

STATE OF NORTH CAROLINA

SUBLEASE AGREEMENT

COUNTY OF GUILFORD

THIS SUBLEASE AGREEMENT ("Sublease"), made and entered into as of the last date set forth in the notary acknowledgements below, by and between the **CITY OF GREENSBORO**, a North Carolina municipal corporation, hereinafter referred to as "Sublessor"; and **Guilford County Government**, hereinafter referred to as "Sublessee"

W I T N E S S E T H:

THAT WHEREAS, the Security National Corporation ("Landlord") leased to Sublessor that certain real property and building located at 2301 W. Meadowview Rd. Greensboro, North Carolina (the "Premises") by lease agreement dated **June 17, 2015** (the "Lease"), a copy of which Lease is attached hereto and incorporated herein as **Exhibit A**; and copy of Consent to Sublease is attached hereto and incorporated herein as **Exhibit B**; and

WHEREAS, Sublessor has agreed to sublease to Sublessee a portion of the Premises containing approximately **7,500** square feet of office space as described within this Sublease in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, with respect to the sections of the Lease referenced herein, Tenant shall be deemed to be the "Sublessee" thereunder and Sublessor shall be deemed to be the "Sublessor" thereunder; and

WHEREAS, the parties hereto have mutually agreed to the terms of this Sublease as hereinafter set out.

NOW, THEREFORE, in consideration of the Subleased Premises, as described below, and the promises and covenants contained in the terms and conditions hereinafter set forth, Sublessor does hereby rent, sublease and demise unto Sublessee for and during the term and under the terms and conditions hereinafter set forth, those premises, with all rights, privileges and appurtenances thereto belonging, lying and being in the Guilford County, North Carolina, and more particularly described as follows:

BEING approximately **7,500** net square feet of office space located at 2301 W. Meadowview Rd. Greensboro, Guilford County, North Carolina as shown on **Exhibit C**.

THE TERMS AND CONDITIONS OF THIS SUBLEASE ARE AS FOLLOWS:

1. **Term.** TO HAVE AND TO HOLD the Subleased Premises for a period of **One (1) year**, commencing on **September 1, 2022** (the "Commencement Date"), or as soon thereafter as possession of the Subleased Premises is ceded to Lessee, and terminating on **June 30, 2023** (the "Initial Term").
2. **Rent.** During the Initial Term, Sublessee shall pay to Sublessor annual rent of

\$75,000.00 for the Subleased Premises in equal monthly installments of **\$6,250**. Said rental to be payable within fifteen (15) days from receipt of invoice in triplicate.

Sublessee agrees to pay the aforesaid rental to Sublessor at the address to which notices to Sublessor are to be delivered as set forth herein, or, to such other address as Sublessor may designate by a notice in writing at least fifteen (15) days prior to the due date.

3. Sublessor shall furnish to Sublessee, during the Term, under the terms of this Sublease, as part of the rental consideration, the following: Adequate heating facilities and air conditioning facilities satisfactory to Sublessee; adequate fire extinguishers; necessary lighting (fluorescent) fixtures with bulbs, tubes, starters, and replacements; necessary sockets and wall plugs; hot and cold water and refrigerated drinking water facilities; adequate toilet facilities, (one for males-one for females) as approved by designated representative of Sublessee which must meet requirements of the State of North Carolina for the handicapped; carpeting in designated areas; adequate outside trash containers including provision for the handling of recyclable items such as aluminum cans, cardboard and paper and pest control measures (all pesticides must be applied by a licensed technician). Janitorial services satisfactory to Sublessee for daily cleaning of all office space, furniture, and equipment. Sublessor shall also furnish all utilities including electricity, water, sewer, gas or heating oil (if applicable), heating, air conditioning, lighting and electrical current necessary for such other machines and electrical devices used by Sublessee for the proper operation of an Guilford County Office; provided however, telephone utilities and internet services are not included. Maintenance of lawns, landscaping, sidewalks, paved areas (this includes snow and debris removal) and disposal of trash. Sublessor shall provide on Premises parking facilities. Sublessor will pay all fire and safety inspections fees and storm water fees, if applicable. The number of keys to be provided to Sublessee for each lockset shall be reasonably determined by Sublessee prior to occupancy, at no cost to Sublessee. The Subleased Premises shall be generally accessible to persons with disabilities. This shall include access into the Subleased Premises from the parking areas (where applicable), access into the Subleased Premises via any common areas of the building and access to a restroom suitable for use by disabled persons.

4. **Maintenance / Repairs / Inspection**. During the Term, Sublessor shall keep the Subleased Premises in good repair and Sublesseeable condition, to the end that all facilities are kept in an operative condition. Maintenance shall include, but is not limited to, furnishing and replacing electrical light fixture ballasts, air conditioning and ventilating equipment filter pads, if applicable, and broken glass. In case Sublessor shall fail, refuse, or neglect to correct said condition within five (5) days of receipt of notice in writing from Sublessee with regard to a specified condition, or in the event of an emergency constituting a hazard to the health or safety of Sublessee's employees, property, or invitees, it shall then be lawful for Sublessee, in addition to any other remedy Sublessee may have, to make such repair at its own cost and to deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

5. **Condition of Subleased Premises**. At the Commencement Date or at such other date as specified herein, Sublessor shall have the Subleased Premises in a condition satisfactory to Sublessee, including repairs, painting, partitioning, remodeling, plumbing and electrical wiring suitable for the purposes for which the Subleased Premises will be used by Sublessee.

6. **Alterations, Changes and Improvements.** Sublessee shall have the right during the Term, with the Sublessor's prior consent, to make alterations, attach fixtures and erect additions, structures or signs (collectively, "Sublessee Improvements") in or upon the Subleased Premises. Sublessor accepts no responsibility for the placement, repair, maintenance or removal of any Sublessee Improvements. Any Sublessee Improvements shall be the property of Sublessee and shall be removed from the Subleased Premises by Sublessee, at its sole cost and expense, prior to the expiration or earlier termination of this Sublease. Sublessee shall repair at its own cost and expense any damage or injury to the Subleased Premises caused by its removal of any Sublessee Improvements. Upon the expiration or earlier termination of this Sublease, Sublessor may agree in writing upon request of Sublessee to accept all or part of the Sublessee Improvements, in which event any such Sublessee Improvements remaining in or upon the Subleased Premises shall become the property of Sublessor.

7. **Hazard Insurance.** (a) Landlord and City shall keep the Building and Premises insured to the extent of its full replacement cost against loss or damage under a broad form policy with extended coverage endorsement. Sublessee at its sole cost and expense shall keep all furniture, fixtures, and equipment, whether supplied or owned by Sublessee, Landlord and Sublessee and in addition, all glass forming a part of the Premises, including but not limited to plate glass, insured to the extent of its full insurable value against broad form direct loss. The policy of insurance required to be maintained by Sublessee under the foregoing sentence shall provide that any and all loss proceeds shall be payable to Sublessor and Sublessee, as their interests may appear. (b) Sublessee agrees that it will not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by the standard form of fire insurance policy. Sublessee agrees to pay any increase in premiums for broad form insurance that may be charged during the term of this Lease on the amount of such insurance which may be carried by Sublessor on the Premises or the Building resulting from the type of merchandise sold or equipment, materials and supplies used by Sublessee in or about the Premises whether or not Sublessor has consented to the same, provided, Sublessee shall not be responsible for any such increase in premiums solely as a result of Sublessee's use of the Premises for the purposes permitted. In determining whether increased premiums are the result of Sublessee's use of Premises in a manner other than as set forth in the preceding sentence, a schedule issued by the organization making the insurance rate on Premises showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the Premises. (c) The policies of insurance to be maintained by Sublessor and Sublessee shall: (i) be issued by an insurer licensed to do business in the State of North Carolina; (ii) require at least thirty (30) days prior written notice to the party for whose benefit the insurance has been furnished of termination, lapse of coverage or material alteration; and (iii) waive, to the extent available, any right of recovery or subrogation against the party for whose benefit the coverage has been obtained. If requested by the party for whose benefit the insurance has been obtained, the party required to obtain such insurance shall, upon the Commencement Date of this Lease and thereafter within fifteen (15) days prior to the expiration of each such policy, promptly deliver to the party for whose benefit such coverage has been obtained a certificate of insurance for such coverage. **Liability Insurance.** **Such insurance shall name the City as an additional insured.** Sublessee shall, during the entire term hereof, keep in full force and effect, a policy of commercial general liability insurance with respect to the Premises

and the business operated by Sublessee and any subSublessees of Sublessee in the Premises in which the combined single limit of coverage shall be not less than \$2,000,000.00. **Waiver of Subrogation.** Sublessor and Sublessee and all parties claiming by, through or under them hereby mutually release and discharge each other, and the officers, employees, agents, representatives, customers and business visitors of Sublessor or Sublessee from all claims, losses and liabilities arising from or caused by any injury to persons or property covered by third party insurance, even if caused by the fault or negligence of a released party, but only: (i) in the actual amount and to the extent that insurance proceeds are received by the agreed party from third party insurers, (ii) if this provision does not void or render invalid any insurance coverage or policy, (iii) if consent to this waiver of subrogation by a third party insurer is given after a request has been made therefore (if required under the terms of such policy in order not to void same) and/or an endorsement to the policy is obtained (if an endorsement can be obtained at no additional cost), and (iv) applying, in the case of Sublessee, to any amounts in excess of the amount for which Sublessee may self-insure. Sublessee's Insurance Obligations may be satisfied by an adequate program of self-insurance.

8. **Casualty.** If the Subleased Premises be destroyed by fire or other casualty, without fault of Sublessee, this Sublease shall immediately terminate and the rent shall be apportioned to the time of the damage. In case of partial destruction or damage by fire or other casualty without fault of Sublessee, so as to render the Subleased Premises untenable in whole or in part, there shall be an apportionment of the rent until the damage has been repaired. During such period of repair, Sublessee shall have the right to obtain similar office space at the expense of Sublessee or Sublessee may terminate this Sublease by giving fifteen (15) days written notice to Sublessor.

9. **Liability.** Sublessor shall be liable to Sublessee for any loss or damages suffered by Sublessee which are a direct result of the failure of Sublessor to perform an act required by this Sublease, and provided that Sublessor could reasonably have complied with said requirement.

10. **Surrender of Subleased Premises.** Upon termination of this Sublease, Sublessee will peaceably surrender the Subleased Premises in as good order and condition as when received, the alteration of the Subleased Premises pursuant to Paragraph 6, reasonable use and wear and damage by fire, war, riots, insurrection, public calamity, by the elements, by act of God, or by circumstances over which Sublessee had no control or for which Sublessor is responsible pursuant to this Sublease, excepted.

11. **Title and Quiet Possession.** Sublessor agrees that Sublessee, upon keeping and performing the covenants and agreements herein contained, shall at all times during the Term peaceably and quietly have, hold, and enjoy the Subleased Premises free from the adverse claims of any person.

12. **Assignment and Subletting.** Sublessee may not assign this Sublease nor sublet the Subleased Premises except upon written consent of Sublessor and Landlord.

13. **Holdover.** Any holding over after the expiration of the Term, shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified, so far as applicable; however, either party shall give not less than sixty (60) days written

notice to terminate the tenancy.

14. **Availability of Funds.** The parties hereto agree and understand the continuation of this Sublease for the Term is subject to the Employment and Training Administration, United States Department of Labor, allocating annually sufficient funds to continue rental of the Subleased Premises at the monthly rental rate set forth in Paragraph 2 of this Sublease. The parties to this Sublease also agree that in the event that the Employment and Training Administration, United States Department of Labor, reduces funding for leasing purposes, Sublessee, Guilford County, in its sole discretion, may determine, in view of its total local office operations, whether available funding for payment of rents is sufficient to continue the operation of its local office in the Subleased Premises; and that upon such determination by Sublessee that the available funding is inadequate for such continued operation in the Subleased Premises, the Guilford County shall give not less than sixty (60) days written notice of its determination to Sublessor; and that upon the expiration of such notice period, this Sublease shall terminate without any further liability of Sublessee, Guilford County.

15. **Subordinate.** This Sublease is and at all times will be subject and subordinate to the Lease and the rights of the City thereunder. In the event of a conflict between the provisions of this Sublease and the Lease, as between Sublessor and Sublessee, the provisions of this Sublease will control.

16. **Sublessor's Obligations.** Sublessor agrees that Sublessee shall be entitled to receive all services and repairs to be provided by Sublessor to Landlord under the Lease. Sublessor covenants and agrees that Sublessor shall make all rent payments pursuant to the Lease and perform all other obligations required of it under the Lease. Sublessor agrees, to the extent permitted by applicable law, to indemnify Sublessee, and hold it harmless, from and against any and all claims, damages, losses, expenses and liabilities (including reasonable attorneys' fees) incurred as a result of any breach of the Lease by Sublessor.

17. **Status of Lease.** Sublessor hereby represents and warrants to Sublessee that (i) the Lease attached hereto as **Exhibit A** has been executed and delivered by Sublessor and Landlord and that it constitutes the entire agreement of the parties thereto relating to the lease of the Subleased Premises, (ii) no default or breach by Sublessor exists under the Lease, (iii) no event has occurred that, with the passage of time, the giving of notice, or both, would constitute a default or breach by Sublessor under the Lease, and (iv) subject to receipt of Landlord's written consent hereto, Sublessor has the right and power to execute and deliver this Sublease and to perform its obligations hereunder.

18. **Condition Precedent.** This Sublease and Sublessor's and Sublessee's obligations hereunder are conditioned upon receipt of the written consent of City to the terms of this Sublease in substantially the same form as the Consent to Sublease attached hereto and incorporated herein as **Exhibit B**.

19. **Default.** The happening of any one or more of the following listed events shall constitute a material default and breach of this Sublease:

A. The failure of Sublessee to pay rent when due in accordance with Paragraph 2 hereof.

B. The failure of either Sublessor or Sublessee to perform any acts required by this Sublease or otherwise to comply with any term or provision hereof.

20. **Effects of Default.**

A. Upon the occurrence of any event of default and the failure of Sublessor or Sublessee to cure or remove same within fifteen (15) days after written notice of such default, the non-defaulting party may, if it shall so elect, in addition to any other remedies available to it, terminate this Sublease upon written notice of termination to the defaulting party, and upon exercise of such election, the same shall be effective as of the date of such event of default; provided that if more time is required to complete to cure any default, the defaulting party shall not be in default if it commences such performance within the fifteen (15) day period and thereafter diligently pursues its completion.

B. The rights and remedies of Sublessor and Sublessee provided above are not exclusive and shall be in addition to and not in lieu of any other right and remedies available hereunder, at law or in equity, on account of default by the other party.

21. **Miscellaneous.**

A. Modification. No modification of any provision hereof and no cancellation or surrender hereof shall be valid unless in writing and signed and agreed to by both parties.

B. Binding Effect. Subject to the provisions hereof, this Sublease shall extend to and bind the parties and their respective successors and assigns.

C. Relationship Between Parties. Nothing in this Sublease shall be construed to render Sublessee in any way or for any purpose a partner, joint venturer, or associate in any relationship with Sublessor other than that of Sublessor and Sublessee, nor shall this Sublease be construed to authorize either to act as agent for the other.

D. Applicable Law. This Sublease shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of North Carolina, regardless of conflict of law principles.

E. Authority. Each person executing this Sublease on behalf of Sublessor does hereby represent and warrant that, if applicable: (a) Sublessor is duly organized and in good standing in the State of its organization and, if different, qualified to do business and in good standing in the State of North Carolina, (b) Sublessor has full lawful right and authority to enter into this Sublease and to perform all of its obligations hereunder, and (c) each person signing this Sublease on behalf of Sublessor is duly and validly authorized to do so.

F. Prohibition on Gifts. North Carolina General Statute § 133-32 and Executive Order 24, if applicable, prohibit the offer to, or acceptance by, any employee of Sublessee of any gift from anyone with a contract with Sublessee, or from any person seeking to do business with Sublessee. By execution of this Sublease, Sublessor attests, for its entire organization, including its employees or agents, that it is not aware that any such gift has been offered, accepted, or promised by any employees of its organization.

G. Effect of Waiver. The failure of either party to insist in any instance upon strict performance of any of the terms and conditions set forth in this Sublease shall not be construed as a waiver of the same in any other instance.

H. Complete Agreement. This Sublease and the Lease as incorporated herein by reference represents the entire agreement between the parties covering everything agreed upon or understood in this transaction. There are no oral promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to the execution hereof or in effect between the parties.

I. Severability. In case any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Sublease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

J. Construction. No provision of this Sublease shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party's having or being deemed to have prepared or imposed such provision.

K. Interpretation. The use of headings, captions and numbers in this Sublease is solely for the convenience of identifying and indexing the various provisions in this Sublease and shall in no event be considered otherwise in construing or interpreting any provision in this Sublease. Feminine or neuter pronouns shall be substituted for those of the masculine form, and the plural may be substituted for the singular number in any place or places herein in which the context may require such substitution or substitutions.

L. Terms. Capitalized terms used in this Sublease shall have the meanings ascribed to them at the point where first defined, irrespective of where their use occurs, with the same effect as if the definitions of such terms were set forth in full and at length every time such terms are used.

M. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

N. Memorandum of Sublease for Recording. At the request of either party, Sublessor

and Sublessee shall execute a memorandum of this Sublease for recording in the public records at the requesting party's sole cost and expense. The memorandum of this Sublease shall set forth the parties, provide a description of the Subleased Premises, specify the Term and incorporate this Sublease by reference.

O. E-VERIFY- The Consultant certifies that it currently complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, and that at all times during the term of this Agreement, it will continue to comply with these requirements. The Contractor also certifies that it will require that all of its subcontractors that perform any work pursuant to this Agreement to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. The terms "Contractor", "Sub-Contractor" and "comply" shall have the same meanings intended by Chapter 160A Section 20.1(b) of the North Carolina General Statutes. Violation of this section shall be deemed a material breach of this Agreement.

P. Notices. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed as follows:

to Sublessor: City of Greensboro, Real Estate
P O Box 3136
Greensboro, North Carolina 27402-3136

to Sublessee: Guilford County Government
301 W. Market St.
Greensboro, NC 27401

Nothing herein contained shall preclude the giving of such notice by personal service. The address to which notices shall be mailed as aforesaid to either party may be changed by written notice.

[signatures on following pages]

IN TESTIMONY WHEREOF, this Sublease has been executed by the parties hereto, in triplicate originals, as of the last date set forth in the notary acknowledgments below.

SUBLESSOR:
CITY OF GREENSBORO

Date _____

Originating Department's Approval – Chris Rivera, Director, Office of Workforce Development

This instrument has been preaudited in the manner required by the local government Budget and Fiscal Control Act.

Date _____

Deputy Finance Officer

Approved as to Form.

Date _____

Chief Deputy City Attorney

ATTEST: CITY OF GREENSBORO

City Clerk

City Manager

Date;_____

SUBLESSEE:
Guilford County Government

By: _____
County Manager

ATTEST:

By: _____
County Clerk to the Board

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public, do hereby certify that
_____, personally came before me this day and acknowledged
that he is County Manager, and that by authority duly given and, the foregoing instrument was
signed in its name by _____, of Guilford County Government and
attested by himself as County Manager on this _____ day of _____, 2022.

Notary Public

My Commission Expires: _____

seal

Exhibit A

(Lease of the City of Greensboro)

Exhibit B

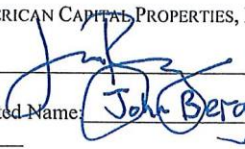
CONSENT TO SUBLEASE

American Capital Properties, LLC ("Master Lessor") hereby consents to the sublease by the City of Greensboro ("Sublessor") of a portion of the Premises to Guilford County ("Sublessee"), pursuant to Section 5 of the Office Building Lease Agreement dated June 17, 2015 ("Master Lease") between Master Lessor's predecessor in interest, SN Properties Funding V-Henderson, LLC, and Sublessor, conditioned on Sublessor and Sublessee's agreement to the following:

- (1) Sublessor is not released from its obligations under the Master Lease in any respect.
- (2) This consent will not be deemed a consent to any future sublease.
- (3) Master Lessor does not warrant the accuracy of any of the provisions of the sublease between Sublessor and the Sublessee, nor will Master Lessor be deemed a party to the sublease or in privity with the Sublessee.
- (4) A copy of the Master Lease is attached hereto as Exhibit A. A copy of the Sublease is attached hereto as Exhibit B.

MASTER LESSOR:

AMERICAN CAPITAL PROPERTIES, LLC

By: 

Printed Name: John Berg

Title: V.P.

Date: 5/16/2022

SUBLESSOR:

CITY OF GREENSBORO

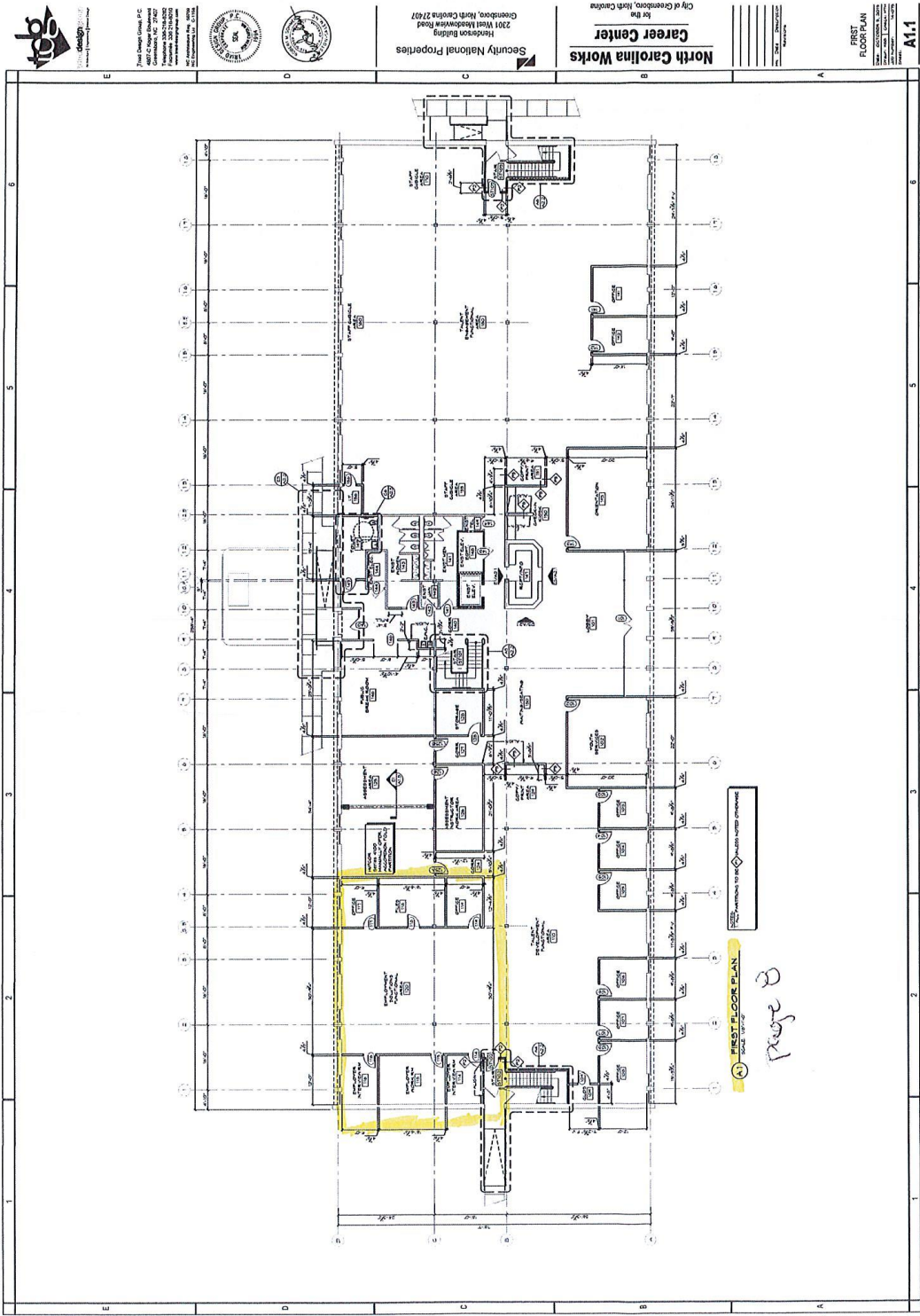
By: 

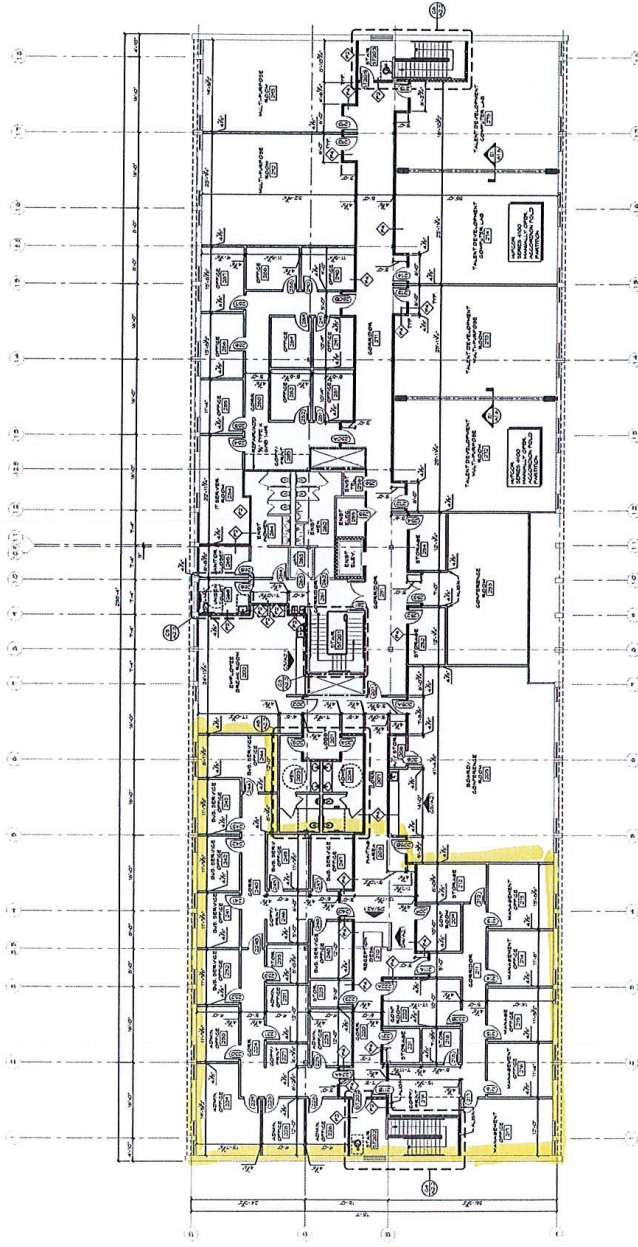
Printed Name: Chris Rivera

Title: Executive Director

Date: 5/13/2022

Exhibit C





A1 SECOND FLOOR PLAN
SCALE 1/8" = 1'-0"

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