

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

STATE OF NORTH CAROLINA

Lease of Facility Located at

COUNTY OF GUILFORD

931 Third St., Greensboro, NC

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease" or "Agreement") is made and entered into as of this 1st day of June, 2021, by and between the **COUNTY OF GUILFORD** ("LESSOR"), a body politic and corporate of the State of North Carolina, and **THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION d/b/a CONE HEALTH** ("LESSEE"), collectively "the Parties."

WHEREAS, on October 21, 2019 the Parties entered into an Agreement for Behavioral Health Services ("ABHS") whereby LESSOR agreed to secure, construct, maintain, and lease to LESSEE a mental health facility as described in the ABHS and LESSEE agreed to operate the facility;

WHEREAS, in accordance with the ABHS, LESSOR has caused a mental health facility to be built on land acquired by LESSOR at 931 Third Street, Greensboro, with such facility now nearing the point at which it will be able to open to patients;

WHEREAS, the ABHS provides for the Parties to enter into a lease agreement pursuant to which LESSEE will occupy the mental health facility;

WHEREAS, according to the provisions herein and for consideration received, the Parties acknowledge that LESSEE shall lease from the LESSOR all of LESSOR's real property and improvements thereon located at 931 Third Street, Greensboro, NC, as more particularly described on **Exhibit A**, attached hereto and incorporated by reference, on the terms and conditions set out below; and,

NOW, THEREFORE, THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. **Leased Premises.** The leased premises consist of all of LESSOR's real property and improvements thereon located at 931 Third Street, Greensboro, NC ("the Premises"), as more particularly described on **Exhibit A**, attached hereto and incorporated by reference.¹
2. **Term and Termination.** It is the desire of the parties that, during the term of this Agreement, it be an ongoing contract, continuing from year to year (crossing the County's fiscal years) without the necessity of re-execution, subject to continued

¹ As used in this Lease, "the Facility" means the mental health facility located on the Premises. "Premises" includes but is not limited to the Facility.

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

appropriation by the Guilford County Board of Commissioners or other funding source, pursuant to N.C.G.S. §153A-13. The term of this Lease shall run concurrently with the term of the ABHS (as it may be amended) and shall terminate automatically upon the termination of the ABHS unless otherwise agreed in writing by both Parties. This Lease may be terminated while the ABHS remains in effect only by written agreement of both Parties.

3. **Payment.** LESSEE shall pay LESSOR one dollar (\$1.00) per year in rent, payable at the inception of the Lease term and at one year intervals from that date for as long as the Lease is in effect.
4. **Notices.** Except where otherwise stated herein, all notices, correspondence, and payments pursuant to this Lease shall be in writing and delivered personally or mailed or delivered to the following address for the Parties. Either Party may change such address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. The address to which Notices shall be delivered to either Party may be changed by written Notice. Mailed notices will be deemed communicated as of three (3) days after mailing. Notices shall be sent to the following:

Notices to LESSOR:

Attention: Michael Halford
Guilford County Manager
GUILFORD COUNTY
301 West Market Street, 2nd Floor
Greensboro, N.C. 27401

with a copy to:

Attention: Eric Hilton
Guilford County Facilities Manager
Guilford County Facilities and Property
Management Department
301 West Market Street, 4th Floor
Greensboro, N.C. 27401

Notices to LESSEE:

Attention: Michael Cooke
Facilities Management
The Moses H. Cone Memorial
Hospital Operating Corporation
1200 North Elm Street
Greensboro, NC 27401

With a copy to:

Attention: Robert Carter, Esq.
General Counsel
The Moses H. Cone Memorial

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

Hospital Operating Corporation
1200 North Elm Street
Greensboro, NC 27401

5. Lessor Obligations. LESSOR shall, at LESSOR'S expense:

- A. Provide adequate building maintenance staff.
- B. Pay the cost of any structural work needed for the Facility building, parking lots, signage, and maintenance of grounds.
- C. Provide security to the extent set out in Exhibit C.
- D. Cover the cost of initial basic Facility equipment, such as cabinetry and furniture for the Facility. LESSEE shall furnish and install at its expense any replacements of such equipment over time as reasonably needed.
- E. Participate in any Oversight Board (as defined in the AFBHS) meetings or such other official planning and maintenance meetings that may be required, as determined by the Parties.
- F. Designate senior-level executives as members of any official planning and maintenance committee(s) as required.
- G. Provide and service an electronic security access and control system for the Facility to be administered by LESSEE. LESSEE may change systems at its expense.
- H. Provide the necessary wiring and upfit of the Facility to support the phone and Information Technology systems to be funded and administered by Cone Health.
- I. Maintain property coverage on the Premises at commercially appropriate levels. LESSOR is not responsible for insuring contents belonging to LESSEE or others.
- J. Perform the areas of responsibility assigned to LESSOR on the Areas of Responsibility document attached as Exhibit B and incorporated herein by reference.

6. Lessee Obligations. LESSEE shall, at LESSEE'S expense:

- A. Cover the costs of utilities, gas, electric, water, and sewer services for the Facility.
- B. Install and administer any and all telephone, computer, network, or other information technology ("IT Resources"). All IT Resources, including any data or records generated through the services provided by LESSEE at the Facility, will be under the control of

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

and owned by LESSEE, and may be removed by LESSEE upon termination or expiration of the Lease provided that LESSEE repairs any damage caused by such removal.

- C. Obtain sufficient medical and liability insurance with limits of at least \$2 million per incident/\$4 million aggregate for the operation of the Facility (with LESSOR named as an additional insured), including any off-site provision of care, as well as adequate renter's and workers compensation coverages, and provide proof of such coverages to County prior to operation of the Facility. Such coverages may be provided through programs of self-insurance.
 - D. Participate in such Oversight Committee meetings and events as required, and designate such senior-level executives as members of the Committee as required.
 - E. Provide environmental services (housekeeping).
 - F. Provide minor maintenance, such as stopped up toilets, lightbulb replacement, etc.
 - G. Perform the areas of responsibility assigned to LESSEE on the Areas of Responsibility document attached as Exhibit B and incorporated herein by reference.
 - H. Provide security to the extent set out in Exhibit C.
7. **Parking.** LESSEE will manage the parking areas on the Premises for its staff, patients, visitors, and vendors. However, adequate parking will be set aside for LESSOR to perform its duties. This shall include at least one dedicated space in the rear parking area/service area to park one vehicle for maintenance purposes and two dedicated spaces in the main parking lot for security officers.
8. **Liability/Independent Contractors.** To the extent permitted by North Carolina law and without waiving sovereign or governmental immunity, the Parties agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses, and attorney fees resulting from, or attributable to, any and all of their individual acts or omissions to the extent allowable by law. The Parties shall operate as independent contractors for all purposes. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer – employee, principal – agent, partners, or joint venturers between LESSOR (including its officers, agents, and employees) and LESSEE (including its officers, agents, and employees).
9. **Enjoyment of Premises.** LESSOR agrees that, upon LESSEE keeping and performing the covenants and agreements contained here, LESSEE shall at all times during the existence of this Lease peaceably and quietly have, hold, and enjoy the Premises free from the adverse claims of any person.

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

10. **Surrender.** Upon the expiration of or termination of this Lease, LESSEE shall peacefully and quietly leave and surrender the Premises in good order and repair to LESSOR, and in the same condition as when delivered to LESSEE, ordinary wear and tear, casualty damage, and LESSOR'S obligations under this Lease excepted. LESSEE shall retain the ownership of and has the right to remove prior to surrender of the Premises all movable equipment, and supplies placed in or on the Premises by LESSEE, provided LESSEE repairs any damage to the Premises resulting from such removal.
11. **Care of Premises.** Subject to LESSOR's obligations under Section 5 and Exhibit B, LESSEE agrees to take good care of the Premises at LESSEE's expense, ordinary wear and tear and casualty damage excepted. There shall be no improvements permanent in nature erected within the Leased area without express written permission from the LESSOR.
12. **Removable Improvements.** In order for LESSEE to make minor temporary or removable improvements to the Premises at LESSEE's expense, LESSEE must obtain the prior written approval of LESSOR, and such minor temporary or removable improvements to the Premises may not mar the condition or appearance of the Premises. LESSOR agrees to let LESSEE remove such improvements, provided that LESSEE leaves the place from which such improvements are removed in good condition, ordinary wear and tear and casualty damage excepted. LESSEE is strictly forbidden to add any structural, electrical wiring, plumbing, or heating to the Premises without the prior written consent of LESSOR.
13. **Sublet, Assignment, Occupancy, Assumption.** This Lease cannot be sublet, assigned or assumed without LESSOR's written approval. Additionally, except for patients and LESSEE's own staff, LESSEE may not allow others to occupy any portion of the Premises on an ongoing basis without LESSOR's prior written approval. Notwithstanding the foregoing, LESSEE may assign this Lease to a subsidiary of LESSEE without the prior written consent of LESSOR, provided such subsidiary is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

If LESSEE should undergo merger, acquisition, bankruptcy or any change in its ownership or name for any reason, LESSEE must notify LESSOR in writing of these changes and provide LESSOR with legal documentation supporting these changes, such as an Assumption Agreement, Bill of Sale, Articles of Incorporation, Articles of Amendment, sales contract, merger documents, etc. Further, LESSEE will submit the name and address of the assuming entity's registered agent for service of process and/or all notices required under this Lease.
14. **Binding on Heirs.** The provisions of this Lease shall be binding upon the heirs, executors, administrators and successors of both LESSOR and LESSEE in like manner as upon the original Parties, except as otherwise provided by mutual written agreement.

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

15. **No Third-Party Beneficiaries.** There are no third-party beneficiaries to this Lease and no intended beneficiaries other than those identified herein.
16. **Right of Entry.** While this Lease is in effect, both Parties and their authorized agents and employees shall have the right to access the Premises to perform their duties under this Lease. The LESSOR and its representatives and/or agents may also enter the Premises at any reasonable time upon reasonable prior notice to LESSEE for the purpose of inspecting the Premises or land relating to the performance of maintenance activities on the Property and to ensure compliance with the Lease. LESSOR's rights under this section shall be subject to compliance with applicable patient privacy and confidentiality rights.
17. **Amendments.** All modifications or alterations to this Lease shall be made by written amendment signed by both Parties.
18. **Severability.** If any provision of this Lease should be held unenforceable, then such provision will be modified to reflect the Parties' intention. All remaining provisions of this Lease shall remain in full force and effect.
19. **Headings/Titles/Wording.** Inclusion of titles of paragraphs or section headings, capitalization of certain words or phrases and/or bold face typestyle of certain words or phrases in this Lease are for convenience purposes only and shall not be used to interpret or construe the provisions of this Agreement. The terms "Lease", "Contract" and "Agreement" have the same meaning and may be used interchangeably throughout this document. The terms "Attachment," "Exhibit," and "Addendum" have the same meaning and may be used interchangeably throughout this document.
20. **Entire Agreement.** This Lease, including the Exhibits and/or Attachments, sets forth the entire lease agreement between the Parties. All prior conversations or writings between the Parties hereto or their representatives are merged within and extinguished. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
21. **Jurisdiction.** The Parties agree that this Lease is subject to the jurisdiction and laws of the State of North Carolina. LESSEE will comply with bid restrictions, if any, and applicable laws, including N.C.G.S. §143-129(j) regarding E-Verify. Any controversies arising out of this Lease shall be governed by and construed in accordance with the laws of the State of North Carolina.

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

22. **Recording.** Upon request of either party, the other party shall execute and deliver a memorandum of this Lease suitable for recording and containing such terms hereof as the requesting party shall reasonably require.
23. **Landlord's Failure.** If Landlord shall at any time fail to perform any act or obligation required under this Lease to be performed by Landlord and such failure shall continue for a period of thirty (30) days following written notice, or, if it is not reasonably possible to perform such act within said thirty (30) day period and Landlord commences and at all times thereafter diligently pursues performance, a reasonable time following written notice, Landlord shall be in breach of this Lease, and Tenant shall be entitled to any rights and remedies to which Tenant is entitled by law or to which Tenant is entitled pursuant to the terms of this Lease. In addition to, but not in lieu of, the foregoing rights and remedies, in the event of any such breach and failure to cure by Landlord (and also in the event of an emergency), Tenant may, but shall not be obligated to, perform such act and Landlord shall reimburse Tenant all reasonable sums so expended by Tenant in connection therewith.
24. **Waiver of Subrogation.** Anything in this Lease to the contrary notwithstanding, LESSOR hereby releases and waives unto LESSEE (including all officers, directors, employees and agents thereof), its successors and assigns, and LESSEE hereby releases and waives unto LESSOR (including all officers, directors, employees and agents thereof), its successors and assigns, all rights to claim damages for any loss, cost or damage to the Premises, as long as the amount of such loss, cost or damage has been paid to the damaged party under the terms of any insurance policy, to the extent such releases or waivers are permitted under applicable law.
25. **Casualty.** In the event of casualty damage, (a) LESSOR shall be entitled to receive the proceeds of the property insurance maintained by LESSOR on the Premises, (b) LESSOR shall, within a commercially reasonable time period, repair, rebuild and restore the Premises to the condition existing prior to such casualty damage (but this obligation shall not survive the expiration or termination of this Lease); and (c) LESSEE shall be entitled to receive the proceeds of any insurance maintained by LESSEE with respect to LESSEE's property and any leasehold improvements made by LESSEE or at LESSEE's cost.

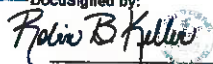
(The remainder of this page is intentionally left blank.
This Lease Agreement continues on the following page.)

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

IN WITNESS WHEREOF, the Parties have caused this Lease Agreement to be executed,
all pursuant to authority duly granted, as of the day and year first above written.

ATTEST:

GUILFORD COUNTY:

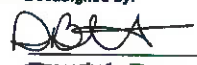
DocuSigned by:

10/29/2021 | 12:30 PM EDT
Robin Keller
Guilford County Clerk to Board

DocuSigned by:

10/28/2021 | 7:46 PM EDT
Michael Hanford, Guilford County Manager

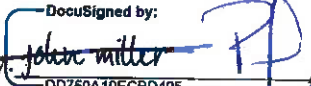
(COUNTY SEAL)

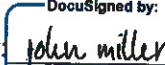
This instrument has been preaudited in the manner
required by the Local Government Budget and
Fiscal Control Act.

DocuSigned by:

10/28/2021 | 6:16 PM EDT
Derrick Bennett
Guilford County Finance Director

ATTEST:

THE MOSES H. CONE MEMORIAL
HOSPITAL OPERATING CORPORATION
d/b/a CONE HEALTH

DocuSigned by:

By: John Miller
Corporate Secretary
Name: John Miller
Title: Sr. Vice President
CONE HEALTH

DocuSigned by:

By: John Miller
Chief Investment Officer
and Treasurer

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

EXHIBIT A

All of Lot 1G of Maple Professional Park, as shown on the Final IMUD Plat for Maple Professional Park, recorded at Plat Book 202, Pages 113-115, Guilford County Register of Deeds, and improvements thereto.

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

EXHIBIT B

Areas of Responsibility	Cone	County
Janitorial Services	x	
Trash/recycling	x	
Pest Control	x	
Door Locks & Key Issuance		x
Proximity Card System & Operation	x	
Nurse Call/Panic System	x	
Security Cameras		x
IT System	x	
Telephone Systems	x	
Alerton Building Automation System		x
Security Officers		x
Preventive Maintenance (unless otherwise assigned)		x
Repairs/Maintenance/Replacement (other than minor maintenance provided by Cone) including, but not limited to, HVAC, plumbing, and electrical		x
Minor Maintenance (unclog toilet, replace bulb, etc.)	x	
Utility bill processing/payment - includes Duke Energy, Water/Sewer, Natural Gas, Generator Fuel	x	
Emergency Generator Annual Preventive Maintenance		x
Emergency Generator Repairs		x
Emergency Generator Weekly Inspection	x	
Emergency Generator Monthly Load Test	x	
Emergency Generator Fueling	x	
Grounds Maintenance (including biocell)		x
Snow Removal		x
Fire Alarm Monitoring		x
Fire Alarm Inspection & Repairs		x
Fire Sprinkler Inspection & Repairs (except for below)		x
Fire Sprinkler Monthly Valve Inspection	x	
Fire Sprinkler Monthly Pressure Gauge Inspection	x	
Fire Extinguisher Inspection (Monthly)	x	
Fire Extinguisher Inspection (Annual)		x
Elevators		x
Emergency Lighting Testing (Monthly & Annual)	x	
Exit Sign Monthly Inspection	x	

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

EXHIBIT C (SECURITY)

LESSEE shall provide security personnel which it determines to be sufficient for the Facility's internal security. As used herein, "internal security" means security with respect to:

- Those areas accessible to the general public entering through the Facility's front entrance.
- The front intake desk area of the Facility.
- The front security office.
- The children's waiting room portion of the Facility.
- The front sally-port portion of the Facility.
- The examination and treatment portions of the Facility (including therapy and group therapy areas).
- The 2nd Floor of the Facility.
- The Facility Based Crisis Center portion of the Facility.
- Searches initiated by LESSEE's staff or contractors.
- Monitoring facility security camera feeds.
- Other Facility security needs that are not "external security."

LESSOR shall provide at its expense a sworn officer, 24 hours per day, seven days per week, to provide external security. As used herein, "external security" means security with respect to:

- IVC patients (but not to relieve the custodial officer of any duties under N.C.G.S. Ch. 122C with respect to such a patient) until the patient enters beyond the rear sally-port portion of the Facility.
- The rear sally-port portion of the Facility (but not to relieve any officer accompanying a party arriving at the rear sally-port of any duties he/she may have with respect to such arriving party).
- The rear security office.
- The portion of the Premises external to the Facility (with security checks to be performed during nighttime hours).
- Searches initiated by LESSOR's sworn officer(s).

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

The meanings of "internal security" and "external security" set out herein may be modified to account for patient flows and/or Facility configurations different from those currently expected. Any such modification must be by a written amendment executed by LESSOR's County Manager and LESSEE's Director of Security (or higher authority).

LESSOR's sworn officer(s) and LESSEE's security officers are permitted to assist one another upon request.

Nothing herein shall be interpreted to relieve any law enforcement officer bringing a person to the Facility (whether voluntarily or involuntarily) of whatever duties such officer may have with respect to such person in the absence of this agreement.

LESSOR shall reimburse LESSEE on a quarterly basis for the expense of providing up to two of LESSEE's security officers, 24 hours per day, seven days per week, to provide internal security subject to an annual (July 1 to June 30) maximum of \$413,000 (which is the estimated initial cost of salaries and benefits for two officers, 24 hours per day, seven days per week, for 12 months). The annual maximum may be increased by up to 5% per year after the first year upon written agreement of LESSOR's County Manager and LESSEE's Director of Security. For purposes of this subsection, the expense reimbursable by LESSOR shall include only the salary and benefits of up to two officers, 24 hours per day, seven days per week. Supervision of LESSEE's security officers will be provided by LESSEE at no additional cost to LESSOR;

LESSOR shall comply with employment and other laws and regulations applicable to LESSOR'S employees, and with federal, state and local laws governing employment and otherwise applicable to employees of LESSOR, including but not limited to the Civil Rights Acts of 1866, 1964 (including Title VII), and 1991, the Age Discrimination in Employment Act ("ADEA"), the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974 ("ERISA"), the Health Insurance Portability and Accountability Act ("HIPAA"), the Family and Medical Leave Act ("FMLA"), the Fair Labor Standards Act ("FLSA"), the Worker Adjustment and Retaining Notification Act ("WARN"), the National Labor Relations Act ("NLRA"), the Equal Pay Act, the Vietnam Era Veteran's Readjustment Assistance Act, the Fair Credit Reporting Act ("FCRA"), the Employee Polygraph Protection Act, the Immigration Reform and Control Act ("IRCA"), the Older Workers Benefits Protection Act ("OWBPA"), the Occupational Health, and Safety Act ("OSHA"), the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), and all other local, state (including any and all states within the United States) and federal laws governing the employment relationship, including but not limited to, such laws governing discrimination in the workplace (collectively, the "State and Federal Employment Laws"). LESSOR hereby agrees to indemnify and hold LESSEE harmless from and against any and all claims, demands, damages (including liquidated, punitive and compensatory), injuries, deaths, actions and causes of actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of

GUILFORD COUNTY CONTRACT NO. 90003717
THE MOSES H. CONE MEMORIAL HOSPITAL OPERATING CORPORATION
(LESSEE)

any sort whether known or unknown, without limit, against LESSEE relating to or arising out of the actions or omissions of any of LESSOR'S security officers. Similarly, LESSEE hereby agrees to indemnify and hold LESSOR harmless from and against any and all claims, demands, damages (including liquidated, punitive and compensatory), injuries, deaths, actions and causes of actions, costs and expenses (including attorney's fees and expenses at all levels of proceedings), losses and liabilities of whatever nature (including liability to third parties), and all other consequences of any sort whether known or unknown, without limit, against LESSOR relating to or arising out of the actions or omissions of any of LESSEE'S security officers.

These security provisions replace and supersede the October 21, 2019 Behavioral Health Service Agreement's provisions related to security.