

NORTH CAROLINA

GROUND LEASE AGREEMENT

CHATHAM COUNTY

This GROUND LEASE AGREEMENT (the "*Lease*") is entered into on the 19 day of October, 2020 (the "*Effective Date*") by and between the COUNTY OF CHATHAM, a body politic and corporate of the State of North Carolina (the "*Ground Lessor*") and SILER CITY INVESTMENT, LLC, a North Carolina limited liability company (the "*Ground Lessee*"). Ground Lessor and Ground Lessee each may be referred to individually as a "*Party*" and collectively as the "*Parties*."

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Ground Lessor and Ground Lessee agree as follows:

**ARTICLE I**  
**BASIC LEASE INFORMATION**

1.1 Basic Lease Information. In addition to the terms that are defined elsewhere in this Lease, these terms are used in this Lease.

1.1.1 Ground Lessor's Address for Notices and Payments:

Siler City Investment, LLC  
c/o CapStack Partners  
99 Wall Street, Suite 3911  
New York, NY, 10005  
Attn: David Blatt

With a copy to:  
Longleaf Law Partners  
4509 Creedmoor Road, Suite 302  
Raleigh, N.C. 27612  
Attn: T. Carlton Younger

1.1.2 Ground Lessee's Address:

Chatham County  
P. O. Box 1809  
Pittsboro, NC 27312  
Attention: County Manager

With a copy to:  
Chatham County  
P. O. Box 1809  
Pittsboro, NC 27312  
Attention: County Attorney

1.1.3 Land. The land containing approximately four (4) to five (5) acres, more or less, to be identified and confirmed by a subsequent survey or site plan to be mutually approved by Ground Lessor and Ground Lessee, in their reasonable discretion, and sufficient for Ground Lessee to construct the necessary Improvements for the Permitted Use (the "*Land*"), out of the parcel containing approximately

35.00 acres, located at 492 Progress Boulevard, Siler City, NC 27344 (Chatham County Parcel ID #0014326) (the “**Ground Lessor’s Parcel**”). Ground Lessor and Ground Lessee agree to execute an amendment to this Lease which shall set forth the legal description of the Land and the Premises subject to this Lease within fifteen (15) days of the parties agreement upon a survey defining and confirming the Premises subject to this Lease.

1.1.4 Improvements. The improvements now or hereafter located on the Land, including without limitation any buildings placed on the Land, whether placed thereon by Ground Lessor or Ground Lessee (collectively, the “**Improvements**”).

1.1.5 Premises. The Land, together with all Improvements, and all rights, privileges, appurtenances and easements belonging to or in any way pertaining to the Land and/or the Improvements shall be known as the “**Premises**.”

1.1.6 Term. Ninety-nine (99) years, commencing on the Rent Commencement Date and expiring on the Termination Date, as more specifically set forth in Section 2.2.

1.1.7 Effective Date. The full execution of this Lease by Ground Lessor and Ground Lessee. Upon the Effective Date, the terms and provisions hereof shall be fully binding on Ground Lessor and Ground Lessee prior to the occurrence of the Lease Commencement Date or the Rent Commencement Date.

1.1.8 Lease Commencement Date. The “**Lease Commencement Date**” shall be the later date of actual possession of the Premises is delivered to Ground Lessee in accordance with this Lease, free of all leases and occupants. Ground Lessor shall deliver possession of the Premises within (3) days following the earlier of (a) the expiration of the Approval Period (defined in Section 4.4), or (b) Ground Lessee’s written notice that all Ground Lessee’s Conditions (defined in Section 4.3) have been satisfied or are waived.

1.1.9 Rent Commencement Date. The “**Rent Commencement Date**” shall be the date that the initial Improvements are substantially complete and the individual premises in the building and Improvements are delivered to the subtenants to occupy and operate for the purposes of conducting business therein as evidenced by the receipt of a certificate of occupancy for the Improvements; provided, however, such date shall in no event be later than forty-eight (48) months after the conclusion of the Construction Commencement Period (hereinafter defined) (the “**Outside Date**”).

1.1.10 Termination Date. The last day of the calendar month that is ninety-nine (99) years from the Rent Commencement Date.

1.1.11 Security Deposit. None.

1.1.12 Inspection Period. The period of sixty (60) days after the Effective Date, as amended (the “**Inspection Period**”).

1.1.13 Approval Period. The period of one hundred eighty (180) days following the Inspection Period, which may be extended by Ground Lessee upon written notice to Ground Lessor for a period of an additional thirty (30) days, to satisfy Ground Lessee’s Conditions (as further defined in Section 4.4).

1.1.14 Construction Commencement Period. The period of one hundred twenty (120) days following the expiration of the Approval Period for Ground Lessee to commence construction of the Improvements (as further defined in Section 5.2).

1.1.15 Declaration. The “**Declaration**” shall mean the Declaration of Covenants, Conditions and Restrictions for Central Carolina Business Campus, recorded at Book 1292, Page 1071 of the Chatham County Registry, and any amendments thereto.

1.2 Exhibits. The following exhibits are attached to this Lease and are made part of this Lease by this reference.

- Exhibit A – Right of First Refusal to Purchase
- Exhibit B – Right of First Refusal to Lease
- Exhibit C – Form of Memorandum of Lease

## ARTICLE II PREMISES, TERM AND USE

2.1 Premises. Upon the terms, provisions and conditions hereof, and each in consideration of the duties, covenants and obligations of the other hereunder, the Ground Lessor hereby leases to the Ground Lessee the Premises, and Ground Lessee hereby leases the Premises from Ground Lessor, together with all privileges and appurtenances thereunto belonging, for the term and upon the mutual covenants and conditions hereinafter set forth.

2.2 Term.

2.2.1 Subject to the terms, provisions and conditions hereof, this Lease shall continue in force for a term (the “**Term**”) of ninety-nine (99) years. The Term of this Lease shall commence on the Rent Commencement Date, and shall terminate and expire on the last day of the calendar month that is ninety-nine (99) years from the Rent Commencement Date (the “**Termination Date**”), unless sooner terminated in accordance with the terms of this Lease. Once the Rent Commencement Date is established, the Parties shall execute an agreement or confirmation letter setting forth all such applicable dates under this Lease.

2.2.2 Upon the Effective Date, the terms and provisions hereof shall be fully binding on Ground Lessor and Ground Lessee prior to the occurrence of the Lease Commencement Date and the Rent Commencement Date.

2.3 Ownership of Improvements: Surrender of Premises. During the Term, Ground Lessee shall own all Improvements (and Ground Lessee shall have all depreciation rights related thereto), whether existing or to be constructed, on the Premises. Upon the Termination Date, Ground Lessor shall own all Improvements on the Land and Ground Lessee shall have no further rights to the Land, the Improvements, or the Premises. Throughout the Term, any liens, encumbrances, mortgages, or claims of third parties including construction lenders and permanent lenders, with respect to any property which may be deemed owned by the Ground Lessee including the Improvements and any part thereof, shall be expressly subordinate and subject to the rights of the Ground Lessor, unless otherwise consented to by the Ground Lessor under this Lease.

2.4 Expiration of Lease. At the expiration or earlier termination of this Lease, the Ground Lessee will promptly quit and surrender the entire Premises, which shall include the Land and any

Improvements, including the Improvements (if any) constructed by or on behalf of the Ground Lessee on the Premises, in good order, condition, and repair, ordinary wear and tear excepted. Prior to the Termination Date, Ground Lessee may remove from the Premises any trade fixtures, equipment, furniture and other personal property placed at the Premises by Ground Lessee; provided, Ground Lessee will not remove any trade fixtures or equipment if the removal of such fixtures or equipment will result in impairing the structural integrity of the Improvements or any part of the Improvements, including but not limited to any HVAC or mechanical systems. All trade fixtures, equipment, furniture, inventory, effects, alterations, additions, and improvements not so removed will be deemed conclusively to have been abandoned by Ground Lessee and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Ground Lessor without notice to Ground Lessee or any other person and without obligation to account for them.

2.5 Permitted Use. Subject to any matters of record as of the Effective Date, Ground Lessee may use the Premises for an office building for the provision of medical services and other similar office and medical office uses, and other ancillary and related uses, and any other uses which are permitted by the terms of the Health Department Lease (hereinafter defined) (collectively, “*Permitted Use*”), but for no other use without the Ground Lessor’s written consent, which shall not be unreasonably withheld, and no other use or operation which is prohibited under Section 3.08 of the Declaration (unless said use and operation is waived or consented to under the Declaration and by Ground Lessor).

2.6 Assignment and Sublease.

2.6.1 Except as otherwise provided in this Lease, Ground Lessee may assign, convey, or transfer Ground Lessee’s leasehold interest in the Premises or in this Lease without the Ground Lessor’s consent; except, however, that Ground Lessee shall provide Ground Lessor with thirty (30) days written notice of an expected assignment of this Lease and so as to allow Ground Lessor the opportunity to provide a written objection to the proposed assignment (and providing the specific basis therefor) on the sole grounds that Ground Lessor is of the reasonable belief that such assignment or transfer would be impermissible under North Carolina law, including laws concerning governmental transfers of leasehold interests in real property, either as it relates to this Lease, the Health Department Lease or both. In the event that Ground Lessor objects to the proposed assignment or transfer within thirty (30) days of the date of Ground Lessor’s notice under this Section 2.6, the proposed assignment may not occur and shall not be valid unless and until Ground Lessor reasonably consents to the proposed assignment, but if Ground Lessor does not provide any written objection to the proposed assignment then Ground Lessor shall be deemed to have approved the proposed assignment as submitted. Except as otherwise provided in this Lease, every assignment or sublease shall recite (a) that it is and shall be subject and subordinate to the provisions of this Lease, and (b) that the termination or cancellation of this Lease shall constitute a termination and cancellation of such assignment or sublease. Upon an assignment or transfer of this Lease, (x) the new Ground Lessee shall succeed to and be fully responsible for all of the Ground Lessee’s obligations, including all obligations to Ground Lessor, hereunder; (y) Ground Lessor shall be bound to the new Ground Lessee to the same extent as it was bound to Ground Lessee; and (z) Ground Lessee hereunder shall be entirely freed and relieved of any further obligation or responsibility under this Lease except with respect to any obligation, responsibility or liability for acts, omissions and Events of Default occurring prior to the effective time of such assignment or transfer. Each assignment or transfer hereof shall be effectuated by a writing wherein the assignee or transferee agrees to assume and be bound by all of Ground Lessee’s obligations hereunder. For the purposes of this Lease, an “*assignment*” or “*transfer*” hereof shall include all direct and indirect assignments or transfers hereof, including those effectuated by operation of law (e.g., through bankruptcy proceedings) and a Change of Control. For the purposes hereof, “*Change of Control*” means the closing of (i) a merger, consolidation or similar transaction providing for the acquisition of the direct or indirect ownership of more than fifty percent (50%) of Ground Lessee’s membership interests or similar equity interests or voting power of the outstanding voting securities or that represents the power to



direct the management and policies of Ground Lessee, or (ii) the sale of all or substantially all of a Ground Lessee's assets.

2.6.2 Except as otherwise provided in this Lease, Ground Lessee may enter into any subleases for tenant space within the Improvements (for example, the Health Department Lease (hereinafter defined)) without Ground Lessor's consent, provided that any sublease complies with the terms and conditions of this Lease and is consistent with the Permitted Use.

### ARTICLE III RENT

3.1 Base Rent. Beginning on the Rent Commencement Date and continuing throughout the Term, Ground Lessee shall pay to Ground Lessor, without demand, set-off, or deduction whatsoever, annual Base Rent of One Dollar (\$1.00) per year ("**Base Rent**"), without increase or escalation; provided, that, in the event the Health Department Lease is terminated as a result of Ground Lessee's default, as the Landlord under the Health Department Lease, then, in addition to whatever rights might be available to Ground Lessor under Article IX hereof, then, upon notice from Ground Lessor and for a period of sixty (60) days thereafter (the "**Renegotiation Period**"), the parties shall immediately commence good-faith negotiations to increase the Base Rent hereunder to an amount that is what an unrelated, third-party tenant with the creditworthiness as Ground Lessee (as of the time of such negotiations) would pay for a leasehold interest on terms similar to those set forth in this Lease for premises such as the Premises (as may be expanded or modified from time to time) in Chatham County, North Carolina, taking into account market Base Rent escalators over the remainder of the Term ("**Fair Value**"). If Ground Lessor and Ground Lessee have not agreed upon the Fair Value of Base Rent before the expiration of the Renegotiation Period, then within ten (10) business days thereafter Ground Lessor and Ground Lessee shall each appoint an appraiser who is a qualified member of the American Institute of Real Estate Appraisers (or any successor of such Institute, or if such organization or successor shall no longer be in existence, a recognized national association or institute of appraisers) who shall not be a sole practitioner, and shall have at least ten (10) years' experience in the leasing and valuation of commercial properties in North Carolina which are similar in character to the Premises (each, a "**Qualified Appraiser**"). The Qualified Appraisers shall select a third Qualified Appraiser. The three (3) Qualified Appraisers so appointed shall together determine the Fair Value of Base Rent for the remainder of the Term in accordance with the criteria set forth in this Section 3.1.

3.1.1 As used in this Lease, the first "**Lease Year**" shall be the period beginning on the Rent Commencement Date and expiring on the last day of the month that is twelve (12) months after the Rent Commencement Date. If the Rent Commencement Date is not the first day of a calendar month, the first Lease Year shall also include the partial month, if any, at the beginning of the Term. Each subsequent Lease Year shall be a period of twelve (12) months beginning upon the expiration of the previous Lease Year.

3.2 Utilities and Expenses. During the Term of this Lease, unless otherwise provided herein, Ground Lessee covenants and agrees to pay directly to the Party owed prior to the due date thereof, and without notice or demand from Ground Lessor, the cost of all utilities servicing the Premises during the Term relating to the use or occupancy of the Premises (collectively the "**Utility Expenses**"), any and all expenses that are the expressly obligations of Ground Lessee under this Lease (collectively the "**Expenses**").

3.2.1 Ground Lessee shall provide and maintain its own electrical, gas, telephone, water and sewer, garbage and refuse removal and other utility services with respect to the Premises and shall bear all expenses thereto, including, any connection charges. Ground Lessee will contract directly with and will directly pay for the Utility Expenses and charges for the Premises to the respective utility service provider.

Ground Lessor shall not take, nor permit any person claiming under Ground Lessor or any such occupant to take any action which shall interrupt, or interfere with, any utility service to the Premises, including without limitation, electric, gas, water, sewage or telephone service.

3.2.2 Ground Lessor agrees to forward to Ground Lessee in a timely manner any and all bills and notices of Expenses that Ground Lessor receives with respect to the Premises.

### 3.3 Taxes.

3.3.1 During the Term of this Lease, unless otherwise provided herein, Ground Lessee covenants and agrees to pay directly to the Party owed prior to the due date thereof, and without notice or demand from Ground Lessor, the amount of any ad valorem taxes, special assessments, impositions, governmental charges, governmental assessments and governmental levies now or hereafter assessed, levied, confirmed, imposed or which become a lien upon which become payable with respect to the Premises, and any taxes associated with Ground Lessee's leasehold interest (collectively the "**Governmental Impositions**"); provided, however, that Ground Lessee will not pay any taxes associated with the Land.

3.3.2 If any tax bill covers any period of time before the Lease Commencement Date or after the Term expires, Ground Lessee's obligation to pay Governmental Impositions shall be prorated, Ground Lessee shall pay Ground Lessee's portion of the Governmental Impositions to Ground Lessor, and Ground Lessor shall pay the Governmental Impositions when due.

3.3.3 Ground Lessee may dispute and contest any assessed value on the Premises and any Governmental Impositions on the Premises.

3.3.4 Ground Lessor shall not request or participate (and has not requested or is participating) in a request for a special assessment or an assessment or benefit district or improvements that would result in the Premises being assessed Governmental Impositions that are not generally payable throughout the jurisdiction in which the Premises is located without either Ground Lessee's prior written consent or Ground Lessor's written agreement (in form satisfactory to Ground Lessee) that Ground Lessor, and not Ground Lessee, shall pay such special assessments or other assessments applicable to the Premises.

3.4 Ground Lessor agrees to forward to Ground Lessee in a timely manner any and all bills and notices of Governmental Impositions, Utility Expenses, or Expenses that Ground Lessor receives with respect to the Premises; provided, Ground Lessee agrees to make commercially reasonable efforts to have all bills and notices of Governmental Impositions, Utility Expenses, and Expenses forwarded or copied to Ground Lessee from and after the Lease Commencement Date.

## **ARTICLE IV GROUND LESSOR AND GROUND LESSEE CONTINGENCIES**

### 4.1 Inspection Period.

4.1.1 After the Effective Date, Ground Lessee (or its consultants) may enter upon the Premises to inspect the Premises, perform such tests, studies and investigations as Ground Lessee deems appropriate to determine the suitability of the Premises for Ground Lessee's intended use and proposed development, including without limitation, survey, environmental site assessment, geotechnical studies and title review, so long as Ground Lessee has provided Ground Lessor with the liability insurance required pursuant to this Lease. Ground Lessor represents and warrants to Ground Lessee that it has full power and authority to grant Ground Lessee the rights described herein. Ground Lessor shall cooperate with Ground

Lessee's reasonable requests for information and/or assistance in connection with such tests, studies and investigations. Within three (3) days after the Effective Date, Ground Lessor shall deliver to Ground Lessee all surveys, environmental site assessments, geotechnical reports, title materials and any other due diligence information in Ground Lessor's possession pertaining to the Premises (to the extent not previously delivered to Ground Lessee).

4.1.2 During the Inspection Period, Ground Lessee may obtain receipt of (i) a commitment for an ALTA Leasehold Title Policy (the "**Leasehold Policy**") insuring Ground Lessee's leasehold interest in the Premises created by this Lease, subject to all exceptions, easements, rights, rights-of-way, and other matters of record, and (ii) an as-built survey (the "**Survey**") of the Ground Lessor's Parcel or Premises in its current, existing condition, both of which are approved by Ground Lessee, in its sole discretion. Upon finalizing and confirming the specific area of the Land and Premises subject to this Lease, including after the expiration Inspection Period, Ground Lessee may obtain an updated commitment for a Leasehold Policy and Survey for the Premises. Ground Lessor will have good and marketable fee simple title to the Premises, free and clear of all liens, encumbrances and other matters, other than matters of public record that are reasonably acceptable to Ground Lessee or would not prevent Ground Lessee from constructing the Improvements based upon the Site Plan in order to allow the Permitted Use at the Premises. Ground Lessor shall cooperate with Ground Lessee to (a) deliver to Ground Lessee a standard form of North Carolina Land Title Association's owner affidavit and indemnity agreement as required by Ground Lessee's title company in order to delete the standard exceptions to liens for labor, services or materials, and (b) provide to Ground Lessee a resolution of Ground Lessor necessary to satisfy the requirements in the title commitment with respect to the Leasehold Policy related to Ground Lessor's authority to enter into this Lease.

4.1.3 In the event Ground Lessee is not satisfied with all such inspections, examination and studies in Ground Lessee's sole discretion then on or before the expiration of the Inspection Period, Ground Lessee shall have the right to terminate this Lease by sending written notice to Ground Lessor on or before the last day of the Inspection Period. In such event, the parties hereto shall have no further rights or obligations hereunder, except for such rights and obligations expressly set forth herein to survive termination.

4.2 Ground Lessor's Conditions. Ground Lessor's obligations under this Lease shall be conditioned and contingent upon the Chatham County Health Department executing a fully binding lease agreement (the "**Health Department Lease**") simultaneous to the execution of this Lease for a term of approximately ninety-nine (99) years, which shall be coterminous with this Lease, for an occupancy of approximately 7,000 square feet of space in a portion of the Improvements to be constructed by Ground Lessor on the Premises. The Health Department Lease shall remain binding and in full force and effect for the entire Term of this Lease, provided that the Ground Lessor, as the tenant under the Health Department Lease, is not in default beyond all notice and cure periods and said default has not otherwise been cured.

4.3 Ground Lessee's Conditions. Subject to the provisions of this Section 4.3, Ground Lessee's obligations under this Lease shall be conditioned and contingent upon the satisfaction of all of the following obligations and/or conditions (collectively, the "**Ground Lessee's Conditions**"):

4.3.1 Ground Lessee shall have received the following satisfactory approvals from any and all applicable governmental authorities having jurisdiction over the Premises to develop the Premises and construct the Improvements (each of which are an "**Approval**" and are collectively, the "**Approvals**"):

a) Site Plan. Approval by all applicable governmental and administrative authorities of a site plan ("**Site Plan**") allowing the construction, use and development of the Premises for Ground Lessee's Permitted Use that is acceptable to Ground Lessee ("**Site Plan Approval**");

b) Zoning. Confirmation that the Premises is zoned to allow Ground Lessee's Permitted Use and the development of the Premises based upon the Ground Lessee's Site Plan ("**Zoning Confirmation**"), or, if necessary, completion of a rezoning (beyond any appeal periods) for the Premises to a zoning classification consistent with, and to enable Ground Lessee to develop the Premises for, and otherwise subject to terms and conditions acceptable to Ground Lessee (a "**Rezoning**"); and

c) Other Permits and Approvals. Other reasonably necessary permits and approvals for the construction of the Improvements, including (i) any necessary permits or approvals from the U.S. Army Corps of Engineers to allow for Ground Lessee's intended use of the Premises, (ii) any necessary permits or approvals from the North Carolina Department of Transportation to allow for Ground Lessee's Permitted Use and to construct the Improvements, (iii) any approvals of annexation petitions or similar petitions to incorporate the Premises into a local municipality, (iv) any subdivision approvals reasonably necessary or required by any applicable municipal authority with jurisdiction over the Premises, (v) any water and sewer plan approval (including utility connections), land disturbance/grading plan approval, approval of construction plans and drawings, and approval of other development plans for the development and subdivision improvements consistent with the Ground Lessor's plans to develop the Premises and construct the Improvements, and (vi) any other reasonably necessary land use approvals, land divisions, environmental clearances, or other governmental, agency, or municipal approvals or permits to allow Ground Lessor to develop the Premises and install the Improvements;

In each case, an Approval shall not be deemed to have been obtained unless it is subject only to stipulations and/or conditions acceptable and satisfactory to Ground Lessee in its sole discretion, and all applicable appeal periods have expired without protest being made. Following the expiration of the Inspection Period, Ground Lessee agrees to pursue Ground Lessee's application for the Approvals with reasonable diligence. Ground Lessor shall cooperate with Ground Lessee in connection with Ground Lessee's efforts to obtain the Approvals (including, without limitation, execution of reasonable documents and instruments as shall be necessary or desirable in connection therewith). In the event Ground Lessor fails to execute any reasonable documents or instruments as Ground Lessee deems necessary with respect to the Approvals within five (5) business days after Ground Lessee delivers the same to Ground Lessor, the Approval Period shall be extended by an additional two (2) days for each additional business day it takes Ground Lessor to execute such documents or instruments beyond the initial five (5) business day period.

4.3.2 Consents under Declaration. Ground Lessee shall receive any and all necessary consents and authorizations for Ground Lessee's use of the Premises that may be required under the Declaration, including but not limited to any necessary consents from the Hospital and/or the Hospital Parcel Owner (as defined in the Declaration); provided that the Ground Lessor's approval of the Site Plan pursuant to this Lease shall be deemed the Ground Lessor's approval of the same under the Declaration.

4.3.3 Financing. Ground Lessee shall be able to obtain a firm commitment for a loan, on terms which are reasonably acceptable to Ground Lessee, in order to construct the Improvements on the Premises. Ground Lessee agrees to use commercially reasonable efforts to secure such commitment.

4.4 Satisfaction of Ground Lessee's Conditions. Ground Lessor shall have a period of one hundred eighty (180) days following the end of the Inspection Period in order to satisfy all Ground Lessee Conditions (the "**Approval Period**"), which Approval Period may be extended by thirty (30) days by Ground Lessee upon providing written notice to Ground Lessor prior to the expiration of the Approval Period. In the event that any of the Ground Lessee's Conditions set forth in Section 4.3 are not fully satisfied on or before the expiration of the Approval Period, then Ground Lessor or Ground Lessee (provided, with



respect to Ground Lessee, that Ground Lessee shall have been diligent in its efforts to satisfy the Ground Lessee's Conditions) shall have the right to terminate this Lease by written notice to the other Party on or before the last day of the Approval Period, and upon the date of such termination Ground Lessor and Ground Lessee shall have no further rights or obligations to each other except for those matters which expressly survive termination of this Lease. If all Ground Lessee's Conditions are satisfied before the delivery of any such termination notice, then any termination right pursuant to this Section 4.3 shall be null, void, and of no further force or effect. In addition, if the Rent Commencement Date shall not have occurred prior to the Outside Date, then Ground Lessor shall have the right to terminate this Lease by written notice to Ground Lessee on or after the Outside Date, and upon the date of such termination Ground Lessor and Ground Lessee shall have no further rights or obligations to each other except for those matters which expressly survive termination of this Lease.

## ARTICLE V CONSTRUCTION IMPROVEMENTS

5.1 Ground Lessor's Work. Except as expressly set forth herein, (i) Ground Lessor shall deliver the Premises to Ground Lessee in its as-is, where-is, current condition, (ii) Ground Lessor shall have no obligation to perform any work, supply any materials, incur any expense or make any other alterations or improvements to prepare the Premises for Ground Lessee. Ground Lessor shall deliver the Premises to Ground Lessee in compliance with all applicable laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises.

5.2 Ground Lessee's Work. Following the Lease Commencement Date, Ground Lessee may, at Ground Lessee's sole cost and expense, and subject to the provisions of this Lease and Ground Lessor's approval, which shall not be unreasonably withheld, conditioned or delayed, construct Improvements on the Premises, including without limitation Improvements related to a medical office building to lease to potential subtenants, and/or all site work, construction of buildings, lighting, parking lots, connecting all applicable utilities, payment of any connection fees and/or tap fees, landscaping, and applicable signage. Ground Lessee shall commence construction on the Improvements within one hundred twenty (120) days of the expiration of the Approval Period (the "**Construction Commencement Period**"). All of the Improvements to be performed by Ground Lessee shall be performed in a good, workman-like manner, and in compliance with all applicable governmental rules, codes, orders, licenses, zoning, safety and building requirements. Ground Lessee is responsible for and shall obtain all necessary municipal and building permits for Ground Lessee's use and construction of the Premises, and shall obtain a certificate of occupancy, if necessary, prior to occupying and operating any business in the Premises.

5.3 Ground Lessee's Right to Build – General Conditions: Ground Lessee shall have the right, subject to the terms and conditions of this Lease, during the Term to construct, maintain, alter, remodel, reconstruct and obtain financing for any Improvements desired by Ground Lessee, subject to the provisions of this Lease and the following conditions:

5.3.1 Plans and Specifications. Ground Lessee agrees to submit its proposed Site Plan, with related construction plans and specifications, to Ground Lessor for Ground Lessor's review and approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Ground Lessor shall have fifteen (15) days after receipt of the Site Plan in which to review the Site Plan and to give Ground Lessee notice of Ground Lessor's approval of the Site Plan (which approval shall not be unreasonably withheld, conditioned or delayed) or its requested reasonable changes to the Site Plan; provided, that, upon notice to Ground Lessee, Ground Lessor may extend such fifteen (15) day period for an additional ten (10) days. If Ground Lessor fails to respond within said fifteen (15) day period, or by the end of the ten (10) day extension if exercised, Ground Lessor shall be deemed to have approved the Site Plan as submitted. If Ground Lessor requests any changes to the Site Plan, Ground Lessee shall make such changes and shall,

within ten (10) days of its receipt of Ground Lessor's requested changes (if any), submit a revised Site Plan to Ground Lessor. Ground Lessor shall have ten (10) days after receipt of the revised Site Plan in which to review said revised Site Plan and in which to give to Ground Lessee written notice of its approval of the revised Site Plan (which approval shall not be unreasonably withheld, conditioned or delayed) or its requested reasonable changes thereto. If Ground Lessor fails to respond within said five (5) day period, Ground Lessor shall be deemed to have approved the revised Site Plan as submitted. This process shall continue until such time, if at all, that Ground Lessor approves (or is deemed to have approved) the Site Plan in accordance with this paragraph. Ground Lessee shall at all times in its preparation of the Site Plan, and of any revisions thereto, act reasonably and in good faith. Ground Lessor shall at all times in its review of the Site Plan, and any revisions thereto, act reasonably and in good faith. All building inspections and construction permitting shall be under the jurisdiction of the local municipal inspections authority. All proposed Site Plans shall be directed to the County Manager or his or her designee, for review and approval. Furthermore, any deadlines or timelines under this Lease for Ground Lessee to complete construction of the Improvements shall be extended by one (1) day for each one (1) day that Ground Lessor's fails to timely respond, as the tenant, to any proposed plans and specifications for construction of the premises under the Health Department Lease.

5.3.2 Standard of Construction of Infrastructure. The Ground Lessee, at Ground Lessee's expense, shall cause all Improvements to be constructed in accordance with the construction plans and specifications and in a good and workmanlike manner in strict compliance with applicable laws and regulations, including but not limited to environmental and construction permits and such Improvements shall when complete be and continue to be in conformity with all applicable laws, including, but not limited to, all applicable building codes. All regulatory fees (including acreage fees, development fees, tap fees, and the like) solely applicable to the Premises levied by governmental authorities shall be paid by the Ground Lessee. Except as otherwise provided in this Lease, the Ground Lessee shall be responsible for the installation of all roads, driveways, and utilities required to serve the Premises.

5.4 Utilities and Construction Easements. Ground Lessee shall have the right to use any and all of the existing appurtenances and easements benefiting the Premises, to the extent County has the right to grant a tenant such as Ground Lessee the use and enjoyment thereof. Upon reasonable request by Ground Lessee and in the event additional easements or appurtenances are reasonably necessary for Ground Lessee's installation of Improvements or use of the Premises, Ground Lessor shall, at no cost to Ground Lessor, grant utility easements across the Land in favor of the utility companies for utilities required to serve the Premises in locations and pursuant to terms reasonably required by Ground Lessee, subject to Ground Lessor's reasonable approval of the locations and agreements or instruments necessary to effect the easements, which approval shall not be unreasonably withheld, conditioned or delayed. Ground Lessee assumes full and complete responsibility for (i) locating the utilities within the portion of the easements located within the Land, (ii) coordinating the utility location, installation, and connection with existing utilities, and (iii) paying all costs and expenses and locating, installing, and connecting same.

5.5 Signs. To the extent consistent with applicable law and the Declaration (about which no representations or warranties are given from or by Ground Lessor), Ground Lessee shall have the right, subject to Ground Lessor's reasonable approval, to (a) erect, install, maintain and operate the building signage (including, without limitation, any building, pylon, monument and/or directional signage) as it may deem reasonably necessary and (b) to install temporary professionally prepared banners such as "Coming Soon." Any such signage installed by Ground Lessee must comply with all applicable governmental and municipal laws, codes, regulations and ordinances.

5.6 Ground Lessee's Ownership of Improvements and Fixtures. Subject to the terms of Sections 2.4 and 5.7 hereof, it is expressly understood and agreed that the Improvements and fixtures constructed, placed or maintained upon any part of the Premises, except for any utilities, parking lots, or

other infrastructure dedicated or conveyed (with Ground Lessor's written joinder) to, and accepted by, applicable utility companies or other governmental units, shall be and remain the property of Ground Lessee during the Term.

5.7 Expiration of Term: At the expiration of the Term, Ground Lessor shall have the right to take possession of the Improvements on the Premises at no cost to Ground Lessor.

## **ARTICLE VI GROUND LESSOR'S COVENANTS**

6.1 Ground Lessor's Obligations. Ground Lessor represents, warrants and makes the following covenants and assurances to the Ground Lessee:

6.1.1 Assistance of Ground Lessor. The Ground Lessor shall act reasonably to cooperate with the Ground Lessee in executing such documents and instruments, as shall be required by governmental agencies to construct the Improvements, and to obtain the licenses and permits required by applicable law in accordance with the permitted use thereof. If necessary, Ground Lessor shall join, but without incurring any liability or expense, in the application for any such permits, licenses, or authorizations to the extent such action may be legally required by applicable laws and shall acknowledge to issuing governmental authorities the existence of this Lease and the respective obligations of the parties under this Lease as may be necessary for the issuance of such permits, licenses, or authorizations. Furthermore, Ground Lessor shall not unreasonably delay or withhold its consent or response to the proposed Site Plan or any proposed amendments to the Site Plan. Any request for the Ground Lessor to offer its consent under this Lease shall be directed to the County Manager, or his or her designee.

6.1.2 Quiet Enjoyment. The Ground Lessor covenants and agrees with the Ground Lessee that so long as Ground Lessee is not in default hereunder beyond any applicable notice and cure periods set forth herein, the Ground Lessee may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease, and the Ground Lessee's possession will not be disturbed by anyone claiming by, through, or under the Ground Lessor.

6.1.3 Unrecorded Agreements. To Ground Lessor's actual knowledge, there are no unrecorded agreements, encumbrances, liens, covenants or other documents entered into by Ground Lessor in effect that would limit Ground Lessee's rights under the Lease or increase its obligations thereunder and Ground Lessor will not enter into any such agreements that do so following the Effective Date of this Lease.

6.1.4 No Other Leases. As of the Lease Commencement Date there shall be no leases, oral or written, except for this Lease between Ground Lessor and Ground Lessee, concerning the Premises.

6.1.5 Condemnation Proceedings. Ground Lessor has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Premises; (ii) actions, suits or proceedings pending or threatened against the Premises; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Premises; or (iv) no claims, causes of action or other litigation or proceedings pending or, to County's actual knowledge, threatened with respect to the ownership, operation or environmental condition of the Premises or any part of it.

6.2 Title to Land. As of the Lease Commencement Date, Ground Lessor will have good and marketable fee simple title to the Land and any existing Improvements, free and clear of all liens, encumbrances and other matters other than applicable covenants, restrictions, deeds of trust, easements, conditions, zoning regulations, and other matters of public record as of the Effective Date that are shown in Ground Lessee's leasehold title policy.

6.3 Authority. Ground Lessor has or will obtain all necessary consents and authorizations under the Declaration to allow Ground Lessee to construct the Improvements on the Premises for the Permitted Use.

## **ARTICLE VII GROUND LESSEE'S COVENANTS**

7.1 Payments by Ground Lessee. The Ground Lessee agrees to timely pay all Base Rent and other sums due to the Ground Lessor at the times and in the manner herein provided.

7.2 Assistance of Ground Lessee. Ground Lessee shall act reasonably and cooperate with Ground Lessor in executing such documents and instruments as necessary during the Term of this Lease, including documents as shall be required by governmental agencies to submit and approve the Site Plan for the Premises. Furthermore, Ground Lessee shall not unreasonably delay its consent or response to any proposed amendments to the Site Plan.

7.3 Licensing of Premises. The Ground Lessee shall obtain all licenses and permits, and comply with all statutes, laws and regulations for the construction of the Improvements at the Premises.

7.4 Repairs, Maintenance and Care of the Premises. From and after the Lease Commencement Date, Ground Lessee shall maintain the Premises in a clean, attractive condition, and not commit or allow any waste or damage to be committed on or to any portion of the Land, ordinary wear and tear accepted. All maintenance and repair of the Premises and the Improvements shall be the responsibility of the Ground Lessee and, notwithstanding anything to the contrary in this Lease, Ground Lessor shall have no maintenance or repair responsibilities with respect to the Premises after the Lease Commencement Date. Except as otherwise set forth in this Lease, Ground Lessee will promptly repair any damage to the Premises or Improvements with the exception of any damage caused by the negligence or willful misconduct of Ground Lessor or its agents and contractors.

7.5 Alterations, Additions, Improvements. Ground Lessee may make any improvements, modifications, alterations, or additions to the Improvements and/or the Premises (collectively, "**Alterations**"), with Ground Lessor's consent or approval, which consent shall not be unreasonably withheld, conditioned, or delayed. All Alterations shall: (i) be completed in a good and workmanlike manner; (ii) conform to all applicable laws as amended from time to time; and (iii) be timely paid for in full by Ground Lessee. Any Alterations attached to or affixed to the Premises shall become the property of Ground Lessor at the termination of this Lease, without payment or compensation, except as otherwise provided in this Lease.

7.6 Compliance with Laws. Except as otherwise required of Ground Lessor under this Lease, Ground Lessee, at the Ground Lessee's expense, shall comply with all Federal, State, municipal and other laws, regulations, and ordinances, including environmental remediation standards, applicable to the construction, use and occupancy of the Premises, including license and permit requirements, and will not commit or permit waste in respect to the Premises. Except as otherwise required of Ground Lessor under this Lease, Ground Lessee agrees to comply with all applicable environmental laws in its construction, management and ownership of the entire Premises.

7.7 Prohibition of Liens on Fee or Leasehold Interest: Ground Lessee shall not suffer or permit any mechanics' liens or other liens to be filed against the fee of the Premises or against Ground Lessee's leasehold interest in the Premises nor against the Improvements on the Premises by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Ground Lessee or anyone holding the Premises or any part thereof through or under Ground Lessee. If any such mechanics' liens or



materialmen's lien or other lien shall be recorded against the Premises or any Improvements thereof, or against Ground Lessee's leasehold interest, Ground Lessee shall cause the same to be removed or, and in the alternative, if Ground Lessee in good faith desires to contest the same, Ground Lessee shall be permitted to do so, so long as such lien is removed or bonded over in accordance with Section 9.1.4 hereof, but in either case Ground Lessee hereby agrees to indemnify, defend, and save harmless Ground Lessor for all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure upon said lien, cause the same to be discharged and removed prior to the execution of such judgment.

## **ARTICLE VIII INDEMNITY AND INSURANCE**

8.1 Indemnity. Except to the extent caused by or resulting from Ground Lessor's gross negligence or willful misconduct, Ground Lessee agrees to indemnify and save harmless Ground Lessor from and against any and all liability, losses, claims, suits, demands, actions, causes of action, expenses, fines, and damages for personal injury (including death) and/or property damage to whomsoever or whatsoever occurring, arising from, or growing out of, directly or indirectly the use or occupancy or manner of use or occupancy of the Premises by Ground Lessee or any person claiming under Ground Lessee. If any action or proceeding is brought against Ground Lessor by reason of any such claim, Ground Lessee, upon notice from Ground Lessor, will defend the claim at Ground Lessee's sole expense with counsel mutually satisfactory to Ground Lessor and Ground Lessee.

To the extent permitted by applicable law, except to the extent caused by or resulting from Ground Lessee's acts or omissions, Ground Lessor agrees to indemnify and save harmless Ground Lessee from and against any and all liability, losses, claims, suits, demands, actions, causes of action, expenses, fines, and damages for personal injury (including death) and/or property damage to whomsoever or whatsoever occurring, arising from, or growing out of, directly or indirectly the negligence of Ground Lessor or Ground Lessor's agents or employees, Ground Lessor's default under this Lease, or any representation and warranty by Ground Lessor in Article VI that is untrue. If any action or proceeding is brought against Ground Lessee by reason of any such claim, Ground Lessor, upon notice from Ground Lessee, will defend the claim at Ground Lessor's sole expense with counsel mutually satisfactory to Ground Lessee and Ground Lessor.

8.2 Subordinate and Subject to Leasehold Permitted Mortgage. Notwithstanding anything to the contrary contained herein, the terms and conditions of the Lease with respect to any proceeds from property insurance, condemnation proceeds and other loss proceeds, specifically including the use, application and disbursement thereof, except for any condemnation proceeds not affecting the Improvements to be constructed on the Premises, are subject and subordinate to any leasehold Deed of Trust or Permitted Mortgage, and/or related leasehold loan documents and the rights of the Permitted Mortgagee (all defined in Section 10.1, below) thereunder. To the extent the terms of this Lease with respect to proceeds from property insurance, condemnation awards and loss proceeds are inconsistent with the terms of any Permitted Mortgagee's loan documents, the terms of the leasehold Permitted Mortgage and loan documents shall govern and control. Further, Ground Lessee's obligation to perform any restoration shall be subject to any Permitted Mortgagee making sufficient loss proceeds available therefor.

8.3 Subrogation. The Ground Lessor and the Ground Lessee waive any and all rights of recovery, claims, actions, or causes of action against the other, its agents, officers, and employees for any injury, death, loss, or damage that may occur to persons or the Premises, or any personal property of such Party, by reason of fire, the elements, or any other cause which is insured against under the terms of the policies of insurance maintained by the Ground Lessor or the Ground Lessee or that the Ground Lessor or Ground Lessee is required to provide or maintain hereunder, regardless of cause or origin, including negligence by the other Party, its agents, officers, or employees.

8.4 Ground Lessee's Insurance. At all times during the Term, the Ground Lessee shall carry and maintain or cause to be carried or maintained, at Ground Lessee's sole cost and expense, the following insurance in the amounts specified below:

8.4.1 Property Insurance. Special form property insurance, including fire and extended coverage insurance, covering all Improvements in the Premises, in an amount not less than the full replacement cost without deduction for depreciation from time to time during the Term, providing protection against all perils included within the classification of all-risk, extended coverage.

8.4.2 Commercial General Liability. Commercial general liability insurance with combined single limits of coverage in the amount of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate, which coverage may be obtained through a combination of commercial general liability insurance and/or umbrella coverage.

8.5 Forms of Policies. Ground Lessee shall provide Ground Lessor, upon Ground Lessor's request and from time to time, certificates of insurance that the evidence the insurance required by Ground Lessee under this Lease. All such policies maintained by Ground Lessee shall be purchased only from reputable insurers who are licensed to do business in the State of North Carolina and comply with the requirements thereof. The commercial general liability insurance policy required under this Article VIII shall name Ground Lessor and any Ground Lessor mortgagee, if any as an additional insured.

8.6 Adequacy of Coverage. The Ground Lessor, its agents and employees make no representation that the limits of liability specified to be carried by the Ground Lessee pursuant to this Article VIII are adequate to protect the Ground Lessee. If the Ground Lessee believes that any of such insurance coverage is inadequate, the Ground Lessee will obtain, at the Ground Lessee's sole expense, such additional insurance coverage, as the Ground Lessee deems adequate.

## **ARTICLE IX DEFAULT**

9.1 Ground Lessee Default. Each of the following occurrences relative to the Ground Lessee shall constitute an "*Event of Default*":

9.1.1 Failure or refusal by the Ground Lessee to make the timely payment of Base Rent or other sums payable under this Lease to Ground Lessor when and as the same shall become due and payable, and such failure or refusal shall continue for a period of ten (10) days after Ground Lessee's receipt of written notice from Ground Lessor of such failure or refusal;

9.1.2 Failure by the Ground Lessee in the performance or compliance with any of the agreements, terms, covenants or conditions under this Lease applicable to the Ground Lessee under this Lease, which failure continues for a period of thirty (30) days (or such additional time as is reasonably required to correct any such default) after Ground Lessee's receipt of written notice from Ground Lessor to the Ground Lessee properly specifying wherein the Ground Lessee has failed to perform any such obligation;

9.1.3 Ground Lessee shall become bankrupt or insolvent, or file any debtor proceedings, or file in any court pursuant to any statute, either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization, or file or have filed against it a petition for the appointment of a receiver or trustee for all or substantially all of the assets of Ground Lessee, and such appointment shall not be vacated or set aside within one hundred eighty (180) days from the date of such appointment;

9.1.4 A mechanics, laborer, or supplier's lien or claim of lien is filed against the Premises by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Ground Lessee or anyone holding the Premises or any part thereof through or under Ground Lessee, and within sixty (60) days of filing of such lien or claim Ground Lessee shall not have caused such lien or claim for lien released of record;

9.1.5 Ground Lessee shall vacate or abandon the Premises, or fail to occupy the Premises or any substantial portion thereof for a period of thirty (30) days;

9.1.6 Ground Lessee shall assign or sublet all or a portion of the Premises in contravention of the provisions of this Lease.

9.1.7 Ground Lessee shall take any act or fail to take any action which constitutes an event of default under the Health Department Lease (subject in all respects to any grace or cure period as provided in the Health Department Lease);

9.1.8 Ground Lessee makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, or if a receiver, guardian, conservator, trustee, or other similar officer is appointed to take charge of all or any substantial part of Ground Lessee's property by a court of competent jurisdiction; or

9.1.9 Ground Lessee suffers this Lease to be taken under any writ of execution and such writ is not vacated or set aside within sixty (60) days.

9.2 Ground Lessor Remedies. In addition to Ground Lessor's termination right provided for under Section 3.1 hereof, if and whenever any Event of Default shall occur, the Ground Lessor may, at the Ground Lessor's option and without order of any court or further written notice to the Ground Lessee, in addition to all other remedies given hereunder or by the law or equity and without limiting in any manner whatsoever any other options available, do any one or more of the following:

9.2.1 Terminate the right of Ground Lessee to possession of the Premises without terminating this Lease by giving written notice to Ground Lessee that Ground Lessee's right to possession shall end on the date stated in such notice, whereupon the right of Ground Lessee to possession of the Premises or any part thereof shall cease on the date stated in such notice;

9.2.2 Terminate this Lease by giving to Ground Lessee written notice of Ground Lessor's election to do so, in which event the Term shall end, and all right, title and interest of Ground Lessee hereunder shall expire, on the date stated in such notice;

9.2.3 Terminate this Lease in accordance with Section 9.2.2 above and terminate the Health Department Lease;

9.2.4 Ground Lessor, without obligation to do so and without thereby waiving such Event of Default, may make any such payment, perform such obligation, and/or remedy such other Event of Default for the account of the Ground Lessee (and enter the Premises for such purpose), and the Ground Lessee shall pay upon demand all actual and reasonable costs, expenses and disbursements (including reasonable attorney's fees) incurred by the Ground Lessor in taking such remedial action; or

9.2.5 Pursue any other remedy available at law, or in equity.

9.3 Ground Lessor Default. The Ground Lessor shall in no event be in default in the performance of any of the Ground Lessor's obligations hereunder unless and until the Ground Lessor shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice by the Ground Lessee to the Ground Lessor properly specifying wherein the Ground Lessor has failed to perform any such obligation. If the Ground Lessor fails to perform any of its obligations or covenants under this Lease, the Ground Lessee shall be entitled to enforce any one or more of the following rights and remedies: (a) institute an action against the Ground Lessor as the Ground Lessee may deem necessary to compel performance hereunder or cease activities constituting the defaults by Ground Lessor hereunder; (b) exercise all other rights and remedies available to the Ground Lessee under this Lease or otherwise available to the Ground Lessee at law or in equity as a consequence of the Ground Lessor's default, except for the withholding of Base Rent, and/or (c) Ground Lessee shall have the right (but not the obligation) to perform Ground Lessor's obligation, and pursue an action against Ground Lessor in order to reimburse Ground Lessee for Ground Lessee's actual and direct costs of such performance. Ground Lessee shall also have all other rights and remedies available at law or in equity, including but not limited to injunctive relief.

9.4 Legal Fees. Notwithstanding anything herein to the contrary, should either Ground Lessor or Ground Lessee institute legal proceedings against the other for breach of any provisions of this Lease, the prevailing Party shall be entitled to collect the costs and expenses of the proceedings, including its reasonable attorney fees. In the event of a compromise settlement as between the parties, whether before, during, or after the filing of any lawsuit, each Party shall bear its own costs and expenses, unless otherwise provided in the terms of such settlement.

9.5 Multiple Defaults, Loss of Option Rights. Notwithstanding anything contained herein to the contrary, Ground Lessee acknowledges that any rights or options of first refusal set forth in **Exhibit A** or **Exhibit B** or other similar rights or options which have been granted to Ground Lessee under this Lease are conditioned upon the prompt and diligent performance of the terms of this Lease by Ground Lessee. Accordingly, should Ground Lessee default under this Lease beyond any applicable notice and cure period on two (2) or more occasions during any twelve (12)-month period, in addition to all other remedies available to Ground Lessor, all such rights and options shall automatically, and without further action on the part of any Party, expire and be of no further force and effect.

## **ARTICLE X PERMITTED MORTGAGE**

10.1 Permitted Mortgagee. The Ground Lessee has the right to grant a security interest to Ground Lessee's lenders (including its successors and assigns, the "**Permitted Mortgagee**") a leasehold deed of trust, security agreement and/or collateral assignment of Ground Lessee's rights in this Lease (the "**Deed of Trust**" or "**Permitted Mortgage**") for the purpose of securing repayment of the advance of funds to and loans provided to Ground Lessee by its lenders with respect to Ground Lessee's use of the Premises and/or Ground Lessee's construction of the Improvements on the Premises.

10.2 Ground Lessor Protective Provisions. Every Permitted Mortgagee to whom the Ground Lessee grants a Permitted Mortgage upon the Ground Lessee's leasehold estate in the Premises and Improvements must expressly agree that, subject to the rights of the Permitted Mortgagee provided by this Lease:

10.2.1 The Permitted Mortgagee shall not exercise any of its remedies for any default or defaults of the Ground Lessee under the Deed of Trust, without first providing the Ground Lessor with notice in the manner required herein;



10.2.2 Such Permitted Mortgagee will accept a cure by the Ground Lessor of any such default under the Deed of Trust which is capable of being cured, except the Ground Lessor shall not be required to cure any such default and the Ground Lessor shall have a cure period that will commence upon notice to the Ground Lessor of such default and will be equal in length to the applicable cure period, if any, as provided to the Ground Lessee; and

10.2.3 All payments so made and all things so done or performed by the Ground Lessor will be as effective to prevent an acceleration of the maturity of the indebtedness secured by the Deed of Trust, the foreclosure of any liens securing payment of such indebtedness, or the exercise of any other remedies by such Permitted Mortgagee upon default by the Ground Lessee thereunder, as the same would have been if paid, done or performed by the Ground Lessee instead of the Ground Lessor. The Ground Lessor will not be or become liable to any such Permitted Mortgagee as a result of the right and option to cure any such default or defaults by the Ground Lessee.

10.3 Permitted Mortgagee Protective Provisions. So long as any such Permitted Mortgage shall remain unsatisfied of record, or until written notice of satisfaction is given by Permitted Mortgagee to Ground Lessor, and so long as Ground Lessor shall have received notice of such Permitted Mortgagee's lien on the Premises, the following provisions shall apply:

10.3.1 Except as set forth with respect to an Event of Default by Ground Lessee under this Lease for which the Permitted Mortgagee has not exercised any of its rights as set forth herein and under the Permitted Mortgage, there shall be no cancellation, surrender, or modification of this Lease without prior consent in writing of the Permitted Mortgagee;

10.3.2 While such Permitted Mortgage remains unsatisfied of record, Ground Lessor shall simultaneously serve upon Permitted Mortgagee a copy of any notice of default or other notice under this Lease served upon Ground Lessee. If any default occurs that, pursuant to this Lease, entitles Ground Lessor to terminate this Lease, and if, before the expiration of thirty (30) days from the date of service of this notice of termination upon such Permitted Mortgagee, such Permitted Mortgagee notifies Ground Lessor in writing of its desire to nullify such notice, pays to Ground Lessor all rent, fees, and other payments herein provided for and then in default, and prosecutes the same with reasonable diligence to completion, then Ground Lessor shall not be entitled to terminate this Lease and any notice of termination theretofore given shall be void and of no force or effect. In no event shall this Lease be terminated because of any default by Ground Lessee which is not susceptible of being cured by the Permitted Mortgagee or its assignee, so long as the following covenants of this Lease are being complied with (the "**Required Covenants**"): (i) rents and other payments to be made by Ground Lessee under this Lease are made current, (ii) the Premises and Improvements are maintained in good repair, (iii) the Premises and Improvements are in compliance with all applicable laws, codes, and regulations, (iv) no liens other than that of the Permitted Mortgage against the Premises or the Improvements remain uncanceled, (v) all insurance policies to be carried by Ground Lessee remain in full force and effect, and (vi) the covenants and conditions of this Lease that are susceptible of being complied with by Permitted Mortgagee are being complied with by Permitted Mortgagee or its assignee.

10.3.3 In case of a default by Ground Lessee under this Lease, as to which notice has been given as provided herein, remains uncured after the time within which the same may be cured under this Lease, and notice of termination is given as above provided, and the Permitted Mortgagee or its assignee gives written notice to Ground Lessor of its desire to nullify such notice and take steps required above to cure and thereby render the notice of termination void and of no effect, such Permitted Mortgagee or its assignee shall be entitled, at its option and upon notice to Ground Lessor, within fifteen (15) days after the date of such written notice from Permitted Mortgagee to Ground Lessor, and upon satisfaction of all Required Covenants, to be substituted for and treated as Ground Lessee for the full remainder of the Term,

and upon such substitution, the Permitted Mortgagee shall be bound hereby. In such event, all right, title and interest of Ground Lessee shall be terminated and ended, and at Permitted Mortgagee's election, the parties shall execute and record a memorandum of lease evidencing the same, provided however, Ground Lessee shall not be released of any of its liability under this Lease prior to the substitution.

10.3.4 The name of the Permitted Mortgagee may be added to the "loss payable endorsement" of any and all insurance policies required to be carried by Ground Lessee under this Lease, and Permitted Mortgagee shall be added to such policies as mortgagee as its interest may appear; provided, Permitted Mortgagee shall expressly provide that all insurance proceeds are to be applied in accordance with this Lease.

10.3.5 No Permitted Mortgagee, lender, or holder of any security instrument shall have the right to assign its rights under this Lease without the prior written consent of Ground Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.; provided, however, Ground Lessor acknowledges that Permitted Mortgagee may require a collateral assignment of Ground Lessee's rights under this Lease as security for any financing to be provided for the Improvements.

10.3.6 The Permitted Mortgagee or any other person succeeding to the interests of the Ground Lessee through a foreclosure will be subject to all of the terms and conditions of this Lease except as otherwise expressly provided in this Lease. Foreclosure for purposes of this Lease shall include a conveyance in lieu of foreclosure.

10.3.7 If a Permitted Mortgagee should foreclose its Permitted Mortgage and should, as a result of such foreclosure, succeed to any of the rights of the Ground Lessee hereunder, then such Permitted Mortgagee shall be subject to all the terms and conditions of this Lease and shall be entitled to all the rights and benefits of this Lease; provided, however, that (1) such Permitted Mortgagee shall not be liable for any act or omission of the Ground Lessee unless of a continuing nature which continues following the foreclosure; (2) such Permitted Mortgagee shall not be subject to any offsets or defenses which Ground Lessor has, or might have, against the Ground Lessee except as it relates to any default of a continuing nature which continues following the foreclosure; (3) such Permitted Mortgagee shall not be bound by any material amendment, modification, surrender or waiver of the terms of this Lease that imposes additional and material obligations on Ground Lessee made without the prior written consent of such Permitted Mortgagee (which consent shall not be unreasonably withheld or delayed); (4) such Permitted Mortgagee shall have the obligation to pay all Base Rent; and (5) upon the written request of such Permitted Mortgagee, the Ground Lessor shall reaffirm, in writing, the validity of this Lease, and that this Lease is in full force and effect.

10.3.8 Ground Lessor shall, upon request, execute, acknowledge and deliver to each Permitted Mortgagee a written statement within ten (10) days of the request therefore certifying as follows: (i) that this Lease is unmodified and in full force and effect (or, if there has been a modification, stating the nature thereof and that the Lease is in full force and effect as modified); (ii) that to the best of the Ground Lessor's knowledge, there are no uncured defaults on the part of the Ground Lessee (or, if any such defaults exist, the special nature and extent thereof); and (iii) such other commercially reasonable matters that are customarily contained in a landlord estoppel.

10.4 Insurance Proceeds. Any Permitted Mortgage shall provide that, in the event that (i) proceeds from any property/casualty insurance policy(ies) ("**Property Insurance Proceeds**"), together with any additional funds which the Ground Lessee and/or the Ground Lessor are willing to contribute, are sufficient to repair and/or replace damage following a fire or other casualty, and (ii) proceeds from any rental interruption insurance (or similar insurance), together with any net available revenues from the Premises or other funds which are or will be available and/or which the Ground Lessee and/or the Ground

Lessor are willing to contribute, are sufficient to satisfy all Permitted Mortgage Requirements during the period of repair and/or replacement, the Property Insurance Proceeds held by the Permitted Mortgagee, if any, shall be made available by the Permitted Mortgagee for such repair and/or replacement. The determination of whether any such proceeds and/or other funds are sufficient for purpose of the immediately preceding sentence shall be made by an independent third party certified public accountant at the Ground Lessee's expense. "**Permitted Mortgage Requirements**" means with respect to any period, the aggregate of: (i) principal, redemption premium and interest to become currently payable during such period; (ii) administrative expenses and fiduciary fees to become payable during such period; (iii) required deposits to reserve accounts required to be made during such period; and (iv) penalties or make-whole amounts required to be funded during such period, in each case as provided by each such Permitted Mortgagee.

10.5 Ground Lessor Mortgagee. The Ground Lessor shall not enter into any loan, mortgage, or granting of a security interest for the Land and the Premises without Ground Lessee's consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

## **ARTICLE XI**

### **SUBORDINATION AND ESTOPPEL CERTIFICATES**

11.1 Subordination and Attornment. This Lease shall be subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Premises, and to any renewals, modifications, refinancings and extensions thereof (but Ground Lessee agrees that any such mortgage shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease) and Ground Lessee shall attorn to any purchaser of the Land or to the holder of any such mortgage or deed of trust in the event that any of the same succeed to the Ground Lessor's interest under this Lease, provided that Ground Lessee and any applicable lender of Ground Lessor enter into a commercially reasonable subordination, non-disturbance, and attornment agreement pursuant to which the holder of the deed of trust or mortgage agrees to recognize the rights of Ground Lessee under the Lease and accepts Ground Lessee as a tenant of the Premises under the terms and conditions of this Lease, and Ground Lessee agrees to recognize the holder of the deed of trust or mortgage as Ground Lessor in such event and shall attorn to the holder of any such mortgage or deed of trust or any purchaser of the Premises, in the event of acquisition of title by through foreclosure proceedings or otherwise. Ground Lessee agrees within twenty (20) days after written demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Ground Lessor may request, provided in each case that the same is reasonably acceptable to Ground Lessee.

11.2 Estoppel Certificates. Within twenty (20) days after written request, Ground Lessee or Ground Lessor, as applicable, shall deliver to the requesting Party a written estoppel certificate, in form supplied by or reasonably acceptable to the non-requesting Party, certifying any facts that are then true with respect to this Lease, including that this Lease is in full force and effect, that no default exists on the part of Ground Lessor or Ground Lessee, that Ground Lessee is in possession of the Premises, that Ground Lessee has commenced the payment of rent, and that neither Ground Lessee nor Ground Lessor claims any defenses or offsets with respect to this Lease.

## **ARTICLE XII**

### **CASUALTY AND CONDEMNATION**

12.1 Casualty.

If at any time during the Term the Improvements now or hereafter on the Premises are destroyed by fire, theft, the elements, or any other cause (a "**Casualty**"), then Ground Lessee shall have the option of terminating this Lease if (a) the Premises is rendered wholly untenable; (b) the Premises is damaged in

whole or in part as a result of a risk which is not covered by Ground Lessee's insurance policies; (c) Ground Lessee's lender does not permit a sufficient amount of the insurance proceeds to be used for restoration purposes; (d) the Premises is damaged in whole or in part during the last seven (7) years of the Term; or (e) the Improvements are damaged to an extent of thirty-three percent (33%) or more of the fair market value thereof. If Ground Lessee elects to terminate this Lease pursuant to this Section 12.1, Ground Lessee shall provide notice of the termination to Ground Lessor within one hundred twenty (120) days after date of the casualty, and shall (unless waived by the Ground Lessor in its sole discretion) either repair the Improvements or raze the building improvements and remove all debris from the Premises prior to surrendering the Premises to Ground Lessor, and upon such termination date, the parties hereto shall have no further rights or obligations hereunder, except as may expressly be set forth in this Lease.

In the event that Ground Lessee does not terminate the Lease as provided in this Section 12.1, then this Lease shall continue in full force and effect and Ground Lessee, at Ground Lessee's own cost and expense, shall be solely responsible, at Ground Lessee's option, to repair and restore the damaged Improvements except as otherwise herein specifically provided. Any work of repair or restoration shall be done in compliance with all applicable laws, rules, and regulations. In the event of a casualty, all insurance proceeds payable with respect to such casualty shall be paid over to Ground Lessee in order to repair and restore the Premises, but subject and subordinate to the rights of any Permitted Mortgagee or leasehold Permitted Mortgage, as set forth in Section 8.2.

12.2 Condemnation: In the event the Premises or any part thereof shall be taken for public purposes by condemnation (or by deed in lieu thereof) as a result of any action or proceeding in eminent domain by any authority other than by Ground Lessor, its successors, or assigns, the interests of Ground Lessor and Ground Lessee in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease shall be as provided by this Section 12.2.

12.2.1 Total Taking – Termination: In the event the entire Premises, or a substantial portion of the Premises such that the remainder is not reasonably and practically usable for Ground Lessee's business purposes, are taken or so transferred, this Lease and all of the right, title and interest thereunder shall cease on the date title to such land so taken or transferred vests in the condemning authority, and the proceeds of such condemnation shall be divided between Ground Lessor and Ground Lessee with the fair market value of the Land paid to Ground Lessor, and the remainder of the proceeds (including, without limitation, the value of all Improvements) paid to Ground Lessee.

12.2.2 Partial Taking - Termination: In the event of a condemnation, taking or transfer of only a portion of the Premises, leaving the remainder of the Premises in such condition, form, shape, or reduced size as not to be reasonably and practicably usable for the operation thereon of Ground Lessee's business in the ordinary course, at Ground Lessee's option, and by giving written notice to Ground Lessor, Ground Lessee may cancel and terminate this Lease, effective as of the date that Ground Lessor receives such termination notice.

12.2.3 If this Lease is not terminated the proceeds of such condemnation shall be divided between Ground Lessor and Ground Lessee with the fair market value of the Land paid to Ground Lessor, and the remainder of the proceeds (including, without limitation, the value of all Improvements) paid to Ground Lessee. Ground Lessee shall have the right to make a separate claim against the condemning authority for compensation that may be separately awarded or recoverable by Ground Lessee for the Improvements, moving expenses, or damage to Ground Lessee's trade fixtures and personal property.



**ARTICLE XIII**  
**MISCELLANEOUS**

13.1 Environmental Matters.

13.1.1 The Ground Lessee shall not cause or permit Hazardous Material (as hereinafter defined) to be brought upon, kept, or used in or about the Premises by Ground Lessee, its agents, employees, contractors, or invitees, except for any Hazardous Material necessary and commonly used for the operation of the Ground Lessee's (or its agents, tenants, employees, contractors, or invitees) regular business activities of a medical office space, provided that any such Hazardous Materials shall be handled, stored and disposed of in accordance with applicable Federal, state, and local laws, rules, ordinances and/or regulations related to the keeping, use, or disposition of Hazardous Material (collectively, "**Environmental Laws**").

13.1.2 As used herein, the term "**Hazardous Material**" means (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and the regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation, Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder; (iii) any material or substance regulated by the Toxic Substances Control Act as amended from time to time and regulations promulgated thereunder; (iv) any material or substance regulated by the Federal Insecticide, Fungicide and Rodenticide Act, as amended from time to time, and the regulations promulgated thereunder; (v) any oil, petroleum products, and their by-products; and (vi) any other hazardous, toxic or dangerous material or substance that is or become regulated by any federal, state or local law or regulation.

13.1.3 Ground Lessee shall indemnify Ground Lessor and Ground Lessor's managing agent from any and all claims, losses, liabilities, costs, expenses and damages, including attorneys' fees, costs of testing and remediation costs, incurred by Ground Lessor in connection with any breach by Ground Lessee of its obligations under this Section 13.1. The covenants and obligations under this Section shall survive the expiration or earlier termination of this Lease.

13.1.4 Ground Lessee shall promptly (a) notify Ground Lessor of any violation by Ground Lessee, its employees, agents, tenants, representatives, customers, invitees or contractors of any Environmental Laws on, under or about the Premises and (b) deliver to Ground Lessor any notice received by Ground Lessee relating to (a) above from any source.

13.1.5 Notwithstanding anything to the contrary in this Lease, Ground Lessee shall have no liability of any kind to Ground Lessor as to Hazardous Materials on the Premises caused by (i) Ground Lessor, its agents, employees, contractors, or invitees, or, (ii) any other person or entity located outside of the Premises prior to the Effective Date; *provided, that*, if during the inspection period contemplated by Section 4.1 hereof, Ground Lessee is put on notice that there are Hazardous Materials on the Premises, Ground Lessee shall immediately notify Ground Lessor of the same (a "**Hazardous Materials Notification**"). Excluding any Hazardous Materials that are commonly used in office or medical office spaces and are stored and handled in accordance with applicable Environmental Laws, Ground Lessor shall not authorize or cause any Party (a) to bring any Hazardous Materials upon the Premises in violation of applicable law or (b) to transport, store, use, generate, manufacture or release any Hazardous Materials in or about the Premises in violation of applicable law. To the extent permitted by applicable law, Ground Lessor shall indemnify, defend and hold Ground Lessee harmless from and against any and all claims, causes of action, damages, costs and liabilities arising out of a breach by Ground Lessor of the foregoing obligations. Ground Lessor's indemnification obligations under this Section 13.1.5 shall survive the expiration or earlier termination of this Lease. Provided that Ground Lessee has given the Hazardous

Materials Notification, Ground Lessor shall be responsible for removing any Hazardous Materials brought on to the Premises by Ground Lessor prior to the commencement of construction of the Improvements.

13.2 Time of the Essence. In all instances where the Ground Lessee or Ground Lessor is required hereunder to pay any sum or do any act at a particular indicated time or within an indicated period, it is understood and stipulated that time is of the essence.

13.3 Notice and Payment. Any notice or payment which may or shall be made under the terms of this Lease shall be in writing shall be given (i) by personal delivery, (ii) by nationally recognized overnight express service, or (iii) by registered or certified mail, return receipt requested, to the addresses set forth in Article I. Any notice given in the manner set forth in this Section 13.3 shall be deemed given and delivered, whether or not received (or if delivery is refused), when personally delivered, when delivered to the nationally recognized overnight express service, or three (3) days following the postmark if sent by certified mail, as applicable. Either Party may change its address(es) by written notice to the other Party pursuant to the provisions hereof.

13.4 Short Form Memorandum of Lease. Simultaneously with the execution of this Lease or at any time during the Term of this Lease, the Parties may, at the request of Ground Lessee or Ground Lessor, execute and record a mutually agreeable memorandum of lease, or short form of this Lease, in the form attached hereto as Exhibit C, memorializing the basic terms hereof, in a form which may be recorded in the Chatham County Register of Deeds at the sole cost and expense of Ground Lessee.

13.5 Entire Agreement. This Lease and any written addenda referred to herein and all exhibits hereto expressly referred to herein (which are expressly incorporated herein by this reference) shall constitute the entire agreement between the Ground Lessor and Ground Lessee and no prior written or prior or contemporaneous oral promises or representations shall be binding. This Lease shall not be amended, changed or extended except by written instrument signed by both parties hereto.

13.6 Interpretation: Governing Law. Pronouns, where used herein, of whatever gender, shall include natural persons, corporations, and associations of every kind and character, and the singular shall include the plural and vice versa where and as often as may be appropriate. Article and section headings under this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Whenever the terms "hereof," "hereby," "herein," or words of similar import are used in this Lease, they shall be construed as referring to this Lease in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated Article or Section of this Lease. Statements herein in respect to compliance with applicable law text of similar import shall be construed to require compliance with applicable law as now or hereafter in effect.

The substantive law of the State of North Carolina shall govern the validity, performance and enforcement of this Lease and this Lease shall be construed pursuant to such laws, without giving effect to conflict of law principles that would result in the application of the laws of a different jurisdiction. The venue for any disputes, claims, or litigation arising from or under this Lease by either Party shall be, exclusively, the North Carolina State or Federal Courts, and Ground Lessor and Ground Lessee irrevocably consent to, submit to, and agree that they are subject to, the jurisdiction of the federal and state courts of the State of North Carolina.

13.7 [Intentionally Deleted].

13.8 Relationship of the Parties. This Lease shall not act to create the relationship of partner or joint venture between the Ground Lessor and Ground Lessee.

13.9 Severability. In the event any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Lease shall be valid and enforceable to full extent permitted by law.

13.10 Construction of Lease; Negotiation by the Parties. The Ground Lessor and Ground Lessee have each had an opportunity through their appointed representatives or otherwise to discuss and negotiate the terms of this Lease and are informed and capable of evaluating the contents thereof. Accordingly, this Lease shall be constructed simply according to its fair meaning and not strictly for or against the Ground Lessor or Ground Lessee whether or not a specific provision thereof was drafted by or on behalf of the Ground Lessor or Ground Lessee, as the case may be.

13.11 Force Majeure. Whenever a period of time is prescribed for action by either Party, such Party will not be responsible for, and there will be excluded from the computation of such period of time, any delays due to any (a) act of God, adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, blockade, insurrection, riot, or civil disturbance, (b) labor dispute, strike, work slowdown or work stoppage, (c) order or judgment of any entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, district, municipality, city or otherwise) whether now or hereafter in existence, if not the result of willful or negligent action of the performing Party, (d) adoption of or change in any applicable laws after the date of execution of this Lease, (e) national or global pandemics, including any quarantines or closures ordered by governmental entities or agencies, inability of a vendor, agent, lender, title insurer, attorney, insurance company, utility, or governmental agency whose cooperation is required to perform or provide a necessary service or approval, or any similar impediment related to the national or global pandemic that is outside the reasonable control of the delayed Party, (f) any actions by the other Party which may cause delay, or (g) any other similar cause or similar event beyond the reasonable control of the performing Party (collectively, "**Force Majeure**"). The performing Party shall not be entitled to claim any delay caused by Force Majeure unless the performing Party, within ten (10) days after the performing Party becomes aware of the existence of an event of Force Majeure, notifies the other Party of the same in writing. Notwithstanding the foregoing, in no event shall an event(s) of Force Majeure (i) be deemed to have occurred with respect to any pandemic-related condition or circumstance in effect as of the Effective Date with respect to Covid-19.

13.12 No Waiver. The waiver by either Party of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease, nor will any custom or practice that may grow up between the Parties in the administration of the terms of this Lease be construed to waive or lessen the right of the either Party to insist upon the performance by the other Party in strict accordance with the terms of this Lease.

13.13 Non-Merger of Fee and Leasehold Estate. If both the estate of Ground Lessor and the estate of Ground Lessee in the Premises or both become vested in the same owner, this Lease shall not terminate by application of the doctrine of merger, except at the express written election of Ground Lessor and the approval of any mortgagee(s) under any mortgages and deeds of trust on the Premises.

13.14 Limitation of Liability. Any monetary liability of Ground Lessor under this Lease shall be limited solely to its interest in the Premises (and all proceeds thereof, including without limitation, sales proceeds, rental proceeds and insurance and/or condemnation proceeds), and in no event shall any personal liability be asserted against Ground Lessor's members, or their respective members, partners, shareholders, officers, directors, agents or employees, in connection with this Lease nor shall any recourse be had to any

other property or assets of Ground Lessor, its members, or their respective members, partners, shareholders, officers, directors, agents or employees. In no event shall either Party be liable for indirect, punitive, consequential or special damages as a result of a breach or default under this Lease.

13.15 Broker Commissions. Ground Lessee and Ground Lessor each warrant and represent to each other they have had no dealings with any real estate broker or agent in connection with this Lease. Each Party covenants to pay, hold harmless, and indemnify the other Party from and against any and all costs, expenses, liabilities, causes of action, claims, or suits in connection with any compensation, commission, fee or charge claimed by any real estate broker or agent.

13.16 Binding Effect. This Lease, and all terms, conditions, obligations, indemnities, and benefits shall bind and benefit Ground Lessor, Ground Lessee and their successors and assigns. Notwithstanding the foregoing, this Lease is not intended to create any third party beneficiary rights in any third party not signing this Lease, and all rights, obligations, covenants, and indemnities under this Lease may only be enforced by either Ground Lessor or Ground Lessee and their successors or assigns. This Section shall in no way alter the restrictions on assignment and subletting applicable to Ground Lessee under this Lease.

13.17 Authorization. Each Party represents and warrants that all consents or approvals required for the execution, delivery and performance of this Lease have been or will be obtained and that each Party, subject to the following sentence, has the right and authority to enter into and perform its covenants contained in this Lease. The execution of this Lease by Ground Lessor is subject to compliance with the provisions of N.C. Gen. Stat. §160A-272.

13.18 Counterparts: This Lease may be executed in multiple counterparts (including electronic, .PDF, DocuSign, or facsimile counterparts), each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. Execution and delivery of this Lease by exchange of electronic or facsimile copies bearing the signature of a Party shall constitute a valid and binding execution and delivery of this Lease by such Party.

13.19 Business Day. If the date for performance of any act, obligation or delivery of any notice under this Lease shall fall on a day other than a business day, then the date for such performance or delivery of such notice shall be postponed until the next business day. For purposes of this Lease, any references to "business days" shall be deemed to be references to normal working business days (i.e. Monday through Friday of each calendar week, exclusive of federal or state holidays or such other dates upon which nationally-chartered banks of the United States of America are not open for business).

13.20 Subordination of Ground Lessor's Lien. Ground Lessor subordinates any statutory, contractual and common law liens that Ground Lessor may have or claim in and to Ground Lessee's Improvements, furniture, trade fixtures, equipment and other personal property and inventory located at the Premises and agrees to execute and deliver to Ground Lessee from time to time confirmations of such subordination in form reasonably acceptable to Ground Lessor.

13.21 Ground Lessor's Approval Rights. Any approval by Ground Lessor for any matters, plans, documents, or other items in this Lease (as set forth herein) shall be a matter of contract and not a matter of Ground Lessor acting in its governmental approval capacity.

13.22 Confidentiality. Ground Lessor is subject to the North Carolina Public Records Act (N.C. Gen. Stat. §132) and, accordingly all "public records" as therein defined (subject to certain limited exceptions), which definition includes this Lease, are available to members of the public upon request. Subject to the foregoing, Ground Lessor agrees that unless a proper request is received for a public record,



the parties will maintain all Confidential Information (as defined below) in confidence and will not disclose such information to any other Party without written consent. The term "***Confidential Information***" includes the terms of this Lease and any and all information whether in oral, written or other form, which is communicated by Ground Lessee to Ground Lessor relating to the subject matter hereof, including but not limited to architectural plans, specifications, site plans and drawings (regardless of whether such information is labeled as confidential). Confidential Information may be released to the parties' employees, partners, consultants, attorneys, accountants, and lenders who have a reasonable need for such Confidential Information, provided that such individuals agree to maintain the confidential nature of the information.

**[Signature Pages Follow]**

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

**GROUND LESSOR:**

CHATHAM COUNTY  
a body politic and corporate of the State of North Carolina

By: [Signature]  
Name: Dan LaMontagne  
Title: County Manager

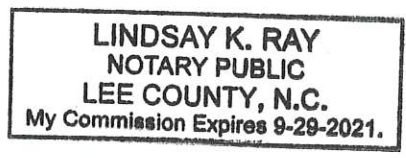
STATE OF North Carolina  
COUNTY OF Chatham

I, a Notary Public of the state and county aforesaid, hereby certify that Dan LaMontagne personally appeared before me this day and acknowledged that he signed the foregoing document in the following capacity: the County Manager of Chatham County, a body politic and corporate of the State of North Carolina.

Date: March 15, 2021

Lindsay K. Ray  
Official Signature of Notary Public

Lindsay K. Ray  
Insert name of Notary, printed or typed



(Official Seal)

My Commission Expires: 09-29-2021

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

**GROUND LESSEE:**

SILER CITY INVESTMENT, LLC  
a North Carolina limited liability company

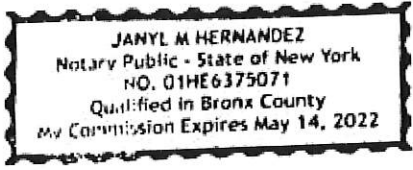
By: [Signature]  
Name: DAVID BLATT  
Title: MANAGER

STATE OF NEW YORK

COUNTY OF NEW YORK Bronx

I, a Notary Public of the state and county aforesaid, hereby certify that DAVID BLATT personally appeared before me this day and acknowledged that he signed the foregoing document in the following capacity: the MANAGER of SILER CITY INVESTMENT LLC, a NORTH CAROLINA LLC

Date: 10/24/20



(Official Seal)

[Signature]  
Official Signature of Notary Public  
Janyl Hernandez  
Insert name of Notary, printed or typed

My Commission Expires: May 14 2022

## EXHIBIT A

### RIGHT OF FIRST REFUSAL TO PURCHASE

A. During the Term of the Lease, in the event that Ground Lessor determines, in its sole discretion, to sell Ground Lessor's fee interest in the Ground Lessor's Parcel to an unrelated and unaffiliated third party, including but not limited to the Land, such sale will be subject to Article 12 of Chapter 160A of the North Carolina General Statutes (the "**Property Disposal Statutes**"), then Ground Lessor will provide written notice to Ground Lessee of the upcoming disposition such that Ground Lessee may participate in any public sale, auction or other disposition procedure. In the event that the Ground Lessor's Parcel is sold to an affiliated entity (being other entities related to Chatham County) or is subject to and is sold or transferred by a public sale, auction or other disposition procedure, as set forth above, then the provisions of Section B of this Exhibit A shall not apply and shall have no force or effect.

#### B. Right of First Refusal

a. During the Term of the Lease, in the event that Ground Lessor determines, in its sole discretion, to sell Ground Lessor's fee interest in the Premises to an unrelated and unaffiliated third party, and such sale is not subject to the requirement of the Property Disposal Statutes, then Ground Lessor shall grant to Ground Lessee a right of first refusal (the "**Refusal Right to Purchase**"), subject and subordinate to any existing rights of first refusal, to purchase Ground Lessor's fee interest in the Ground Lessor's Parcel, or any portion thereof including the Land (the property subject to the offer being hereinafter in this paragraph referred to as the "**First Refusal Property**"). In the event Ground Lessor receives a bona fide written offer (which shall be in the form of a letter of intent or proposed contract) from any bona fide Entity (as defined below) to purchase the First Refusal Property (a "**Written Offer**") that Ground Lessor desires to accept, Ground Lessee may elect to purchase the First Refusal Property at the price (the "**Written Offer Price**") and on the terms and conditions as contained in the Written Offer. Ground Lessor shall give written notice to Ground Lessee, including delivery to Ground Lessee, of a true and complete copy of the Written Offer redacting the names and any personal information of the parties thereto (collectively, the "**ROFR Notice**"). Within thirty (30) days of Ground Lessee's receipt of the ROFR Notice (the "**Election Period**"), Ground Lessee shall notify Ground Lessor in writing whether Ground Lessee elects to purchase the First Refusal Property on the same terms and conditions as are contained in the Written Offer (the "**Election Notice**"). In the event Ground Lessee exercises such Refusal Right to Purchase, the obligation to sell and purchase the First Refusal Property shall be binding between Ground Lessor and Ground Lessee subject to the terms contained in the Written Offer and a mutually acceptable purchase and sale agreement. As used in this section, the term "Entity" shall mean any individual, corporation, limited liability company, general partnership, limited partnership, professional association, joint venture, or any other entity.

b. In the event that after receipt of the ROFR Notice Ground Lessee fails to deliver the Election Notice within the Election Period, then Ground Lessor shall be free to consummate the sale of the First Refusal Property to the Entity submitting the Written Offer pursuant to the same terms as contained in the Written Offer. So long as any such sale closes on materially similar terms and conditions as set forth in the Written Offer, the Refusal Right to Purchase shall thereafter be of no further force and effect with respect to the First Refusal Property and the Refusal Right to Purchase shall be terminated with respect to the sale at issue, but the Refusal Right to Purchase shall still apply to other portions of Ground Lessor's Parcel not sold or transferred. For purposes of this Section B, a reduction in the purchase price of more than five percent (5%) thereof shall be considered a material change and require Ground Lessor to provide Ground Lessee with a ROFR Notice as outlined above.

c. In the event that any sale to an Entity that has submitted a Written Offer is terminated, for whatever reason, and Ground Lessor thereafter receives a bona fide Written Offer to



purchase the First Refusal Property, Ground Lessor shall again follow all of the provisions and steps set forth in this Section B, notwithstanding any previous decision of Ground Lessee not to purchase the First Refusal Property or any previous failure of Ground Lessee to deliver an Election Notice. In addition, in connection with any such new bona fide Written Offer for the First Refusal Property, neither Ground Lessor nor Ground Lessee shall be bound by any previously delivered Written Offer Price associated with a previous Written Offer for the First Refusal Property.

## EXHIBIT B

### RIGHT OF FIRST REFUSAL TO LEASE

A. During the Term of the Lease, in the event that Ground Lessor determines, in its sole discretion, to lease other portions of Ground Lessor's Parcel outside of the Premises to an unrelated and unaffiliated third party, and such lease will be subject to N.C. Gen. Stat. §160A-272 (the "**Lease Procedures**"), then Ground Lessor will provide written notice to Ground Lessee of the upcoming Lease Procedures such that Ground Lessee may participate in any such Lease Procedure. In the event that other portions of Ground Lessor's Parcel is leased to an affiliated entity (being other entities related to Chatham County) or pursuant to a public auction, then the following provisions of this Exhibit B shall not apply and shall have no force or effect.

B. During the Term of the Lease, in the event that Ground Lessor determines, in its sole discretion, to lease other portions of Ground Lessor's Parcel, and such lease is not leased to an affiliated entity or is subject to the requirement of a Lease Procedure, then Ground Lessee shall have an ongoing and continuous right of first refusal to lease (the "**Right of First Refusal to Lease**") any portions or parts of the Ground Lessor's Parcel not part of the Premises subject to this Lease (hereinafter in this Exhibit B referred to as the "**First Refusal Property**"). If Ground Lessor receives a bona fide offer (the "**Offer**") from a prospective tenant to lease all or any part of the First Refusal Property, Ground Lessor shall give Ground Lessee written notice of such fact, setting forth in such notice all of the material terms and conditions of such Offer. After Ground Lessor notifies Ground Lessee in writing of such an Offer, Ground Lessee shall have thirty (30) days to exercise the Right of First Refusal to Lease by written notice to Ground Lessor. If Ground Lessee exercises the Right of First Refusal to Lease, Ground Lessee shall be required to lease all of the First Refusal Property that is the subject of the Offer. If Ground Lessee fails to notify Ground Lessor of its election within the aforesaid thirty (30) day period, Ground Lessee shall be deemed to have waived the Right of First Refusal to Lease with respect to the Offer.

C. Upon any exercise by Ground Lessee of the Right of First Refusal to Lease in accordance herewith, Ground Lessor and Ground Lessee shall promptly execute, at the request of either, an amendment to this Lease whereby Ground Lessee leases such First Refusal Property and the First Refusal Property is added to the Premises subject to the Lease, provided that the terms of such lease of the First Refusal Property shall be upon the same terms and conditions as set forth in the original Lease, including that the Base Rent for the expanded Premises (including the First Refusal Property), the Term, and other terms and conditions of the Lease shall not change, be modified or be amended, and Ground Lessee shall accept possession of the First Refusal Property in its current, as-is condition.

D. If Ground Lessee fails or refuses to exercise such Right of First Refusal to Lease or is deemed to have waived such Right of First Refusal to Lease with respect to the First Refusal Property that is subject of such Offer, then such Right of First Refusal to Lease shall lapse as to such then applicable third party Offer, time being of the essence with respect to the exercise thereof, and Ground Lessor may thereafter lease the applicable First Refusal Property to the prospective tenant identified in such Offer on the terms set forth in the Offer. If Ground Lessor fails to lease the First Refusal Property pursuant to the Offer, Ground Lessor shall give Ground Lessee notice in the manner set forth above of any further or different offers made or received by Ground Lessor for the lease of the First Refusal Property, and the Right of First Refusal to Lease shall continue to apply to the First Refusal Property, pursuant to the terms and conditions of this Exhibit B. It is expressly understood and agreed by and between the parties hereto that Ground Lessee shall have the Right of First Refusal to Lease with respect to each and every offer to lease made or received by Ground Lessor or by any successor Ground Lessor during the Term, and the then Ground Lessor at the time of the making or receipt of such offer to lease shall in each and every instance notify Ground Lessee of such offer in the manner set forth above, and Ground Lessee shall have the right

to purchase the First Refusal Property under the terms and conditions of such offer in accordance with the terms and provisions set forth above. Further, in the event the First Refusal Property includes some, but not all, of Ground Lessor's Parcel, then Ground Lessee's Right of First Refusal to Lease shall continue to apply to any other remaining portions of Ground Lessor's Parcel.

**EXHIBIT C**  
FORM OF MEMORANDUM OF LEASE

[to be added]