

**THIS SUB-LEASE DOES NOT BECOME EFFECTIVE UNTIL EXECUTED
BY THE NORTH CAROLINA DEPARTMENT OF ADULT CORRECTION**

STATE OF NORTH CAROLINA

SUB-LEASE AGREEMENT

COUNTY OF CHATHAM

8 THIS SUB-LEASE AGREEMENT ("Sub-lease"), made and entered into this the 8 day of April, 2026, by and between **CHATHAM COUNTY**, hereinafter referred to as "Sub-lessor"; and the **STATE OF NORTH CAROLINA**, a body politic and corporate, hereinafter referred to as "Sub-lessee";

WITNESSETH:

WHEREAS, pursuant to N.C. Gen. Stat. § 146-32, authority to approve and execute this sub-lease agreement was delegated to the Department of Administration by resolution adopted by the Governor and Council of State on the 1st day of September 1981; and as amended on September 8, 1999, and December 7, 1999; and October 6, 2020; and

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

NOW, THEREFORE, in consideration of the Premises, as described herein, and the promises and covenants contained in the terms and conditions hereinafter set forth, Sub-lessor does hereby rent, sub-lease and demise unto Sub-lessee for and during the term and under the terms and conditions hereinafter set forth, those premises or office space, with all rights, privileges and appurtenances thereto belonging, lying and being in the **Town of Siler City, County of Chatham**, North Carolina, and more particularly described as follows:

Being ± 3,000 net square feet of office space located at 134 Village Lake Road, Siler City; Chatham County, North Carolina (the "Premises"), attached hereto and incorporated herein as Exhibit A (the "Premises").

**NC DEPARTMENT OF ADULT CORRECTION, PROBATION AND PAROLE
DIVISION 2, DISTRICT 14**

THE TERMS AND CONDITIONS OF THIS SUB-LEASE ARE AS FOLLOWS:

1. TO HAVE AND TO HOLD the Premises for a term of **three (3)** years commencing on the **1st day of April 2026** (the "Commencement Date"), or as soon thereafter as possession of the Premises is ceded to Sub-lessee and terminating on the **31st day of March 2029** (the "Term").
2. During the term of the sub-lease, Sub-lessee shall pay to Sub-lessor as rental for said Premises the annual sum of **ONE DOLLAR (\$1.00)**, Sub-lessor shall furnish an invoice for each month's rent if so required by Sub-lessee. The Sub-lessee agrees to pay rent to Sub-lessor at the address specified or, to such other address as the Sub-lessor may designate by a notice in writing at least fifteen (15) days prior to the due date.

RENT SCHEDULE

	<u>Annual Rent</u>	<u>Monthly Rent</u>
Year 1	\$1.00	N/A
Year 2	\$1.00	N/A
Year 3	\$1.00	N/A

3. The Sub-lessor shall furnish to Sub-lessee, during the Term at Sub-lessor's sole cost and to the satisfaction of Sub-lessee the following:

- A. Heating facilities, air conditioning facilities, adequate electrical facilities, adequate lighting fixtures and sockets, hot and cold-water facilities, and adequate toilet facilities.
- B. Maintenance of lawns, landscaping, sidewalks, paved areas, snow removal and disposal of trash, including provision for the handling of recyclable items such as aluminum cans, cardboard and paper.
- C. Sub-lessor to provide required fire extinguishers and servicing, pest control, and outside trash disposal. All pesticides must be applied by a licensed technician.
- D. Janitorial and service, and supplies; provide that such services shall only be furnished on weekdays when Sub-lessor's offices are open.
- E. Parking (as available)
- F. Premises shall be generally accessible to persons with disabilities. This shall include access into the Premises from parking areas (where applicable), access into the Premises via any common areas of the building and access to a restroom suitable for use by disabled persons.
- G. Any fire or safety inspection fees shall be paid by Sub-lessor.
- H. Any storm water fees and land transfer tax shall be paid by Sub-lessor.
- I. The number of keys to be provided to Sub-lessee for each lockset shall be reasonably determined by Sub-lessee prior to occupancy and said keys shall be furnished by Sub-lessor to Sub-lessee at no cost to Sub-lessee.
- J. Sub-lessor agrees to the terms and conditions of the signed "Proposal to Sub-lease to the State of North Carolina" Form PO-28 and also the "Specifications for Non-advertised Sub-lease", attached hereto and incorporated herein as **Exhibit B**.

4. During the Term, Sub-lessor shall keep the Premises in good repair and tenantable 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 tubes, and fixture ballasts, lenses covers, fixtures, air conditioning and ventilating equipment filter pads, if applicable, and broken glass. Sub-lessor shall be responsible for the cost of any repairs necessitated by Sub-lessee's negligence or misuse of the Premises. , after notice in writing from Sub-lessee in regard to a specified condition, fail, refuse,

or neglect to correct said condition, or in the event of an emergency constituting a hazard to the health or safety of Sub-lessee's employees, property, or invitees, it shall then be lawful for Sub-lessee, in addition to any other remedy Sub-lessee 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. The Sub-lessor reserves the right, after giving prior notice, to enter and inspect the Premises, at reasonable times and to make necessary repairs to the Premises.

5. This Sub-lease shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina, regardless of conflict of law principles, and court actions arising therefrom may be brought only within the courts of the State of North Carolina.

6. The Sub-lessee shall have the right during the Term, with Sub-lessor's prior consent, to make alterations, attach fixtures and erect additions, structures or signs in or upon the Premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the Premises under this Sub-lease or any prior sub-lease of which this Sub-lease is an extension or renewal shall be and remain the property of Sub-lessee and may be removed therefrom by Sub-lessee prior to the termination of this Sub-lease or any renewal or extension thereof, or within a reasonable time thereafter, or within thirty (30) business days.

7. If the Premises be destroyed by fire or other casualty, without fault of Sub-lessee, this Sub-lease 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 Sub-lessee, so as to render the 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, Sub-lessee shall have the right to obtain similar office space at the expense of Sub-lessee or Sub-lessee may terminate this Sub-lease by giving fifteen (15) days written notice to Sub-lessor.

8. Sub-lessor agrees that Sub-lessee's decision to self-insurance satisfies all insurance requirements of the sub-lease applicable to the sub-lessee.

9. As between Sub-lessee and Sub-lessor, Sub-lessee, subject to terms of this Sub-lease, will be primarily liable for negligent or intentional acts or omissions of its officers and employees. As to third parties, Sub-lessee is an immune sovereign and is not ordinarily subject to suit. However, Sub-lessee has enacted Chapter 143, Article 31, of the North Carolina General Statutes (the "Tort Claims Act"); pursuant to which Sub-lessee may be liable within the terms of the Act for the torts of its officers, employees and agents. Accordingly, with regard to Sub-lessee's sub-lease of the Premises, its liability for any claims arising from any accident, injury, or damage whatsoever, however caused to any person or persons or to the property of any person, persons, corporation or corporations shall be within the coverage of the Tort Claims Act. No provision of this Sub-lease shall be construed as constituting a waiver of Sub-lessee's sovereign immunity or Sub-lessee's immunity under the Eleventh Amendment of the Constitution of the United States.

10. Sub-lessor shall be liable to Sub-lessee for any loss or damages suffered by Sub-lessee which are a direct result of the failure of Sub-lessor to perform an act required by this Sub-lease, provided that Sub-lessor could reasonably have complied with said requirement.

11. This Sub-lease shall be binding upon and inure to the benefit of Sub-lessor and Sub-lessee, their successors, and permitted assigns.

12. Sub-lessee shall not assign this Sub-lease nor sublet all or part of the Premises without the

prior written consent of Sub-lessor, which consent shall not be unreasonably withheld or delayed.

13. Upon termination of this Sub-lease, Sub-lessee will peaceably surrender the Premises in as good order and condition as when received, 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 Sub-lessee had no control or for which Sub-lessor is responsible pursuant to this Sub-lease, excepted. The Sub-lessee shall have no duty to remove any improvement or fixture placed by it on the Premises or to restore any portion of the Premises altered by it. In the event, Sub-lessee elects to remove his improvements or fixtures and such removal causes damage or injury to the Premises, Sub-lessee will repair only to the extent of any such damage or injury.

14. 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 Sub-lessor: **Chatham County**
12 East Street
Siler City, North Carolina 27312

to Sub-lessee: **North Carolina Department of Adult Correction, Purchasing**
Attn: Real Property Manager
3512 Bush Street (MSC 5227)
Raleigh, North Carolina 27609-5227

w/copy to: **North Carolina Department of Administration, State Property Office**
Attn: Manager, Leasing and Space Planning Section
1321 Mail Service Center
Raleigh, North Carolina 27699-1321

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.

15. The Sub-lessor agrees that Sub-lessee, 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 Premises free from the adverse claims of any person or company.

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

17. Any hold over after the expiration of the said term or any extension thereof, 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.

18. The parties to this Sub-lease agree and understand that the continuation of this Sub-lease for the Term is dependent upon and subject to the appropriation, allocation or availability of funds for this purpose to the agency of Sub-lessee responsible for payment of said rental. The parties to this Sub-lease also agree that in the event the agency of Sub-lessee or that body responsible for the appropriation of said funds, in its sole discretion, determines in view of its total local office

operations that available funding for the payment of rents is insufficient to continue the operation of its local office on the Premise, it may choose to terminate this Sub-lease by giving Sub-lessor written notice of said termination, and this Sub-lease shall terminate immediately without any further liability to Sub-lessee.

19. Each person executing this Sub-lease on behalf of Sub-lessor does hereby represent and warrant that, if applicable: (a) Sub-lessor 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) Sub-lessor has full lawful right and authority to enter into this Sub-lease and to perform all of its obligations hereunder, and (c) each person signing this Sub-lease on behalf of Sub-lessor is duly and validly authorized to do so.

20. In case any one or more of the provisions contained in this Sub-lease 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 Sub-lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. No provision hereof 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.

21. It is understood and agreed that Sub-lessor prior to the Commencement Date or at such other date as specified herein shall, construct, upfit, and/or repair the Premises and thereafter to maintain the same, in accordance with (a) the approved floor plan attached hereto and incorporated herein as **Exhibit A**; and (b) "Specifications for Non-advertised Sub-lease", attached hereto and incorporated herein as **Exhibit B**; and ~~(c) the Building Improvement List, attached hereto and incorporated herein as **Exhibit C**; and (d) the applicable regulation and building code provisions of the governmental authority having jurisdiction over the Premises.~~ If applicable, Sub-lessor shall provide Sub-lessee, prior to Sub-lessee taking possession of the Premises, with a copy of any certificate of occupancy, compliance or completion issued by the appropriate governmental authority.

22. North Carolina General Statute § 133-32 prohibits the offer to, or acceptance by, any employee of Sub-lessee of any gift from anyone with a contract with Sub-lessee, or from any person seeking to do business with Sub-lessee. By execution of this Sub-lease, Sub-lessor attests that Sub-lessor has not offered, accepted, or promised any such gifts and that Sub-lessor is not aware that any such gifts have been offered, accepted, or promised by any of Sub-lessor's employees or agents.

[signatures begin on the following page]

THIS SPACE INTENTIONALLY LEFT BLANK

IN TESTIMONY WHEREOF, this Sub-lease has been executed by the parties hereto under seal, in duplicate originals, as of the dates outlined in the notary acknowledgments below.

SUB-LESSOR:

CHATHAM COUNTY
County Administration



By: **Bryan Thompson**
Chatham County Manager

STATE OF NORTH CAROLINA

COUNTY OF Chatham

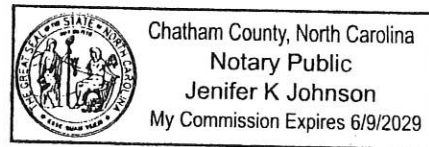
I, Jenifer K Johnson, a Notary Public in and for the County and State aforesaid do hereby certify that **Bryan Thompson, County Manager of Chatham County**, personally came before me this day and executed the foregoing instrument for the company.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 23rd day of March, 2026.

Notary Public: Jenifer K Johnson
Print Name: Jenifer K Johnson
My Commission Expires: 6/9/2029

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

Roy Lynch
Roy Lynch, Finance Officer



SUB-LESSEE:

STATE OF NORTH CAROLINA
North Carolina Department of Adult Correction

By: Joanne Rowland
Joanne Rowland
Director of Purchasing

STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Shakeeta L. Little, a Notary Public in and for the aforesaid County of Wake and the State of North Carolina, do certify that **Joanne Rowland, Director**, personally came before me this day and acknowledged that s/he is the **Director of Purchasing of the Department of Adult Correction for the State of North Carolina**, and that by authority duly given and as the act of the State has signed the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 8 day of April, 2026.

Notary Public: Shakeeta L. Little
Print Name: Shakeeta L. Little
My Commission Expires: 08/06/2028

Exhibit B

SPECIFICATIONS FOR NON-ADVERTISED SUB-LEASE

1. The floor plan should show building exits for the proposed space. Also, provide the year the building was constructed.
2. This facility must provide an environment that is barrier free and easily accessible to physically disabled staff, visitors and clientele. Compliance with the State Building Code and the Americans with Disabilities Act (ADA) is required. Toilet facilities shall be ADA accessible and code compliant.
3. The air conditioning and heating system shall be maintained by Sub-lessor including frequent filter cleaning and replacement. Year-round ventilation shall be provided to prevent stale air problems and unacceptable CO2 content. Waiting areas, LAN room and conference room(s) may require additional HVAC.
4. Telecommunication room temperature should be within a range of 65° to a maximum of 75°. This is a 24-hour per day, 7-days per week requirement. A separate HVAC system may be required to maintain this temperature range.
5. All lighting and electrical maintenance shall be furnished by Sub-lessor including the replacement of ballasts, light tubes and replacement bulbs.
6. The Sub-lessor shall provide required fire extinguishers and servicing, pest control (by a licensed technician) and outside trash disposal including provision for the handling of recycling items such as aluminum cans, cardboard, and paper. Frequent trash and recycling pick-up required. Year-round maintenance is required to maintain a neat and professional appearance of the site at all times.
7. Sub-lessor shall provide internal and external signs that will provide easy identification of the office by the general public (*if applicable NC DAC request psub-lease work to be performed by Correction Enterprises*).
8. Locking hardware is required on all storage rooms, equipment rooms, files rooms and LAN room. Supply storage closets require shelving.
9. The Sub-lessor shall provide sufficient window coverings shall be provided to control glare within the space (venetian blinds or acceptable equivalent).

10. The Sub-lessor shall provide vinyl tile or other floor covering acceptable to the State in all finished areas. Prefer carpeting for all offices and conference rooms. If floors are carpeted, they should be commercial grade 26 oz or 24 oz carpet squares preferred, acceptable to the Sub-lessee. LVT tile is preferred in the waiting area, LAN room(s), kitchenette, restrooms and hallways. LAN room tile should be anti-static. New or like-new carpet is preferred. If not new, carpet must be professionally cleaned and all stains removed before occupancy. High traffic areas will require frequent cleaning and replacement of floor finishes to maintain a neat, clean, high-quality finish and will be at the State Property Office's discretion.
11. Sub-lessor shall shampoo all carpet and clean the outside of the building windows annually.
12. Sub-lessor shall be responsible for snow and debris removal as quickly as possible to avoid work delays.
13. The per square foot price proposal is based on the floor plan and repair lists agreed upon by the State of North Carolina and includes but it not limited to all partitions, demolition, and up fitting costs: building and grounds maintenance; property taxes; insurance; fire and safety inspection fees; stormwater fees; land transfer tax; common area maintenance and other building operational costs.
14. The number of keys to be provided to the State for each lockset shall be reasonably determined by the State prior to occupancy, at no cost to the State.
15. All parking areas shall be adequately lighted and located within a reasonable distance of the office.
16. Sub-lessor shall provide all conduits and pull strings from above the ceiling to outlet boxes. State to install wiring and cover plates.
17. Sub-lessor is responsible for providing all cleaning supplies, paper and soap products for kitchen and bathrooms regardless of who contracts for janitorial services.

The Sub-lessor is in agreement with the above conditions and the conditions of the also signed "Proposal to Sub-lease to the State of North Carolina" Form PO-28.

Exhibit C

THIS EXHIBIT DOES NOT APPLY (Building Improvement List)