

## AGREEMENT OF LEASE

THIS LEASE AGREEMENT is made as of May 12, 2015 by and between the COUNTY OF ALBEMARLE, VIRGINIA, Landlord, and the CROZET ARTISAN DEPOT LLC, Tenant.

### ARTICLE I. PREMISES AND IMPROVEMENTS

In consideration of the rents and covenants herein set forth, the Landlord hereby leases to Tenant, and Tenant hereby rents from the Landlord, the premises described on Exhibit A attached hereto and made a part hereof together with any and all improvements thereon (the "Leased Premises"). The Leased Premises shall be occupied by Crozet Artisan Depot LLC. Along with any other tenant(s) and/or licensed occupant(s) of the former Crozet Depot (including but not limited to the Charlottesville-Albemarle Convention and Visitors Bureau), the Tenant shall also enjoy shared use of and responsibility for the Vestibule, Break Room, Restroom B and Restroom C, as shown on the Exhibit A floor plan.

Though not included in the Leased Premises hereunder, the Tenant may apply to use the Landlord's Rear Room (as shown on the attached Exhibit A floor plan) on the same basis and for the same fee as other users of County-owned facilities.

### ARTICLE II. TITLE: QUIET ENJOYMENT

So long as Tenant is not in default hereunder, Tenant shall have peaceful and quiet enjoyment, use and possession of the Leased Premises without hindrance on the part of the Landlord or anyone claiming by, through, or under the Landlord.

### ARTICLE III. TERM

Section 3.1. Commencement and Expiration. The term of this Lease Agreement shall begin on the 1st day of July, 2015 (the "Effective Date"), and end at the end of the 30<sup>th</sup> day of June, 2020, unless sooner terminated or extended as hereinafter provided. The foregoing notwithstanding, either party may terminate this Lease upon ninety (90) days advance written notice to the other party.

Section 3.2. Renewal. This Lease may be renewed for an additional period as may be mutually agreed by the Landlord and Tenant. If renewal is not agreed upon by the Landlord and Tenant, this Lease shall expire upon expiration of the initial term.

Section 3.3. Upfit of Premises. Tenant shall take full responsibility for the upfit of the Leased Premises, including any additional remodeling, ceiling tiles, carpet and interior painting required by Tenant. Prior to occupancy, Tenant shall have access to the Leased Premises beginning June 16, 2015 for purposes of said upfit and move-in. Notwithstanding Section 4.1 herein, Tenant shall neither incur nor be charged any rent between June 16, 2015 and June 30, 2015

### ARTICLE IV. RENT AND TAXES

Section 4.1. Annual Rent. Commencing upon the Effective Date, during the first year of this Lease, Tenant agrees to pay to the Landlord annual rent of SEVENTEEN-THOUSAND NINE-HUNDRED NINETY-SIX DOLLARS (\$17,996.00), payable in equal monthly installments, in advance, on the first day of each month during the term hereof.

After the first year of this Lease, the rent for subsequent years of the term of the Lease shall be indexed for inflation and shall be calculated by first establishing a fraction, the numerator of which shall be the level of the CPI Index (as defined herein) as of the first day of that month which is two months before the month in which the Effective Date occurs in the subsequent years, and the denominator of which shall be the level of the CPI Index as of the first day of that month which is two months before the initial Effective Date. The resulting fraction shall be multiplied by the rent agreed upon or established for the first year of the term of the Lease to determine the annual rent due for the year. The rental figure shall be revised each year based upon this formula. The CPI Index shall be the U.S. Bureau of Labor Statistics Consumer Price Index (all items, all urban consumers, 1982-1984 = 100). If the CPI Index shall be discontinued, the Landlord shall designate an appropriate substitute index or formula having the same general acceptance as to use and reliability as the CPI Index and such substitute shall be used as if originally designated herein. Notwithstanding the foregoing, in no event shall the rent due for any lease year decrease below the rent payable for the first year.

Section 4.2. Address for Rent Payment. All payments of rent due the Landlord pursuant to Section 4.1 shall be made to the Landlord at the address specified in Section 17.3, or to such other party or at such other address as hereinafter may be designated by the Landlord by written notice delivered to Tenant at least ten (10) days prior to the next ensuing monthly rental payment date.

Section 4.3. Taxes. Throughout the term of this Lease, Tenant shall pay all real property taxes lawfully assessed against its leasehold interest by the County of Albemarle pursuant to *Virginia Code* § 58.1-3203. Such taxes shall be billed to the Tenant and paid by the Tenant directly to the County of Albemarle.

## ARTICLE V. UTILITIES AND SERVICES

The Landlord shall provide water, sewer, electricity, and heating and cooling services as part of Tenant's rent. Tenant shall exercise reasonable and responsible care to conserve these utilities. The Tenant agrees that the monthly rent stipulated above may be adjusted to reflect any change in the cost to the Landlord of providing those utility services above. The Landlord shall provide the Tenant with prompt notice of any such change, and shall make available evidence of its actual utility costs. Tenant shall provide snow removal, telephone, custodial, and all other services to the Leased Premises.

## ARTICLE VI. USE OF PROPERTY

Section 6.1. Permitted Use. Tenant shall have use of the Leased Premises for an art gallery or other use approved by the Landlord in writing. Tenant shall also have shared use of the shared entrance, Vestibule, Break Room, Restroom B and Restroom C at all times, which areas

will not be calculated in the gross square footage for rental purposes.

Section 6.2. Parking. Tenant shall be entitled to non-exclusive use of parking spaces in the parking lot and access to the Leased Premises.

## ARTICLE VII. ALTERATIONS, IMPROVEMENTS, FIXTURES AND SIGNS

### Section 7.1. Installation by Tenant.

(a) Tenant may, from time to time, make or cause to be made any interior non-structural alterations, additions or improvements which do not damage or alter the Leased Premises, provided that the Landlord's consent shall have first been obtained in writing, and provided that Tenant shall obtain all required governmental permits for such alterations, additions or improvements.

(b) Tenant may, from time to time, make interior structural alterations, additions or improvements, only with the Landlord's prior written consent to plans and specifications therefor, which consent shall not be unreasonably withheld. Upon the expiration or sooner termination of this Lease, the Landlord shall have the option (exercisable upon sixty (60) days notice to Tenant except in the case of a termination of this Lease due to a default by Tenant, in which case no such notice shall be required) to require Tenant to remove at Tenant's sole cost and expense any and all improvements made by Tenant to the Leased Premises or to elect to keep such improvement as the Landlord's property. In the event Tenant is required to remove any improvements, (i) Tenant shall be responsible for the repair of all damage caused by the installation or removal thereof, and (ii) if Tenant fails to properly remove such improvements or provide for the repair of the Leased Premises, the Landlord may perform the same at Tenant's cost and expense.

Section 7.2. Signs. Tenant shall have the right to place signs on the interior or exterior of the Leased Premises, subject to all applicable zoning and sign regulations and with the prior written approval of the Landlord.

## ARTICLE VIII. MAINTENANCE OF LEASED PREMISES

Section 8.1. Maintenance. The Landlord shall be responsible for all repairs and maintenance for the Leased Premises, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, including, but not limited to, plumbing, heating, electrical, air conditioning, plate glass and windows. Notwithstanding the foregoing, Tenant shall be responsible for all maintenance and repairs necessitated by the negligence of Tenant, its employees and invitees.

Section 8.2. Right of Entry. The Landlord reserves the right for itself, its agents and employees to enter upon the Leased Premises at any reasonable time to make repairs, alterations or improvements; provided, however, that such repairs, alterations, or improvements shall not unreasonably interfere with Tenant's operations. Such right to enter shall also include the right to enter upon the Leased Premises for the purposes of inspection.

Section 8.3. Surrender of Leased Premises. At the expiration of the tenancy hereby created, Tenant shall surrender the Leased Premises and all keys for the Leased Premises to the Landlord at the place then fixed for the payment of rent and shall inform the Landlord of all combinations on locks, safes and vaults, if any, which the Landlord has granted permission to have left in the Leased Premises. At such time, the Leased Premises shall be broom clean and in good condition and repair, commensurate with its age. If Tenant leaves any of Tenant's personal property in the Leased Premises, the Landlord, at its option, may remove and store any or all of such property at Tenant's expense or may deem the same abandoned and, in such event, the property deemed abandoned shall become the property of the Landlord.

## ARTICLE IX. INSURANCE

Section 9.1. Liability Insurance of Tenant. Tenant covenants and agrees that it will, at all times during the term of this Lease, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leased Premises and the business operated by Tenant and any sub-tenants of Tenant on the Leased Premises in which the limits of public liability for bodily injury and property damage shall not be less than One Million Dollars (\$1,000,000) per accident, combined single limit. The policy shall name the Landlord as an additional insured. The policy shall provide that the insurance thereunder shall not be cancelled until thirty (30) days after written notice thereof to all named insureds.

Section 9.2. Fire and Extended Coverage. The Landlord agrees that it will, during the initial and any renewal term of this Lease, insure and keep insured, for the benefit of the Landlord and its respective successors in interest, the Leased Premises, or any portion thereof then in being. Such policy shall contain coverage against loss, damage or destruction by fire and such other hazards as are covered and protected against, at standard rates under policies of insurance commonly referred to and known as "extended coverage," as the same may exist from time to time. The Landlord agrees to name Tenant as an additional insured on such policy, as its interest may appear. Tenant shall be responsible for insuring its personal property (including its equipment and inventory) kept on the Leased Premises.

Section 9.3. Evidence of Insurance. Copies of policies of insurance (or certificates of the insurers) for insurance required to be maintained by Tenant and the Landlord pursuant to Sections 9.1 and 9.2 shall be delivered by the Landlord or Tenant, as the case may be, to the other upon the issuance of such insurance and thereafter not less than thirty (30) days prior to the expiration dates thereof.

Section 9.4. Waiver of Subrogation. Tenant hereby releases the Landlord from any and all liability or responsibility to Tenant or anyone claiming through or under it, by way of subrogation or otherwise, from any loss or damage to property caused by any peril insured under Tenant's policies of insurance covering such property (but only to the extent of the insurance proceeds payable under such policies), even if such loss or damage is attributable to the fault or negligence of the Landlord, or anyone for whom the Landlord may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as any such release shall not adversely affect or impair the releasor's policies or insurance or prejudice the right of the releasor to recover thereunder.

## ARTICLE X. WASTE, NUISANCE, COMPLIANCE WITH GOVERNMENTAL REGULATIONS

Section 10.1. Waste or Nuisance. Tenant shall not commit or suffer to be committed any waste or any nuisance upon the Leased Premises.

Section 10.2. Governmental Regulations. During the term of this Lease, Tenant shall, at Tenant's sole cost and expense, comply with all of the requirements of all county, municipal, state, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to the Leased Premises or Tenant's use and occupancy thereof.

## ARTICLE XI. FIRE OR OTHER CASUALTY

If the Leased Premises shall be damaged so as to render the Leased Premises untenable by fire or other casualty insured against under the insurance required to be carried by the Landlord pursuant to Section 9.2, the Landlord may elect to either terminate this Lease as of the date of damage or repair the Leased Premises. Unless the Landlord elects to terminate this Lease, such damage or destruction shall in no way annul or void this Lease except that Tenant shall be entitled to a reduction of the rent payable under Article IV while such repairs are being made, such reduction to be based upon the proportion of the Leased Premises rendered untenable as a result of such damage. Notwithstanding the foregoing, if any damage or destruction from any cause whatsoever has not been repaired and such repairs have not commenced within one hundred eighty (180) days of the date thereof, Tenant may, as its exclusive remedy, terminate this Lease upon thirty (30) days written notice to the Landlord.

## ARTICLE XII. DEFAULT OF TENANT

Section 12.1. Default. The occurrence of any of the following shall be deemed a "default" under this Lease:

(a) Tenant fails to pay when due any amount of rent, additional rent or other monies due under this Lease, including Articles IV and V, and such payment is not received by the Landlord within ten (10) days after written notice of such failure is received by Tenant; or

(b) a default in any of the other provisions of this Lease, and such default continues uncured for a period of thirty (30) days after written notice thereof from the Landlord.

Section 12.2. Remedies. In the event of any default or breach hereof by Tenant, the Landlord shall have the right (in addition to all other rights and remedies provided by law) to terminate this Lease or to re-enter and take possession of the Leased Premises, peaceably or by force, and to remove any property therein without liability for damage to and without obligation to store such property, but may store the same at Tenant's expense, and to collect from Tenant all rent then due and which would accrue for the unexpired portion of the term hereof, together with reasonable attorney's fees. In addition, in the event of a failure to pay rent, additional rent or other

money within five (5) days of its due date, Tenant shall pay to the Landlord the greater of Twenty-Five and no/100 Dollars (\$25.00) or one half (1/2) of one percent (1%) of such sum for each day after the fifth day such rent or other money is late.

#### ARTICLE XIII. HOLDING OVER, ASSIGNS, SUCCESSORS

Section 13.1. Holding Over. Any holding over after the expiration of the term hereof, with the consent of the Landlord, shall be construed to be a tenancy from month-to-month at the same rent herein specified (prorated on a monthly basis) and shall otherwise be on the terms and conditions herein specified as far as applicable. If Tenant remains in possession *without* the Landlord's consent after expiration of the term of this Lease Agreement or its termination, the Tenant shall pay to the Landlord its damages, reasonable attorney's fees and court costs in any action for possession. Tenant shall pay to the Landlord as liquidated damages a sum equal to 200% of the Base Rent then applicable for each month or portion thereof Tenant shall retain possession of the Premises or any part thereof after the termination of this Lease.

Section 13.2. Showing the Leased Premises. During the last ninety (90) days of the term hereof, Tenant shall allow the Landlord, or its agents, to show the Leased Premises to prospective tenants or purchasers at such times as the Landlord may reasonably desire.

Section 13.3. Successors. All rights and liabilities herein given to, or imposed upon the respective parties hereto, shall extend to and bind the heirs, executors, administrators, successors and permitted assigns of the parties. All covenants, representations and agreements of the Landlord shall be deemed the covenants, representations and agreements of the fee owner from time to time of the Leased Premises and the Landlord shall be automatically released of all liability under this Lease from and after the date of any sale by the Landlord of the Leased Premises. All covenants, representations and agreements of Tenant shall be deemed the covenants, representations, and agreements of the occupant or occupants of the Leased Premises.

#### ARTICLE XIV. BROKER'S FEES

Tenant and the Landlord hereby warrant that there are no brokerage commissions due in connection with this Lease.

#### ARTICLE XV. NO ASSIGNMENT

Tenant shall not assign this Lease or sublet all or any portion of the Leased Premises, either directly or indirectly, without the prior written consent of the Landlord. No assignment, sublease or transfer of this Lease by Tenant shall (i) be effective unless and until the assignee, subtenant or transferee expressly assumes in writing Tenant's obligations under this Lease, or (ii) relieve Tenant of its obligations hereunder, and Tenant shall thereafter remain liable for the obligations of the Tenant under this Lease whether arising before or after such assignment, sublease or transfer.

#### ARTICLE XVI. SUBORDINATION OF LEASE

This Lease and all rights of Tenant hereunder are and shall be subject and subordinate in all respects to (1) any mortgages, deeds of trust and building loan agreements affecting the Leased Premises, including any and all renewals, replacements, modifications, substitutions, supplements and extensions thereof, and (2) each advance made or to be made thereunder. In confirmation of such subordination, Tenant shall promptly upon the request of the Landlord execute and deliver an instrument in recordable form satisfactory to the Landlord evidencing such subordination; and if Tenant fails to execute, acknowledge or deliver any such instrument within ten (10) days after request therefor, Tenant hereby irrevocably constitutes and appoints the Landlord as Tenant's attorney-in-fact, coupled with an interest, to execute, acknowledge and deliver any such instruments on behalf of Tenant. Tenant further agrees that in the event any such mortgagee or lender requests reasonable modifications to this Lease as a condition of such financing, Tenant shall not withhold or delay its consent thereto.

#### ARTICLE XVII. MISCELLANEOUS

Section 17.1. Waiver. The waiver by the Landlord or Tenant of any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition contained herein. The subsequent acceptance or payment of rent hereunder by the Landlord or Tenant, respectively, shall not be deemed to be a waiver of any breach by Tenant or the Landlord, respectively, of any term, covenant or condition of this Lease regardless of knowledge of such breach at the time of acceptance or payment of such rent. No covenant, term, or condition of this Lease shall be deemed to have been waived by Tenant or the Landlord unless the waiver be in writing signed by the party to be charged thereby.

Section 17.2. Entire Agreement. This Lease, and the Exhibits attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and Tenant concerning the Leased Premises; and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or Tenant unless reduced in writing and signed by them.

Section 17.3. Notices. Any notice, demand, request or other instrument which may be, or is required to be given under this Lease, shall be in writing and delivered in person or by United States certified mail, postage prepaid, and shall be addressed:

- (a) if to the Landlord, at  
County of Albemarle  
County Executive's Office  
401 McIntire Road  
Charlottesville, Virginia 22902  
or at such other address as the Landlord may designate by written notice;
- (b) if to Tenant, at  
Crozet Artisan Depot LLC

c/o Gillian Ritchie Ruffa, Registered Agent  
13903 James Madison Hwy  
Palmyra VA 22963  
or at such other address as Tenant shall designate by written notice.

Section 17.4. Captions and Section Numbers. The captions and section numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of this Lease nor in any way do they affect this Lease.

Section 17.5. Partial Invalidity. If any term, covenant or condition of this Lease, or the application thereof, to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 17.6. Recording. Upon request of either party, a memorandum of lease will be executed and recorded. Such memorandum shall contain any provisions of this Lease which either party requests except for the provisions of Article IV, which shall not be included. The cost of recording such memorandum of lease or a short form hereof shall be borne by the party requesting such recordation.

Section 17.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 17.8. Counterparts. This Agreement may be executed simultaneously 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.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument as of the day and year first above written.

**TENANT**

**CROZET ARTISAN DEPOT LLC**

By:   
Gillian Ritchie Ruffa, Registered Agent



**LANDLORD**

This Lease is executed on behalf of the County of Albemarle by Thomas C. Foley, County Executive, following a duly-held public hearing, and pursuant to a Resolution of the Albemarle County Board of Supervisors.

**COUNTY OF ALBEMARLE, VIRGINIA**

By: \_\_\_\_\_  
Thomas C. Foley, County Executive

Approved as to form:

\_\_\_\_\_  
Albemarle County Attorney

EXHIBIT A

DESCRIPTION OF LEASED PREMISES

All that certain space (the "Space") situated in the County of Albemarle, Virginia, located in the Old Crozet Train Depot at 5791 Three Notch'd Road, Crozet, Virginia, containing 1,100 square feet, more or less, shown as "Crozet Artisan's Leased Space" on the floor plan attached hereto and incorporated herein. Reference is made to the floor plan for a more particular description of the location of the described space. This Space is a portion of Albemarle County Parcel ID 056A2-01-00-024B0, containing 0.369 acres, more or less.

**OLD CROZET TRAIN DEPOT**  
**5791 Three Notch'd Road, Crozet, VA 22932**

