Insurance), regardless of cause or origin, including negligence of the parties, their agents, invitees, contractors and employees. The foregoing releases are intended to bind each party's insurers. All policies of fire and extended coverage or other property damage insurance maintained (or required by this Sublease to be maintained) by a party with respect to the Premises shall contain an endorsement in which the insurer recognizes this release by its insured and waives all rights of legal and conventional subrogation against the other party, and Sublandlord shall, upon obtaining the All Risk Property Insurance required under Section 17.02 above, give notice to the insurance company issuing such policy that the foregoing mutual waiver of subrogation is contained in this Sublease, and Sublandlord agrees that no insurer shall hold any right of subrogation against Subtenant and all of Sublandlord's insurance policies (including the All Risk Property Insurance) shall be appropriately endorsed as needed to effectuate the foregoing waiver.

ARTICLE 18. SUBLANDLORD REPRESENTATIONS

18.01 Sublandlord represents and warrants to Subtenant that: (i) Sublandlord is the sole leasehold owner of the entire Premises, and Sublandlord has full power and authority to execute and deliver this Sublease and to perform Sublandlord's obligations under this Sublease and the person executing this Sublease is duly authorized to do so; (ii) Sublandlord has no actual knowledge of: (1) any pending or threatened eminent domain or zoning proceedings or other governmental actions or any judicial actions of any kind against the Premises, (2) any violation or pending violation of or grounds for a violation of any applicable law against the Premises, including, without limitation, any environmental laws or the Americans with Disabilities Act, or (3) any litigation or claim against the Premises; (iii) Sublandlord has no actual knowledge of any zoning proceedings or proposed zoning proceedings against the Premises; (iv) no restrictions, easements, covenants, or agreements exist which restrict or limit the use of the Premises for the Permitted Use or any of Subtenant's rights under this Sublease or which shall impose any obligations on Subtenant or which shall interfere with Subtenant's use and enjoyment of the entire Premises; (v) Sublandlord shall not, without Subtenant's prior written consent in each instance, consent to any new title document or any agreement affecting the Premises or exercise any consent or approval under any title document which adversely affects Subtenant or Subtenant's use or occupancy of the Premises; (vi) as of the Effective Date, the Premises has legal and direct vehicular (including truck) and pedestrian access for ingress and egress to and from the Premises (including parking); (vii) all utilities provided to the Premises are provided directly from the public right of way to the Premises, with no additional easements needed or properties crossed and are separately metered to the Premises; (viii) the Premises shall be delivered to Subtenant on the Effective Date free from Hazardous Substances and materials (including asbestos); and (ix) zoning and applicable laws permit and allow, as a matter of right, the use of the Premises for the Permitted Use.

ARTICLE 19. SUBLANDLORD WAIVER

19.01 Sublandlord waives any claim or lien, whether pursuant to any statute, law, rule, regulation, or common law, or otherwise, which Sublandlord may now or in the future have with respect to Subtenant's trade fixtures, machinery, equipment, inventory, and other property of Subtenant contained within or on the Premises during the Term.

ARTICLE 20. BROKERS

20.01 Sublandlord represents and warrants to Subtenant that it has dealt with no broker or agent in connection with this Sublease. Each party agrees to indemnify, protect, defend and hold the other harmless from and against any and all damages, liabilities, judgments, costs, claims, liens, expenses, penalties, suits, demands, actions and fines for any brokerage commissions arising out of or involving the other's actions in connection with this Sublease.

ARTICLE 21. MISCELLANEOUS

21.01 **Notices**. Any notice or other communication given or made pursuant to this Sublease shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth in the Key Provisions Summary (or at such other address as shall be specified by the party by like notice given to the other party). Either party may change its address for notices under this Sublease by written notice to the other party given in accordance with this Section 21.01. Rejection or other refusal to accept, or the inability to deliver, any notice or other communications because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent.

21.02 **Parties Bound**. This Sublease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

21.03 **Law to Apply and Legal Construction**. This Sublease shall be construed under and in accordance with the laws of the State of North Carolina. If one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Sublease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

21.04 **Prior Agreements Superseded**. This Sublease constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

21.05 **Counterparts; Amendment**. This Sublease may be executed in multiple counterparts, including facsimile counterparts, portable document formatted (pdf) counterparts, and/or any other electronic form signature counterparts with all counterparts taken together deemed to be one (1) original document. Facsimile, portable document formatted (pdf), or other electronic form signatures hereto shall be deemed original signatures. No amendment of this Sublease shall be binding unless the same be in writing and duly executed by Sublandlord and Subtenant.

21.06 **Waiver of Default**. No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Sublease shall be deemed to be a waiver of any other breach of the same or any other term, condition, or covenant contained herein.

21.07 **Force Majeure**. If Sublandlord or Subtenant is delayed, hindered or prevented in the performance of any act required by this Sublease by reason of Force Majeure, then the performance

of such act shall be excused for the period of delay, and the period for performance shall be extended for the period necessary to complete performance after the end of the period of delay. "Force Majeure" means strikes; acts of God; governmental restrictions, war or enemy action or invasion; civil commotion; riot; and fire or any other casualty; which events are (i) reasonably beyond the control of the party affected thereby; (ii) such circumstance has a material and adverse effect on such party's ability to perform its obligations under this Sublease; and (iii) the party affected thereby shall have used reasonable efforts to minimize the effects thereof.

21.08 **Memorandum of Sublease.** Upon Subtenant's request, the parties shall execute a memorandum of this Sublease in recordable form to be recorded in the appropriate public registry.

21.09 **SNDA.** On or before the Effective Date, Sublandlord shall cause any existing mortgage holder to execute and deliver to Subtenant a subordination, non-disturbance and attornment agreement in recordable form and in a form reasonably acceptable to Subtenant.

21.10 **Subordination.** This Sublease shall be subordinate at all times to the lien of any future mortgage encumbering the Premises, provided that (and on the condition that) the holder of the mortgage executes and delivers to Subtenant a non-disturbance agreement in recordable form and in a form reasonably acceptable to Subtenant.

21.11 **Estoppels.** Within twenty (20) days after written request by one party to the other, said requested party shall execute and deliver to the other a certificate stating (to the extent true and correct): (i) that this Sublease is unmodified and in full force and effect, or, if the Sublease is modified, the way in which it is modified, (ii) the date to which rent and other sums payable under this Sublease have been paid, (iii) that, to said party's actual knowledge, there has been no written notice of any default under this Sublease which has not been cured, and (iv) that, to said party's actual knowledge, there are no claim or offset against the other party.

- signature page to follow -

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the Effective Date.

SUBLANDLORD:

300 East Main, LLC, a North Carolina limited liability company

By: LSR 300 East Main, LLC, a North Carolina limited liability company, its manager

By: LSR Manager, LLC, a North Carolina limited liability company, its manager

By: 

Name: Lee M. Cochran

Title: Vice President

SUBTENANT:

County of Durham, a public body corporate and politic

By: _____

Name: _____

Title: _____

[Signature Page for Childcare Space Sublease]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the Effective Date.

SUBLANDLORD:

300 East Main, LLC, a North Carolina limited liability company

By: LSR 300 East Main, LLC, a North Carolina limited liability company, its manager

By: LSR Manager, LLC, a North Carolina limited liability company, its manager

By: _____

Name: Lee M. Cochran

Title: Vice President

SUBTENANT:

County of Durham, a public body corporate and politic

By: 

Name: Kimberly J. Sowell

Title: County Manager

[Signature Page for Childcare Space Sublease]

EXHIBIT A

Legal Description of the Property

Beginning at a point in the northern R/W at East Main Street, said point being on existing Tack in Lead (ETL) having NC Grid Values of N=816,357.18 E=2,030,491.11; thence with said R/W, the following three calls: 1) N 54°18'16" W 54.14 feet to an ETL, 2) N 54°17'28" W 75.48 feet to an Existing "Mag" Nail (EMN), 3) N 54°18'38" W 81.52 feet to a "Mag" Nail Set at Marcus Hill's (now or formerly) southeast corner; thence with Hill's eastern line, N 36°50'08" E 296.01 feet to a 1/2" diameter existing iron pipe (EIP); thence continuing with Hill's eastern line, N 35°57'36" E 135.59 feet to an EIP (1/2" dia.) in the southern R/W of Liberty Street, Hill's northeast corner; thence with said R/W, S 52°57'24" E 61.96 feet to an EMN; thence continuing with said R/W, S 52°58'40" E 137.28 feet to an EMN; thence along a curve to the right having a radius of 15.00 feet (chord S 09°03'20" E 20.81 feet) for a length of 23.00 feet to an EMN in the western R/W of North Queen Street; thence with said R/W, S 34°52'01" W 36.51 feet to a point on the western R/W of North Queen Street; thence leaving said R/W, N 54°38'34" W 5.65 feet to the northeast corner of the parking garage area; thence along and with said parking garage the following 9 calls: 1) N 54°38'34" W 2.73 feet to a point; 2) thence S 35°21'26" W 0.18 feet to a point; 3) thence N 54°37'12" W 27.94 feet to a point; 4) thence S 35°20'59" W 0.50 feet to a point; 5) thence N 54°40'20" W 100.09 feet to a point; 6) thence S 81°05'06" W 0.10 feet to a point; 7) thence S 35°20'04" W 301.85 feet to a point; 8) thence S 10°28'09" E 0.09 feet to a point; 9) thence S 54°40'30" E 130.58 feet to a point on the southeastern corner of the garage area; thence from said southeastern corner of the parking garage S 54°40'30" E 8.30 feet to a point on the R/W of North Queen Street; thence along and with said R/W of North Queen Street, S 34°52'01" W 57.88 feet to an EIP (5/8" dia.); thence along a curve to the right having a radius of 15.00' (chord S 80°20'51" W 21.28 feet) for a length of 23.66 feet to the true point or place of beginning and having an area of 52,370 square feet or 1.202 acres, more or less.

TOGETHER WITH the easement rights to the parking garage as described in that Parking Facility Lease by and between the County of Durham and 300 East Main Street, LLC dated _____, 2023, and evidenced by that Memorandum of Parking Facility Lease, recorded on _____, 2023 in Book _____, Page _____, Durham County Registry.

EXHIBIT B

Site Plan of the Premises

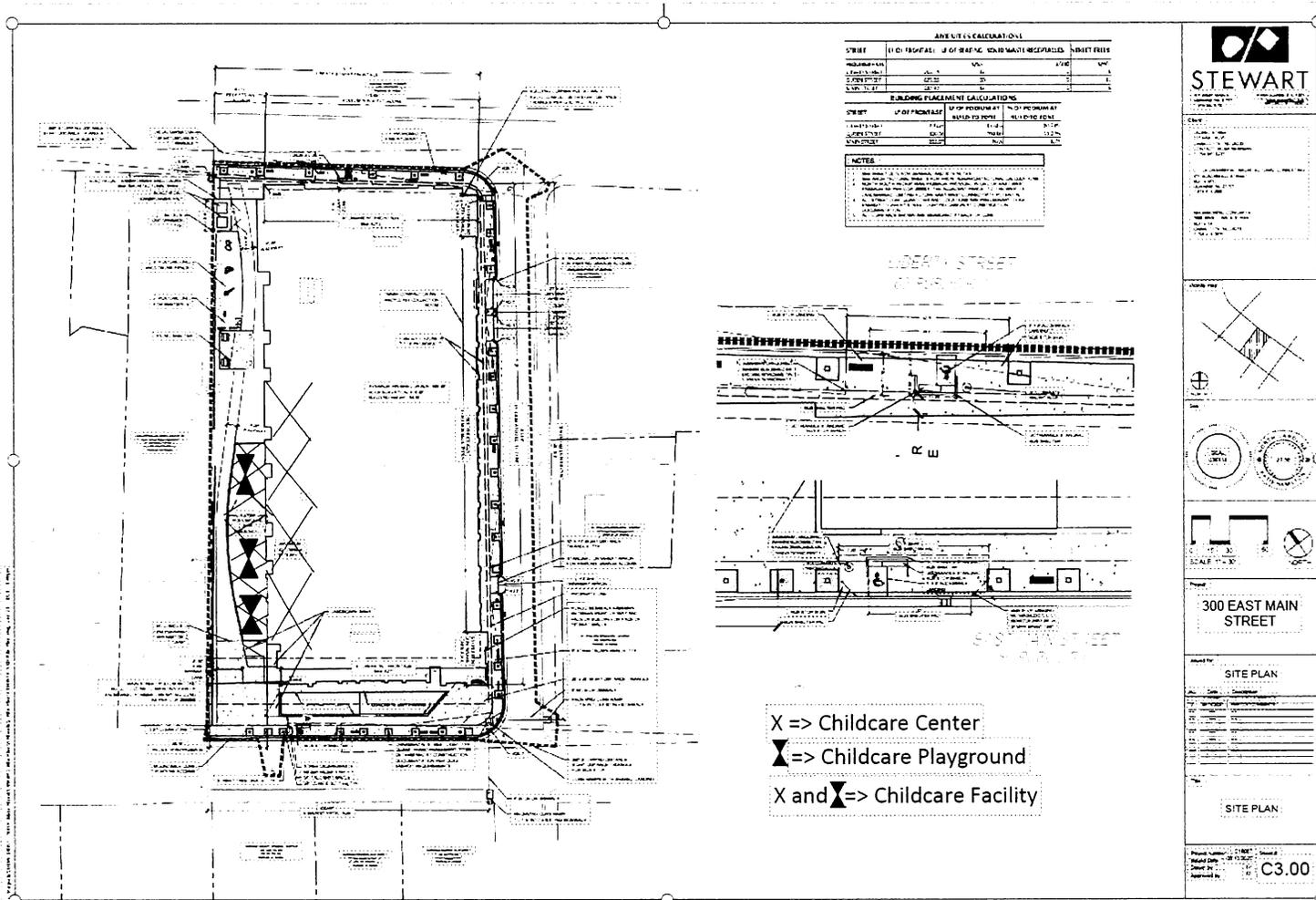


EXHIBIT C

Sublandlord's Work

WORK LETTER

A. Sublandlord and Subtenant have entered into that certain Sublease (as hereafter amended or supplemented from time to time, the "Sublease") covering the "Premises" (as defined therein) more particularly described in the Sublease.

B. In consideration of the mutual covenants contained in the Sublease and this Work Letter, Sublandlord and Subtenant agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Work Letter shall have the meanings given thereto in the Sublease, as applicable.

2. Sublandlord's Work.

2.1. Sublandlord and Subtenant acknowledge that both parties have approved the Site Plan (Exhibit B to the Sublease) to which this Work Letter is attached. Sublandlord's Work shall be constructed in all material respects in accordance with the work described on Schedule 1 (attached hereto) of this Work Letter and shall further be determined by the Plans and Specifications (as defined herein). "Sublandlord's Work" includes all labor, materials, equipment, and services necessary or incidental to complete the tasks shown on and reasonably inferable from the Plans and Specifications.

2.2. Sublandlord shall proceed to have Sublandlord's architect prepare the plans and specifications for the physical improvements to be performed to the Premises, based on the scope of work attached hereto as Schedule 1 which generally describes the improvements to be installed to the Premises (the "Proposed Plans and Specifications") for the Tenant Buildout (as defined in Schedule 1). Sublandlord shall deliver a complete copy of the Proposed Plans and Specifications to Subtenant for Subtenant's review and approval. Subtenant shall review the Proposed Plans and Specifications and shall notify Landlord within fifteen (15) business days after Subtenant's receipt of the same as to whether Subtenant approves such Proposed Plans and Specifications (such approval not to be unreasonably withheld, conditioned or delayed). Once the Proposed Plans and Specifications are approved by Subtenant such plans and specifications shall be thereafter referred to as the "Plans and Specifications." Except for the "Warm Vanilla Shell" and as otherwise expressly required by this Work Letter, the Plans and Specifications shall define the entire scope of Sublandlord's obligation to cause the construction of the improvements to the Premises.

2.3. Sublandlord, at Sublandlord's sole cost and expense, shall cause the Premises to be upfit to a commercially reasonable Warm Vanilla Shell condition as further depicted on Schedule 2 attached hereto. Thereafter, Sublandlord shall cause the construction of the Plans and Specifications at Sublandlord's sole cost and expense up to the amount of One Hundred Ninety-Eight Thousand and 00/100 Dollars (\$198,000.00) (the "Subtenant Improvement Allowance"). All costs for Sublandlord's Work in excess of the Subtenant Improvement

Allowance shall be borne by Subtenant (“Subtenant Improvement Expense”), provided, any such cost must be warranted pursuant to the Plans and Specifications or otherwise approved in advanced and in writing by Subtenant (such work performed by Subtenant at Subtenant’s cost being the “Subtenant Improvements”). For the avoidance of doubt, the Subtenant Improvement Allowance shall be solely applied to, and used for, the construction of Plans and Specifications, and under no circumstance applicable towards Sublandlord’s upfit of the Premises to a Warm Vanilla Shell condition.

3. Construction.

3.1. Following satisfaction of all necessary building permitting requirements and contingencies, and Subtenant’s approval of the Proposed Plans and Specifications, Sublandlord shall cause, at Sublandlord’s sole cost and expense, the Sublandlord’s Work to be diligently constructed and installed in a workmanlike and proper manner, and in accordance with the Plans and Specifications and all legal requirements.

3.2. Sublandlord shall use commercially reasonable efforts to cause Sublandlord’s contractor (the “Contractor”) to perform all of the Sublandlord’s Work on an open book basis, with Subtenant having full access to all records of Sublandlord related to the actual cost of Sublandlord’s Work.

3.3. If Subtenant requests that Sublandlord make changes to the Plans and Specifications after Subtenant has already approved the same, Subtenant may do so by submitting a written change order request to Sublandlord (“Subtenant Change Order(s)”). Sublandlord shall cause the Contractor to prepare a memorandum of agreement (the “Subtenant’s Change Order Memorandum of Agreement”) setting forth, in reasonable detail, the net additional cost, if any, to complete the Sublandlord’s Work, to perform the requested Subtenant Change Order, as well as any estimated delays in completing Sublandlord’s Work that may result from incorporating the requested Subtenant Change Order.

3.4. In accordance with Section 1.02 of the Sublease, Sublandlord will notify Subtenant with the Substantial Completion Notice thirty (30) days prior to when Sublandlord considers Sublandlord’s Work will reach completion, such notification shall also provide a list of all outstanding items which still need to be completed prior to Delivery (the “Punchlist Items”). Sublandlord’s representative and Subtenant’s representative shall thereafter conduct a walk-through of the Premises and identify with specificity any additional work necessary for final completion of Sublandlord’s Work, and the same shall be added to the Punchlist Items list. Sublandlord shall promptly cause the Contractor performing Sublandlord’s Work to commence completion of all final Punchlist Items after agreement thereon, and diligently pursue the completion of the same.

4. Warranty. Sublandlord shall require that Contractor warrants to Sublandlord and Subtenant that materials and equipment furnished for the Sublandlord’s Work will be of good quality and new. Contractor shall further warrant that the finished Premises will be free from defects in workmanship and materials, subject to any unreasonable damage caused by Subtenant, its agents, contractors, employees, and invitees after Substantial Completion. Contractor shall secure and deliver written warranties and guarantees from all major subcontractors, together with

assignments thereof, if necessary. Contractor shall also obtain from each manufacturer of equipment installed as a part of Sublandlord's Work such manufacturer's standard warranties, as well as a one-year warranty, commencing on the date of Substantial Completion. Notwithstanding anything to the contrary set forth herein, no acceptance, or deemed acceptance by Subtenant of Sublandlord's Work shall be applicable with respect to any such construction or work which fails to conform to the applicable Plans and Specifications or otherwise fails to conform to the warranties given by Contractor herein discovered within twelve (12) months after the issuance of the certificate of occupancy for the Premises ("Latent Defects"). In the event Subtenant has accepted Delivery of the Premises as provided for in the Sublease, such acceptance shall not mean that Subtenant has accepted, or that Sublandlord has been relieved of, responsibility for: (i) the proper application of construction means or methods; (ii) correcting any portion of the Premises if it later is determined within twelve (12) months after the certificate of occupancy is issued that any portion of the same is materially inconsistent with the final Plans and Specifications, or (iii) the Latent Defects.

SCHEDULE 1

SPECIFICATIONS

Per the Development Agreement entered into by Durham County and 300 East Main, LLC dated January 8, 2021. 300 East Main, LLC will work with Durham County to identify a user for the Childcare Facility. Once said user is identified 300 East Main, LLC and its chosen architect will work with that user and Durham County to design the buildout of the interior space in the Childcare Facility subject to Durham County's review and approval ("Tenant Buildout"). Said Tenant Buildout shall include, but not necessarily be limited to; interior walls, doors, electrical and lighting, HVAC system, plumbing, flooring and finishes. 300 East Main, LLC is committed to paying for the first \$198,000 for the design and upfit of these interior finishes from its development budget as detailed in the Development Agreement. All interior build out beyond the initial \$198,000 is to be paid either by Durham County and/or the Childcare Space User.

SCHEDULE 2

WARM VANILLA SHELL UPFIT

Per the Development Agreement entered into by Durham County and 300 East Main, LLC dated January 8, 2021. 300 East Main, LLC will complete the Childcare Facility in a Warm Vanilla Shell status with the building. Warm Vanilla Shell is defined in the Development Agreement as “a minimally finished interior with floor slabs, rough-ins for electrical, plumbing and mechanical and gypsum wall board furring, but excluding the ceiling and light fixtures” and clarified to include the following details:

Interior Concrete floors to be poured around the exterior perimeter and columns. Remaining area to be open gravel for future installation of plumbing and electrical utilities. All utilities shall be installed up to the Premises, ready for installation within the Premises and connection. Storefront glass to be installed on western, and southern exterior walls. Northern and eastern walls will be finished with drywall and insulation. Ceiling shall be completed to County’s specifications. Heating will be provided sufficient enough to condition the space until upfit is complete. Lighting will be provided on exterior walls, interior lighting is anticipated to be part of the future upfit. Childcare Playground shall include concrete walls along the perimeter with a gravel and concrete base.