

LEASE

THIS LEASE is made this the 21 day of September, 2020, by and between :

Landlord, Widgeon Associates, LLC

having a notice address of: Suite 200, 5121 Kingdom Way

Raleigh, NC 27607

Phone: (919) 832-0594 Fax: (919) 832-7385 Email: rHibbits@naiCarolantic.com

Tenant, Wake County, a body politic and corporate

having a notice address of: Suite 1110, Wake County Justice Center, 300 S Salisbury St Street
Raleigh, NC 27601

Phone: (919) 856-6176 Fax: _____ Email: Mark.Edmondson@wakegov.com
(919) 856-5745 Kbraunbach@wakegov.com

Property Manager: Triangle Property Management, Inc. (Barry Jones)

Phone: (919) 412-4383 Fax: _____ Email: barryattriangle@bellsouth.net

WITNESSETH:

Upon the terms and conditions hereinafter set forth, the Landlord leases to Tenant and the Tenant leases from Landlord, the property hereinafter described:

1. **PREMISES.** The property hereby leased to Tenant (the "Premises") is that area shown on Exhibit A hereto attached, which is located at 5800-105 Duraleigh Road
Raleigh, NC 27612, North Carolina, and consists of approximately 6,156 square feet, as shown on Exhibit A attached hereto. This Lease includes the non-exclusive right to use the common areas, if any, in the building(s) and on the lot(s) where the Premises are located (said building(s) and lot(s), including the Premises, being hereafter called the "Landlord Property").

2. TERM.

2.1. *Initial Term.* The Commencement Date of this Lease shall be later of the date Landlord obtains a Certificate of Occupancy for the Landlord Improvements listed in Section 28, or November 1, 2020, unless amended by parties in writing. This Lease shall terminate (unless extended as herein provided) at midnight on See Section 28.B for further detail

2.2. *Option Periods.* Tenant may, by written notice delivered to Landlord not less than ninety (90) days, prior to the commencement of the applicable extension period, extend this Lease for 1 additional periods of 7 years each (a separate notice being required for each extension period), upon the same terms and conditions as are set forth in this Lease for the initial term, and at the rental rate or rates hereafter set forth. Tenant's right to extend this Lease is subject to the further condition that no uncured Default (as defined in this Lease) by Tenant shall exist, either at the time Tenant's notice of extension is given, or at the commencement of the applicable extension period.

2.3. *Year.* The initial term of this Lease and any properly exercised extension periods are hereafter together called the "Lease Term". The first "Calendar Year" of this Lease shall begin on January 1 of the year of the Commencement date, and end December 31 of that same year. The first "Lease Year" of this Lease shall begin on Commencement date, and end one year later.

3. **USE.** Tenant shall occupy the Premises on commencement of the Lease Term and thereafter continuously use the Premises only for public library purposes ("Permitted Uses"), but for none other without Landlord's prior written consent. In no event shall Tenant make any use of the Premises which: (a) violates any governmental laws, rules or regulations; (b) violates any recorded restrictive covenants applicable to the Premises; (c) is or might constitute a nuisance; or (d) makes hazard, liability, casualty, property, or other required insurance unavailable to Landlord on Landlord's Property. Tenant shall not permit its agents, employees, contractors, or invitees to place damaging loads on the parking lots and drives located thereon.

4. **SECURITY DEPOSIT.** Intentionally Deleted.

5. **UTILITIES & JANITORIAL SERVICES.** Tenant shall promptly pay all charges for utilities serving the Premises, including, without limitation, electricity, telephone, and gas. In the event any utilities are not separately metered for Tenant, Tenant shall pay its proper pro rata portion of such utilities in common with others using off the same meter. Tenant agrees to contract for janitorial services in its own name for proper cleaning of the Premises. Landlord may provide written guidelines for minimum cleaning standards..

6. **RENT PAYMENTS.** "Rent" under this Lease consists of Minimum Rent plus Additional Rent, all as defined below. The initial Rent payment due each month, beginning on the Commencement Date, is: \$ 7,865.39.

6.1. *Payment.* All Rent payable by Tenant shall be paid on the first day of each month without previous demand by Landlord, and without setoff or deduction. If the Lease Term commences or terminates during the middle of a month, then Rent will be prorated for that month. All Rent and other charges shall be paid to the following party and sent by Tenant to Landlord at the following address:

Widgeon Associates, LLC

P. O. Box 41534

Raleigh, NC 27629

_____ or to such other payee or address as Landlord may designate by prior written notice to Tenant.

6.2. *Late Fees – Bad Check Fees.* In addition to such other remedies as may be provided under this Lease, Landlord shall be entitled to a late charge for each monthly Rent payment which is past due more than ten (10) days in an amount equal to the greater of ONE HUNDRED DOLLARS (\$100.00) or five percent (5%) of such past due Rent payment. In addition to said late charge, Landlord shall be entitled to receive a service charge of five percent (5%) of the amount of any rent check given by Tenant to Landlord which is not honored when first presented for payment by Landlord.

7. RENT ADJUSTMENTS.

7.1. *Minimum Rent.* Subject to any adjustments provided below, Tenant shall pay Minimum Rent during the Lease Term in the amount of \$ \$5,300.39 per month, beginning on the Commencement Date, payable in advance on or before the first day of each calendar month during the Lease Term.

7.2. *Rent Adjustments.* The Minimum Rent shall be increased on the anniversary of the Commencement Date each year of the Lease Term (hereafter called an "Adjustment Date") by one of the two following methods (strike through one): (a) the increase in the numerical index of the "Consumer Price Index, All Urban Consumers (1982-84=100) Consumer Price Index" published by the U.S. Department of Labor, Bureau of Labor Statistics (the "Index") from one lease year to the next, in the manner hereafter provided. If the Department of Labor discontinues publication of the Index, any comparable consumer price index which shall be subsequently published to supersede the Index shall be used, and if none is published, then the Consumer Price Index published by the United States Department of Commerce (with proper adjustment) shall be used to determine the applicable Additional Rent. At least fifteen (15) days prior to each requested rent adjustment, Landlord shall furnish to Tenant a written statement of the additional Minimum Rent payable from said Adjustment Date through the day immediately prior to the following Adjustment Date, or the end of the Lease Term, as applicable. The amount of such additional monthly Minimum Rent shall be determined by multiplying the amount of monthly Minimum Rent currently payable by a fraction, the numerator of which is the Index Level on that date, hereinafter called the Index Date, which is ninety (90) days prior to the applicable Adjustment Date, and the denominator of which is the Index level one year prior to the Index Date. If the increase in the Index exceeds 3% since the previous Adjustment date, then the Adjustment shall be capped at 3%. If there shall be no increase in the Index as of the Index Date or if there shall be a reduction in the Index, since the previous Adjustment Date (or the Commencement Date with respect to the first Adjustment Date), then the Minimum Rent payable as of said Adjustment Date shall remain the same ~~or~~ ~~(b) an increase of _____ per lease year.~~

8. **ADDITIONAL RENT.** Additional Rent consists of the TICAM Expenses (as defined below) and all other costs and charges which Landlord is entitled to recover from Tenant under the terms of this Lease.

8.1. *TICAM.* "TICAM Expenses" means the taxes, insurance, and common area maintenance expenses, and includes all costs and expenses incurred by Landlord attributable to the ownership, operation, maintenance, and management of the Landlord Property, including, but not limited to, ~~(a) during the Lease Term, the cost of Landlord's capital expenses intended to keep the Landlord Property in compliance with all governmental laws, ordinances, rules and regulations applicable to the Landlord Property, and which laws, ordinances, rules, or regulations were first enacted or amended, or were first made applicable to the Landlord Property, after the Commencement Date, amortized at an interest rate of ten percent (10%) per annum over the improvement's economic life;~~ (b) all ad valorem taxes, (c) hazard and liability insurance premiums, and rent interruption insurance premiums, (d) common area maintenance expenses, including reasonable management fees; and (e) the following additional expenses exterior lighting, cold water, dumpster service, cardboard recycling.

8.2. *Tenant Prorata Share of TICAM.* Tenant agrees to pay to Landlord, as Additional Rent, Tenant's Proportionate Share of all TICAM Expenses. Tenant's Proportionate Share of TICAM Expenses shall be calculated by dividing the square footage of the Premises by the total net rentable square footage of the Landlord Property (69,718 square feet). As of the date hereof, Tenant's Proportionate Share of TICAM Expenses is 9 %.

8.3. *Monthly Estimated TICAM Payment.* Tenant shall pay to Landlord in advance with each monthly Minimum Rent payment, a sum equal to one-twelfth (1/12th) of the amount estimated by Landlord as Tenant's Pro Rata Share of TICAM Expenses for the Lease Year in which such Minimum Rent payment is due. For the first Lease Year the amount of Tenant's Prorata Share of the estimated monthly TICAM Expenses under this Lease shall be \$ \$2,565.00 per month.

8.4. *Annual TICAM Reconciliation.* Each Lease year of the Lease Term, within thirty (30) days after delivery of a statement of the actual TICAM Expenses for the Calendar Year just concluded, Tenant shall pay to Landlord the amount by which the total estimated TICAM Expenses payments made by Tenant for the Calendar Year are less than the actual TICAM Expenses due from Tenant, and Landlord shall likewise refund or credit any excess of estimated TICAM Expenses payments over actual TICAM Expenses within said thirty (30) day period. Tenant has the right to request backup documentation to support said expenses for TICAM reconciliation..

8.5. *HVAC Service Contract.* Landlord shall have the option of obtaining a service for the HVAC equipment and system which serves only the Premises, and the cost of such service contract shall be included as Additional Rent. The initial monthly cost of the HVAC Service Contract for the Premises is \$ Zero Dollars, HVAC Maintenance by Tenant

9. TENANT'S ACCEPTANCE AND MAINTENANCE OF PREMISES.

9.1. *"As Is" Condition.* Except for Punch List items described in Exhibit B, Tenant's occupancy of the Premises represents to the Landlord that Tenant has examined and inspected the same, finds them to be as represented by the Landlord, and satisfactory for Tenant's intended use; and evidences Tenant's acceptance of the Premises in all respects "AS IS" and "WHERE IS".

9.2. *Landlord Maintenance.* Landlord, at its sole cost and expense, shall be responsible for the timely maintenance and repair of the roof and building exterior. In the event a mechanical system serving only the Premises needs complete replacement, or requires repairs to mechanical system (a) heat exchangers, (b) evaporator coils, (c) condenser coils, (d) compressors, or (d) motors, and such replacement or repair is not due to damage caused by the Tenant's neglect or misuse of the system, then the Landlord shall pay all costs associated with such replacement or repairs.

9.3. *Tenant Maintenance.* Except for those items which the Landlord is required to maintain, Tenant agrees at its sole cost and expense to maintain and keep the Premises (including without limitation door locks and keys, overhead doors, and electrical, plumbing and mechanical systems serving only the Premises) in good order and repair and in compliance with all applicable governmental requirements imposed as a consequence of Tenant's operations in the Premises. Tenant shall also be responsible for the cost of any repairs or replacements to any part of the Premises or Landlord's Property due to damages caused by Tenant or its employees, visitors, agents or contractors.

9.4. *HVAC Service Contract.* If Landlord does not obtain an HVAC service contract to be included in Additional Rent, as provided above, then Tenant shall obtain a service contract for any HVAC equipment and system serving only the Premises from a vendor approved by the Landlord. The service contract shall provide for routine maintenance, including timely changing of all filters (at recommended intervals), adjustment and inspection of air handling mechanisms and control equipment, performance of necessary lubrication, system testing, and other such normal or manufacturer recommended maintenance procedures. Tenant shall submit a copy of the proposed service contract to Landlord for Landlord's approval.

9.5. *Tenant Alterations and Trade Fixtures.* Tenant shall not make any alterations or changes to the Premises without Landlord's prior written consent. Tenant shall be permitted to install trade fixtures in the Premises, and, absent a Default by Tenant hereunder, to remove said trade fixtures from the Premises upon the termination of this Lease. If Tenant removes such trade fixtures, Tenant shall repair and restore all damage caused by such removal. If Tenant does not remove the trade fixtures at the end of the Lease Term, Landlord shall have the option either to declare such fixtures abandoned and Landlord the owner thereof, or to demand that Tenant promptly remove the same at Tenant's expense, and repair and restore all damage caused by such removal. Tenant shall not remove or damage any permanent improvements made by Tenant to the Premises, and all such improvements shall belong to Landlord at the termination of this Lease.

9.6. *Licensed Contractors.* Tenant shall not permit any work to be performed anywhere within the Landlord Property except by duly licensed contractors, each of whom must carry adequate general public liability, builder's risk, and workman's compensation insurance, certificates of which shall be furnished Landlord prior to the commencement of any such work on the Landlord Property. At no time may Tenant do any work that results in a claim of lien against Tenant's or Landlord's interest in the Premises, and if any lien is filed against the Landlord's Property, Tenant shall have the lien discharged within thirty (30) days as provided in N.C.G.S. 44A-16.

9.7. *No Dangerous Condition.* Tenant shall not permit or allow any act or deed to be performed on the Premises which is likely to cause injury to any person or to the Landlord Property. Tenant shall, at all times, keep the Premises and the entryways, parking areas, sidewalks and delivery areas (if any) adjoining the Premises in a clean, neat, and orderly condition and free from rubbish dirt, snow and ice, excepting those areas that are part of the common area.

9.8. *Access by Landlord.* Landlord shall have the right, either itself or through its authorized agents, to enter the Premises at all reasonable times to examine the same, to show them to prospective tenants for other spaces in the Landlord Property or for the Premises, to allow inspection by mortgagees, and to make such repairs, alterations, or changes as Landlord deems necessary.

9.9. *Delivery of Premises.* At the end of the Lease Term, Tenant shall deliver the Premises to Landlord in the same condition as existed at the time of the Commencement Date, ordinary wear and tear excepted.

10. INSURANCE.

10.1.1. *Tenant Insurance.* Liability Insurance. Tenant is a public entity maintaining a self-funded retention of \$1,000,000 for liability claims. In addition, Tenant shall at all times carry at least \$5,000,000 of Excess Liability coverage above the retention. Wake County is a qualified self-insurer for statutory Workers Compensation coverage. All liability claims are considered pursuant to Wake County Board of Commissioners' October 6, 2003 Resolution. Due to Tenant's public entity status, the foregoing is the full extent of liability insurance coverage available.

10.1.2. *Tenant's Property and Insurance Thereon.* Tenant shall properly maintain and care for its property on the Premises, and shall also carry, at Tenant's expense, hazard insurance with extended coverage, insuring against loss or damage to Tenant's property situated in or about the Premises to the full reasonable insurable value thereof.

10.2. *Landlord's Insurance.* Liability Insurance. Landlord shall maintain Commercial General Liability Insurance, ISO Form CG 00 01, or its equivalent, covering the Common Areas against claims for bodily injury or death and property damage, which insurance shall be primary and non-contributory and shall provide coverage on an occurrence basis with a per occurrence limit of not less than \$5,000,000 for each policy year, which limit may be satisfied by any combination of primary and excess or umbrella per occurrence policies.

10.2.2. Landlord shall maintain during the Lease Term a Commercial Package Policy of casualty insurance (or the successor to such coverage) on Landlord's interest in the Landlord Property for the full replacement cost of the Landlord Property, and with agreed amount and inflation cost endorsements; provided, however, Landlord shall not be obligated to insure any furniture, equipment or other personal property placed in the Premises by or at the expense of Tenant. The cost of all insurance maintained by Landlord may be included in the TICAM Expenses.

10.3 *Tenant Increases Landlord's Insurance.* If, because of anything done, caused to be done, permitted, or omitted by Tenant, the premium rate for any casualty insurance maintained by Landlord shall be raised, Tenant agrees that the amount of the increase in premium for insurance maintained by Landlord shall be paid by Tenant to Landlord within fifteen (15) days after receipt of written demand from Landlord, and shall be in addition to all other payments to be made by Tenant under this Lease. In addition, if Landlord shall demand that Tenant remedy the condition which caused the increase in the insurance premium rate, Tenant shall remedy such condition within thirty (30) days after receipt of written demand from Landlord.

10.4 *Mutual Waiver of Subrogation.* Each party waives all claims arising in any manner in its (the Injured Party's) favor and against the other party for loss or damage to the Injured Party's property located within or constituting a part or all of the Landlord Property. This waiver applies to the extent the loss or damage is covered by: (a) the Injured Party's insurance; or (b) the insurance the Injured Party is required to carry under this Lease, whichever is greater. This waiver also applies to each party's directors, officers, employees, shareholders, partners, and agents, but does not apply to claims caused by Landlord's, Tenant's, or such other parties' willful misconduct. All policies of insurance maintained by either Landlord or Tenant under the terms of this Lease shall contain a provision whereby the insurer waives all rights of subrogation against Landlord or Tenant.

11. INDEMNITY AND FINANCIAL RESPONSIBILITY.

11.1. *Tenant's Financial Responsibility.* The parties recognize that Tenant is a government entity. Subject to the insurance requirements, releases and mutual waivers of subrogation set forth in this Lease, Tenant shall to the extent permitted by N.C. law and consistent with the terms of the Wake County 2003 Resolution Regarding Limited Waiver of Sovereign Immunity, be responsible for any and all claims, damages, losses, liabilities, lawsuits, costs and expenses arising out of or related to (i) any activity, work, or other thing done, permitted or suffered by Tenant in or about the Premises or the Building, (ii) any breach or default by Tenant in the performance of any of its obligations under this Lease, or (iii) any act or neglect of Tenant, or any officer, agent, employee, contractor, servant, invitee or guest of Tenant. Landlord's failure to obtain or maintain any insurance coverage required under the terms of this Lease shall void Tenant's indemnification obligation under (i) of this Section to the extent such insurance would have provided coverage for the claim, but shall not void any Tenant indemnification obligation with respect to (ii) and (iii) listed above. The provisions of this Section shall survive the termination of this Lease.

11.2. *Landlord's Indemnity.* Subject to the insurance requirements, releases and mutual waivers of subrogation set forth in this Lease, Landlord shall indemnify and hold Tenant harmless from and against any and all claims, damages, losses, liabilities, lawsuits, costs and expenses arising out of or related to (i) any activity, work, or other thing done, permitted or suffered by Landlord in or about the Premises or the Building, or (ii) any act or neglect of Landlord, or any officer, employee, contractor, or servant of Landlord. This indemnity shall not apply to any claim for property loss or damage by Tenant or its officers, agents, employees, contractors, or servants. Tenant's failure to obtain or maintain any insurance coverage required under the terms of this Lease shall void Landlord's indemnity obligation to the extent such insurance would have provided coverage for the claim.

12. **CASUALTY LOSS.** If the Premises or Landlord's Property are damaged by fire or other casualty, then Landlord shall repair and restore the Premises to substantially the same condition immediately prior to such casualty, subject to the following terms and conditions. Landlord shall have no obligation to repair or replace any of Tenant's personal property or fixtures, or any alterations installed by Tenant.

12.1. *Landlord's Termination Rights.* Landlord shall have the right to terminate the Lease if: (a) the Premises is damaged in whole or in part as a result of a risk which is not covered by Landlord's insurance policies; (ii) Landlord's lender does not permit a sufficient amount of the insurance proceeds to be used for restoration purposes; or (b) the Building containing the Premises is damaged (whether or not the Premises is damaged) to an extent of 50% or more of the fair market value thereof. If Landlord elects to terminate this Lease, then it shall give notice of the cancellation to Tenant within 15 days after the date of the casualty (or within 5 days after receiving notice from its insurance carrier or lender concerning the availability and use of insurance proceeds, if later).

12.2. *Tenant's Termination Rights.* If Landlord elects to restore the Premises, it shall so notify Tenant within the same time Landlord has for terminating the Lease for a casualty as set forth above, which notification shall state the amount of time Landlord reasonably anticipates will be required to restore the Premises. Tenant shall have the right to terminate the Lease if: (a) Landlord does

not provide the required notification of restoration, (b) Landlord's estimated time to restore the Premises is more than 180 days from the date of the casualty, or (c) Landlord has failed to substantially restore the damaged Building or Premises within 180 days of the casualty. Tenant must exercise its right to terminate the Lease within 10 days of the event giving rise to the right to terminate.

12.3. *Tenant's Insurance.* Unless this Lease is terminated, Tenant shall promptly repair or replace Tenant's property in the Premises to at least the condition which existed prior to the casualty to the Premises, and the proceeds of all insurance carried by Tenant on its said property shall be held and disbursed for the purposes of such repair or replacement, to the extent required for such purposes.

12.4. *Rent Abatement.* Tenant's Rent (Minimum Rent and Additional Rent) shall be reduced in proportion to the area of the Premises which is unsuitable for carrying on the Permitted Uses from the date of the casualty until 15 days after the restoration is substantially complete and Tenant can reoccupy the entire Premises. Provided, however, if the damage or casualty is caused by the negligence or other wrongful act or omission of Tenant, or of Tenant's subtenants, concessionaires, licensees, contractors, employees, agents, or invitees, there shall be no abatement of Rent or other charges which are Tenant's obligation under this Lease. Except for the abatement of the Rent and other charges hereinabove set forth, Tenant shall not be entitled to, and hereby waives, all claims against Landlord for any compensation or damage for loss of use of the whole or any part of the Premises, and for any inconvenience or annoyance occasioned by any such damage, destruction, repair, or restoration.

13. ENVIRONMENTAL COMPLIANCE.

13.1. *Tenant's Responsibility.* Tenant covenants and agrees that the Premises will, at all times during its use or occupancy thereof, be kept and maintained so as to comply with all now existing or hereafter enacted or issued statutes, laws, rules, ordinances, orders, permits, and regulations of all state, federal, local, and other governmental and regulatory authorities, agencies, and bodies applicable to the Premises pertaining to environmental matters, or regulating, prohibiting or otherwise having to do with asbestos, radon, PCB's and all other toxic, radioactive, or hazardous wastes or materials, including, but not limited to, the Federal Clean Air Act, the Federal Water Pollution Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as from time to time amended (all hereafter collectively called "Laws"). No material shall be installed anywhere else within the Landlord's Property, by Tenant, or any employee, agent, or contractor of Tenant, which contains any asbestos or other toxic or hazardous waste or substance; or which causes, or could cause all or any of Landlord Property to be in violation of any Laws: (a) when such material is installed; (b) while such material remains thereon; or (c) when such material is disturbed or removed.

13.2. *Tenant's Liability.* Tenant shall hold Landlord free, harmless, and indemnified from any penalty, fine, claim, demand, liability, cost, or charge whatsoever which Landlord does or may incur by reason of Tenant's failure to comply with this Section; including, but not limited to: (a) the cost of bringing the Landlord's Property into compliance with all Laws; (b) the reasonable cost of all appropriate tests and examinations of the Landlord Property to confirm that the same has been brought into compliance with all Laws; and (c) the reasonable fees and expenses of Landlord's attorneys, engineers, and consultants incurred by Landlord in enforcing and confirming compliance with this Section.

13.3. *Inspections by Landlord.* Landlord and its engineers, technicians, and consultants (collectively the "Auditors") may, from time to time as Landlord deems appropriate, conduct periodic tests and examinations ("Audits") of the Premises to confirm and monitor Tenant's compliance with this Section. Such Audits shall be conducted in such manner as to minimize the interference with Tenant's permitted activities on the Premises; however, in all cases, the Audits shall be of such nature and scope as shall be reasonably required by then existing technology to confirm Tenant's compliance with this Section. Tenant shall fully cooperate with the Auditors in the conduct of such Audits. The cost of such Audits shall be paid by Landlord unless a Default has occurred under this Lease, or unless an Audit shall disclose a material failure of Tenant to comply with this Section, in either of which cases the cost of such Audit, and the cost of all subsequent Audits made during the Lease Term and within thirty (30) days thereafter (not to exceed two [2] such Audits in any consecutive twelve [12] month period), shall be paid for by Tenant within thirty (30) days of receipt by Tenant of invoices for such audits.

13.4. *Limitation on Tenant Liability.* Provided, however, the foregoing covenants and undertakings of Tenant contained in this Section shall not apply to any condition or matter constituting a violation of any Law: (a) which existed prior to the commencement of Tenant's use or occupancy of any portion of the Premises, and was not caused, in whole or in part, by Tenant or Tenant's agents, employees, officers, partners, contractors, or invitees; or (b) to the extent such violation is caused by, or results from, the acts or neglects of Landlord, other tenants in the Landlord Property, or Landlord's or such other tenants' employees, officers, partners, contractors, guests or invitees.

13.5. *Tenant's Liability After Termination of Lease.* The covenants contained in this Section shall survive the expiration or termination of this Lease, and shall continue for so long as Landlord, or its successors and assigns, may be subject to any expense, liability, charge, penalty, or obligation against which Tenant has agreed to indemnify Landlord under this Section.

14. **RULES AND REGULATIONS.** Tenant shall comply with all applicable laws, ordinances and regulations affecting the Premises, and general rules and regulations for tenants of the Landlord Property as may be developed from time to time by Landlord and delivered to Tenant.

15. **SUBORDINATION - ATTORNMENT.** This Lease shall be subordinate to any mortgage or deed of trust (both hereafter a "Mortgage") which may heretofore or hereafter be placed against the Premises by Landlord, unless the mortgagee or beneficiary thereunder (both hereafter a "mortgagee") requests that this Lease be superior to its Mortgage, in which event this Lease shall be superior. In the event any proceedings are brought for foreclosure of any Mortgage on the Premises, Tenant will attorn to the purchaser at a foreclosure sale, and any assignee thereof, and recognize such purchaser or assignee as Landlord under this Lease provided such purchaser or assignee agrees not to disturb Tenant's possession or rights under this Lease or in the Premises, so long as Tenant is not in Default under the terms of this Lease. Tenant shall execute, within five (5) days after Landlord's request, such instruments evidencing such attornment and subordination of this Lease and related matters as Landlord or its mortgagee shall request; and, as often as requested, shall sign estoppel certificates confirming any factual matter requested which is true and is within Tenant's knowledge regarding this Lease, the Premises, or Tenant's use thereof. Tenant agrees to give any such mortgagee of whom Tenant has been informed written notice of any Default or failure to perform by Landlord under this Lease. Such mortgagee shall have a reasonable period of time after such notice, in all events at least thirty (30) days, to cure any Default; and Tenant shall accept such cure if timely made by such mortgagee. Further, Tenant agrees to permit any such mortgagee, purchaser, or their successors and assigns, on acquiring Landlord's interest in the Premises or the Lease, to become substitute Landlord hereunder, with liability only for such Landlord obligations under this Lease as accrue after Landlord's interest is so acquired.

16. **SIGNS.** Tenant may not erect, install or display any sign or advertising material upon the Landlord Property without the prior written consent of Landlord.

17. DEFAULT.

17.1 *Landlord Remedies.* If Tenant fails to pay any Rent or other sums payable by Tenant as provided in this Lease within ten (10) days after the due date thereof; or breaches any other agreement or obligation herein set forth, and fails to cure such non-monetary breach within thirty (30) days after delivery of written notice thereof from Landlord; then a "Default" by Tenant shall have occurred under this Lease, and, in addition to any other legal right or remedy which Landlord may have for such Default, Landlord may, at its sole election and without further notice to Tenant, exercise one or more or all of the following remedies:

Re-enter the Premises and correct or repair any condition which shall constitute a failure on Tenant's part to perform or abide by the terms of this Lease, and Tenant shall reimburse Landlord

within thirty (30) days of receipt of invoice by Tenant for any expenditures made by Landlord in making such corrections or repairs;

17.2.1 Re-enter the Premises and remove therefrom Tenant and all Tenant property, and place or store such Tenant property in any public warehouse or place of safekeeping selected by Landlord, at the sole expense and risk of Tenant, all of which property Tenant shall be deemed to have abandoned and forfeited to Landlord if Tenant shall not claim and remove such property and pay all reasonable storage charges applicable thereto within thirty (30) days after delivery of written notice to remove from Landlord;

17.2.2 Re-let the Premises or any part thereof for such periods, and at such rentals and other terms and conditions as Landlord, in its sole discretion, may deem advisable, and Landlord may make alterations or repairs to the Premises which it may deem necessary or appropriate to facilitate such re-letting; and Tenant shall pay on demand all costs of such re-letting including the cost of any such repairs to the Premises. If this Lease shall not have been terminated, Tenant shall continue to pay all Rent due under this Lease up to and including the date of beginning of payment of rent by any subsequent tenant of part or all of the Premises, and thereafter Tenant shall pay monthly during the remainder of the Lease Term the difference, if any, between the rent collected from any such subsequent tenant or tenants and the Rent reserved in this Lease, but Tenant shall not be entitled to receive any excess of any such rents collected over the Rents reserved herein; or

17.2.3 Terminate this Lease, which termination shall be effected by delivery to Tenant of written notice of such termination; and upon such termination, Landlord shall recover from Tenant all damages Landlord may suffer by reason of such termination, including, without limitation, the cost, including legal expenses and reasonable attorneys' fees, of recovering possession of the Premises, and the cost of any repairs to the Premises which are reasonably necessary to prepare the same for reletting.

17.3 Tenant Remedies. See Section 28 hereinbelow.

17.4 No Waiver of Rights. No course of dealing between Landlord and Tenant, or any delay on the part of Landlord in exercising any rights it may have under this Lease, shall operate as a waiver of any of the rights of Landlord or Tenant hereunder, nor shall any waiver of a prior Default operate as a waiver of any subsequent Default or Defaults, and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver, and that one only for the time and manner specifically stated.

17.5 Remedies are Cumulative. The exercise by Landlord or Tenant of any one or more of the remedies provided in this Lease shall not prevent the subsequent exercise by Landlord of any one or more of the other remedies herein provided. All remedies provided for in this Lease are cumulative, and may, at the election of Landlord, be exercised alternatively, successively, or in any other manner, and are in addition to any other rights provided by law.

17.6 Written Termination. No exercise of any right or remedy by Landlord under this Lease shall effect a termination thereof unless Landlord shall elect to terminate this Lease by written notice to Tenant; provided, however, this Lease shall be deemed terminated upon delivery of such notice of termination.

18. QUIET ENJOYMENT. If Tenant promptly complies with all of its obligations hereunder, it shall peacefully have possession of the Premises during the Lease Term, provided that no action of Landlord in its work in the remainder of the Landlord Property, or in repairing or restoring the Premises, shall be deemed a breach of this covenant, or give Tenant any right to terminate or modify this Lease. In addition, Landlord shall not be liable to Tenant for injury or damage resulting from acts or omissions of parties other than Landlord occupying or using any part of the remainder of the Landlord Property.

19. CONDEMNATION. If the whole or at least twenty percent (20%) of the Premises are taken by any governmental body, whether by Court action or by settlement in lieu thereof, and if the property so taken renders the remainder of the Premises unfit for the use thereof by Tenant, then Tenant shall have the option to terminate this Lease by written notice to Landlord within sixty (60) days of such taking. If the Tenant shall not elect to terminate, or if the taking does not include at least twenty percent (20%) of the Premises, there shall be an adjustment of the Rent reflecting, on a pro rata basis, any reduction in Tenant's leased space. Landlord shall be entitled to receive and retain the entire condemnation award for the taking of the Premises. Tenant shall have no right or claim against Landlord for any part of any award received by Landlord for the taking. Tenant shall have no right or claim for any alleged value of the unexpired portion of this Lease, or its leasehold estate, or for costs of removal, relocation, business interruption expense or any other damages arising out of such taking. Tenant, however, shall not be prevented from making a claim against the condemning party (but not against Landlord) for any moving expenses, loss of profits, or taking of Tenant's personal property (other than its leasehold estate) to which Tenant may be entitled; provided that any such award shall not reduce the amount of the award otherwise payable to Landlord for the taking of the Premises.

20. NO TERMINATION BY SALE. No transfer or assignment of Landlord's interest in the Premises of this Lease shall terminate this Lease, or modify or amend the terms hereof, unless Tenant shall agree thereto in writing. The term "Landlord" as used in this Lease means only the owner of the fee title to the Landlord Property. The current Landlord, upon any transfer or conveyance of its interest in the Premises, shall be entirely freed and relieved of all covenants and obligations of the Landlord hereunder, provided that the transferee of Landlord's interest in the Landlord Property has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

21. NO PERSONAL LIABILITY. The liability of Landlord and any partners, agents, employees, stockholders, officers, or directors of Landlord shall be limited to Landlord's interest in the Landlord Property. No other assets of Landlord or any such other party shall be liable for, or subject to, any liabilities pertaining to this Lease.

22. HOLDING OVER. This Lease shall automatically terminate on the last day of the Lease Term without the requirement of notice from either party. Provided, however, if Tenant shall continue to occupy the Premises after the last day of the Lease Term with the prior written approval of Landlord, such occupancy shall be on a month to month basis, Minimum Rent shall be 150% of the Minimum Rent for the last full month of the Lease Term, and occupancy shall otherwise be upon the same terms and conditions as herein set forth, except that either party may terminate such month to month tenancy upon 30 days prior written notice to the other party.

23. TENANT'S ASSIGNMENT - SUBLEASE. Tenant shall not transfer, mortgage, encumber, assign, or sublease all or any part of the Premises, or a controlling or majority interest in the stock or partnership interests of Tenant, or any partner of Tenant, without Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Factors which Landlord may consider in deciding whether to consent to a transfer, assignment or sublease include (without limitation), (a) the creditworthiness of the transferee, assignee or sublessee, (b) the proposed use of the Premises, (c) any renovations to the Premises or special services required by the assignee or sublessee, and (d) whether the assignment or sublease might result in a use that conflicts with the rights of any existing tenant. One consent shall not be the basis for any further consent.

24. MISCELLANY. (a) This Lease shall be binding upon the respective parties hereto, and upon their heirs, executors, successors and assigns. (b) This Lease supersedes and cancels all prior negotiations between the parties, and all changes in this Lease shall be in writing and signed by the party affected by such change. (c) The singular shall include the plural, and the masculine or neuter includes the other. (d) Each party hereto which is a corporation or partnership (hereafter an "Organization") warrants and represents to the other party hereto that the Organization, and any of its partners or constituent members which are partnerships or corporations, are each valid and existing legal entities, in good standing and duly authorized to transact business in North Carolina, and, if different, their states of organization; and that all persons executing this Lease on behalf of an Organization, or any partner or constituent member thereof, have been duly authorized to do so. Further, the execution of this Lease has been duly authorized by all appropriate action of each Organization. (e) The Premises are leased subject to all recorded easements, restrictions, and rights of way legally affecting the

same. (f) Notwithstanding any other provisions in this Lease, Landlord shall not be liable to Tenant and Tenant shall not be liable to Landlord for any special, consequential, incidental or punitive damages. ~~(g) Should either party prevail in any legal proceedings against the other party for breach of any provision in this Lease, then the non-prevailing party shall be liable for the costs and expenses of the prevailing party, including its reasonable attorneys' fees (at all tribunal levels).~~ (h) Time is of the essence in the performance of all obligations under the terms of this Lease. (i) This Lease shall be interpreted and enforced in accordance with the laws of the State of North Carolina.

25. **RECORDING.** This Lease shall not be recorded, but, at the request of either party and at such party's expense, a memorandum hereof, containing such information as is necessary to provide adequate record notice of the existence of the Lease and the terms hereof, including whether options to renew or purchase exist, shall be prepared and recorded in the county where the Premises are located.

26. **NOTICE.** Any notices which Landlord or Tenant is required or desires to be given to the other shall be deemed sufficiently given or rendered if addressed to the party at the notice address shown at the beginning of the Lease (or such other notice address previously provided by like notice) and: (i) delivered against a written receipt of delivery, (ii) mailed by express, registered or certified mail of the United States Postal Service, return receipt requested, postage prepaid, or (iii) delivered to a nationally recognized overnight courier service for next business day delivery to the receiving party's address as set forth above. Each such notice shall be deemed to have been received upon the earlier of the actual receipt, or refusal by the addressee, or two (2) business days after deposit at any main or branch United States post office if sent in accordance with subsection (ii) above, and the next business day after deposit with the courier if sent pursuant to subsection (iii) above, all regardless of inability to deliver due to the recipient having failed to keep the sender informed of the recipient's current address.

27. **BROKERS.** Each party represents and warrants to the other that it has not dealt with any real estate broker, finder or other person with respect to this Lease in any manner other than NAI Carolantic Realty, Inc. and no other ("Brokers"), to whom Landlord will pay a commission pursuant to a separate written agreement between Landlord and Brokers.

27.1. **Indemnity.** Each party shall indemnify and hold the other party harmless from any and all damages resulting from claims that may be asserted against the other party by any other broker, finder or other person (including, without limitation, any substitute or replacement broker claiming to have been engaged by indemnifying party in the future), claiming to have dealt with the indemnifying party in connection with this Lease or any amendment or extension hereto, or which may result in Tenant leasing other or enlarged space from Landlord. The provisions of this Section shall survive the termination of this Lease.

28. **OTHER PROVISIONS.** The following additional provisions are attached hereto and by this reference made a part hereof:

28.A. Within 120 days of the Effective Date, Landlord shall make (a) the improvements detailed in subsections 28.A.1 through 28.A.3 below and (b) those improvements detailed on the attached Exhibit B which includes that plan entitled "Alterations to Duraleigh Road Public Library" dated June 10, 2020 which can be found through that dropbox link on Exhibit B.

1. Trenching in slab for power & data. (Tenant runs data. Landlord runs electrical.) \$5,600.00
2. Remove ceiling grid, run conduit above ceiling grid for security system, replace grid & tiles. (Tenant runs security system wires and installs security system. Landlord runs power to security system.) \$11,700.00
3. Tenant agrees pay landlord an additional \$1,280.00 as an overage of the carpet allowance.
4. Within 60 days of the Effective Date, Tenant shall pay the Landlord \$17,300 for items 28.A.1 and 28.A.3 above.

28.B. Section 2.1, *Initial Term*, shall include the following: "Unless amended by writing and executed by both parties hereto, this Lease shall terminate (unless extended as herein provided) on the later of seven (7) years from the last day of the month Landlord obtains a Certificate of Occupancy for substantial completion of the Landlord Improvements listed Section 28 or October 31, 2027.

28.C. Section 17.2, *Tenant Remedies*, shall contain the language set forth below:

Section 17.2, *Tenant Remedies* If Landlord fails to fails to perform or observe any condition or obligation of this Lease to be performed by Landlord as provided in this Lease within thirty (30) days after delivery of written notice thereof from Tenant, or if Landlord's failure to comply cannot reasonably be cured within thirty (30) days, additional time (not to exceed ninety (90) additional days) as is reasonably necessary to diligently pursues the cure to completion; Tenant may, at its sole election exercise one or more or all of the following remedies:

a. demand reimbursement for all reasonable, third party out-of-pocket costs and expenses which Tenant incurs to cure such default, provided that Tenant delivers to Landlord all bills or other supporting evidence substantiating said costs. Tenant shall have the right to set off said reimbursement from the Monthly Rent; provided, however Tenant shall not deduct more than twenty percent (20%) of each Monthly Rent payment, unless by doing so the full amount could not be recovered by the end of the Lease Term, in which event the amount to be deducted shall be prorated over the remainder of the Lease Term.

b. Tenant may enforce the provisions of this Lease by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein.

28.D. **Termination Option.** So long as (a) Tenant is not then in default and (b) the Wake County Board of Commissioners does not appropriate funding for Rent payments under this Lease for its upcoming fiscal year, Tenant shall have the right to terminate this Lease upon the following conditions: (i) Tenant gives Landlord written notice no less than three hundred sixty five (365) days' prior to the date it desires to terminate this Lease (the "Termination Date") (ii) Tenant provides official documentation from Wake County setting out the County's final determination that it will be unable to fund this Lease, and (iii) Tenant pays the unamortized cost of Tenant Improvements defined in Exhibit B (estimated to be between \$150,000.00 and \$175,000.00 but not to exceed the actual amount expended by Landlord in making the changes set out in Exhibit B), the cost of which shall be amortized on a straight line basis over a period of fourteen (14) years, to Landlord at the Termination Date.

[Signatures on following page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed in duplicate originals, all as of the day and year first above written.

LANDLORD: Widgeon Associates, LLC
By: _____
Printed Name: _____
Title: _____
By: _____
Printed Name: _____
Title: _____

TENANT: Wake County
By: _____
Printed Name: _____
Title: _____
By: _____
Printed Name: _____
Title: _____

Note: If the Tenant is a corporation, this lease should be signed by an officer such as the president or vice president. If the Tenant is a limited liability company, the lease should be signed by a manager. If the Tenant is a general or limited partnership, the lease should be signed by a general partner. Please obtain a corporate resolution, the limited liability operating agreement, or the partnership agreement, as applicable, if there is a question about the authority of the person signing this lease in those capacities.

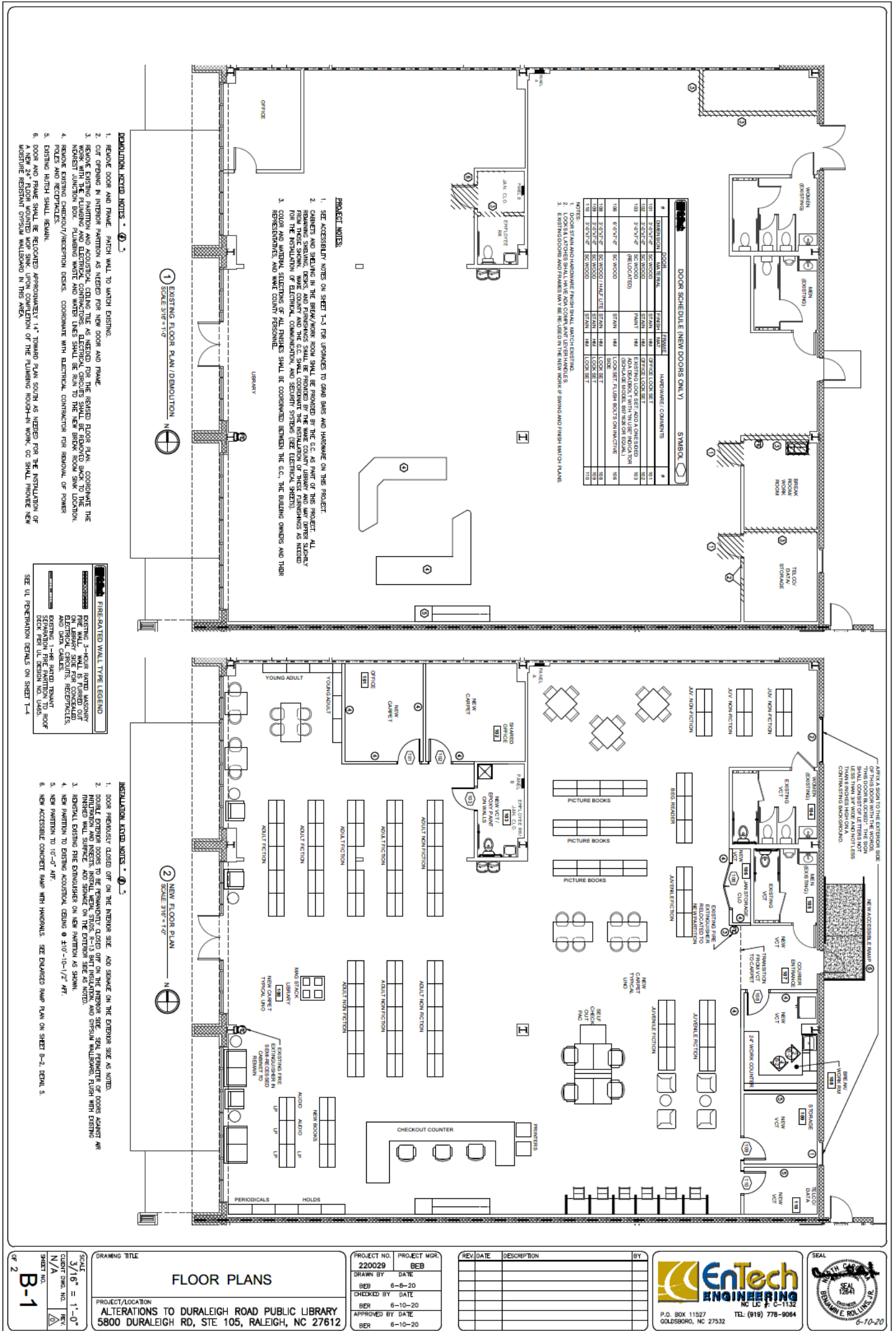


Exhibit B

Dropbox link to complete set of plans:

<https://www.dropbox.com/sh/ivetgb6oiqw7tzt/AADZyzvYq6aTdU9-2Osu4U4ua?dl=0>