

**NORTH CAROLINA
DURHAM COUNTY**

**LEASE OF NON-RESIDENTIAL PROPERTY
IN COUNTY ADMINISTRATION BUILDING II**

THIS LEASE AGREEMENT ("Agreement") is made and entered into on this ____ day of _____, 2019 (the effective date) by and between **DURHAM COUNTY** a political subdivision of the State of North Carolina, (hereinafter referred to as "**LANDLORD**"), and **NEIGHBOR'S EATERY, LLC**, DBA **NEIGHBORS RESTAURANT** ("**TENANT**") corporation duly authorized to do business in the state of North Carolina, (hereinafter referred to as "**TENANT**").

RECITALS

A. Landlord is the owner of certain real property and improvements located in Durham North Carolina commonly known as the **COUNTY ADMINISTRATION BUILDING II**, located at 201 East Main Street, Durham, North Carolina 27701.

B. For purposes of this Lease the County Administration Building II has the following address: **COUNTY ADMINISTRATION BUILDING II**, 201 East Main Street, Suite 150, Durham, North Carolina 27701, and is more specifically described in Exhibit "A" (the "Premises" or the "Leased Premises"). The Leased Premises contains approximately 3,291 square feet. A Floor Plan is attached hereto as Exhibit "B" for a more accurate and complete description. Tenant shall have access to a common lobby and restrooms which are not included in the square footage of the Lease space. To prepare the Premises for occupancy by Tenant the Premises shall be upfitted as provided in the "Work Letter", attached hereto as Exhibit "C", "Admin II Work Rules," attached hereto as Exhibit "D", and "Durham County Admin II Tenant Design Criteria," attached hereto as Exhibit "E".

C. Durham County will self-manage the property and Lease. Contact information for each County Department having responsibility related to this lease shall be provided in a commencement letter from the Landlord to the Tenant.

D. Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant.

NOW THEREFORE, in consideration of the mutual covenants, obligations, and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. LEASE.

Landlord grants to the Tenant the exclusive right and privilege to occupy and operate the Premises.

2. LEASE TERM: The term of this Lease (the "Term" or "Lease Term") shall be 120 months and shall commence 180 days after delivery or Tenant's opening for business, whichever is sooner (the "Commencement Date") and expire on the 120 months later (the "Termination Date"). Delivery will occur no later than five (5) after approval of the Lease by the Board of County Commissioners. Within ten (10) days of a request from Landlord, Tenant shall execute and return to Landlord the Commencement Date Agreement attached hereto as Exhibit "F".

3. BASE RENT/DEPOSIT.

3.1 Base Rent Payments. During the Lease Term, Tenant's rent shall be paid in advance due and payable to Landlord on the first day of each month as shown below:

Time Period	Monthly Rent	Term Total
Months 1 - 4	\$2194.00	\$8776.00
Months 5 - 12	\$4388.00	\$35,104
Year 2	\$4388.00	\$52,656
Year 3	\$4662.25	\$55,947
Year 4	\$4662.25	\$55,947
Year 5	\$4936.50	\$59,238
Year 6	\$4936.50	\$59,238
Year 7	\$5210.75	\$62,529
Year 8	\$5210.75	\$62,529
Year 9	\$5485.00	\$65,820
Year 10	\$5485.00	\$65,820

3.2 Security Deposit. At the execution of the Lease Tenant shall deposit with Landlord a security deposit in the amount of \$4,662.25 as security for Tenants faithful performance of its obligations under this Lease. If Tenant fails to pay Rent or Common Area Cost or otherwise Defaults under this Lease, Landlord may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Landlord or to reimburse or compensate Landlord for any liability, expense, loss or damage which Landlord may suffer or incur by reason thereof. If Landlord uses or applies all or any portion of the Security Deposit, Tenant shall within ten (10) days after written request therefor redeposit monies with Landlord sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent shall be increased above the amounts indicated in Section 3.1 of this Agreement, such increase being contingent upon a written agreement or amendment to this Agreement signed by all Parties, during the term of this Lease, Tenant shall, upon written request from Landlord, deposit additional monies with Landlord so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Landlord shall not be required to keep the Security Deposit separate from its general accounts. Within 14 days after the expiration or termination of this Lease, if Tenant elects to apply the Security Deposit only to unpaid Rent, and otherwise within 30 days after the Premises have been vacated Landlord shall return that portion of the Security Deposit not used or applied by Landlord. No part of the Security Deposit

shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Tenant under this Lease.

4. USE OF THE PREMISES. Tenant shall use the Premises solely for the purposes of conducting the following business: **restaurant usage for American cuisine, serving Breakfast, Lunch and Dinner as well as Bakery items typically found in casual /diner type establishments and the ancillary sale of Beer and Wine and for no other purposes whatsoever.** Tenant shall continuously operate its business at the Premises in a manner to produce the highest amount of income therefrom. Tenant shall conduct business at least during the following days and hours: Monday through Friday, 7:30 AM to 9:30 PM and Saturday from 11:30 AM to 9:30 PM. Tenant will not use or permit or suffer the use of the Premises for any other business or purpose without the Landlord's written approval. Tenant shall use and maintain the Premises in accordance with all laws, ordinances, rules and regulations of all governmental authorities having jurisdiction over the same. It is understood and agreed that Tenant's right to operate as a restaurant on the Premises is a non-exclusive right and privilege to operate as a restaurant.

4.1 Sales Reporting. On a quarterly basis, during the term of the Lease, Tenant shall provide the Property Manager with a copy of its quarterly sales reports no later than the fifteenth day of the following month. In addition, no later than April 30th of each year, Tenant shall provide Property Manager with a copy of its annual financial statement for the preceding year.

4.2 Patio Area. Tenant shall have the right to utilize the outdoor seating area located adjacent to the Premises which area shall not be subject to any calculations set forth in this Lease that are based upon the square footage of the floor area of the Premises, for the use by Tenant's customers as a patio seating area ("Patio"), subject to all other requirements of governmental authorities. Except for the payment of Rent, the Patio shall be deemed to be part of the Premises for all purposes of the Lease, and Tenant's obligations with respect thereto shall expressly include the obligation to procure and maintain with respect to the Patio all insurance required under the Lease. In no event shall Tenant be permitted to enclose the Patio using structural materials (e.g. brick, stucco, drywall) without the prior written consent of Landlord, which may be granted or withheld in the sole and absolute discretion of Landlord. Tenant's customers may use the Patio for on-site consumption of items sold from the Premises in accordance with the first-class standards of customary operation of Tenant's business, subject to the provisions of this Lease. Landlord, at Landlord's expense, shall provide the first set of outdoor furniture ("Furniture") for such Patio, including any fencing or other barrier which may be required by applicable law, statutes, regulations and ordinances (collectively, "Applicable Law"), which shall be new and of a quality consistent with the first-class nature of the Building. Tenant, at Tenant's expense, shall maintain, repair and replace the Patio and the Furniture thereon (including the bricks, pavers or other flooring material comprising the most exterior layer of the floor of the Patio, any railing or fencing and any other fixtures and equipment Tenant places thereon) and keep the same in good order, condition and repair and in a clean, pleasant, sightly, sanitary and safe condition and free from loiterers. Tenant's obligations pursuant hereto shall include, without limitation, the obligations of Tenant to (a) be responsible for cleaning any spills or waste in the Patio and adjacent Common Areas occasioned by the consumption of

food and other items sold by Tenant; (b) regularly “bus” all tables to remove food wrappers and containers sold by Tenant and trays and other similar items provided by Tenant, properly disposing of all refuse or waste in the available receptacles and generally keeping the Patio in a “neat” and orderly condition; and (c) power wash the patio pavers as needed, but not fewer than three (3) times per year. Should Tenant fail to satisfy its obligations set forth herein, Landlord shall have the right to perform same, and Tenant shall promptly reimburse Landlord for said costs.

4.3 Licenses and Permits. Tenant shall obtain and maintain any and all governmental licenses, permits, county health permits or approvals necessary for the proper and lawful conduct of Tenant’s business. Tenant shall maintain an “A” rating from the County Health Department at all times. Any grade below and “A” that is left uncured for longer than 20 days shall be counted as an event of default. Tenant shall provide Landlord with copies of all inspection reports within 48 hours of receipt.

4.4 Hazardous Materials. Tenant shall at all times keep the Premises and Common Areas free of Hazardous Materials. Tenant shall not use, generate, manufacture, store, release, or dispose of Hazardous Materials in, on, or about the Premises. "Hazardous Materials" shall include, but not be limited to, substances defined "hazardous substances," "hazardous materials," or "toxic" substances" in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C.A §§ 9601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, *et seq.*; the Resource Conservation and Recovery Act, (CRA) 42 U.S.C. §§ 6901, *et seq.*; and those substances defined as "hazardous substances or wastes" in N.C. Gen. Stat. 143-215.77 and in the regulations adopted and publications promulgated pursuant to said laws.

5. RETURNED CHECKS. Tenant shall pay thirty dollars (\$30.00) for each check returned for insufficient funds or because the drawer had no account at the bank.

6. EXTENSION OF LEASE TERM. If Tenant shall not be in default hereunder as defined below, Tenant shall have the option to extend this Lease for two (2) additional terms of five (5) years, which term, if so extended shall be on the same terms and conditions as during the initial term hereof with the Base Rent continuing at \$6582.00 per month for the first year of the extension period, with rent increasing each lease year by 3.0% over the prior year’s rent. If Tenant shall exercise the said option, it shall do so by giving to the Landlord written notice of the exercise at least one hundred and eighty (180) days prior to the termination of the then current term.

7. CONDITION OF PREMISES AND REPAIRS. The Premises shall be delivered by Landlord to Tenant “as is”. (a) The Tenant having inspected the Premises, it is agreed that they are in good repair and are fit as of the beginning of the term. The Tenant shall immediately notify the Landlord of all damage to the Premises, need for repairs, and situations that might reasonably be expected to result in damage. If the Landlord makes repairs that are chargeable to the Tenant, such charges shall be added to and included as part of the rent, but shall be paid within fifteen (15) days of billing by the Landlord. This Lease does not give Tenant any authority either to obligate

the Landlord to pay any third party for any labor or materials or to suffer liens to be placed on the Premises. (b) Tenant shall compensate the Landlord for damage to the Premises caused by all negligent, willful, or intentional acts and omissions by the Tenant and any of Tenant's agents, invitees, licensees, and contractors. Nothing within this Section 7 shall affect the Parties agreements and obligations relating to the initial build-out of the premises, as such agreements and obligations are set forth in Exhibit C of this Agreement. In the event that this Section 7 shall conflict with the terms of Exhibit C, then Exhibit C shall control.

8. MAINTENANCE. Landlord shall at its expense maintain the roof, structural portions of the Building, and exterior masonry walls, if any, not including windows, of the Premises, and the Common Areas (as defined herein),. Except as provided in the foregoing sentence, Tenant shall conduct all maintenance, repair and replacement of the Premises and its systems (including the HVAC plumbing, electrical wiring, appliances, painting, glass, and all other equipment), to insure the Premises and its systems are in good condition and repair. Notwithstanding the above, Tenant shall have no responsibility for maintenance or repair of building components, including electrical and plumbing system components that serve the Common Areas, or other areas of the building, including those that may be located within the Tenant space. Landlord may, from time to time, require access to make needed repairs and perform maintenance on portions of these systems that may be located within the leased space, and such access will not be unreasonably withheld.

9. USE AND CARE OF THE PREMISES. The Premises shall not be used in any way that exposes the improvements to any unreasonable risk of damage from fire. Without written permission from the Landlord, the Tenant shall not permit or keep any kerosene or gasoline on the Premises unless in properly constructed tanks attached to motor vehicles. The Tenant shall keep the Premises in a presentable condition, including clean of trash and garbage and the lawn, if any, mowed. The Tenant shall not use or allow the use of any illegal drugs on the Premises. No trees or shrubbery shall be removed without first obtaining written permission from the Landlord. The Tenant shall not violate any Applicable Law regarding use of the Premises. No animals may be kept on the Premises.

All automobile parking areas, driveways, entrances and exits thereto and other facilities furnished by the Landlord in or near the Durham County Administration Building II, including but not limited to employee parking areas, loading docks, package pick up stations, pedestrian walkways and ramps, landscaped areas, exterior stairways and other areas and improvements provided by the Landlord for the general use, in common, of all tenants, their officers, agents, employees and customers, shall at all times remain subject to the exclusive control and management of the Landlord. Tenant shall have the right to use jointly with the Landlord and with the tenants of the other units all facilities and areas mentioned herein and agrees that it will cooperate with said other tenants and with the Landlord in maintaining the orderly use of said facilities and areas.

Landlord shall have the right from time to time to establish, modify and enforce reasonable rules and regulations with respect to all facilities and areas mentioned herein, including but not limited to, the right to change the area, location and arrangement of facilities, to temporarily close any portion of the facilities, and to do and perform such acts in and to such areas and improvements and the common facilities referred to herein in such manner as Landlord, in its sole discretion,

shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Durham County Administration Building II, and all areas used in common by tenants of the Durham County Administration Building II (the "Common Areas").

10. ALTERATIONS/FIXTURES. Tenant shall not paint or alter the Premises without the Landlord's written consent. Any such work must be done in a workmanlike manner. Tenant may, prior to the expiration of the term of this Lease, remove from the Premises any fixtures that Tenant may have installed, whether affixed or not; provided, however, that any damages done to the Premises by the installation of such fixture or by such removal will be repaired at Tenant's expense. Any fixtures remaining in the Premises after the expiration of the term shall be the property of the Landlord. Any improvements and repairs to the Premises, unless removed pursuant to this Section, shall inure to and be to the benefit of the Landlord.

11. KEYS. The Tenant shall not add or change any locks without the Landlord's written consent. At the end of the term, the Tenant shall give to the Landlord all keys that Tenant has for the Premises, including any keys made from Landlord's keys.

12. UTILITIES. Tenant shall procure for its own account and shall pay the cost of all water, gas, electric power and fuel consumed or used in or at said Premises, including appropriate deposits as required. Tenant shall be solely liable for and promptly pay all charges for all water, gas, electric power and fuel and other utilities used or consumed in the Premises. Landlord shall not be liable to Tenant in damages or otherwise for any interruptions, curtailment, or suspension of utility service.

13. USE OF SECURITY DEPOSIT. The security deposit shall be used only as a credit toward these charges: nonpayment of rent, any unpaid bills which become a lien against the Premises due to Tenant's occupancy, damage to the Premises, nonfulfillment of the rental period, costs of re-renting the Premises after breach by the Tenant, costs of removal and storage of property of Tenant after a summary ejectment proceeding, court costs (including to the extent allowed by law, reasonable attorney's fees) in connection with terminating a tenancy, and to the extent allowed by law, all other losses attributable to any breach of any provision of this lease by the Tenant. When Tenant vacates the Premises, if it is not reasonably clean, the Tenant shall be charged to clean it, and the security deposit may be applied to this charge. If the security deposit is insufficient to pay any of the charges referred to in this Section, the Tenant shall be liable for such excess. No part of the security deposit may be retained by the Landlord for normal wear and tear. On termination of the tenancy, the deposit, except any amounts properly retained by the Landlord, shall be refunded to the Tenant with an itemized statement of the amounts withheld, within thirty (30) days after termination of the tenancy and delivery of possession by the Tenant.

14. LATE PAYMENTS. If the full rental payment is not received by the Landlord on or before the tenth day of the month due, Tenant shall pay a late fee of five percent (5%) of the rental payment or fifteen dollars (\$15.00), whichever is greater.

15. POSSESSION. The Landlord shall not be liable for its failure to deliver possession because of a cause beyond its reasonable control, including holdover by a previous tenant. However, the Rent shall be prorated to reduce the Rent for the period during which the Landlord fails to deliver possession.

16. ASSIGNMENT AND SUBLETTING. The Tenant may neither assign nor sublet either any rights in, or any part of, the Premises without the written consent of the Landlord, which shall not be unreasonably withheld or delayed. Any request by Tenant to sublease or assign the Lease shall be in writing and accompanied by a fee of \$1,500.00, of which \$1000 shall be non-refundable, payable to Landlord for the processing of any such request. The Tenant shall remain liable to the Landlord under this Lease regardless of assignments or subleases. Notwithstanding the foregoing, should Landlord agree to assignment or sublease, the Tenant's personal guaranty shall remain in effect for the original guaranty period if any remains, and existing Tenant shall not have any uncured defaults.

17. COMMON AREA MAINTENANCE. Tenant shall pay to the Landlord as additional rent ("Additional Rent") for the use of the Premises its share of all costs and expenses incurred by the Landlord in the operation and maintenance of the common area within the Durham County Administration Building II, as hereinafter more fully defined. Tenant's share of such costs and expenses shall be determined by the number of retail tenants (100% if Tenant is the only Tenant or 50% if there is another Tenant).

The costs and expenses of the Landlord (including appropriate reserves) for the purposes of this Section shall mean and include the following:

(a) all costs and expenses of every kind and nature whatsoever paid or incurred by Landlord in , removal of ice, snow, and refuse, collection and hauling of trash and recycling, maintenance of the grease trap connected to each restaurant lease space, and exterior washing of window glass and mullions.; all to such extent as Landlord shall deem necessary;

(b) The Additional Rent payable by Tenant hereunder shall be determined on a calendar year basis for each full calendar year of the term of the Lease with appropriate adjustments for partial calendar years at the commencement and at the end of the Lease Term. All annual charges such as taxes and insurance premiums shall be prorated on a monthly basis or such parts of calendar years.

Prior to the commencement of the Lease term hereinbefore described, and on or before the 31st day of December of each year during said term, the Landlord shall provide to the Tenant an estimate of the Additional Rent payable hereunder by the Tenant for the remainder of the first calendar year, for the following calendar year or for that portion of the remaining calendar year under the term of this Lease. Such estimated Additional Rent shall be payable by the Tenant prior to the first day of each month in equal monthly installments determined by dividing the estimated Additional Rent by the number of months in the applicable period. Each monthly installment so

determined shall be paid in advance on the first day of each calendar month or part thereof, with each payment of Fixed Minimum Annual Rent as hereinabove set forth.

The Estimated Additional Rent for 2019 is \$1.00 per square foot, which is \$274.25 per month and payable as stated above in this Section 17. Said charges shall be adjusted at each year end and at the termination of the Lease to reflect the actual costs incurred. Tenant will then be credited or billed accordingly at year end to reflect this adjustment. Any additional amounts owed by Tenant shall be payable within ten (10) days of the date the same are billed.

18. ACCESS. The Landlord and its agents and contractors may enter the Premises, including the interior, in case of emergency or with the consent of the Tenant upon at least 24 hours prior notice. Without limiting its rights under the preceding sentence, the parties agree that the Landlord and its agents and contractors may enter the Premises, excluding the interior, during daylight hours to make surveys, repairs, improvements, inspections, and do other work. During the last six months of the term and until the Premises have been rented beyond the term or sold, Tenant shall permit Landlord to show the Premises, including the interior, to prospective tenants or purchasers, from 8:00 AM - 4:30 PM, Monday - Friday. The Landlord may place and maintain for sale and for rent signs on the Premises.

19. SIGNAGE. Tenant shall not erect, install, maintain, paint, display or permit on any exterior door, wall or window of the premises any exterior or interior sign, lettering, placard, decoration or make any other changes to the store front without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Any sign erected, installed or painted on the Premises or walls thereof or other change to the store front shall comply with all laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the same. Landlord shall allow Tenant, at Tenant's expense, to install its name and logo on the exterior of the front and side of the Building, in a location approved by Landlord.

20. HOLDOVER/VACATING. Tenant will upon the termination of this Lease by lapse of time or otherwise, yield up immediate possession to Landlord without the requirement of notice by Landlord to Tenant of the termination of this Lease, nor any grace or cure period should Tenant fail to yield up immediate possession to Landlord. Unless the parties hereto will otherwise agree in writing, if Landlord agrees in writing that Tenant may hold over after the expiration or termination of this Lease, the hold over tenancy will be subject to termination by Landlord at any time upon thirty (30) days advance written notice, or by Tenant at any time upon not less than thirty (30) days advance written notice, and all of the other terms and provisions of this Lease will be applicable during that period, except that Tenant will pay Landlord from time to time upon demand, as rental for the period of any hold over, an amount equal to One Hundred Fifty Percent (150%) the Rent plus Additional Rent in effect on the Termination Date, computed on a daily basis for each day of the hold over period. No holding over by Tenant, whether with or without consent of Landlord, will operate to extend this Lease except as otherwise expressly provided. The preceding provisions of this Section 20 will not be construed as Landlord's consent for Tenant to hold over.

Upon the termination of this Lease for whatever reason, Tenant will quit and immediately surrender the Premises to Landlord, broom clean, in good order and condition with all repairs and maintenance required by Tenant hereunder having been performed, ordinary wear and tear excepted, and Tenant will remove its personal property from the Premises in accordance with this Lease. Should any of the personal property or trade fixtures of Tenant remain upon the Premises after the Termination Date, all such property will be deemed abandoned by Tenant, and Landlord may remove same at the cost and expense of Tenant with no liability to Tenant therefore, and Tenant hereby releases Landlord from all liability therefore.

21. LANDLORD'S LIEN. In addition to any statutory lien for Rent in Landlord's favor, Landlord will have and Tenant hereby grants to Landlord a continuing security interest for all rentals and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture, inventory and other personal property of Tenant which shall be located upon the premises, and the proceeds and products thereof situated on the Premises, and such property will not be removed therefrom without the consent of Landlord until all arrearage in Rent as well as any and all other sums of money then due to Landlord hereunder all first have been paid and discharged. In the event of a default under this Lease, Landlord will have, in addition to any other remedies provided herein or by law, all rights and remedies under the Uniform Commercial Code, including, without limitation, the right to sell the property described in this Section at public or private sale upon five (5) days' notice to Tenant. Tenant hereby agrees to execute such financing statements and other instruments necessary or desirable in Landlord's discretion to perfect the security interest hereby created. Any statutory lien for Rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto.

22. DEFAULT. Each of the following shall be an Event of Default by Tenant under this Lease:

(a) Tenant will fail to pay any installment of the Rent herein reserved, or payment with respect to taxes hereunder, or any other payment or reimbursement to Landlord required herein, within five (5) days of when due.

(b) Tenant will become insolvent, or will make a transfer in fraud of creditors, or will make an assignment for the benefit of creditors.

(c) Tenant will file a petition under any section or chapter of the Bankruptcy Reform Act, as amended or under any similar law or statute of the United States or any state thereof; or Tenant will be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder.

(d) A receiver or trustee will be appointed for all or substantially all of the assets of Tenant.

(e) Tenant will abandon or vacate all or a portion of the Premises, or fail to continuously operate the Premises.

(f) Tenant will fail to yield up immediate possession of the Premises to Landlord upon termination of this Lease.

(g) Tenant will fail to comply with any term, provision or covenant of this Lease (other than the provisions of subparagraphs (a), (b), (c), (d), (e), and (f) of this Section 22), and will not cure such failure within twenty (20) days after written notice thereof to Tenant or such additional period of time as will be reasonably granted by Landlord if Tenant is acting in good faith and with diligence to complete such cure.

(h) Tenant shall breach any provision of this Lease, including, any Rule attached hereto in Exhibit G, more than twice in any calendar year.

Upon the occurrence of any Event of Default in the preceding Section 22 hereof, Landlord will have the option to pursue any remedy at law or in equity, including, but not limited to, one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Lease, in which event Tenant will immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearage in Rent, enter upon and take possession of the Premises and expel and remove Tenant and any other person who may be occupying the Premises or any part thereof, with or without judicial approval, by any legal means necessary, without being liable for prosecution or any claim of damages therefor; secure the Premises against unauthorized entry; and Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

(b) Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying such Premises or any part thereof, with or without judicial approval, by any legal means necessary, without being liable for prosecution and receive the Rent thereof; secure the Premises against unauthorized entry; store any property located on the Premises at the expense of the owner thereof and Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such reletting. In the event Landlord is successful in reletting the Premises at a rental in excess of that agreed to be paid by Tenant pursuant to the terms of this Lease, Landlord and Tenant each mutually agree that Tenant will not be entitled, under any circumstances, to such excess rental, and Tenant does hereby specifically waive any claim to such excess rental.

(c) Enter upon the Premises, with or without judicial approval, by any legal means necessary, without being liable for prosecution or any claim for damages therefor, secure the Premises against unauthorized entry, remove all property of Tenant from the Premises and store it at the cost and expense of Tenant, and do whatever Tenant is obligated to do under the terms of this Lease; and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord will not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise.

(d) Accelerate and demand the payment of all Rent and other charges due and payable hereunder over the term of this Lease.

If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it will become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay any and all reasonable attorneys' fees so incurred.

Pursuit of any of the foregoing remedies will not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor will pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by Landlord or its agents during the term hereby granted will be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of the Premises will be valid unless in writing signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained will be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of an Event of Default will not be construed as a waiver of such default, unless Landlord so notifies Tenant in writing, and no receipt of money by Landlord from Tenant after the termination of this Lease or after service of any notice or after the commencement of any suit or after final judgment for possession of the Premises will reinstate, continue or extend the term of this Lease or affect any such termination, notice, suit or judgment, unless Landlord so notifies Tenant in writing. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default will not be deemed or construed to constitute waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default.

23. INDEMNIFICATION. Tenant hereby covenants and agrees that it will at all times indemnify, defend (with counsel approved by Landlord) and hold safe and harmless Landlord (including, without limitation, its trustees and beneficiaries if Landlord is a trust), and Landlord's agents, employees, patrons and visitors from any loss, liability, claims, suits, costs, expenses, including without limitation attorney's fees and damages, both real and alleged, incurred by Landlord, its agents, employees, officers, partners, invitees, or licensees arising out of or resulting from the occupancy by Tenant of the Premises, a breach by Tenant of any provision of this Lease, or the conduct by Tenant of its business in the Building.

24. ADA. If Tenant receives any notice or document (i) which alleges any violation of the Americans with Disabilities Act ("ADA") relating to the Premises, or (ii) which pertains to any claim made or threatened relating to the Premises regarding alleged noncompliance with the ADA, or (iii) which pertains to any governmental or regulatory action or investigation instituted or threatened relating to the Premises regarding alleged noncompliance with the ADA, Tenant shall, within ten (10) days after receipt of such notice or document, provide the Landlord with a copy.

25. TERMINATION, CASUALTY, AND EMINENT DOMAIN. (a) If the term ends early, and if Tenant has paid Rent in advance, it shall be entitled to a prorata refund for the Rent

attributable to the time after the end of the term. (b) If fire or other casualty renders the Premises uninhabitable, and if the casualty is not the fault of Tenant or any person for whose acts or omissions Tenant is liable, and if Landlord cannot or does not make the Premises reasonably useable for Tenant's purposes within ten days afterwards, Tenant may, by sending notice to the Landlord within fifteen days of the casualty, terminate the term effective as of the date of the casualty. (c) If fire or other casualty substantially damages the Premises, and if the casualty is not the fault of Tenant or any person for whose acts or omissions Tenant is liable, and if Landlord cannot or does not substantially repair the Premises within twenty days afterwards, Tenant may, by sending notice to the Landlord within twenty-five days of the casualty, terminate the term effective as of the date of the casualty. (d) If fire or other casualty renders the Premises unusable for the Tenant's purposes, the Landlord may, by sending notice to the Tenant within twenty days of the casualty, terminate the term effective as of the date of the casualty. (e) If an authority with the power of eminent domain acquires an interest in the Premises that substantially affects their use for Tenant's purposes, Tenant may, by sending notice to the Landlord within thirty days of the taking of possession by the authority, terminate the term effective as of the date of the taking of possession by the authority. (f) Each subsection of this Section is intended to be independent of the other subsections of this Section.

26. INSURANCE. Landlord agrees to maintain standard fire and extended coverage insurance for the Building in an amount not less than the replacement cost, insuring against special causes of loss, including, the perils of fire, and lightning, such coverages and endorsements to be as defined, provided and limited in the standard bureau forms prescribed by the insurance regulatory authority for the State of North Carolina. Subject to the provisions of this Section, such insurance will be for the sole benefit of Landlord and under its sole control.

If the Premises should be damaged or destroyed by any peril covered by the insurance to be provided by Landlord according to this Section, Tenant will give immediate written notice thereof to Landlord. This Lease will not terminate, and Landlord will, at its sole cost and expense, thereupon proceed with reasonable diligence to rebuild and repair the Premises to substantially the condition in which they existed prior to such damage, except that Landlord will not be required to rebuild, repair or replace any part of the partitions, fixtures, additions and other improvements which may have been placed in, on or about the Premises by Tenant. If the Premises are untenantable in whole or in part following such damage, the Rent payable hereunder during the period in which they are untenantable will be reduced to such extent as reasonably determined.

Notwithstanding anything herein to the contrary, in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises requires that the insurance proceeds be applied to such indebtedness, then Landlord will have the right to terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon all rights and obligations hereunder thereafter accruing will cease and terminate.

Each of Landlord and Tenant hereby waives all rights to recover against each other or against any other tenant or occupant of the Building, or against the officers, directors, shareholders, partners, joint ventures, employees, agents, customers, invitees, or business visitors of each other or of any

other tenant or occupant of the Building, for any loss or damage arising from any cause covered by any insurance required to be carried by each of them pursuant to this Lease, or any other insurance actually carried by either of them. Landlord and Tenant will cause their respective insurers to issue waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Building or the Premises or the contents of either of them, and any cost for the issuance of such endorsements will be borne by the original insured under such policies.

The obligation of Landlord in this Section to repair and restore the Premises and the Building as provided herein, does not include an obligation of Landlord to repair the fixtures, equipment, or personal property of Tenant, which Tenant will insure for its benefit, and Tenant will have the obligation to repair and restore in the event of a casualty or other loss.

The period of time within which repair and restoration of the Premises must be completed will be extended due to delays occasioned by Force Majeure.

Tenant will procure and maintain, at its expense, (i) all-risk (special form) property insurance in an amount equal to the full replacement cost of Tenant's personal property, equipment, trade fixtures and any improvements performed by Tenant in the Premises; (ii) a policy or policies of commercial general liability insurance applying to Tenant's operations and use of the Premises, providing a minimum limit of \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate, naming Landlord as loss payee; (iii) business interruption insurance that will insure against loss of income at the Premises and payment of rent to Landlord in an amount of at least six (6) months of gross income therefrom; and (iv) loss of income/extra expense coverage. Tenant will maintain the foregoing insurance coverages in effect commencing on the earlier to occur of the Commencement Date and the date Tenant takes possession of the Premises and continuing to the end of the Lease Term.

The insurance requirements set forth in this Section are independent of the waiver, indemnification, and other obligations under this Lease and will not be construed or interpreted in any way to restrict, limit or modify the waiver, indemnification and other obligations or to in any way limit any party's liability under this Lease. In addition to the requirements set forth in this Section, (i) the insurance required of Tenant under this Lease must be issued by an insurance company with a rating of no less than A-VIII in the current Best's Insurance Guide or that is otherwise acceptable to Landlord, (ii) the company issuing the coverage must be authorized to conduct the business of insurance in the state in which the Building is located, (iii) the insurance must be primary insurance for all claims under it and provide that any liability insurance carried by Landlord, Landlord's Property Manager, and Landlord's lenders is strictly excess, secondary and noncontributing with any insurance carried by Tenant, and (iv) provide that insurance may not be cancelled, non-renewed or the subject of change in coverage of available limits of coverage, except upon thirty (30) days' prior written notice to Landlord and Landlord's lenders. Tenant will deliver to Landlord a legally enforceable certificate of insurance on all policies procured by Tenant in compliance with Tenant's obligations under this Lease on or before the date Tenant first occupies any portion of the Premises, at least ten (10) days before the expiration date of any policy and upon the renewal of any policy. Landlord will have the right to approve all deductibles and

self-insured retentions under Tenant' policies, which approval will not be unreasonably withheld, conditioned or delayed.

27. EFFECTS ON OTHER RIGHTS. The Landlord shall not be liable for any loss or damage occurring to the personal property of Tenant, except through the intentional act of the Landlord, and except as otherwise provided by law or this Lease. Nothing in this Lease shall limit the City or County of Durham's governmental powers regarding the Premises, including eminent domain, zoning, subdivision, and police.

28. RENEWAL. If the parties fail otherwise to agree in writing respecting the extension or renewal of the term, the following shall apply: If the expiring term is one year or longer, and if Tenant has already paid the Rent for the last month of the term, and if Tenant tenders payment to the Landlord in an amount equal to the Rent for the last month of the term, or if Tenant remains in possession of the Premises after the expiration of that term, the Landlord may, at the Landlord's option, extend the term by one (1) year by sending written notice to the Tenant of such decision at least 180 days prior to the end of the then current term. Acceptance of such payment by the Landlord without giving such notice shall create a lease on the same terms and conditions as this Lease except that the term shall be month-to-month and the number of days in Section 25(a) (TERMINATION, CASUALTY, AND EMINENT DOMAIN) shall be deemed to be ten (10) instead of twenty-five (25). Acceptance of such payment or extension of the Lease shall not constitute a waiver of past-due Rent or of any other rights of the parties. This Section is not intended to limit the Tenant's rights under Section 6 (EXTENSION OF LEASE TERM), and Section 6 (EXTENSION OF LEASE TERM) is not intended to limit the Tenant's rights under this Section.

29. LIABILITY OF LANDLORD. Tenant specifically agrees to look solely to Landlord's (or its successors') interest in the Building for the recovery of any judgment (or other judicial decree) from Landlord. Landlord (or if Landlord is a limited liability company, its members, or if Landlord is a corporation, its directors, officers or any successors in interest) shall never be personally liable for any such judgment. In no event shall Landlord be liable under this Lease for any consequential or punitive damages. This exculpation of liability to be absolute and without exception whatsoever.

Landlord will not be liable to Tenant or Tenant's employees, agents, officers, partners, licensees or invitees, or to any other person whomsoever, for any damage to property on or about the Premises belonging to Tenant or any other person, due to any cause whatsoever, unless caused by the willful or intentional misconduct of Landlord.

30. RULES AND REGULATIONS. Tenant shall comply with the rules and regulations (collectively, the "Rules") promulgated by Landlord from time to time for the Premises. A copy of the Rules is attached hereto as Exhibit G. The Rules may be modified by Landlord upon written notice to Tenant.

31. ENVIRONMENTAL.

(a) *Tenant's Responsibility.* Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically active or other hazardous substances or materials on the Durham County Administration Building II. For the purposes of this Section 31, the term "Durham County Administration Building II" shall include the Premises, Building, all Common Areas, the Land; all personal property (including that owned by Tenant); and the soil, ground water, and surface water of the real estate upon which the Building is located. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or in compliance with the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought onto the Durham County Administration Building II any such materials or substances except to use in the ordinary course of Tenant's business, and then only after notice is given to Landlord of the identity of such substances or materials. No such notice shall be required, however, for commercially reasonable amounts of ordinary office supplies and janitorial supplies.

(b) *Indemnity.* Tenant shall indemnify and hold Landlord harmless from any penalty, fine, claim, demand, liability, cost, or charge whatsoever which Landlord shall incur, or which Landlord would otherwise incur, by reason of Tenant's failure to comply with this Section 31 including, but not limited to: (i) the cost of full remediation of any contamination to bring the Durham County Administration Building II into the same condition as prior to the Commencement Date and into full compliance with all Applicable Law; (ii) the reasonable cost of all appropriate tests and examinations of the Premises to confirm that the Premises and any other contaminated areas have been remediated and brought into compliance with law; and (iii) the reasonable fees and expenses of Landlord's attorneys, engineers, and consultants incurred by Landlord in enforcing and confirming compliance with this Section 31. The covenants contained in this Section 31 shall survive the expiration or termination of this Lease, and shall continue for so long as either party and its successors and assigns may be subject to any expense, liability, charge, penalty, or obligation against which the other party has agreed to indemnify it under this Section 31.

(c) *Inspections by Landlord.* Landlord and its engineers, technicians, and consultants, from time to time as Landlord deems appropriate, may conduct periodic examinations of the Premises to confirm and monitor Tenant's compliance with this Section 31. Such examinations shall be conducted in such a manner as to minimize the interference with Tenant's Permitted Use; however, in all cases, the examinations shall be of such nature and scope as shall be reasonably required by then existing technology to confirm Tenant's compliance with this Section 31. Tenant shall fully cooperate with Landlord and its representatives in the conduct of such examinations. The cost of such examinations shall be paid by Landlord unless an examination shall disclose a material failure of Tenant to comply with this Section 31, in which case, the reasonable cost of such examination shall be paid for by Tenant within ten (10) days after receipt of Landlord's written demand.

32. ADDRESSES/NOTICES. Any notice sent hereunder shall be in writing and sent to the both below addresses by either overnight delivery, or certified mail, return receipt requested:

Landlord:
Durham County
201 East Main Street

Durham, NC 27701
Department of Engineering and Environmental Services
Open Space and Real Estate Division

Tenant:
Neighbor's Eatery, LLC
PO Box 61457
Raleigh, NC 27661
(VS – add a real physical address, home?) Landlord requires a physical address.

By sending a notice stating its new address, either party may change the address to which notices and Rent may be sent.

33. INTERPRETATION. Unless the context requires otherwise, the singular includes the plural, and vice versa. "Including" and "included" mean including or included but not limited to. Section headings are not for interpretation of this Lease. In Section 2 (TERM), if the period stated conflicts with the expiration date stated, the period shall control. In case of conflict, Section 23) (INDEMNIFICATION) controls over Section 7 (b) (CONDITION OF PREMISES AND REPAIRS).

34. AMENDMENT. This Lease shall not be amended, except by a written amendment signed by each of the parties hereto.

35. SEVERABILITY. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease will not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease contract a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

36. SUCCESSORS AND ASSIGNS. The terms, provisions and covenants and conditions contained in this Lease will apply to, inure to the benefit of, and be binding upon the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provided.

37. GOVERNING LAW. This Lease shall be governed by and construed in accordance with the laws of the State of North Carolina.

38. AUTHORITY. With its signature below, each party hereby confirms that it is duly authorized to enter into this Lease, and the person signing below on its behalf is duly authorized to do so.

39. FORCE MAJEURE. The performance of each party hereunder shall be excused for such period of time as performance is delayed due to force majeure.

40. GUARANTY. The performance by Tenant under this Lease shall be guaranteed by Tenant and their spouse pursuant to the Guaranty Agreement attached hereto as Exhibit "H".

41. BROKER. Each party represents and warrants to the other that no brokers have been involved in this transaction other than TradeMark Properties Inc. representing Tenant and Landlord.

42. NONDISCRIMINATION. Tenant covenants not to discriminate against or segregate any person or group of persons, on account of race, color, creed, religion, sex, marital status, age, national origin, ancestry, or physical tenure, or on any other basis prohibited by law.

43. DISPUTE RESOLUTION. With the exception of payments for rent and common area expenses due pursuant to the terms of this Lease it is agreed by Landlord and Tenant that any claim or dispute between Landlord and Tenant, arising from this Lease shall be sent to the Durham County Manager who shall appoint a qualified mediator to address the issue. Such request shall be submitted to the County Manager in writing within ten (10) days of the claim or dispute. Upon receipt of a timely written claim, the Manager, or his designee, shall notify the Mediator who will conduct a mediation and notify the Tenant in writing of the decision within thirty (30) calendar days from the date of the submission of the claim or dispute, unless the Mediator requires additional time to gather information or allow the parties to provide additional information. The Mediator's orders, decisions and decrees shall be non-binding. Mediation, pursuant to this provision, shall be a pre-condition to initiating litigation concerning the dispute. During the pendency of any dispute and after a determination thereof, parties to the dispute shall act in good faith to mitigate any potential damages. The costs of mediation shall be divided equally between Landlord and Tenant.

The mediation session shall be private and shall be held in Durham County, North Carolina. If the disputed issue cannot be resolved in mediation or either party disagrees with the results of the mediation, the parties may seek resolution in the General Court of Justice in the County of Durham and the State of North Carolina.

44. E-VERIFY. Tenant shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, if Tenant provides services to customers utilizing a subcontractor, Tenant shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes as well. Tenant shall verify, by affidavit, compliance of the terms of this section upon request by Landlord.

45. CAPTIONS. The titles and captions contained in this Lease are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease or the intent of any provision hereof. Unless otherwise specified to the contrary, all references to Sections are references to Sections of this Lease and all references to Exhibits are references to Exhibits to this Lease.

46. COUNTERPARTS. This Lease may be executed simultaneously in one (1) or more

counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

47. ENFORCEMENT OF CERTAIN RIGHTS. Nothing expressed or implied in this Lease is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto, and their successors or assigns, any rights, remedies, obligations or liabilities under or by reason of this Lease, or result in such person, firm or corporation being deemed a third-party beneficiary of this Lease.

48. JURISDICTION AND VENUE. Landlord and Tenant agree and consent that the venue for any legal and/or equitable action concerning this Lease shall be Durham County, North Carolina.

49. ENTIRE LEASE AND AGREEMENT. This Lease and the exhibits attached hereto set forth all the covenants, promises, Leases, conditions, and understandings between Landlord and Tenant concerning the Premises, and there are no covenants, promises, Leases, conditions or understandings, either oral or written, between them, other than those expressly set forth herein. All negotiations and oral Leases have been merged into and are included herein, it being understood that this Lease supersedes and cancels any and all previous negotiations, arrangements, Leases, understandings, representations and brochures, and none thereof shall be used to interpret or construe this Lease.

IN WITNESS WHEREOF, the parties executed this Lease under seal as of the date written above.

For Landlord:

ATTEST:

COUNTY OF DURHAM

Monica Toomer

INTERIM CLERK TO THE BOARD

BY: _____

Wendell M. Davis

COUNTY MANAGER

For Tenant:

ATTEST:

NEIGHBORS EATERY, LLC

BY:

BY: _____

Print Name:

TITLE:

Acknowledgement of Landlord:

STATE OF NORTH CAROLINA

COUNTY OF DURHAM

I, _____, a Notary Public for _____ County, certify that Monica Toomer personally came before me this day and acknowledged that she is Clerk to the Board of the County of Durham, and that by authority duly given and as the act of the County, the foregoing instrument was signed in its name by its County Manager, sealed with its seal, and attested by herself as its Clerk to the Board.

Witness my hand and official seal, this the _____ day of _____, 2019

(SEAL)

Notary Public

My commission expires: _____

Acknowledgement of Tenant:

STATE OF _____

COUNTY OF _____

I, a Notary Public in and for the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that he/she _____ of the _____, a _____ corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____, sealed with its corporate seal and attested by _____ as its _____.

Witness my hand and notarial seal this ____ day of _____, 2019.

Notary Public

(SEAL)

My commission expires:

EXHIBIT A
THE PREMISES

EXHIBIT B
FIRST FLOOR PLAN

EXHIBIT C

WORK LETTER

This WORK LETTER ("Work Letter") is entered into by and between Landlord and Tenant.

R E C I T A L S:

- A. Landlord and Tenant have entered into a lease (the "Lease") of which this Work Letter is a material consideration covering certain premises (the "Premises") more particularly described in the Lease. All terms not defined herein have the same meaning as set forth in the Lease. To the extent applicable, the provisions of the Lease are incorporated herein by this reference, but in the event of conflict the provisions of the Work Letter shall control over the provisions of the Lease.

In order to induce Tenant to enter into the Lease and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant agree as follows:

1. This Exhibit sets forth the rights and obligations of Landlord and Tenant with respect to space planning, engineering, final drawings, and the construction and installation of any and all improvements to the Premises to be completed before the Commencement Date ("the Tenant Improvements"). This Exhibit contemplates that the following work will be performed:

- (i) preparation by the General Contractor (as hereinafter defined) of an estimate of the cost of the Tenant Improvements;
- (ii) submission to, and approval of Plans (as hereinafter defined) by, the Landlord and by appropriate governmental authorities; and
- (iii) construction and installation of the Tenant Improvements by Tenant on or prior to the Commencement Date.

2. Tenant is fully responsible for the payment of all costs for the Tenant Improvements ("Budget"). So long as Tenant is not in default of the Lease Upon Landlord's receipt of permitted plans, detailed construction bid and any other relevant documents, Landlord will pay to Tenant a one-time Construction Allowance of One Hundred Thousand Dollars (\$100,000.00) in a rent concession to be applied toward Tenant's Up-Fit, Architectural and Engineering Design, Walk-In Cooler, Exhaust Hood System, and Hot Water Heater. Said credit shall be applied to Tenant's base rent over the first 5 years of full rent payment. Credit will be due and earned upon Tenant's receipt of a Certificate of Occupancy, Owner's inspection, Lien waivers and copies of as-built plans.

3. Tenant's request must be accompanied by:

- a. a statement signed by Tenant certifying that the installation of fixtures has been completed to Tenant's satisfaction;
- b. copies of all paid invoices;
- c. a signed and notarized lien waiver executed by Tenant's General Contractor (or each individual contractor), confirming that they have been paid in full for the Tenant Improvements;
- d. a copy of the certificate of occupancy for the Premises;
- e. Completed W-9 form; and
- f. North Carolina "Notice to Lien Agent" form (if improvements exceed \$30,000).
- g. a Certificate of Insurance including a waiver of subrogation applying to all coverages. The Landlord shall not be named as an "additional insured;"

- h. active HVAC maintenance contract;
- i. active pest extermination contract.

4. Upon delivery of the Premises to Tenant by Landlord as a “cold dark shell”, Tenant shall with due diligence proceed to perform such work as shall be necessary or appropriate in order to prepare the Premises for the opening of business. Tenant's work shall include, but not be limited to, the installation of: (1) all wiring and lighting; (2) all plumbing and sewage systems, including sprinkler system; (3) all ceiling tile and related equipment; (4) stud demising walls with drywall and finish as well as any walls needed within the Premises; (5) heating and air conditioning systems; (6) floor and wall coverings; and (7) interior finish, furniture, fixtures and equipment. Tenant agrees to submit to Landlord prior to beginning work the Plans for the Tenant Improvements, and Tenant agrees not to commence work on the Tenant Improvement until Landlord has approved the Plans in writing. All such work, and the obligation to perform such work, shall be limited to the Premises and shall not extend to any other portions of the County Administration Building II.

5. Tenant shall ensure that all work in constructing the Tenant Improvements is performed in a good and workmanlike manner and in accordance with all applicable law. , insofar as such delay causes the Tenant's opening for business to be delayed beyond 180 days from Delivery.

6.

7. Unless otherwise specified in the Plans, materials used by Tenant in its upfit at the Building shall be customary for the type of upfit contemplated in this Lease and in facilities comparable to the Building and readily available in the market where the Building is located, all as reasonably determined by Landlord.

8. During the construction of the Tenant Improvements, upon reasonable request, Tenant shall provide written progress reports to Landlord necessary for Landlord to review work schedules, costs, expenses and construction issues regarding the construction of the Tenant Improvements with confirmation of the progress of construction based upon the scheduled Commencement Date in the Lease. The parties will hold regular meetings, at mutually agreed upon times and locations, to discuss the progress of the construction of the Tenant Improvements.

9. Space Planning, Design and Working Drawings. Plans and specifications for the upfit of the Premises (the “Plans”) shall be prepared using the architect designated by Tenant (the “Architect”) and reviewed and mutually approved by Landlord and Tenant with the costs for the Plans being paid by Tenant.

10. Landlord and Tenant mutually agree that _____ will serve as the general contractor (the “General Contractor”) to construct and install on behalf of Tenant the Tenant Improvements in accordance with the Plans. Tenant will work with the General Contractor to complete the Tenant Improvements by the Commencement Date and shall manage the construction of the Tenant Improvements. All vendors and subcontractors will be negotiated by the General Contractor. Any costs for the Tenant Improvements in excess of the Upfit Allowance shall be borne by Tenant.

11. All work performed in connection with the construction of the Premises shall be performed in accordance with the final approved Plans.

12. All manufacturers' and builders' warranties with respect to the Tenant Improvements shall be issued to or transferred to Tenant to the extent necessary and permissible to assist Tenant in effecting any of Tenant's repair obligations under the Lease, without recourse to the Landlord. Tenant shall repair or correct any defective work or materials installed by Tenant or any contractor other than the General

Contractor (or its subcontractors), or any work or materials that prove defective as a result of any act or omission of Tenant or any of its employees, agents, invitees, licensees, subtenants, customers, clients, or guests, provided that selection of materials by Tenant is not such an act or omission, and provided further that work and materials done or installed by the General Contractor or its vendors and subcontractors is not such an act or omission. For purposes of this section, Landlord will not be considered to be Tenant's agent, invitee, licensee, subtenant, customer, client, or guest.

13. Tenant shall cause the General Contractor and any other applicable contractor hired by Tenant to warrant to Landlord and Tenant for a period of (1) one year following the date that the Tenant Improvements are substantially complete ("Substantial Completion") that the Tenant Improvements shall have been developed and constructed in a good and workmanlike manner, free of defects and faulty materials and in substantial accordance with the Plans.

14. Punchlist. On or prior to Substantial Completion, Landlord and Tenant shall, based on a joint walk-through physical inspection of the Tenant Improvements: (i) mutually and reasonably prepare a list of items remaining in the Tenant Improvements that require repair or completion, all of which are minor in character and which, either individually or in the aggregate, will not materially affect Tenant's ability immediately to use the Premises for the Tenant's intended use (the "Punchlist"), and (ii) confirm that with the exception of the items listed in the Punchlist, that the Tenant Improvements have been Substantially Completed. Tenant's General Contractor shall make all repairs and complete all outstanding work noted on the Punchlist within thirty (30) days of Substantial Completion.

15. Move-In by Tenant. Tenant shall schedule its move into the Premises with the Landlord prior to occupying any portion of the Premises. Tenant Representative. Tenant will designate an individual who may act as its representative for purposes of authorizing and executing any and all work orders or other writings and changes thereto needed to effectuate this Work Agreement, and any and all changes, additions or deletions to the work contemplated herein. Landlord shall not be obligated to respond to any instructions, approvals, changes, or other communications from anyone other party claiming to act on Tenant's behalf other than Tenant's Representative. Tenant's Representative will be _____. Tenant shall promptly notify Landlord if it desires to change in its representative.

[END OF EXHIBIT]

EXHIBIT D
ADMINISTRATION BUILDING II WORK RULES

EXHIBIT E
DESIGN GUIDELINES

EXHIBIT F

COMMENCEMENT DATE AGREEMENT

This Commencement Date Agreement is made as of _____, 2019, by Durham County ("Landlord"), and _____ ("Tenant"), who agree as follows:

1. Landlord and Tenant entered into a Lease dated _____, 2019, in which Landlord leased to Tenant and Tenant leased from Landlord certain Premises described therein. All capitalized terms herein are as defined in the Lease.

2. Pursuant to the Lease, Landlord and Tenant agreed to and do hereby confirm the following matters as of the Commencement Date:

- a. the Commencement Date of the Lease is _____;
- b. the Rent Commencement Date of the Lease is _____;
- c. the rentable square footage of the Premises is _____;
- d. the initial annual Rent is \$_____; and
- e. the initial monthly Rent is \$_____.

3. Tenant confirms that:

- a. it has accepted possession of the Premises as provided in the Lease;
- b. all work to be performed by Landlord under the Lease, if any, has been completed;
- c. Landlord has fulfilled all its obligations to be provided to Tenant as of the date

hereof;

- d. the Lease is in full force and effect and has not been modified, altered, or amended;

and

e. there are no set-offs or credits against rent, and no security deposit or prepaid rent has been paid except as provided by the Lease.

4. The provisions of this Commencement Date Agreement shall inure to the benefit of, or bind, as the case may require, the parties and their respective successors and assigns, subject to the restrictions on assignment and subleasing contained in the Lease, and are hereby attached to and made a part of the Lease.

LANDLORD: DURHAM COUNTY

By: _____

Print Name: _____

Title: _____

TENANT: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT G RULES

In addition to and not in limitation of any of the provisions of the Lease respecting rules, regulations, prohibitions or restrictions on the use of the Premises, Tenant's use of the Premises shall be in accordance with the Rules and Regulations of this Exhibit. Tenant has no right to enforce these rules and regulations against other tenants or occupants.

Operation of Business

1. Tenant shall operate its business in the entire Premises throughout the term of the Lease commencing on the Commencement Date, during all days and hours set forth in the Lease and shall do so in a lawful, high class and reputable manner, maintaining at all times a full staff of employees and a complete stock of merchandise.
2. Tenant shall operate its business within the Premises during such hours as Landlord shall reasonably require. Landlord may adjust such hours from time to time and may extend the hours that Tenant is required to operate during holiday periods and for special promotions.
3. All deliveries or shipments to and from the Premises shall be made through the loading dock (if any) serving the building of which the Premises is a part or at any other location designated by Landlord and during the hours designated by Landlord. The parking of trucks and delivery vehicles shall not unreasonably interfere with the use of driveways, walkways, parking areas, loading docks or other such common areas.
4. Tenant acknowledges that it will share a refuse dumpster with one or more other tenants. Dumpsters shall have rubber lids and bumpers to minimize noise during emptying. Landlord may impose reasonable restrictions on the times during which emptying of any dumpster is permitted.

Tenant shall not lease, place or dispose of any refuse, garbage or anything outside the Premises or elsewhere in the Building other than garbage or refuse in containers or receptacles expressly designated by Landlord for that purpose as and where so designated.
5. In no event shall Tenant conduct or advertise any auction, fire, going out of business, or bankruptcy sale in or about the Premises. Tenant shall not use the public common areas of the Building for business purposes or special events. No soliciting or distribution of flyers or any promotional material in the common area is permitted.
6. Tenant shall not place or permit any displays, decorations, shopping carts or wheeled vehicles on the sidewalk in front of the Premises or upon any of the common areas nor permit anything to be displayed or staked on the sidewalk outside the Premises.
7. Tenant shall maintain any and all entrances, exits, walks, corridors, docks, and facilities exclusively serving the Premises free and clear of any and all snow, ice, dirt, accumulation of water, litter, refuse and hazardous conditions whatsoever.

Prohibitions

All of the following are prohibited within the Building (in addition to other prohibitions elsewhere in the Lease): Noxious odors, public/private nuisances, flashing/rotating/moving lights, shrill or excessive noise and vibrations, amplified live entertainers, cellular or communication towers, and monopoles or antennas of any type, except for use of tenants with a maximum height of six (6) feet and screened to the fullest extent possible. There shall be no outside paging systems, phone bells or loudspeakers.

Tenant shall not burn any trash or garbage of any kind in or about the Premises, or the Building.

Care of Premises

Repairs: Tenant, at its expense, shall make any and all repairs to the Premises arising from any break-in, forcible entry or other trespass into or upon the Premises.

Any damage caused to the roof of the Premises by repair/service personnel contracted by Tenant will be the responsibility of Tenant.

Maintenance: Tenant shall store all trash and garbage only in the areas designated by Landlord for such storage and accumulation. Tenant shall not move any safe, heavy machinery, heavy equipment, or fixtures into or out of the Premises without Landlord's prior written consent, nor shall it place a load on any floor exceeding the floor load per square foot which such floor was designed to carry.

Fire Protection: Tenant, at its expense, shall install and maintain fire extinguishers and other protection devices as may be required from time to time by any agency having jurisdiction or the underwriters insuring the building in which the Premises is located.

Pest Control: Tenant shall obtain pest extermination services as are necessary.

Plumbing: The plumbing facilities, drains and lines in or about the Premises shall not be used for any purpose by Tenant or anyone under its control other than for the purpose for which they are constructed, nor shall Tenant put (or dispose of) any foreign substance therein of a kind other than that for which such facility was specifically designed or permit such event to occur; and all cost and expense of repairing, replacing, or restoring said facilities or equipment by reason of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant.

Windows/Doors: Tenant shall not affix or install any type of sun screen, tinting film, solar screen or similar product to any window or door glass of the Premises.

Storage: There shall be no outside storage facilities.

Paint/Floor Coverings: Tenant shall paint the interior of the Premises and shall replace floor coverings as often as necessary to keep the Premises in a first-class condition. Tenant shall keep all carpets in the Premises clean and free from rips, ripples, tears and stains.

These Rules and Regulations may be amended by Landlord in its reasonable discretion or as required by any appropriate authority having jurisdiction over the Building.

EXHIBIT H
GUARANTY

IN CONSIDERATION OF, and as an inducement for the granting, execution, and delivery of that certain Lease dated _____, 2019, (hereinafter referred to as the "Lease") by and between DURHAM COUNTY (hereinafter referred to as "Landlord") and _____ (hereinafter referred to as "Tenant"), and in further consideration of the sum of TEN and NO/100ths DOLLARS (\$10.00) and other good and valuable considerations paid by Landlord to the undersigned, the receipt and sufficiency of which are hereby acknowledged, the undersigned, (hereinafter singularly and collectively (if more than one) referred to as "Guarantor") hereby guarantees to Landlord the full and prompt payment of rent, including, but not limited to, the minimum guaranteed or base rental, common area charges, tax and insurance reimbursements, additional rent, and any and all other sums and charges payable by Tenant under said Lease and any extension or renewal thereof, as well as guarantees the full and timely performance and observance of all the covenants, terms, conditions, provisions, and agreements therein provided to be performed and observed by Tenant; and Guarantor hereby covenants and agrees to and with Landlord that, if Tenant should at any time default in the payment of any such minimum guaranteed or base rental, common area charges, tax and insurance reimbursements, additional rent, or any other such sums due and payable by Tenant under said Lease, or if Tenant should default in the performance and observance of any other terms, covenants, conditions, provisions, and agreements contained in said Lease, then Guarantor shall and will forthwith pay such rent and other such sums and charges to Landlord and shall and will forthwith faithfully perform and fulfill all of such terms, covenants, conditions, provisions, and agreements and will forthwith pay to Landlord all damages that may arise in consequence of any such default by Tenant under said Lease, including, without limitation to, all reasonable attorneys' fees and disbursements incurred by Landlord or caused by any such default and/or by the enforcement of this Guaranty.

This Guaranty is an absolute and unconditional Guaranty of payment and of performance. It shall be enforceable by Landlord in a joint action against Guarantor, Tenant, and/or any other guarantor of the Lease, or in a separate and independent action against Guarantor without the necessity for any suit or proceedings on Landlord's part of any kind or nature whatsoever against Tenant or Guarantor of Tenant's failure to pay rent or other charges due under the Lease or of Tenant's default or breach under the Lease or of any other notice or demand to which Guarantor might otherwise be entitled, all of which notices Guarantor hereby expressly waives; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected, diminished, or impaired by reason of the assertion, or the failure to assert, by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease or any other remedy or right which Landlord may have at law or in equity. Guarantor hereby expressly consents and agrees that any such actions against Guarantor may be brought and pursued against Guarantor in the county or judicial district or circuit in which the premises which is the subject of the Lease is located.

This Guaranty shall be a continuing guaranty, and the liability of Guarantor hereunder shall in no way be affected, modified, or diminished by reason of any assignment, renewal, modification, or extension of the Lease or by reason of any modification or waiver of or change in any of the terms, covenants, conditions, provisions, or agreements of said Lease, or by reason of any extension of time that may be granted by Landlord to Tenant, or by reason of any unilateral action of either Landlord or Tenant, or by reason of any dealings or transactions or matter or thing occurring between Landlord and Tenant, including, without limitation, any adjustments, compromises, settlements, accord and satisfactions, or releases, or any bankruptcy, insolvency, reorganization, arrangement, assignment for benefit of creditors, receivership, or trusteeship affecting Tenant, whether or not notice thereof is given to Guarantor, all of which notices Guarantor expressly waives. Guarantor hereby expressly waives any suretyship defense it may have by virtue of Applicable Law. Without limiting

the foregoing, Guarantor waives all the benefits and defenses provided in Chapter 26 of the North Carolina General Statutes including, without limitation, the provisions of NCGS § 26-7.

All of Landlord's rights and remedies under the Lease or under this Guaranty are intended to be distinct, separate, and cumulative and no such right and remedy therein or herein mentioned is intended to be in exclusion of, or a waiver of, any of the others. In the event that other agreements similar to this Guaranty are executed from time to time by other persons or entities with respect to the Lease, this Guaranty shall be cumulative of such other agreements to the effect that the liabilities of Guarantor hereunder shall be joint and several with those of such other guarantors or sureties, and the liabilities of Guarantor hereunder shall in no event be affected or diminished by reason of any such other agreement.

Guarantor warrants and represents that it has the legal right and capacity to execute this Guaranty and that Guarantor has a direct financial interest in the making of said Lease. Guarantor hereby waives all presentments, demands for performance, notices of non-performance, protests, notice of protests, notices of dishonor, and notices of acceptance.

Landlord may, without notice, assign this Guaranty in whole or in part, and/or may assign all or any part of its interest in the Lease, and, in such event, each and every successive assignee of the Lease and/or this Guaranty shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee as fully as if such assignee were named herein. Guarantor shall not assign or delegate this Guaranty without the prior written consent of Landlord.

This Guaranty, and all the terms, covenants, conditions, provisions, and agreements hereof, shall be binding upon and shall inure to the benefit of the respective heirs, executors, personal representatives, successors, and assigns of Landlord, Tenant and Guarantor. Words of any gender in this Guaranty shall be construed to include any other gender, words in the singular number shall be construed to include the plural, and words in the plural number shall be construed to include the singular, when the context or sense of this Guaranty requires. Whenever the words "Landlord," "Tenant," or "Guarantor" are used herein, they shall be construed to mean, and the terms, covenants, conditions, provisions, and agreements hereof shall be binding upon, not only the named Landlord, Tenant, and Guarantor, but also the respective heirs, executors, personal representatives, successors, and assigns of Landlord, Tenant and Guarantor. This Guaranty shall be enforced and construed in accordance with the laws of the State in which the Premises is located.

Notwithstanding any provision of this Guaranty to the contrary, provided there is no default or event of default under the Lease by Tenant, Landlord shall advise Tenant at the end of the sixtieth month of the term of the Lease, that this Guaranty has terminated.

[SIGNATURE PAGE ATTACHED]

IN WITNESS WHEREOF, Guarantor has hereunto set its hand and seal this _____day of _____, 2019

_____(Seal)

Tenant

Soc. Sec. No. _____

Home Address:

GUARANTY MUST BE NOTARIZED.

Signed, sealed and delivered in the presence of:

Notary Public. _____
[AFFIX NOTARY SEAL]

_____(Seal)

Its: _____

Soc. Sec. No. _____

Address:

GUARANTY MUST BE NOTARIZED.

Signed, sealed and delivered in the presence of:

Notary Public. _____
[AFFIX NOTARY SEAL]