

Return to: Durham County Attorney's Office (W. Darby)
200 E. Main St., Durham, NC 27701

**STATE OF NORTH CAROLINA
COUNTY OF DURHAM**

**COMMERCIAL LEASE AGREEMENT
2445 S. Alston Ave. Durham, NC 27714**

This **COMMERCIAL LEASE AGREEMENT** (Hereinafter **Lease**), made and entered into this 1st day of _____, 2020 by and between 2445 S. Alston, LLC, a North Carolina limited liability company (hereinafter "**Landlord**"), and **THE COUNTY OF DURHAM**, a political subdivision of the State of North Carolina, (hereinafter "**Tenant**"), whose address is 200 East Main Street, Durham, NC 27701.

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

1. Premises: Landlord does hereby lease unto Tenant and Tenant hereby leases from Landlord the Premises defined herein as 2445 S. Alston Ave. Durham, NC 27704, pursuant to the terms set forth in this Lease. This Lease space includes 12744 square feet of warehouse/flex space and 10 designated parking spaces located on the premises that are at all times assigned and reserved for Tenant. The Premises controlled by this Lease is further defined in Exhibit A to this Lease.
2. Commencement, Term and Renewal: The Term of this Lease shall commence upon satisfactory completion of the tenant improvements detailed in Exhibit B to this Lease, or June 1, 2020, whichever date is later, and shall expire on May 31, 2027, unless terminated sooner as provided herein (hereinafter the "Term").
3. Tenant Upfit: All costs of design and construction of Tenant Upfit included in the Work Letter in Exhibit B to this Lease, including without limitation the costs of all space planning, architectural and engineering work related thereto, all governmental and quasi-governmental approvals and permits required therefor, all demolition costs, all direct and indirect construction costs, insurance, bonds and other requirements, any changes, and the Construction Supervision Fee (Collectively "Construction Costs") shall be paid by Landlord.

4. **Rent:** Tenant agrees to pay to Landlord the Base Rent set forth in the table below, without prior notice or demand, on the first day of each and every calendar month during the Term, except that Base Rent for the first full calendar month in which Base Rent is payable shall be paid upon execution of this Lease and Base Rent for any partial month at the beginning of the Term shall be paid on the Commencement Date. Base Rent for any partial month at the beginning or end of the Term shall be prorated based on the actual number of days in the month. The Base Rent shall increase by Three Percent (3%) annually.

Lease Period	Rate Per SF	Annual Rent	Add'l Rent*	Monthly Rent	Add'l Rent*	TOTAL RENT/YR	TOTAL RENT/MO
06/01/20 to 05/31/21	\$ 8.48	\$ 108,069.12	\$38,232.00	\$ 9,005.76	\$3,186.00	\$ 146,301.12	\$12,191.76
06/01/21 to 05/31/22	\$ 8.73	\$ 111,311.19		\$ 9,275.93			
06/01/22 to 05/31/23	\$ 9.00	\$ 114,650.53		\$ 9,554.21			
06/01/23 to 05/31/24	\$ 9.27	\$ 118,090.05		\$ 9,840.84			
06/01/24 to 05/31/25	\$ 9.54	\$ 121,632.75		\$ 10,136.06			

*Additional Rent	Per SF	Annual Expense	Monthly Expense
TICAM			
Taxes, insurance, Management Fee, Maintenance, Landscaping, HVAC,	\$1.78	\$22,684.32	\$1,890.36
UTILITIES			
Electric, Water/Sewer/Stormwater, Natural Gas	\$ 1.22	\$ 15,547.68	\$ 1,295.64
TOTAL ADD'L RENT	\$3.00	\$38,232.00	\$3,186.00

NOTE: The Additional Rent amounts identified above are the amounts in effect as of the execution of this Lease, and are subject to change and modification as provided in this Lease.

4.1 **Additional Rent:** In addition to paying the Base Rent specified in Article 4 above, Tenant shall pay as additional rent the sum of the following: (i) Tenant's Share (as such term is defined in Sec. 4.2 below) of the annual Common Area Maintenance Expenses allocated to the Building (pursuant to Section 4.2 below); plus (ii) Tenant's Share of the annual Tax Expenses allocated to the Building (pursuant to Section 4.2 below); plus (iii) Tenant's Share of the annual Utilities Costs allocated to the Building (pursuant to Section 4.2 below).

Such additional rent, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease shall be hereinafter collectively referred to as the "Additional Rent." The Base Rent and Additional Rent are herein collectively referred to as the "Rent." All amounts due under this Article 4.1 as Additional Rent shall be payable for the same periods and in the same manner, time and place as the Base Rent. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease

Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 Definitions: "Common Area Maintenance Expenses" and/or "CAM" shall mean all costs and expenses paid or incurred by Landlord in connection with managing, operating, cleaning, repairing, and maintaining the Common Area and any on-site or off-site utilities or detention ponds, retention ponds, and shall include, but not be limited to, providing and maintaining planting and landscaping, including irrigation; providing security services (if any); utilities charges; repairing and maintaining the roof of the Leased Premises and the building of which they are a part; painting, repairing and maintaining structural portions of the Leased Premises and the building of which they are a part; a reasonable management fee based on Landlord's gross revenues of the Building calculated in accordance with generally accepted accounting principles; and a reasonable administrative fee. Common Area Maintenance Expenses shall not include any of the following: (i) initial construction costs of the Building or the costs of refurbishment or remodeling the Building; (ii) advertising and promotional costs incurred in connection with attracting prospective tenants; (iii) leasing commissions, attorneys' fees, and other expenses incurred in connection with negotiations with tenants or prospective tenants; (iv) costs of repairs or other work occasioned by any casualty which is covered by insurance net of deductibles and cost of adjustment; (v) principal and interest on debt or amortization payments on a mortgage or rental under any ground lease; (vi) the costs incurred in maintaining the Landlord's existence as a corporation, partnership, or other entity; (vii) any expenses for repairs or maintenance which are covered by warranties, to the extent such maintenance and repairs are made at no cost to Landlord; (viii) legal expenses for disputes with tenants; (ix) the costs incurred in performing work or furnishing services to individual tenants that does not benefit the Building; (x) costs of removing hazardous substances, defending claims, or remediation in connection therewith which were not caused by Tenant; (xi) salaries of officers and executives of Landlord; (xii) any costs due to a sale or aborted sale or leasing or financing or aborted financing of the Building; (xiii) all costs of a capital nature; (xiv) costs due to Landlord's default under this Lease and/or costs due to the negligence of Landlord, its agents, contractors or employees; (xv) all costs or expenses (including fines, penalties, judgments, interest and legal fees) resulting from any tort liability or incurred because of late payments or violations of building codes or other applicable legal requirements of any governmental agency by Landlord (or by any tenant or other occupant of the Building) or violation by Landlord (or by any tenant or other occupant of the Building) of the terms and conditions of any lease or contract affecting the Building; or (xvi) depreciation and amortization of the Building, or financing costs including interest and/or principal payments, penalties or fees in connection with any mortgages of the Landlord relating to the Building, or payments in connection with any underlying ground leases.

"Taxes", as used herein, shall mean all taxes, assessments, impositions, levies, charges, excises, fees, licenses and other amounts levied, assessed, charged or imposed by any taxing authority that accrue on the Building for each calendar year (or portion thereof) during the Lease Term plus professional fees and expenses for tax consultants or tax-rendering services. Taxes shall include all amounts collected by any taxing authority, whether classified as ad valorem taxes. Tenant waives any right to protest the appraised value of the Building or to appeal the same. Taxes shall not include local, state or federal net income taxes assessed

against Landlord; or excise, franchise, gift, estate, succession, inheritance, or transfer taxes of Landlord. Also, Taxes will not include late payment charges and penalties incurred by Landlord.

"Insurance Premiums" shall mean the total annual insurance premiums which accrue on all property damage insurance, public liability insurance, rent insurance and other insurance which, from time to time, may be carried by Landlord with respect to the Building. In the event all or any part of such coverage is written under a "blanket policy" or otherwise in such manner that Landlord was not charged a specific insurance premium applicable solely to the Building, the amount considered to be the Insurance Premium with respect to such coverage shall be that amount which would have been the annual premium payable using the "ISO Rates" (as defined below) effect on the first day of such applicable calendar year for a separate causes of loss special form (special form) property insurance policy with respect to the Building (considering the type of construction and other relevant matters including standard deductible amounts). For purposes hereof, the term "ISO Rates" shall be defined as those rates promulgated by the Insurance Services Office, Inc.

"Tenant's Share" of CAM, Taxes and Insurance means an annual amount calculated by multiplying such costs by a fraction, the numerator of which is the ground floor area (in square feet) of the Leased Premises and the denominator of which is the aggregate leasable ground floor area (in square feet) in the building on January 1 of each calendar year. For any period less than twelve (12) full calendar months, a pro rata portion of the resulting product shall be calculated to determine Tenant's Share.

Notwithstanding the foregoing, after the expiration of the first year in which the Lease term commences (the "Base Year"), the amount which Tenant shall be obligated to pay to Landlord as the Tenant's share of Common Area Maintenance Expenses (the "CAM Payment") (calculated on a monthly, per square foot basis) shall not exceed an amount equal to the "Base Costs" (as hereinafter defined) increased by three percent (3%) per year (compounded annually) for each calendar year after the Base Year. For purposes hereof, the term **"Base Costs"** shall be defined as Tenant's Share of Common Area Maintenance Expenses computed on an average monthly basis for the Base Year. The foregoing limitation on increases in the CAM Payment shall not apply to security costs or utility costs for the Building. Furthermore, should any action or inaction by Tenant result in an Event of Default (as herein defined), and such Event of Default remains uncured at the expiration of the relevant notice period as set forth in Article XV hereof, then the foregoing limitation on the CAM Payment shall be immediately rendered null and void and without further force or effect.

Unless and until such charges are adjusted by Landlord, Tenant shall pay the CAM Payment, Tax Payment, and Insurance Payment set forth in this Lease monthly in advance for each month during the Lease Term. Landlord shall have the right, exercisable by written notice no later than May 15th of each year following the Base Year, throughout the Lease Term, to adjust the amounts payable by Tenant under this Article 4 to reflect cost increases incurred by Landlord. If Landlord makes any such adjustment, then with respect to any costs as to which Landlord shall have made such adjustment the following shall apply: (i) commencing upon the date designated by Landlord Tenant shall pay on the first day of each month, in advance, the amount(s) as adjusted by Landlord; and (ii) at the end of each lease year,

including the lease year during which this Lease terminates, Landlord will give Tenant notice of: (a) the total amount(s) paid by Tenant for such lease year; and (b) Tenant's Share of CAM, Taxes and Insurance Premiums for such lease year. If Tenant's Share of any of such costs exceeds the aggregate amount(s) paid by Tenant, Tenant shall pay to Landlord the deficiency within thirty (30) days following notice from Landlord. If the aggregate amount(s) paid with respect thereto exceeds Tenant's Share of any of such costs for any lease year, then Landlord, at Landlord's sole option, will either credit the surplus (net of any amounts then owing by Tenant to Landlord) against the next ensuing installment(s) of any amount due under this Article, or refund the net surplus to Tenant.

4.3 Option for Early Termination: Tenant shall have the right to cancel the lease after Lease Year 3 contingent upon the following (i) Tenant is not in default at the time Tenant gives Landlord notice of Tenant's intention to cancel; (ii) Tenant has no outstanding default; (iii) no event has occurred that upon notice or the passage of time would constitute a default; and (iv) Tenant is occupying the Premises.

4.3.1 Exercise of Option to Terminate Lease. Tenant shall exercise the option to terminate the lease by giving Landlord notice of at least one hundred eighty (180) days ending no sooner than the end of Lease Year 3. If Tenant fails to provide such notice to Landlord within such period, then Tenant shall forfeit the cancellation option. If Tenant exercises the option to terminate the lease, then during any such cancellation Lease Term, Landlord and Tenant's respective rights, duties and obligations shall be governed by the terms and conditions of the lease. Time is of the essence in exercising the option to cancel the lease. Tenant shall, at the conclusion of the notice period, pay a cancellation fee to Landlord equal to three (3) months of the then-current Base Rent.

4.3.2 Termination of Option to Cancel Lease on Transfer by Tenant. Upon the assignment or subletting of all or a portion of the Premises by Tenant, whether or not such assignment is approved or permitted by Landlord, the rights shall automatically terminate and shall be of no further force or effect. No rights shall transfer, in whole or in part, to any subtenant or assignee of Tenant.

5. **Landlord and Tenant Obligation:** Landlord and Tenant agree that utility bills and service contracts ("Service Obligations") for the Premises shall be paid by the party indicated below as to each Service Obligation. In each instance, the party undertaking responsibility for payment of a Service Obligation covenants that they will pay the applicable Service Obligations prior to delinquency. The responsibility to pay for a Service Obligation shall include all metering, hook-up fees or other miscellaneous charges associated with establishing, installing and maintaining such utility or contract in said party's name. Tenant shall provide Landlord with a copy of any requested Tenant Service Obligation information.

Utilities, Services and Obligations	Landlord	Tenant
Property Taxes	X	

Water/ Sewer	X	
Electric	X	
Gas	X	
Facility Maintenance, including HVAC (in-house maintenance or service contract)	X	
Trash/Dumpster	X	
Landscaping/Maintenance	X	
Pest Control quarterly	X	
Parking Lot Snow and Ice Removal	X	
Internet and Phone Service		X
Janitorial/Cleaning Inside Lease Space		X

6. Use of Premises: Tenant shall use and occupy the Premises for the sole purpose of providing office space for Durham County Government operations. Tenant shall comply with all applicable laws, ordinances, orders, rules and regulations prescribed by lawful governmental authority relating to the Premises, including those concerning cleanliness, safety, occupancy and use of the Premises.
7. Assignment and Sublease: Tenant shall not assign, mortgage or encumber this Lease, the Premises or any improvements on the Premises, nor sublet the Premises or any part thereof without the written consent of Landlord.
8. Title to Improvements: Alterations and permanent improvements to the Premises shall immediately become and be the sole and absolute property of Landlord and shall remain on the Premises and shall not be removed unless otherwise determined by Landlord; and, at the expiration or sooner termination of this Lease, the same shall be surrendered to Landlord in good condition and repair, reasonable wear and tear excepted, unless otherwise determined by Landlord.
9. Repairs and Maintenance:
 - a.) Landlord shall be responsible for (and Tenant will not be responsible for,) repairs to all building structures and systems, including roof, windows, parking lots, fences, HVAC, plumbing, electrical, and exterior security systems, exterior lighting, access panels. Landlord shall maintain all building structures and systems in good working order at all times.
 - b.) Tenant shall, at its own expense, make any repairs to the Premises caused by negligence, reckless or careless behavior of Tenant or its employees, agents, or guest.
 - c.) Tenant shall document, and photograph, if requested, any conditions that it believes require Landlord to repair and provide a copy of the documentation and photographs to Landlord. Landlord shall make every effort to provide any

maintenance and repairs deemed necessary in a timely manner. In the event Landlord fails to make repairs in a timely manner, Tenant reserves the right to have repairs made and invoice Landlord for the total cost of the repair. If Landlord requires the alteration or closure of any portion of the Property in order to perform its obligations hereunder, Landlord shall attempt to give Tenant no less than twelve (12) hours prior notice thereof.

- d.) Tenant shall, at its own expense, during the Term, keep the premises in good order and condition. Maintenance requests should be submitted to the Landlord or the Landlord's agents as soon as reasonably possible. Tenant shall also replace all interior lightbulbs and maintain the floors and walls in a clean condition.
 - e.) Tenant will take trash to their dumpster on a daily basis to deter pests. Tenant will pay for any pest control exceeding the quarterly service contract if pests become a nuisance in the leased premises.
 - f.) Tenant shall only be responsible for any fines or penalties issued by the Police or Fire department for false security alarms caused by the Tenant. A fee of \$100.00 will be paid by Tenant to Landlord in the event Landlord has to come to the premises during afterhours for a false alarm. The term "afterhours" are defined as the hours between 5:00 pm and 7:00 am Monday through Friday, and all hours during weekends and holidays.
10. Personal Property of the Tenant. All personal property belonging to Tenant in or near the Premises or Property, shall be at the Tenant's sole risk. Upon the expiration of the Term of this Lease, or termination of this Lease for any reason whatsoever, Tenant shall, on or before said date, remove all such personal property from the Premises, and all property not so removed shall be deemed abandoned by the Tenant. Tenant shall repair or reimburse Landlord for the cost of repairing any damages to the Premises resulting from the installation or removal of personal property of Tenant.
11. Mechanic's Liens: Tenant shall not do or suffer anything to be done whereby the Premises may be encumbered by any mechanics or materialman's lien. Whenever and as often as any mechanic's lien is filed against said Premises purporting to be for labor or material furnished or to be furnished to Tenant, Tenant shall discharge same of record within ten (10) days after the date of filing. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's or materialman's lien or other security interest of any kind whatsoever for any such labor or materials shall attach to or affect Landlord's interest in and to the Premises.
12. Taxes: All assessments levied against the Premises or Tenant's leasehold interest in the Premises, by any governmental entity, including any special assessments imposed on or against the Premises for the construction or improvement of public works in, on, or about the Premises, shall be paid before they become delinquent, by Landlord.
13. Insurance: Tenant shall maintain, at its expense, the following minimum insurance coverage:

\$2,000,000 --- Bodily Injury Liability, and
\$ 500,000 --- Property Damage Liability, or

\$4,000,000 ---Combined Single Limit Bodily Injury and Property Damage

Tenant upon request by Landlord shall furnish a certificate of insurance from an insurance company, licensed to do business in the State of North Carolina and acceptable to Landlord verifying the existence of any insurance coverage required by Landlord.

14. Fire or Casualty: If the improvements on the Premises shall be damaged or destroyed by fire or other casualty during the term of this Lease or to the extent that they cannot be repaired or reconstructed at a cost of less than 50% of the fair market value of such improvements immediately before said damage or destruction, Tenant shall have the right to cancel this Lease. If said option to cancel is not exercised by Tenant, or if the improvements shall be damaged or destroyed by fire or other casualty to the extent that they can be repaired or reconstructed at a cost of less than 50% of their fair market value immediately before said damage or destruction, and so long as such damage or destruction occurs prior to the termination or expiration of this Lease, Landlord, subject to the provisions below, shall, as soon as reasonably possible, effect the required repairs and reconstruction of the Premises to place them in substantially the same condition as existed immediately prior to such damage or destruction. The Rent during the period before the repairs have been completed shall be reduced by an amount equivalent to the percentage of the premises made unusable by the fire or casualty, and upon completion of such repairs, the rent shall thereafter be paid by Tenant at the same rate as though there had been no fire or casualty. Any other provisions contained herein notwithstanding, the Landlord shall be required and obligated to effect repairs or reconstruction only to the extent of any sums of money, if any, which are received by Landlord under Landlord's insurance coverage as a direct result of said fire or other casualty. Notice of cancellation pursuant to the terms of this section shall be given shall be within thirty (30) days of the damage or destruction. Estimates of percentage of destruction shall be made in good faith by Landlord.

During any period of construction to restore the Premises to its condition and use prior to said fire or other casualty, all rent shall be suspended in the same proportion as the proportion of the Premises not usable bear to the entire Premises.

Notwithstanding anything herein to the contrary, Landlord shall have the option of terminating this Lease if: (i) the Premises are rendered wholly untenable, (ii) the Premises cannot be repaired or reconstructed at a cost of less than 50% of the fair market value of such improvements immediately before said damage or destruction, or cannot be repaired or reconstructed within 180 days of the casualty event; (iii) the Premises are damaged in whole or in part as a result of a risk which is not covered by Landlord's insurance policies; (iv) Landlord's lender does not permit a sufficient amount of the insurance proceeds to be used for restoration purposes; or (v) the Premises are damaged in whole or in part during the last year of the Term. If Landlord elects to terminate this Lease, then it shall give notice of the cancellation to Tenant within thirty (30) days of the damage or destruction. Tenant shall vacate and surrender the Premises to Landlord within thirty (30) days after notice of termination.

15. Event of Default:

- a.) The occurrence of any of the following shall constitute an Event of Default of this Lease:
 - (i) Tenant abandons or vacates the Premises without written notification to the Landlord.
 - (ii) Tenant shall fail to pay as and when due any installment of Rent or Additional Rent, or any other sum of money payable by Tenant to Landlord hereunder, and such failure continues for thirty (30) days after the due date for such payment.
 - (iii) Failure by either party to observe and perform any obligation of this Lease, other than the failure to pay rent or make any other payment required to be made by Tenant hereunder, where such failure continues for thirty (30) days after written notice thereof by the non-breaching party to the breaching party; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, a party shall not be deemed to be in default if that party shall within such period commence to cure and thereafter diligently prosecute the same to completion.
 - (iv) The filing by or against either party of a petition seeking relief under the Bankruptcy Act or any Federal or State statute intended to provide relief for private persons or entities which are insolvent or unable to meet their obligations as they mature.
 - (v) Failure of either party to comply with any security or privacy rules provided by the other party, including but not limited to unauthorized access to the Premises, theft or unauthorized use of personal information found or obtained on the Property.
 - b.) Landlord's Remedies. The terms and conditions of this Lease shall be enforceable by Landlord by actions for specific performance in addition to any other remedies available at law or in equity. Pursuit of any remedy under this Lease shall not preclude the pursuit of any other remedy provided for in this Lease or any other remedy provided in law or equity, nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any amounts due to Landlord under this Lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions, and covenants contained in this Lease.
 - c.) Tenant's Remedies. Upon the occurrence and during the continuance of any Event of Default by Landlord, Tenant shall have the right, in addition to all other rights and remedies available to Tenant at law or in equity, to terminate this Lease. No other property or assets of Landlord, disclosed or undisclosed, shall be subject to levy, execution, or the enforcement procedure for the satisfaction of Tenant's remedies. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against, Landlord or its officers, elected officials, or their respective heirs, legal representatives, successors, and assigns on account of this Lease or any covenant, undertaking, or agreement in this Lease.
16. Condition of Premises Upon Termination: Upon the termination or expiration of this Lease, Tenant shall return the Premises to Landlord in substantially the same condition as

received, ordinary wear and tear and approved improvements excepted.

17. Holding Over: In the event Tenant remains in possession after the expiration of the Term without the execution of a new lease, its tenancy shall be on a month-to-month basis and, shall otherwise be subject to all of the conditions, provisions and obligations of this Lease insofar as the same shall be applicable, except that the monthly Base Rent due and payable hereunder shall be 150% of the Base Rent applicable just prior to termination of this lease, plus the Additional Charges pursuant to the Lease. Tenant shall not acquire any right, title or interest in or to the Premises or Landlord's Personal Property.
18. Indemnification:
 - a.) Tenant: To the fullest extent permitted by law, Tenant shall indemnify, defend and hold harmless Landlord, its agents and employees from any and all claims arising from Tenant's use of the Premises or from the conduct of Tenant's business or from any activity, work or things which may be permitted or suffered by Tenant in or about the Premises and shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the provision of this Lease or arising from any negligence of Tenant or any of its agents, or employees. Notwithstanding the foregoing, nothing contained in this section shall be deemed to constitute a waiver of the governmental immunity of Tenant, which immunity is hereby reserved to Tenant.
 - b.) Landlord: To the fullest extent permitted by law, Landlord shall indemnify, defend and hold harmless Tenant, its agents and employees from any and all claims arising from Landlord's ownership of the Premises suffered by Tenant while a Tenant of the Premises and shall further indemnify, defend and hold Tenant harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Landlord's part to be performed under the provision of this Lease or arising from any negligence or willful misconduct or any of its agents, or employees.
19. Sign Control. Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises or Property, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.
20. Telephone, Internet and Utilities: Tenant shall be responsible for the cost of telephone and Internet services rendered or supplied upon or in connection with the Premises, unless otherwise agreed to in writing between the parties. All other utilities will be provided to the Premises by the Landlord.
21. Subordination/Estoppel Certificates: This Lease and the rights of Tenant are subordinate

to and shall remain subordinate to the lien of any mortgage or deed of trust (hereinafter called "Mortgage") whether such Mortgage is currently a lien on the Premises or hereafter becomes a lien on the Premises and no further agreements or documents shall be required to render this Lease and the Tenant's rights subordinate to such Mortgage. Nonetheless, within ten (10) business days after the receipt of a request from Landlord or any mortgagee, Tenant shall confirm such subordination by executing a recordable subordination, non-disturbance and attornment agreement in the form requested by Landlord's mortgagee. Tenant shall, within ten (10) business days after written request therefor, execute and deliver such documents as are requested by the mortgagee to confirm such subordination, subject to the foregoing limitation. Tenant acknowledges that any mortgagee has the right to subordinate at any time its interest in this Lease and the leasehold estate to that of Tenant, without Tenant's consent. Notwithstanding any provision contained herein to the contrary, as a condition to such subordination, Landlord shall cause the mortgagee to enter into a subordination, non-disturbance and attornment agreement (a "SNDA") with Tenant, which SNDA shall be in form and substance reasonably acceptable to Tenant and shall (i) be binding on Mortgagee's successors and assigns, (ii) provide that in the event of any foreclosure of such Mortgage by the Mortgagee, Tenant's rights under this Lease shall be honored by the Mortgagee (or its purchaser at foreclosure) and shall not be disturbed with or interfered with in any manner, and (iii) provide that this Lease shall not be terminated, except in accordance with the terms of this Lease. Landlord shall also execute or acknowledge (as applicable) the SNDA if so required by the mutually acceptable form of SNDA.

Tenant further agrees to execute within ten (10) business days after request, and as often as requested, estoppel certificates confirming any factual matter requested by Landlord which is true and is within Tenant's knowledge regarding this Lease, and the Premises, including but not limited to: (i) the date of occupancy, (ii) the Commencement Date, Rent Commencement Date and Expiration Date, (iii) the amount of Rent due and date to which Rent is paid, (iii) whether Tenant has any defense or offsets to the enforcement of this Lease or the Rent payable, (iv) any default or breach by Landlord, and (v) whether this Lease, together with any modifications or amendments, is in full force and effect. Tenant shall attach to such estoppel certificate copies of any modifications or amendments to the Lease.

22. Condemnation: If the entire Premises are taken or condemned for a public or quasi-public use, then this Lease shall terminate at the later of the vesting of title in the condemning authority or the acquisition of possession thereby. If any part of the Premises shall be taken or condemned for a public or quasi-public use and a part thereof remains which is reasonably suitable for the Tenant's use, this Lease shall not terminate. The aforesaid partial condemnation shall be without prejudice to the rights of either Landlord or Tenant to directly recover compensation from the condemning authority for any of its loss or damage caused by such condemnation. Neither Landlord nor Tenant shall have any rights in and to any award made to the other by such condemning authority.
23. Additions, Alterations, Changes and Improvements: Tenant shall not make, and shall not have the right to make any alterations, changes or improvements, structural or otherwise, in or to the Premises without written approval of Landlord.
24. Easements, Restrictions and Rights of Way: The Premises are demised subject to all

easements, restrictions and rights of way legally affecting the Premises.

25. Applicable Law: This Lease is entered into in North Carolina and shall be construed under the laws, statutes and ordinances of this State. All actions relating in any way to this Lease shall be brought in the General Court of Justice in the County of Durham and State of North Carolina.
26. Compliance with Laws: Tenant represents that it is and shall remain in compliance with all Federal, State, and local laws, regulations or orders, as amended or supplemented.
27. Severability: The provisions of this Lease are independent covenants, and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable, and the remaining provisions hereof shall remain in full force and effect.
28. Notices: All notices and written consents required under this Lease shall be in writing and shall be sent to the Landlord at 10 Sagamore Place Hillsborough, NC 27278, , and to the Tenant at Real Property Management, 201 East Main Street, 5th Floor, Durham, North Carolina 27701.
29. Waiver: Failure or delay of either party to insist upon the strict performance of the covenants, agreements, or conditions of this Lease, or any of them, shall not be construed as a waiver or relinquishment of that party's right to enforce such, but the same shall continue in full force and effect.
30. Binding Effect/Entire Agreement: The covenants and agreements contained herein shall apply to and inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns. This Lease contains the entire agreement between the parties and no oral statements or representations or prior written matter not contained in this Lease shall have any force or effect. This Lease shall not be modified in any way except by a writing executed by both parties.
31. Remedies Cumulative: The remedies given to Landlord and Tenant are cumulative and not alterative and are in addition to any other rights Landlord and Tenant may have at law or in equity or otherwise.
32. Covenant of Title and Quiet Enjoyment: Landlord covenants and warrants to Tenant that Landlord has full right and lawful authority to enter into this Lease for the Term hereof and that, provided Tenant is not in default hereunder, Tenant's quiet and peaceable enjoyment of the Premises shall not be disturbed by anyone claiming through Landlord.
33. Dispute Resolution: The Parties agreed that all disputes, except for Summary Eviction, shall be subject to mediation according to the Rules of Mediation of the North Carolina Superior Court, prior to the filing of any litigation.
34. Landlord's right to Enter Premises: Tenant agrees to permit Landlord or any agent of

Landlord to enter the Premises at any reasonable time for the purpose of determining the condition of the Premises and making repairs thereto. Barring any unforeseen emergency circumstances including acts of God, Landlord shall make reasonable effort to notify Tenant at least 12 hours in advance of entry and shall not be liable for inconvenience to or disturbance of Tenant by reason of any such entry. Tenant further agrees to permit Landlord or any agent of Landlord to exhibit the Premises to prospective tenants, but only during the last ninety (90) days of Tenant's then current Lease Term, during Tenant's regular business hours and with no less than twenty-four (24) hours notice to Tenant.

IN TESTIMONY WHEREOF, This Lease has been executed by the parties hereto, as of the date first above written.

For Tenant:

ATTEST:

COUNTY OF DURHAM

Monica Toomer
CLERK TO THE BOARD

BY: _____
Wendell M. Davis
COUNTY MANAGER

For Landlord:
ATTEST:

2445 S. ALSTON, LLC

BY: _____
Michael A. Hinderliter,
Member/Manager

Acknowledgement of Tenant:

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

I, _____, a Notary Public for _____ County, certify that Monica Toomey personally came before me this day and acknowledged that she is Interim 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 _____, 2020

(SEAL)

Notary Public

My commission expires: _____

Acknowledgement of Landlord:

STATE OF _____
COUNTY OF _____

I, a notary public, certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Michael A. Hinderliter, Member/Manager of 2445 S. Alston, LLC

Witness my hand and official seal, this the _____ day of _____, 2020

(SEAL)

Notary Public

My commission expires: _____

Seal/Stamp

EXHIBIT A

TO BE PROVIDED BY LANDLORD