

**OLD TRAIL VILLAGE CENTER LEASE**

**THIS LEASE AGREEMENT**, made this \_\_\_\_ day of October, 2016, by and between MARCH MOUNTAIN PROPERTIES, L.L.C., a Virginia limited liability company, or assigns, (“Landlord”) and COUNTY OF ALBEMARLE VIRGINIA, a political subdivision of the Commonwealth of Virginia (“Tenant”).

**WITNESSETH:**

That for and in consideration of the covenants and provisions of this Lease, Landlord hereby leases and demises to Tenant, and Tenant hereby takes, accepts, and rents from Landlord, the premises hereinafter set forth for the period, at the rental and upon the terms and conditions hereinafter set forth.

1. **LEASED PREMISES:** The leased premises hereunder shall consist of Unit 109, within Building I of Old Trail Village Center (the “Building”) in Albemarle County, Virginia, (the street address of which is currently 1005 Heathercroft Circle, Suite 109, Crozet, VA 22932), as shown on the site plan, floorplans, and specifications marked Schedule A attached hereto and made a part hereof (hereinafter the “Leased Premises”), together with the use of Common Areas as provided in the Supplement to this Lease marked Schedule B entitled “General Terms and Conditions” attached hereto and made a part hereof.

For purposes of apportioning Common Areas Expenses, property taxes, and insurance premiums under this Lease, the Building has 23,269 square feet [measured from the exterior faces of the exterior walls] and the Leased Premises has 852 square feet [measured from the exterior faces of exterior walls and the center(s) of common wall(s)].

2. **TERM OF LEASE:** The term of this Lease shall commence at 12:01 A.M. on the Commencement Date, which is **October 5, 2016**. The term of this Lease shall end at midnight on the date which is three (3) years from the Commencement Date (the “Ending Date”), unless sooner terminated as hereinafter provided or extended as provided in Paragraph 9 of this Lease.

3. **RENT:**

(a) **Annual Rent:** Tenant agrees to pay monthly rent to Landlord, without offset or demand, in advance on the first day of each and every calendar month during the term of this Lease.

Lease payments shall be made according to the following schedule:

<b>Lease Term</b>	<b>Total Rent</b>	<b>Monthly Installments</b>
7/1/16-6/30/19	\$52,668.00	\$1,463.00
Rent Concession	<\$52,668.00>	<\$1,463.00>
Net Rent	\$0.00	\$0.00

(b) Rent shall be abated as a monthly rental concession.

(c) **Additional Rent:** Intentionally omitted.

(d) **Electrical Service:** Tenant is responsible for electrical service.

(e) Late Fee: In the event that the Landlord does not receive from Tenant any installment of rent by the fifth day of the month for which such installment is due or any payment of additional rent referenced in Paragraph 3(b) above, a late fee of ten percent (10%) of the monthly rent or additional rent (as the case may be) shall be due as additional rent. For each additional day that any payment is late, a late fee of one percent (1%) per day of the payment due shall be due as additional rent. Acceptance of any late installment of rent at any time(s) by Landlord shall in no way waive Tenant's obligation to pay rent in accordance with this Section or be deemed a waiver of any of Landlord's rights hereunder.

(f) Place of Payment: All payments shall be paid to Landlord at 1500 Amherst St, Charlottesville, VA 22903, unless Landlord shall designate some other payee or address for payment thereof by giving written notice to that effect to Tenant.

4. **SECURITY DEPOSIT**: On execution of this Lease, Tenant has paid as a deposit to the Landlord the sum of N/A (\$N/A), receipt of which is acknowledged by Landlord, as security for the faithful performance by Tenant of the terms hereof.

On the full and faithful performance by Tenant of the provisions of this Lease, the security deposit shall be returned to Tenant, without interest, within sixty (60) days after the date of surrender in compliance with Paragraph 15 of Schedule B to this Lease. Tenant may not deduct the security deposit from any rental payments.

5. **USE OF PREMISES**: Tenant shall use and occupy the Leased Premises for a police department sub-station and for such other uses to which Landlord and Tenant may hereafter agree. Tenant shall not use the Leased Premises for any disorderly or unlawful purpose or in any noisy or boisterous manner which adversely affects any other tenant of Old Trail Village Center. Certain activities that would violate non-compete clauses in leases of other tenants will be explicitly prohibited.

6. **GENERAL TERMS AND CONDITIONS**: Landlord and Tenant shall abide and be bound by all of the terms and conditions contained in the Supplement to this Lease marked Schedule B entitled "General Terms and Conditions" attached hereto and made a part hereof.

7. **QUIET ENJOYMENT**: On paying the rent and performing the covenants herein contained, Tenant shall peacefully and quietly have, hold and enjoy the Leased Premises for the term as provided in Paragraph 2 of this Lease, and for any extended term or terms.

8. **SUBORDINATION; ESTOPPEL; ATTORNMENT**: This Lease and Tenant's leasehold interest hereunder are and shall be subject, subordinate, and inferior to any mortgage, deed of trust or encumbrances now or hereafter placed on the Leased Premises by Landlord, and all advances there under; provided, however, that the party or parties secured by any such mortgage, deed of trust or encumbrance agrees in writing that, provided Tenant is not in default hereunder, this Lease shall remain in full force and effect notwithstanding any foreclosure or judicial sale pursuant to such mortgage, deed of trust or encumbrance. If requested by Landlord, Tenant shall promptly execute and deliver to Landlord within ten (10) days after written demand by Landlord, such instrument or instruments as Landlord or Landlord's lender may reasonably request to effect such subordination and/or a certificate reflecting the status of this Lease and Landlord's performance hereunder and Tenant's acceptance of the Leased Premises. Landlord shall make timely payments on all mortgages and deeds of trust on the Leased Premises.

9. **LEASE EXTENSION/EARLY TERMINATION:** This lease shall automatically terminate on the Ending Date. Tenant may be given the opportunity to extend the term of this Lease for one (1) additional term of three (3) years. Any such renewal agreement will be offered by landlord not more than one hundred twenty (120) days prior to the Ending Date and must be agreed upon by Tenant not less than ninety (90) days prior to the Ending Date.

Tenant or Landlord may, upon sixty (60) days written notice, terminate the Lease at any time during the Term, or any extension thereof.

10. **AGENTS AND BROKERS:** Both Tenant and Landlord represent and warrant that it did not consult or deal with any outside broker or agent, real estate or otherwise, with regard to this Lease or the transactions contemplated. Each party hereto agrees to indemnify, defend, and hold harmless the other party from all liability, expense, loss, cost, demand or suit of any agent or broker arising out of this Lease.

11. **ORGANIZATIONAL INFORMATION AND CHANGE IN DOMICILE:**

(a) **Organizational Information:**

Tenant's organizational information is as follows:

Federal Employer Identification Number: \_\_\_\_\_

Virginia Taxpayer Identification Number: \_\_\_\_\_

Organizational Identification Number from Virginia SCC: \_\_\_\_\_

Name of Registered Agent in Virginia: \_\_\_\_\_

Address of Registered Agent in Virginia: \_\_\_\_\_

Telephone Number of Registered Agent in Virginia: \_\_\_\_\_

Check One of the Following:

Tenant is organized/incorporated under the laws of the Commonwealth of Virginia

Tenant is a foreign entity, which has registered to do business in the Commonwealth of Virginia

Other:  Tenant is a political subdivision of the Commonwealth of Virginia

(b) **Change in Domicile:** Tenant and any Guarantor hereunder hereby acknowledge an affirmative duty to provide Landlord with written notice of a change in domicile within ten (10) business days after such a change takes effect. Change in domicile for this provision refers to the location requirements for UCC filings which shall be one of the following: i) for an entity created by a filing with a state, the entity's location is that state; ii) for an entity not created by a filing, the entity's location is the place of its chief executive office; or iii) for an individual, the person's location is her/his principal residence. Failure of Tenant or any Guarantor

to provide this notice shall estop Tenant, any Guarantor, or any person or entity ascertaining claims on behalf of Tenant or any Guarantor from raising the issue of location in any dispute concerning the priority of a UCC filing involving Tenant or any Guarantor and Landlord. Under no circumstances shall Landlord be permitted to file a UCC-1 financing statement or any other UCC document without the prior written consent of the Tenant, which consent may be withheld in Tenant's sole discretion.

12. **NOTICES:** All notices under this Lease shall be in writing and personally delivered or sent by certified mail return receipt requested, or e-mail as follows:

(a) If to Landlord to: March Mountain Properties, LLC  
c/o Real Property, Inc.  
1500 Amherst St  
Charlottesville, VA 22903

(b) If to Tenant to: County of Albemarle Virginia  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(c) To such other address as either party shall subsequently designate by written notice to the other.

**WITNESS** the following signatures:

LANDLORD: MARCH MOUNTAIN PROPERTIES, L.L.C.

\_\_\_\_\_  
By: William B. Walton, III  
Managing Agent

\_\_\_\_\_  
Date

TENANT: COUNTY OF ALBEMARLE VIRGINIA

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Date

**OLD TRAIL VILLAGE CENTER  
SCHEDULE B**

**SUPPLEMENT TO LEASE DATED: \_\_\_\_\_, 2016**

**GENERAL TERMS AND CONDITIONS**

1. **COMMON AREAS:** Landlord or Landlord's agent shall manage all private approaches, exterior stairways, entrances, exits, roadways, drainage facilities, roof gutters and downspouts, sidewalks and parking areas (hereinafter the "Common Areas") for the non-exclusive use of Tenant, its employees, customers, clients and business suppliers, and mail and courier entities (such as the U.S. Postal Service, Federal Express, United Parcel Service, and DHL), in good repair and reasonably clear of snow.

Tenant's use of the Common Areas shall be subject to the following:

(a) **Revocable License:** The Common Areas and all facilities not within the Leased Premises, which Tenant may be permitted to use, are to be used under a revocable license. If said license be revoked or if said areas or any part thereof shall be reduced or otherwise affected by the action of any governmental body or agency or by reason of any judgment or decree of any court of record, this Lease shall remain in full force and effect and Landlord shall not be subject to any liability nor Tenant be entitled to any compensation or diminution of rent, nor shall revocation or diminution be deemed actual or constructive eviction.

(b) **Sidewalks and Parking Areas:** Tenant shall not use the sidewalks or any other portion of the Common Areas for any business purpose other than ingress and egress, without Landlord's prior written consent. Tenant, its employees, customers and clients, shall have non-exclusive use for parking of the parking areas within the Common Areas in common with other Tenants.

(c) **Rules and Regulations:** The Common Areas shall be subject to such rules and regulations as Landlord may adopt from time to time and Landlord reserves the right to make changes, additions, alterations, or improvements in and to the Common Areas, provided that there shall be no unreasonable obstruction of Tenant's right of access to the Leased Premises or Tenant's use of the Leased Premises stated in Paragraph 5 of the Lease. Landlord may also adopt rules and regulations governing parking in the Common Areas. Such rules and regulations may, among other things, assign certain spaces, limit the number of spaces to be used by certain tenants and/or restrict the types of vehicles allowed to park in the Common Areas.

(d) **Closure:** Landlord shall have the right to close any or all portions of the Common Areas to such an extent as may, in the opinion of Landlord's counsel, be legally required to prevent a dedication thereof or the accrual of any rights to any person or to the public therein or to close temporarily, if necessary, all or any part of the parking areas in order to discourage non-customer parking.

(e) **Common Areas Expenses:** Intentionally omitted.

(f) Loading/Unloading: Tenant and all delivery services delivering to Tenant shall use designated loading/unloading areas or other loading/unloading areas within Old Trail Village Center which may be subsequently designated by Landlord.

(g) Trucks: Tenant shall not park or cause to be parked any trucks, trailers, vans, or other such vehicles bearing advertising in parking areas visible from the front of Old Trail Village Center, unless specifically approved by Landlord.

2. RESTRICTIONS ON USE OF LEASED PREMISES:

(a) Signs and Improvements Visible from the Exterior of the Building: Any sign or improvement visible from any portion of the exterior of the Leased Premises (“signs or visible improvements”) must be approved in writing by Landlord and the Old Trail Architectural Review Board prior to installation and must comply with the standards for Old Trail Village Center as issued by the Old Trail Architectural Review Board or its successors from time to time. Additionally, Tenant is responsible for obtaining all required governmental approvals for its signs and for complying with all ordinances, regulations and laws governing signs or visible improvements.

(b) Sales: No auction, fire, bankruptcy or closing-out sale shall be conducted in the Leased Premises without the prior written consent of Landlord.

(c) Business Hours: Intentionally omitted.

(d) Solicitation of Business: Tenant and Tenant’s employees and agents shall not solicit business in the Common Areas, nor place any handbills or other advertising matter in or on automobiles parked in the parking area or in other Common Areas.

(e) Advertising: Intentionally omitted.

(f) Sound: Loudspeakers, phonographs, radios or other means of broadcasting shall not be used in such manner so as to be heard outside of the Leased Premises. Other noise generated by the operation of Tenant’s business shall not unreasonably disturb other tenants of Old Trail Village Center. Tenant shall use appropriate sound reduction methods and materials to comply with these restrictions.

(g) Nuisance: The Leased Premises shall not be used in any manner that will tend to create a nuisance or tend to unnecessarily disturb other tenants of Old Trail Village Center.

(h) Unlawful: The Leased Premises shall not be used for any purpose in violation of any applicable federal, state or local statute or ordinance, or any regulation, order or directive of a governmental agency concerning the use or safety of the Leased Premises.

(i) Fire Hazard: No portion of the Leased Premises shall be used for the purpose of storing any material or goods which might in any way prejudice the insurance on the Leased Premises or increase the fire hazard to a greater extent than necessarily incident to the business for which the Leased Premises are leased as set forth in Paragraph 5 of the Lease.

(j) Waste: Tenant shall not commit or permit waste upon the Leased Premises.

(l) Environmental Contaminants: Neither Tenant nor Tenant's agents, employees, contractors, licensees, assignees, sub-tenants or invitees shall cause or permit any Environmental Contaminant to be brought upon, kept, generated or used on or about the Leased Premises.

The term "Environmental Contaminant" means (a) any "hazardous waste," "hazardous substance," "hazardous material," toxic substance, pollutant or contaminant and any other substance, chemical or compound regulated by or pursuant to any environmental law or regulations; (b) any asbestos or asbestos containing material; (c) any explosives; (d) any radioactive materials; or (e) any substance which might cause injury to human health or safety or to the environment.

Tenant hereby agrees that it shall be fully liable for all costs and expenses related to Tenant's use, storage, release (including spilling, leaking, pouring, escaping and discarding) and disposal of any Environmental Contaminant on or about the Leased Premises and hereby agrees to fully protect, defend, indemnify and hold harmless Landlord from and against any and all claims, demands, liabilities, damages, costs and expenses (including, without limitation, attorneys' and consultant fees, court costs and litigation expenses) of whatever kind or nature, related to the presence, disposal, release or threatened release of an Environmental Contaminant by Tenant's agents, employees, contractors, licensees, assignees, sub-tenants or invitees on or about the Leased Premises.

The provisions contained in this Section shall be in addition to any other obligations and liabilities Tenant may have to Landlord at law or equity and shall survive the expiration or termination of this Lease.

### 3. CARE AND USE OF LEASED PREMISES:

(a) Care of Premises: Tenant shall, at its expense, keep the Leased Premises, including windows and signs, in a clean, safe and sanitary condition; conform to applicable laws, ordinances, regulations and codes; and store and dispose of all trash and garbage in such places and manner as Landlord may designate and/or as may be required by any applicable federal, state or local statute, ordinance, regulation, order or directive. Unless otherwise directed by Landlord, Tenant shall package all garbage/waste material in tied plastic bags and flatten all cartons and boxes before depositing in common garbage containers provided by Landlord and no garbage/waste material shall be left outside of the Leased Premises at any time. Except as permitted by Paragraph 4 of this Schedule B, Tenant shall not mark, drill, deface, injure or damage the Leased Premises or permit refuse, rubbish or garbage to accumulate or fire hazards to exist about the Leased Premises, or overload any floor or facility, or place foreign substances in plumbing facilities or use the Leased Premises for any purpose other than that for which it has been constructed and leased. Tenant shall at all times maintain the air temperature within the Leased Premises at no less than 55°F so as to avoid the freezing of water pipes.

Landlord or its agent will conduct semiannual inspections of, and perform preventative maintenance on, both the heating and air conditioning mechanical units. Such inspections will include filter changes and any necessary repairs. Tenant shall not be responsible for any costs associated with repair of the heating and air conditioning mechanical units, unless such repairs are the result of the Tenant's negligence or intentional act.

(b) Repairs and Replacements: During the term of this Lease, and any extension thereof, Landlord and Tenant shall repair and/or replace the various components of and/or improvements within the Leased Premises in accordance with their respective obligations set forth as follows:

	REPAIRS TO BE MADE AND PAID FOR BY:	REPLACEMENTS TO BE MADE AND PAID FOR BY:
Structural failure, exteriors, roof, down- spouts, and foundations	Landlord	Landlord
Windows	Landlord*	Landlord*
Exterior and/or Interior Doors	Landlord*	Landlord*
Interior Walls	Tenant	Landlord*
Interior painting	Tenant	Tenant
Floors and wall coverings	Tenant	Landlord*
Finished trim, etc.	Landlord*	Landlord*
Tenant's fixtures	Tenant	Tenant
Landlord's fixtures and equipment	Landlord*	Landlord*
Plumbing and sewage, within Leased Premises	Tenant	Landlord*
Heating equipment	Landlord*	Landlord*
Air conditioning equipment	Landlord*	Landlord*
Electrical wiring	Landlord*	Landlord*
Electric fixtures, bulbs and ballasts	Landlord*	Landlord*

\* Unless caused by Tenant's negligence or abuse

If Tenant neglects or refuses to commence such repairs, maintenance and replacements as it is obligated to make ("repairs") within ten (10) days after written demand by Landlord, or complete such repairs within a reasonable time thereafter, Landlord may make such

repairs without liability to Tenant for any loss or damage that may occur to Tenant's business by reason thereof; and if Landlord makes such repairs, Tenant shall pay to Landlord, on demand as additional rent, the costs thereof. If Landlord neglects or refuses to commence such repairs, maintenance and replacements as it is obligated to make ("repairs") within ten (10) days after written demand by Tenant, or complete such repairs within a reasonable time thereafter, Tenant may make such repairs; and if Tenant makes such repairs, Landlord shall pay to Tenant, on demand, the costs thereof.

All repairs and replacements shall be substantially of the same quality and class as the original work and in accordance with all laws, directions, rules and regulations of regulatory bodies or officials having jurisdiction thereof.

4. ALTERATIONS, INSTALLATIONS AND ADDITIONS:

(a) Interior Alterations & Improvements: Tenant may, at its expense, make alterations and improvements to the interior of the Leased Premises and install such interior partitions and trade fixtures as it may require, provided written consent of Landlord be first obtained, which consent shall not be unreasonably denied, withheld or delayed. In addition, Tenant may install such computer and telephone wiring, cabling, and related items (such as telephone system control panels and computer hubs) as is required for Tenant's use of the Leased Premises, without Landlord's prior written consent.

(b) Structural Alterations: If structural alterations become necessary because of the application of laws or ordinances pertaining to the business carried on by Tenant, or because of the directions, rules or regulations of any regulatory body pertaining to the business carried on by Tenant, or because of any act or default on the part of Tenant, inconsistent with the provisions of this Lease, or because Tenant has overloaded any electrical or other facility, Tenant shall make such structural alterations at its own cost and expense, after first obtaining Landlord's written approval of plans and specifications. All such alterations, additions and improvements shall be constructed in a workmanlike manner and in compliance with all building codes and regulations and shall in no way harm the structure of the Leased Premises. Additionally, Tenant shall provide Landlord with copies of all applications, plans, approvals, certificates and/or permits (including, but not limited to, Building Permits and Certificate of Occupancy) required by any governmental authority in connection with such alterations, additions and improvements.

(c) Certain Businesses: If Tenant's Use of the Leased Premises includes any of the following (restaurant, food preparation, sale of food prepared in or from the Leased Premises, catering or automotive service or supply), Tenant shall be responsible for the installation, servicing, maintenance and any replacement of a grease trap system, the size of which shall effectively contain all grease generated from the Leased Premises. Tenant shall contract with a recognized grease removal contractor approved by the Landlord and ensure that the Landlord is at all times during the Term or any extensions thereof provided with a copy of the then current contract. Should a blockage occur because of the discharge of fats, petroleum oil, non-biodegradable cutting oil, products of mineral oil origin or grease from the Premises, Tenant shall be liable for all costs to clean and clear the sewer line as well as the costs for damage done to adjoining tenants' property.

5. LOCKS: Tenant shall not change the locks to the Leased Premises without Landlord's prior written consent which consent shall not be unreasonably denied, withheld or

delayed. Upon such consent, Tenant may change said locks, but Tenant must immediately supply to Landlord, without charge, a key and/or combination to the new locks. Failure to either obtain such consent or supply such key and/or combination will constitute a breach of this Lease. Notwithstanding the other provisions of this Paragraph 5, Tenant shall have the right to change the locks to the Leased Premises in an emergency without Landlord's prior consent, in which event Tenant shall promptly notify Landlord of such change and supply to Landlord, without charge, a key and/or combination to the new locks.

6. RIGHT OF ACCESS: Landlord expressly reserves the right to enter upon the Leased Premises in the presence of Tenant or an agent of Tenant at reasonable hours upon twenty-four (24) hours written notice to Tenant to examine or inspect the same, or to make such repairs, additions, or alterations as it may deem necessary for the safety, improvement or preservation thereof, or to exhibit the Leased Premises to prospective tenants, purchasers, lenders, or others; to enter at any time in the event of an emergency; and to enter the Leased Premises and display and maintain a sign or notice "For Rent" or "For Sale", or other similar signs (not exceeding four square feet in size), on windows or doors in the Leased Premises, at any time within ninety (90) days before the expiration or sooner termination of this Lease. In the event of circumstances considered by Landlord to constitute an emergency, Landlord or its agents may enter upon the Leased Premises at any time without notice to Tenant, but Landlord shall be required to attempt to notify Tenant's emergency contact person by telephone prior to entry. .

7. UTILITIES; TRASH REMOVAL:

(a) Tenant: Excepting only the utility services set forth in subparagraphs (b) and (c) below, Tenant shall arrange and pay for the utility services required by Tenant for its use and occupancy of the Leased Premises.

(b) "House" Electricity; Trash: Landlord shall arrange for "house" electricity related to exterior and sign lighting where so provided through the "house" panel and for trash removal from a common dumpster or similar container. All costs associated with "house" electricity and trash removal shall be included in the Common Areas Expenses set forth in Paragraph 1(e) of this Schedule B.

(c) Water and Sewer: Landlord shall provide and pay for public water and sanitary sewer for the Building. Landlord shall install and maintain a separate flow meter for the Leased Premises and Tenant shall reimburse Landlord, on demand, as additional rent, for all costs of water and sewer attributable to the Leased Premises based on the amount of water and sewer used by the Leased Premises.

8. TAXES: Tenant shall promptly pay when due all taxes assessed against fixtures and equipment installed by Tenant. Landlord shall promptly pay when due all real estate taxes and personal property taxes (if any) assessed against the land and building containing the Leased Premises.

9. INDEMNITY:

(a) To the extent permitted by law, Tenant shall indemnify, defend, and hold harmless Landlord against all expenses, liabilities, and claims of every kind, including reasonable attorneys fees, by or on behalf of any person or entity arising out of either: (i) a failure by Tenant

to perform any of the terms or conditions of this Lease, (ii) the operation of Tenant's business or the actions or omissions of Tenant, its agents, employees, licensees, customers or invitees, (iii) failure by Tenant to comply with any law of any governmental authority, or (iv) any mechanic's lien or security interest filed against the Leased Premises or equipment, materials, or alterations of buildings or improvements thereon resulting from any activity of Tenant, its agents or employees.

(b) Landlord shall indemnify defend and hold harmless Tenant against all expenses, liabilities, and claims of every kind, including reasonable attorneys fees, by or on behalf of any person or entity arising out of either: (i) Landlord's failure to perform any of the terms or conditions of this Lease, (ii) the actions or omissions of Landlord, its agents, employees, licenses, tenants, or invitees, (iii) failure by Landlord to comply with any law of any government authority, or (iv) Landlord's negligence or willful misconduct, or the negligence or willful misconduct of any of Landlord's employees, agents or contractors.

10. INSURANCE; LIABILITY: Tenant shall be responsible for any damage to the property of Landlord which may result from any use of the Leased Premises, or any act done thereon, by Tenant or any person coming or being thereon by the license of Tenant, express or implied, and except for injuries or damage caused by the negligence or willful acts of Landlord, its agents, or employees. The following provisions shall be complied with:

(a) Liability Policy: During its occupancy of the Leased Premises, Tenant shall keep in full force and effect, at its own expense, a policy or policies of public liability insurance with respect to the Leased Premises and the business of Tenant, in which both Tenant and Landlord shall be additional insureds as their respective interests may appear and adequately covered under reasonable limits of liability of not less than \$2,000,000.00 for both personal injury and/or death, and for property damage and all other liabilities. Tenant further agrees to maintain standard workers compensation insurance to the extent required by applicable laws. Additionally, if liquor or other alcoholic beverages are sold from the Leased Premises, Tenant shall maintain liquor liability or "dram shop" insurance in the limits set forth above with Landlord named as an additional insured.

(b) Tenant's Casualty Insurance: Tenant will keep in force and effect, such policies of fire insurance with extended coverage as may be necessary and advisable to protect Tenant from loss by fire or other casualty of its property, including interior alterations and improvements made at the Tenant's expense, in the Leased Premises. All Tenant's personal property of every kind in or about the Leased Premises shall be at Tenant's risk, or at the risk of those claiming under Tenant. Tenant will request each insurance company insuring the Leased Premises against loss by fire or other casualty, to waive subrogation against Landlord.

(c) Landlord's Casualty Insurance: Landlord will keep in force and effect, such policies of fire insurance with extended coverage as may be advisable or necessary to protect Landlord from loss by fire or other casualty at full replacement cost but such policies shall be limited to the basic building and the Leased Premises originally constructed by Landlord and shall contain no provision for loss of use and occupancy by Tenant. Landlord, to the extent that it is authorized so to do by the provisions of any fire insurance policy covering the Leased Premises, hereby waives any right to recover from Tenant for any loss or damage to the Leased Premises from risks ordinarily insured against under a standard fire policy with extended coverage. Landlord will request each insurance company insuring the Leased Premises against loss by fire, to waive subrogation against Tenant.

(d) Non-Liability of Landlord; Waiver of Claims: In addition to any other provisions of this Lease, Tenant agrees that Landlord and its agents and employees shall not be liable for, and Tenant waives, all claims for damage to person or property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Leased Premises or building of which they shall be a part, unless such accident or occurrence shall be the result of the negligence or willful acts of Landlord, or its agents or employees.

(e) Certificate of Insurance: Tenant shall furnish Landlord with certificates or other acceptable evidence that all such insurance is in effect and that all of said policies contain provision prohibiting cancellation without at least fifteen (15) days notice to Landlord.

(f) Increase in Rate of Insurance: In the event Tenant or its use and occupancy of the Leased Premises causes, for any reason whatsoever, after initial occupancy by Tenant, any additional charge or increase in the rate of insurance on the Leased Premises, the building in which the Leased Premises are situated, or on any other adjoining building, or in any way impairs or invalidates the obligation of any policy of insurance on or in reference to the Leased Premises, the building in which the Leased Premises are situated, or on any other adjoining building, Tenant agrees to pay upon demand, as additional rent, any increase in premiums for insurance that may be charged during the term of this Lease on the amount of insurance to be carried by Landlord on the Leased Premises, the building in which the Leased Premises are situated, or on any other adjoining building, resulting from the business carried on in the Leased Premises by Tenant, whether or not Landlord has consented to same.

(g) Proceeds of Insurance: Unless the parties otherwise agree in writing, Landlord shall have no interest in the proceeds of any insurance carried by Tenant on Tenant's interest in this Lease and Tenant shall have no interest in the proceeds of any insurance carried by Landlord, despite Tenant's reimbursement of Landlord for a portion of the premiums.

(h) Key Man Insurance: Intentionally omitted.

11. DAMAGE BY FIRE OR OTHER CASUALTY: If the Leased Premises, the means of ingress and egress thereto or any other property of the Landlord essential to the Tenant's occupation or use of the Leased Premises, shall, in the opinion of a registered architect or engineer appointed by either party, be totally destroyed by fire or other casualty, or so partially destroyed or damaged as to render the Leased Premises or said other essential property of the Landlord incapable of use or of being repaired within a period of one hundred eighty (180) days from the date of the fire or casualty, this Lease, at the option of Tenant, shall terminate as of the date of such occurrence.

If (a) the conditions set forth in the prior sentence exist but Tenant does not terminate this Lease or (b) if the Leased Premises, the means of ingress and egress thereto and/or said other essential property of Landlord (as the case may be) is capable of being repaired within a period of one hundred eighty (180) days from the date of the fire or other casualty, then this Lease shall not be terminated, and Landlord shall promptly rebuild and/or repair the Leased Premises. In such event, the rent shall be adjusted for the period in which use or occupation of the Leased Premises is diminished by such fire or other casualty. Such adjustment shall be based on the value of the Leased Premises during the period of diminished use or occupation.

If the Leased Premises, the means of ingress and egress thereto and/or said other essential property of Landlord are damaged, in the manner and to the extent described in the first sentence of this Paragraph 11, by casualty not covered by insurance carried by Landlord, Landlord shall have the option to elect not to repair such damage at its expense, in which case Landlord may, within thirty (30) days next following such occurrence, notify Tenant to this effect and this Lease shall terminate as of the date of such occurrence.

12. EMINENT DOMAIN:

(a) If the whole or any substantial part of the Leased Premises, of the means of ingress and egress thereto, or of any other property of Landlord's (including parking) essential to Tenant's conduct of its business from the Leased Premises, shall be acquired or condemned by right of eminent domain for any public or quasi public use or purpose, then either party, at its election, may terminate this Lease and in such event rent shall be apportioned and adjusted as of the date of termination.

(b) The term "eminent domain" shall include the exercise of any governmental power and purchase or other acquisition in lieu of condemnation.

13. ASSIGNMENT OR SUBLEASE: Tenant shall not assign or sublease the premises, or any right or privilege connected therewith, or allow any other person except agents, employees, invitees or customers of Tenant to occupy the premises, or any part thereof without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, delayed, or conditioned, and paying an administrative fee of up to \$500.00 to the Landlord. The transfer of a majority of the ownership interests of Tenant whether in a single transaction or a series of transactions shall be deemed an assignment of this Lease and shall require the prior written consent of Landlord, which shall not unreasonably be withheld. Consent by Landlord shall not be a consent to a subsequent assignment, sublease, or occupation by other persons. An unauthorized assignment, sublease, or license to occupy by Tenant shall be void, and at Landlord's option, shall afford Landlord the option to terminate the lease. The interest of Tenant in this lease is not assignable by operation of law without the written consent of Landlord, which consent may be reasonably withheld.

14. BANKRUPTCY: Tenant shall not cause or give cause for the institution of legal proceedings seeking to have Tenant adjudicated bankrupt under the bankruptcy laws of the United States, and shall not cause or give cause for the appointment of a trustee or receiver for Tenant's assets, and shall not make an assignment for the benefit of creditors or become or be adjudicated insolvent. Neither this Lease, nor any estate thereby created, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law. In the event the estate created shall be taken in execution or by other process of law, or if Tenant shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state, or federal insolvency or bankruptcy act, or if a receiver or trustee of the property of Tenant shall be appointed by reason of Tenant's insolvency or inability to pay its debts, or if any assignment shall be made of Tenant's property for the benefit of creditors, then and in any such events, Landlord may, at its option terminate this Lease and all rights of Tenant, by giving Tenant notice in writing of the election of Landlord so to terminate, and, notwithstanding any other provision of this Lease, Landlord shall forthwith, upon any such termination, be entitled to recover the rent, reserved in this Lease for the residue of the term hereof, less the fair rental value of the Leased Premises for the residue of said term.

15. SURRENDER: At the expiration or earlier termination of this Lease, Tenant shall remove its personal property and exterior signage and shall peaceably and quietly quit, surrender and deliver the Leased Premises to Landlord in compliance with Paragraph 4 above (including all keys and combinations to all locks and safes) in as good state and condition as they were at the commencement of this Lease, with reasonable use and wear thereof excepted, and damage or destruction by fire, the elements or other casualty excepted. Any trade fixtures, equipment, or personal property remaining on the Leased Premises after surrender shall be deemed abandoned by Tenant and shall belong to Landlord, and Landlord may dispose of the same without any liability to Tenant.

16. HOLDING OVER: Tenant agrees to vacate the Leased Premises at the end of the lease term or any extension thereof, and Landlord shall be entitled to the benefit of all summary proceedings to recover possession of the Leased Premises at the end of the term, as if statutory notice had been given. If Tenant remains in possession of the Leased Premises after the expiration of the term, such action shall not renew the Lease by operation of law and nothing herein shall be deemed as a consent by Landlord to Tenant's remaining in the Leased Premises. If Tenant fails to vacate the Leased Premises as required, Tenant shall pay Landlord an amount equal to twice the monthly rent then in effect for the period of time during which possession is so withheld. Tenant shall also pay all additional rent and other charges for such period. Neither these provisions nor the acceptance of such payments by Landlord shall constitute a waiver of Landlord's right to re-enter the Leased Premises or terminate this Lease. Tenant shall indemnify Landlord against all claims for damages by and liability to any person to whom Landlord may have leased all or any part of the Leased Premises effective after the end of the term in the event such other party cannot take possession due to a holding by Tenant.

17. DEFAULT AND REMEDIES:

(a) Events of Default: Each of the following shall constitute an Event of Default ("Event of Default"):

(i) The business being conducted in the Leased Premises shall at any time be subsequently terminated. Failure of the Tenant to conduct business for thirty (30) consecutive days without prior written consent from the Landlord shall constitute a termination of business;

(ii) The Tenant shall fail to pay when due any installment of rent herein reserved or any other sum of money when due within five (5) days after Landlord has given Tenant written notice that payment has not been received on the due date;

(iii) The Tenant shall be in default in the performance of any other of the terms, covenants, conditions or provisions herein contained binding upon Tenant after Landlord has given Tenant thirty (30) days prior written notice of such non-performance as to a non-monetary default (or such additional reasonable time within Landlord's discretion if cure is not practicable within such thirty (30) day period and Tenant has commenced the cure and is diligently continuing to completion such cure; provided, however, in no event shall such period exceed ninety (90) days) and further provided that the failure to perform the same term, covenant, agreement or condition two or more times in a lease year shall be an automatic default by Tenant and no notice or opportunity to cure shall be required;

(iv) The Tenant shall become insolvent, shall make a general assignment for the benefit of its creditors, or shall file any bankruptcy or other insolvency proceeding or have

any such proceedings filed against it which is not dismissed within sixty (60) days of such filing or in the event a receiver shall be appointed for Tenant or a substantial part of its property and such receiver is not removed within thirty (30) days after appointment.

(b) Remedies: Upon the occurrence of an Event of Default, Landlord, at its option and without further notice or demand to Tenant, in addition to all other rights or remedies provided in this Lease, at law or in equity, shall elect any/or all of the following remedies:

(i) Landlord may proceed as it deems advisable to enforce the provisions of this Lease at law or in equity;

(ii) Landlord at any time thereafter may, at Landlord's option, terminate this Lease upon five (5) days written notice to Tenant. Tenant shall then quit and surrender the Leased Premises to Landlord, but Tenant shall remain liable under this Lease as provided in this Section.

(iii) Landlord may reenter the Leased Premises and may repossess the Leased Premises. Upon such reentry or repossession, Landlord may dispossess Tenant and may remove Tenant from the Leased Premises without further notice to Tenant;

(iv) Landlord may cure the breach or default at Tenant's expense, and all costs incurred by Landlord in curing the same (including reasonable attorney's fees), plus interest on such costs at the Interest Rate, as hereinafter defined, from the date of such expenditure(s) until reimbursed to Landlord, shall be Additional rent payable to Landlord on demand. In such circumstances, Landlord shall give notice to Tenant as soon as reasonably practicable subsequent to the exercise of self-help remedies. Nothing in this Section shall preclude Landlord's exercise of self-help rights as otherwise expressly set forth in this Lease.

(v) Landlord may proceed to collect all rents and other charges owed by sub Tenants of Tenant and other occupants of the Leased Premises directly from such parties, with such rents and other charges collected by Landlord to be applied first towards satisfaction of Tenant's obligations under this Lease with the balance (if any) to be applied towards satisfaction of Tenant's obligations under its subleases and other occupancy agreements affecting the Leased Premises.

(c) In case of any reentry, termination of this Lease or dispossession of Tenant's possession by summary proceedings or otherwise,

(i) Tenant shall remain liable for (A) all rent and damages that may be due or sustained by Landlord up to the time this Lease terminates or Landlord takes possession of the Leased Premises, and the performance of all other obligations of Tenant accruing under this Lease through such date (collectively "Accrued Damages"); (B) all reasonable costs, fees and expenses (including reasonable attorney's fees and expenses and brokerage commission and fees) incurred by Landlord in pursuit of its remedies under this Lease and in leasing the Leased Premises to others from time to time (the "Collection Damages") (all such Accrued Damages and Collection Damages are referred to collectively as the "Default Damages"); and (C) Future Damages (as defined below).

At the sole election of Landlord, "Future Damages" shall be equal to one of the following: (x) the amount (the "Deficiency") by which (A) the rent reserved under this Lease until the stated expiration date of the then current Term exceeds (B) the amount of rent, if any, that Landlord shall receive during the same period from others to whom the Leased Premises

may be rented, from which Landlord may deduct all Default Damages owing to Landlord; or (y) an amount equal to the present worth (as of the date of such termination) of rent which, but for the termination of this Lease, would have become due during the remainder of the Term, less the fair rental value of the Leased Premises for the remainder of the Term, as determined by an independent real estate appraiser selected by Landlord, in which case such Future Damages shall be payable to Landlord in one lump sum on demand and shall bear interest at the Interest Rate, as hereinafter defined, until paid. For the purposes of this subparagraph, "present worth" shall be computed by discounting such amount to present worth at a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank nearest to the location of the Leased Premises.

All Default Damages and Future Damages shall bear interest at the Interest Rate, as hereinafter defined, from the date when the same accrue until paid. Tenant shall pay all Default Damages and all Future Damages to Landlord immediately upon receipt of a billing therefore; however, the amount of rent which constitutes Future Damages shall continue to be due and payable in full, without any notice or billing required, in advance on the first day of each month, and any proceeds of reletting that reduce Tenant's Deficiency shall be appropriately credited to Tenant.

"Interest Rate" shall mean the "Prime Rate" (or generally accepted successor index to Prime Rate) plus two percent (2.0%). "Prime Rate" shall be the rate reported as such in the "Money Rates" column of the Wall Street Journal or successor publication. Adjustments to the Interest Rate shall be effective as of the date that the Prime Rate changes.

(ii) Landlord may re-let all or part of the Leased Premises, in one or more leases, either in Landlord's own right or as agent for Tenant, accepting any rents then obtainable, for a term or terms that may be greater or less than the balance of the Term of this Lease, and Landlord may grant reasonable concessions or free rent for a reasonable period of time without affecting Tenant's liability for rent under this Lease if such concessions and/or free rent are reasonably required to induce Tenants to enter into leases.

(iii) Landlord may make such reasonable alterations, repairs and improvements to the Leased Premises that it considers advisable and necessary in its reasonable business discretion, for the purpose of reletting the Leased Premises, and the costs of such work shall be considered Default Damages. Such alterations, repairs and improvements shall not operate or be construed to release Tenant from any liability under this Section.

(d) If Landlord has terminated this Lease or re-entered the Leased Premises as a consequence of an Event of Default, Landlord agrees to use commercially reasonable efforts to relet the Leased Premises, taking into account such factors as creditworthiness, Tenant mix and other factors that affect the long-term value of the Leased Premises and Building and do not necessarily result in the maximum amount of rent on a short-term basis. Landlord shall not be liable for the failure to relet the Leased Premises, provided that Landlord has used commercially reasonable efforts to do so as provided above, or for Landlord's failure or inability to collect any rent under any re-letting.

(e) Any action taken by Landlord under this Section shall not waive any right that Landlord might have against Tenant for rent reserved in this Lease or otherwise, and Tenant shall remain responsible to Landlord for any cost, loss and damage suffered by Landlord by reason of Tenant's default or breach.

18. LEGAL EXPENSES: Intentionally omitted.

19. PLURAL, SINGULAR; GENDER: Throughout this Lease, the singular shall include the plural, and the neuter shall mean the masculine or the feminine, whenever the context so requires.

20. HEADINGS: Headings of the paragraphs and subparagraphs of this Lease are for convenience only and do not define, limit or construe the contents of such paragraphs and subparagraphs.

21. SEVERABILITY: If any provision of this Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease, all of which other provisions shall remain in full force and effect.

22. BINDING EFFECT; GOVERNING LAW; VENUE: This Lease shall be binding upon the heirs, successors and assigns of the respective parties hereto, and shall be construed in accordance with the laws of the Commonwealth of Virginia. The exclusive venue for the resolution of any and all disputes arising under this Lease shall be the courts serving Albemarle County, Virginia.

23. AUTHORITY TO ACT: Tenant is a political subdivision of the Commonwealth of Virginia governed by a Board of Supervisors. The Albemarle County executive is authorized to execute this Lease on behalf of the Tenant. At Landlord's request, Tenant shall provide to Landlord copies of Tenant's authorizing resolution.

24. ENTIRE AGREEMENT: This Lease contains the entire agreement between the parties, and supersedes all prior communications, representations or agreements, whether oral or written, between the parties with respect to the subject matter of this Lease. Any additions or alternations to this Lease shall have no force and effect unless made in writing and signed by the parties.

LANDLORD: MARCH MOUNTAIN PROPERTIES, L.L.C.

\_\_\_\_\_  
By: William B. Walton, III  
Managing Agent

\_\_\_\_\_  
Date

TENANT: COUNTY OF ALBEMARLE VIRGINIA

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Date