

AGENDA ITEM REQUEST

(TO BE SUBMITTED NO LATER THAN 12 DAYS PRIOR TO THE MEETING)

Meeting Date

Regular Agenda

Consent Agenda

MOTION: "Mr. Chairman, I authorize the County Administrator to execute a three year lease agreement between the County of New Kent and Quin Rivers, Inc. for the use of office space at the New Kent Human Services Building.
(not required for Consent Agenda items)

SUBJECT

ISSUE

RECOMMENDATION

FISCAL IMPLICATIONS

POLICY IMPLICATIONS

LEGISLATIVE HISTORY

DISCUSSION

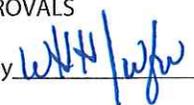
Attachments

Time Needed Person Appearing

Request prepared by: Telephone:

Copy provided to:

For Clerk's Use:
Proper notice? _____
Disposition: _____

REVIEWS/APPROVALS
Admin  Attorney 

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT is made this ___ day of _____, 2016, by and between **THE BOARD OF SUPERVISORS OF NEW KENT COUNTY**, the governing body of a political subdivision of the Commonwealth of Virginia (“Lessor”), and the **QUIN RIVERS, INC.**, a Virginia Nonstock Corporation, established under Section 501(c)(3) of the United States Internal Revenue Code, whose principal place of business is located at 7911 Courthouse Way, New Kent, Virginia 23124 (“Lessee”)

WHEREAS, the Lessor and Lessee are parties to a lease agreement (“Lease”) dated the 14th day of August, 2013 concerning 3,412 square feet of office space in the Human Services Building located at 7911 Courthouse Way, New Kent, VA, 23124; and

WHEREAS, the Lessor and Lessee entered into an amendment to the Lease (“First Amendment”) on September 17, 2013 to update the principal place of business and registered agent of the Lessee; and

WHEREAS, the term of the Lease expired on August 31, 2016 and the Lessor and Lessee Landlord wish to extend the term of Lease for an additional three (3) years.

NOW, THEREFORE, the Lessor and Lessee agree as follows:

1. **Term:** The termination date of the Lease as described in Section 2.1 of the Lease shall be extended by three (3) years to terminate on August 31, 2019.
2. **Ratification:** Except as expressly provided herein, the terms of the Lease are hereby ratified and confirmed in every respect and is from and after the date hereof in full force and effect.

WITNESS the following signatures and seals:

THE BOARD OF SUPERVISORS OF NEW KENT COUNTY

By: _____

Rodney A. Hathaway

Clerk of the Board

COMMONWEALTH OF VIRGINIA

County of New Kent, to wit:

Rodney A. Hathaway, Clerk of the Board of Supervisors for New Kent County
acknowledged the foregoing instrument before me this ____ day of _____, 2016.

Notary Public

My Commission Expires: _____

Notary Number: _____

Reviewed as to form.

Brendan Hefty

County Attorney

QUIN RIVERS AGENCY FOR COMMUNITY ACTION, INC.

By: _____

Its: _____

(Attach the appropriate resolution authorizing this person to execute this Agreement.)

COMMONWEALTH OF VIRGINIA,

COUNTY/CITY OF _____, to-wit:

_____ (*insert name*), as _____ (*insert title*) of QUIN RIVERS, INC. acknowledged the foregoing instrument before me this ____ day of _____, 2016.

My Commission Expires: _____

Notary Number: _____

Notary Public

Lease Agreement

THIS LEASE AGREEMENT is made this ____ day of _____, 2013, by and between THE BOARD OF SUPERVISORS OF NEW KENT COUNTY, the governing body of a political subdivision of the Commonwealth of Virginia ("Lessor"), and the QUIN RIVERS, INC., a Virginia Nonstock Corporation, established under Section 501(c)(3) of the United States Internal Revenue Code, whose principal place of business is located at 104 Roxbury Industrial Center, Charles City, Virginia 23030, and whose registered agent is Randolph Boyd, Esquire, 14 East Main Street, Richmond, Virginia 23219 ("Lessee").

1. Premises

1.1 Legal Description

In consideration of the rent hereinafter reserved and of the covenants hereinafter contained, Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, that certain space located on the sole floor of the Building, as hereinafter defined, shown on the floor plan attached hereto as Exhibit "A", and designated as "Suite Q," and consisting of rooms "Q01" through "Q27" ("Premises"). The total agreed square footage of the Premises is Three Thousand, Four Hundred, Twelve (3,412) square feet of the Building, whose total space is approximately Twenty Thousand, Five Hundred, Ninety-One (20,591) square feet. The premises will not be furnished by the Lessor. The term "Building" shall mean the building located at 7911 Courthouse Way, New Kent, VA 23124, and known as the "Human Services Building," and which, along with the parking lot, shall be referred to as the "Project." Lessee's physical address shall be "7911 Courthouse Way, Suite 200, New Kent, VA 23124." Lessor expressly reserves the right to change the name of the Building or the Project without notice to Lessee. A floor plan depicting the Premises is attached as Exhibit "A" to this lease agreement.

2. Term

2.1 Commencement of Tenancy

The term of this Lease ("Term") shall commence on September 1, 2013 (the "Commencement Date") and shall terminate at midnight, local time on August 31, 2016, which completes three (3) full years of tenancy hereunder (the "Termination Date").

3. Rent

3.1 Covenant to Pay Rent

Lessee hereby covenants and agrees to pay to Lessor as rent for the Premises (all of which is collectively referred to as "Rent") all of the following:

3.1.1 Base Rent

An annual basic rent ("Basic Rent") in the sum of Fifty-One Thousand, Eight Hundred Twenty-Eight Dollars (\$51,828.00), payable in 12 equal monthly installments of Four Thousand, Three Hundred, Nineteen Dollars (\$4,319.00), in advance of the first day of each calendar month, or portion thereof (with appropriate adjustment for any calendar year which does not fall totally within the Term), during the Term; provided, however, that the installment of Basic Rent payable for the first full calendar month of the Term (and if the Term commences on a day other than the first day of the calendar month, that portion of Basic Rent which is payable for such month) shall be due and payable on the execution of this Lease; and

3.2 Rent Adjustment

Basic Rent shall be adjusted, if at all, in each calendar year following the initial calendar year of the Term, or portion thereof, as provided in Article 4 hereof.

3.3 Payment Method

Basic Rent and all Additional Rent as provided for under this Lease shall be paid promptly when due, in cash or by check, in lawful money of the United States of America, without notice or demand and without deduction, diminution, abatement, counterclaim or set-off of any amount or for any reason whatsoever payable and delivered to Treasurer, New Kent County at its offices at Post Office Box 109, 12007 Courthouse Circle, New Kent, Virginia, 23124-0198 or to such other person and place as may be designated by notice in writing from Lessor to Lessee from time to time. If Lessee shall present to Lessor more than twice during the Term checks or drafts not honored by the institution upon which they are issued, then Lessor may require that future payments of Rent and other sums thereafter payable be made by certified or cashier's check.

3.4 Security Deposit

Lessor does not require a security deposit from Lessee.

3.5 Determining Rent

The Lessor and Lessee agree that no rent for the use, occupancy or utilization of the Premises shall be, or is, based in whole or in part on the net income or profits derived by any person from the Building, Project or the Premises, and Lessee further agrees that it will not enter into any sublease, license, concession or other agreement for any use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the Premises so leased, used, occupied or utilized. Nothing in the foregoing sentence, however, shall be construed as permitting or constituting Lessor's approval of any sublease, license, concession, or other use, occupancy, or utilization agreement not otherwise approved by Lessor in accordance with the provisions of Article 17 hereof.

4. Cost of Living Adjustment

4.1 Method of Determining Cost of Living Adjustment

Lessor and Lessee do not contemplate a cost of living adjustment in the Basic Rent.

4.2 Increase to Be Based on Lessor's Costs

The annual Rent shall be increased or decreased by the amount the Lessor's actual per square foot costs of operating and maintaining the Premises have increased or decreased in the immediately preceding lease year over the second-preceding lease year. Lessor shall notify Lessee of this increase within fifteen (15) days after the last day of each lease year, beginning with the last day of the second lease year, at which time, the Lessor shall furnish to the Lessee a written statement, certified by a certified public accountant selected by the Lessor, of the total cost of operating and maintaining the building for each of the prior lease years.

The words "actual per square foot cost of maintaining and operating the building," as used in this section, shall mean the total of all amounts actually expended in a lease year by the Lessor in operating and maintaining the building, including, but not by way of limitation, the amounts expended for electricity, heat, water, and insurance premiums, excluding depreciation, divided by the total number of square feet of rental space in the office building.

5. Operating Expenses (Escalation)

5.1 Reduction of Lessee's Rental Obligations Not Allowed

Nothing contained in this Article 5 shall be construed at any time to reduce the Rent payable hereunder below the amount stipulated in Articles 3 through 5 of this Lease.

5.2 Overpayment by Lessee

Lessor reserves the right, throughout the term of this Lease, to require that Lessee pay each month in advance, as Additional Rent, one-twelfth of Lessor's estimate of Lessee's annual obligation under this Article 5. Such payments shall in no way limit Lessee's total obligation; Lessee shall promptly pay the difference upon receipt of Lessor's statement. Any overpayment shall be credited to Lessee's obligation for the next succeeding period.

6. Real Estate Taxes

6.1 Definition of Real Estate Taxes

The Code of Virginia, §58.1-3203, requires the taxation of leasehold interests in real property from which the owner is otherwise exempt from assessment shall be assessed to the Lessee for local taxation. The term "Real Estate Taxes" means all taxes, rates and assessments, general or special, levied or imposed with respect to the Premises (including all taxes, rates and assessments, general or special, levied or imposed for school, public betterment and/or general or local improvements). The term "Base Real Estate Taxes" means the assessed value of said Premises multiplied by the then current rate, for the tax year during which this Lease commences. The term "Real Estate Tax Year" means each successive twelve (12) month period following and corresponding to the period or periods which may from time to time in the future be established by competent authority for the purposes of levying or imposing Real Estate Taxes. Nothing in this Article 6 shall be construed to reduce the rent payable hereunder.

6.2 Determining Obligations to Pay Increases in Real Estate Taxes

Should any Real Estate Taxes be assessed, levied, or due, Lessee shall pay them directly to the Treasurer of New Kent County. If the system of real estate taxation shall be altered or varied and any new tax or levy shall be levied or imposed on said Premises then any such new tax or levy shall be included within the term "Real Estate Taxes."

6.3 Items Not Considered in Determining Real Estate Taxes

It is understood and agreed that Lessee shall not be liable for any increase in the Real Estate Taxes which is occasioned solely by an increase in the tax assessment due to an expansion of the Premises, or any part thereof, by Lessor's failure to pay Real Estate Taxes when due.

7. Use of Premises

7.1 Use Provision

Lessee covenants to use the Premises only for administering the Quin Rivers Inc. in New Kent County and conducting its corporate purposes and for no other purpose, subject to and in accordance with all applicable zoning and other governmental regulations. Lessee, at its own expense, shall comply with and promptly carry out all orders, requirements or conditions imposed by the ordinances, laws and regulations of all of the governmental authorities having jurisdiction over the Premises, which are occasioned by or required in the conduct of Lessee's business within

the Premises and to obtain all licenses, permits and the like required to permit Lessee to occupy the Premises.

7.2 "As Is" Acceptance of Property

Lessee accepts the Premises and the rest of the Project from Lessor in "as is" condition, except to the extent specifically provided elsewhere in this Lease.

7.3 Restriction on Unlawful Activity

Lessee shall not permit the Premises, or any part thereof, to be used for any disorderly, unlawful or hazardous purpose, nor as a source of annoyance or embarrassment to Lessor or other tenants, nor for any purpose other than herein before specified, nor for the manufacture of any commodity therein, without the prior written consent of Lessor.

7.4 Common Areas

Lessee shall have the access, use and enjoyment of the areas of the Project designated as "Common Areas." This will include, but may not be limited to the parking lot, common bathrooms, a common waiting area, a common storage area, break room, common corridors and common entranceways. Lessee will only use these areas in an appropriate manner that will not interfere with the access, use and enjoyment of the areas by the other tenants. Access to any other areas should be negotiated and agreed upon amongst the tenants of the building and in compliance with the security measures herein.

8. Compliance with Environmental Laws

8.1 Environmental Protection Laws

For purposes of this Lease, the term "hazardous material" means any explosives, radioactive material, hazardous wastes, or hazardous substances, including without limitation substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; Hazardous Materials Transportation Act of 1975, as amended; the Resource Conservation and Recovery Act of 1976, as amended; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereinafter in effect (collectively, "Hazardous Materials Laws").

8.2 Hazardous Substance Licenses

Lessee will not cause or permit the storage, use, generation, or disposition of any hazardous materials in, on, or about the Premises or the Project, by Lessee, its assignees, subleases, employees, agents and contractors (collectively, "Permitees"). Lessee will not permit the Premises to be used or operated in any manner that may cause the Premises or the project to be contaminated by any hazardous materials in violation of any Hazardous Materials Laws. Lessee will immediately advise the Lessor in writing of (1) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Hazardous Materials Laws relating to any hazardous materials affecting the premises; and (2) all claims made or threatened by any third party against Lessee, Lessor, or the Premises relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any hazardous materials on or about the Premises. Without Lessor's prior written consent, Lessee will not take any remedial action or enter into any agreements or settlements in response to the presence of any hazardous materials in, on or about the Premises.

8.3 Indemnification of Lessor

Lessee will be solely responsible for and will defend, indemnify and hold Lessor, its agents, and employees harmless from and against all claims, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with Lessee's breach of its obligations on this Article 8. Lessee will be solely responsible for and will defend, indemnify, and hold Lessor, its agents, and employees harmless from and against any and all claims, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with the removal, cleanup, and restoration work and materials necessary to return the Premises and any other property of whatever nature located on the project to their condition existing prior to the appearance of Lessee's hazardous materials on the premises. Lessee's obligations under this Article 8 will survive the expiration or termination of this Lease.

9. Compliance with Americans with Disabilities Act

9.1 ADA Compliance

The Premises were constructed in a manner calculated to comply with the Americans with Disabilities Act. The Premises and their use authorized under this Lease comply fully with (and no notices of violation have been received in connection with) environmental, air quality, zoning, flood plain, planning, subdivision, building, health, labor, discrimination, fire, traffic, safety, wetlands and other governmental or regulatory rules, regulations, laws, ordinances, statutes, codes and requirements applicable to the building or facility (the "Property") in which the Premises are located (collectively, the "Building Laws"), including, without limitation, the Americans With Disabilities Act of 1990, as amended. Lessor has received such final certificates, as may be required or customary evidencing compliance with all building codes and permits, and approval of full occupancy of the Premises and of all installations therein. Lessor shall cause the Premises and all common areas to be continuously in compliance with all Building Laws (as the same may be amended from time to time).

10. Repairs and Maintenance

10.1 Lessor's Obligations

Subject to the provisions hereinafter contained with regard to damage by fire or other casualty and Paragraph 10.2, Lessor agrees to maintain the Premises in good order and repair during the Term unless damage thereto shall have been caused by the act or neglect of Lessee or its Permittees, in which case the same shall be required by and at the expense of Lessee. If Lessee fails to make such repairs promptly, Lessor, at its option, may make such repairs and Lessee shall pay Lessor on demand Lessor's actual costs in making such repairs plus a fee of five percent (5%) to cover Lessor's overhead. Lessor's cost of maintaining is subject to the Operating Expenses provision of Article 5. Lessor shall not be liable to Lessee for any damage or inconvenience and Lessee shall not be entitled to any abatement or reduction of Rent because of any repairs, alterations, or additions made by Lessor under this Lease.

10.2 Lessee's Obligations

Lessee shall maintain the non-structural portions of the interior of the Premises in good repair and condition, damages by causes reasonably beyond Lessee's control and ordinary wear and tear excepted.

11. Lessor's Services

11.1 Basic Services Provided by Lessor

Lessor covenants and agrees that it shall furnish without additional charge: (a) heat and air-conditioning to maintain the Premises at a reasonably comfortable temperature between the hours of 8:30 a.m. and 4:30 p.m. Monday through Friday of each week and 8:30 a.m. to 4:30 p.m. on Saturday of each week, except holidays recognized by the New Kent County Government; (b) water and sewage services between the hours of 8:30 a.m. and 4:30 p.m. Monday through Friday of each week and 8:30 a.m. to 4:30 p.m. on Saturday of each week, except holidays recognized by the New Kent County Government; (c) electricity for lighting purposes and operation of ordinary office equipment excluding, computers, supplemental HVAC, and other equipment requiring heavier than normal office use of electricity, as provided for in Paragraph 11.2; (d) the use of the Lessor's pre-existing telecommunications system for the purpose of making intra-network and local calls, as well as pre-installed telecommunications devices and other devices that support the pre-existing system; (e) janitor and char services in the same manner that it provides for itself, Monday through Friday of each week, except for holidays recognized by the County; (f) general landscaping in the same manner that it provides for itself; and (g) snow removal services as the Lessor, in its sole opinion, determines are necessary. Lessee hereby acknowledges and agrees that Lessor shall not be liable in any way for any damage of inconvenience caused by the cessation or interruption of such heating, air-conditioning, water, electricity, telecommunications, janitor, char, landscaping or snow removal service occasioned by fire, accident, strikes, necessary maintenance, alterations or repairs, or other causes beyond Lessor's control and Lessee shall not be entitled to any abatement of Rent by reason thereof. Lessee hereby acknowledges and agrees that Lessee shall be responsible for procurement of a service to provide long distance service and will be responsible for payment of that service.

11.2 Lessor's Right to Repair

Lessor reserves the right to erect, use, connect to, maintain and repair pipes, ducts, conduits, cable, plumbing, vents and wires in, to and through the Premises as and to the extent that Lessor deems necessary or appropriate for the proper operation and maintenance of the Project (including the servicing of other tenants in the Project) and the right at all times to transmit water, heat, air-conditioning and electric current through such pipes, ducts, conduits, cables, plumbing, vents and wires.

12. Lessee's Agreement

12.1 Lessee's Use of Property; Lessee covenants and agrees;

12.1.1 not to obstruct or interfere with the rights of other tenants, injure or annoy them or those having business with them or conflict with them, or conflict with the fire laws or regulations, or with any insurance policy upon said Project or any part thereof, or with any statutes, rules or regulations now existing or subsequently enacted or established by the local, state or federal governments and Lessee shall be answerable for all nuisances caused or suffered on the Premises, or caused by Lessee in the Project, or on the approaches thereto;

12.1.2 not to place a load on any floor exceeding the floor load which such floor was designed to carry in accordance with the plans and specifications of the Project, and not to install, operate or maintain in the Premises any unsafe or heavy item of equipment except in such manner and in such location as Lessor shall prescribe so as to achieve a proper distribution of weight;

12.1.3 not to strip, overload, damage or deface the Premises, hallways, stairways, parking facilities or other public areas of the Project, or the fixtures therein or used therewith, nor to permit any hole to be made by any of the same;

12.1.4 not to suffer or permit any trade or occupation to be carried on or use made of the Premises which shall be unlawful, noisy, offensive, or injurious to any person or property, or such as to increase the danger of fire or affect or make void or voidable any insurance on the Project, or which may render any increased or extra premium payable for such insurance, or which shall be contrary to any law or ordinance, rule or regulation from time to time established by public authority;

12.1.5 to, at Lessee's own expense, promptly comply with and carry out laws, ordinances, rules, regulations and requirements (including zoning) of the federal, state, municipal governments, relating to the demised premises and/or the business conducted therein.

12.1.6 not to move any furniture or equipment into or out of the Premises except at such times and in such manner as Lessor may from time to time designate;

12.1.7 not to paint or place (nor to permit to be painted or placed) any sign or other advertising device, bill or billboard upon or about the demised premises (or the exterior of the building in which the demised premises are located), or any part thereof, without the prior written permission of the Lessor.

12.1.8 to conform to all rules and regulations from time to time established by the appropriate insurance rating organization and to all reasonable rules and regulations from time to time established by Lessor;

12.1.9 to be responsible for the cost of removal of Lessee's bulk trash at time of move-in, during occupancy and move-out;

12.1.10 to use the telecommunications systems as well as the individual telephone instruments provided by Lessor according to the Terms of Use by which Lessor's own employees must abide. Lessee must coordinate the use after hours of Lessor's automation equipment in advance.

12.1.11 not to conduct, nor permit, in the Premises either the generation, treatment, storage or disposal of any hazardous substances and materials or toxic substances of any kind as described in the Hazardous Material Laws, and Lessee shall prohibit its Permittees from doing so and Lessee shall indemnify, defend and hold Lessor and its agents harmless from all costs, foreseeable and unforeseeable, direct and consequential; damages; liability fines' prosecutions; judgments; litigation; and expenses, including but not limited to, clean-up costs, court costs and reasonable attorneys' fees arising out of any violation of the provisions of this Article 12 by Lessee or its Permittees.

12.1.12 to use the telecommunications systems as well as the individual telephone instruments provided by Lessor according to the Terms of Use by which Lessor's own employees must abide. Lessee must coordinate the use after hours of Lessor's office automation equipment in advance.

12.1.13 to comply with all of Lessor's security requirements. Lessor shall distribute Building keys and security alarm codes to three persons designated by Lessee. A designated key holder shall be present during the duration of all Lessee's activities that take place during non-business hours or shall pay the Lessor's personnel cost for a staff person to be present during the duration of the activity.

12.1.14 to not place additional locks or bolts of any kind upon any of the doors or windows, nor make any changes to existing locks or the mechanism thereof. Lessee shall

Lease Agreement

Lessor: Board of Supervisors of New Kent County

Lessee: Quin Rivers Agency for Community Action, Inc.

not make or permit to be made any keys for any door to the Premises or the Building. Lessee, upon the termination of this tenancy, shall restore to Lessor all keys furnished to the Lessee, and in the event of the loss of any keys, so furnished, Lessee shall reimburse Lessor the cost of installing new locks and keys, as well as resetting any alarm system.

12.1.15 to comply with the Lessor's rules and regulations for itself, its employees, agents, clients, customers, invitees and guests. Lessee agrees that Lessor may amend, modify, and delete its rules and regulations or add new and additional reasonable rules and regulations for the use and care of the leased premises, the building of which the leased premises are a part, the parking and other common areas. Lessee agrees to comply with all such rules and regulations upon notice to Lessee from Lessor. In the event of any breach of any rules and regulations set forth in this Lease or any amendments or additions to it, Lessor shall have all remedies in this lease provided for default of Lessee.

12.1.16 to load and unload goods at such times, in the areas and through the entrances designated for such purpose by Lessor;

12.1.17 to not install radio or television or other similar devices, and no aerial shall be erected on the roof, on exterior walls of the leased premises, or on the parking or other common areas. Any such device or aerial, so installed, shall be subject to removal without notice at any time;

12.1.18 to not place or permit any obstructions or merchandise in any parking or other common areas or in the service corridors, sidewalks, entrances, passages, courts, corridors, or stairways;

12.1.19 to allow only its employees to park their cars in those portions of the parking area designated for employee parking by Lessor;

12.1.20 to not make or permit any noise or odor which Lessor deems objectionable to emanate from the leased premises. No person shall use the leased premises as sleeping quarters, sleeping apartments, or lodging rooms;

12.1.21 to obtain all permits or licenses necessary to conduct its business.

13. Alterations

13.1 Limitations on Lessee's Ability to Alter Property

Lessee shall not paint the Premises or make any alterations, additions, or other improvements in or to the Premises or install any equipment of any kind that shall require any alterations or additions or affect the use of the Project's water system, heating system, plumbing system, air-conditioning system, electrical system or other mechanical system, or install any telephone antennae on the roof, in the windows or upon the exterior of the Building without the prior written consent of Lessor. If Lessee makes any such alterations or additions without Lessor's consent, Lessor may correct or remove them and Lessee shall be liable for any and all costs and expenses incurred by Lessor in the correction or removal of such work. All plans and specifications for any such work shall be prepared by Lessee at Lessee's expense and shall thereafter be submitted to Lessor for its review. All alterations and additions to the Premises shall be performed by Lessor, or Lessor's contractor, unless Lessor shall otherwise agree in writing. If any alterations or additions are not, with Lessor's consent, performed by Lessor or its contractor, Lessee shall nevertheless pay Lessor's fee of 3.2 percent of the total cost of the work to be performed, payable upon completion of the work, to compensate Lessor for coordinating Lessee's contractor's use of the Project's systems and access to the electrical, mechanical and telephone closets, as necessary. As a further condition of Lessor's consent to the use of the Lessee as contractor, Lessee or Lessee's contractor must evidence insurance coverage to include: (a) Worker's Compensation Coverage and (b)

Comprehensive Central Liability Property Damage insurance in the amount of not less than One Million Dollars (\$1,000,000.00) in the aggregate. All work done with respect to such alterations and additions shall be done in a good and workmanlike manner and diligently prosecuted to completion to the end that Premises shall at all times be a complete unit except during the period necessarily required for such work. Lessee shall not permit a mechanic's lien(s) to be placed upon the Premises, the Building or the Project as a result of any alterations or improvements made by it and agrees, if any such lien be filed on account of the acts of Lessee, promptly to pay the same. If Lessee fails to discharge such lien within five (5) days of its filing, then, in addition to any other right or remedy of Lessor, Lessor may, at its election, discharge the lien. Lessee shall pay on demand any amount paid by Lessor for the expenses of Lessor incurred in defending or obtaining the discharge of such action or in connection therewith. Lessee hereby expressly recognizes that in no event shall it be deemed the agent of Lessor and no contractor of Lessee shall by virtue of its contract be entitled to assert any lien against the Premises, Building, or Project. All alterations or additions shall become a part of the realty and be surrendered to Lessor upon the expiration or termination of this Lease, unless Lessor shall at the time of its approval of such work require removal or restoration on the part of Lessee as a condition of such approval.

14. Hold Harmless; Indemnification

14.1 Hold Harmless

Lessor shall not be liable for any damage to, or loss of, property in the Premises belonging to Lessee, its Permittees, or other persons in or about the Premises, or for damage or loss suffered by the business of Lessee, from any cause whatsoever, including, without limiting the generality thereof, such damage or loss resulting from fire, steam, smoke, electricity, gas, water, rain, ice or snow, which may leak or flow from or into any part of the Premises, or from breakage, leakage, obstruction or other defects of the pipes, wires, appliances plumbing, air-conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Project of which the Premises are a part, or from other sources. Lessor shall not be liable in any manner to Lessee, its Permittees, or their property, caused by the criminal or intentional misconduct, or by any act of neglect of third parties or of Lessee, Lessee's Permittees, or any other tenant of the Project. Lessee covenants that no claim shall be made against Lessor by Lessee, or by any agent or servant of Lessee, or by others claiming the right to be in the Premises or in the Project through or under Lessee, for any injury, loss or damage to the Premises or to any person or property occurring upon the Premises from any cause other than the gross negligence of Lessor. In no event shall Lessor be liable to Lessee for any consequential damages sustained by Lessee arising out of the loss or damage to any property of Lessee.

14.2 Indemnification of Lessor

Lessee covenants and agrees to save Lessor and Lessor's officers, employees, and agents from all loss, damage, liability or expense of any kind including without limitation attorneys' fees and court costs incurred, suffered or claimed by any person whomsoever, or for any cause whatsoever, by reason of the use of occupancy by Lessee or its Permittees unless caused solely by the gross negligence of Lessor.

14.3 Survival of Indemnification Provisions

The provisions of this Article 14 shall survive the expiration of the Term.

15. Lien on Lessee's Property

15.1 Security Interest

To protect Lessor in the event Lessee defaults hereunder, Lessee hereby grants to Lessor a continuing security interest for all rent and other sums of money becoming due hereunder from Lessee, and upon all goods, wares, chattels, fixtures, furniture and other personal property of Lessee which are or may be located on the Premises and the proceeds thereof, none of which may be removed from the Premises without Lessor's consent so long as any Rent or other such sums from time to time owed to Lessor hereunder remains unpaid. Upon its receipt of a written request therefor from Lessor, Lessee shall execute such financing statements, continuation statements and other instruments as are necessary or desirable, in Lessor's judgment, to perfect such security interest.

16. Insurance

16.1 Lessee's Obligation to Provide Insurance

Lessee shall, at its cost and expense, obtain and maintain at all times during the Term, for the protection of Lessor and Lessee, Public Liability Insurance (Comprehensive General Liability or Commercial General Liability) including Contractual Liability Insurance, with a combined personal injury and property damage limit of not less than One Million Dollars (\$1,000,000.00) for each occurrence and not less than One Million Dollars (\$1,000,000.00) in the aggregate, insuring against all liability of Lessee and its representatives arising out of and in connection with Lessee's use or occupancy of the Premises. Lessor and Lessor's officers, agents, and employees shall be named as additional insurers.

16.2 Fire Insurance

Lessee shall, at its own cost and expense, obtain and maintain at all times during the Term, fire and extended coverage on the Premises and on its contents, including any leasehold improvements made by Lessee in an amount sufficient so that no co-insurance penalty shall be invoked in case of loss.

16.3 Increasing Insurance Coverage

Lessee shall increase its insurance coverage, as required, but not more frequently than each calendar year if, in the opinion of the Lessor or any mortgagee of landlord, the amount of public liability and/or property damage insurance coverage at that time is not adequate.

16.4 Insurer's Credit Rating and Policy Requirements

All insurance required under this Lease shall be issued by insurance companies licensed to do business in the Commonwealth of Virginia. Such companies shall have a policyholder rating of at least "A" and be assigned a financial size category of at least "Class X" as rated in the most recent edition of "Best Key Rating Guide" for insurance companies. Each policy shall contain an endorsement requiring not less than ten (10) business days written notice from the insurance company to Lessor before cancellation or any change in the coverage, scope, or amount of any policy. Each policy, or a certificate showing it is in effect, together with evidence of payment of premiums, shall be deposited with Lessor on or before the Commencement Date, and renewal certificates or copies of renewal policies shall be delivered to Lessor at least ten (10) business days prior to the expiration date of any policy.

16.5 Cancellation of Insurance May Terminate Lease

If any of Lessor's insurance policies shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way because of the use of the Premises or any part thereof by Lessee or any assignees or subtenant of Lessee or by anyone Lessee permits on the Premises, and if Lessee fails to remedy the condition within twenty-four (24) hours after notice thereof, Lessor may at its option either terminate this Lease or enter upon the Premises and attempt to remedy such condition, and Lessee shall promptly pay the cost thereof to Lessor. Lessor shall not be liable for any damage or injury caused to any property of Lessee or of others located on the Premises from such entry.

16.6 Denial of Right to Subrogation

All policies covering real or personal property which either party obtains affecting the Premises shall include a clause or endorsement denying that insurer any rights of subrogation or recovery against the other party to the extent rights have been waived by the insured before the occurrence of injury or loss. Lessor and Lessee hereby waive any rights of subrogation or recovery against the other for damage or loss to their respective property due to hazards covered or which should be covered by policies of insurance obtained or which should be or have been obtained pursuant to this Lease, to the extent of the injury or loss covered thereby assuming that any deductible shall be deemed to be insurance coverage.

17. Assignment and Subletting

17.1 Prior Written Consent of Lessor

Lessee shall not assign, transfer, mortgage or encumber this Lease or sublet the Premises without obtaining prior written consent of Lessor, nor shall any assignment or transfer of this Lease be effectuated by operation of law or otherwise without the prior written consent of Lessor, in any such case, such consent may be withheld in the sole and absolute subjective discretion of landlord. In the event that Lessee defaults hereunder Lessee hereby assigns to Lessor any and all rent due from any subtenant of Lessee and hereby authorizes each such subtenant to pay said rent directly to Lessor. Without limiting the generality of the foregoing, if Lessor consents to an assignment or sublease pursuant to this Article 17, Lessor may condition its consent upon the entry by such transferee into an agreement (in form and substances satisfactory to Lessor) with Lessor, by which such transferee assumes all of Lessee's obligations hereunder.

18. Lessor's Right of Access

18.1 Right to Enter

Lessor may, at any time during Lessee's occupancy, during reasonable business hours enter either to view the Premises to show the same to others, or to facilitate repairs to the Building, or to introduce, replace, repair, alter, or make new or change existing connections from fixtures, pipes, wires, ducts, conduits or other construction therein, or remove, without being held responsible thereof, placards, signs, lettering, window or door coverings and the like not expressly consented to by Lessor.

18.2 Right to Enter To Show Property to Prospective Lessee

During the last ninety (90) days of the Term, Lessor may enter the Premises free from hindrance or control of Lessee to show the Premises to prospective tenants at times that shall not unreasonably interfere with Lessee's business. If Lessee shall vacate the Premises during the last

month of the Term, Lessor shall have unrestricted right to enter the same after Lessee's moving to commence preparations for the succeeding tenant or for any other purpose whatsoever, without affecting Lessee's obligation to pay rent for the full Term.

19. Fire Clause

19.1 Obligations of Parties after Fire

In the event the Premises or any part thereof, hallways, stairways or other approaches thereto, becomes damaged or destroyed by fire or other casualty from any cause so as to render said Premises and/or other approaches unfit for use and occupancy, a just and proportionate part of the Rent according to the nature and extent of the damage or injury to said Premises and/or approaches, shall be suspended or abated until said Premises and/or approaches have been put in as good condition for use and occupancy as at the time immediately prior to such damage or destruction. Lessor shall proceed, at its expense and as expeditiously as may be practicable, to repair the damage unless, because of the substantial extent of the damage or destruction, Lessor should decide not to repair or restore the Premises of the Project, in which event and at Lessor's sole option Lessor may terminate this Lease forthwith by giving Lessee a written notice of its intention to terminate within five (5) days after the date of the fire or other casualty. Lessor shall not be obligated to repair, restore, or replace any fixture, improvement, alteration, furniture, or other property owned, installed, or made by Lessee, all of which shall be repaired, restored, or replaced by Lessee.

19.2 Notification of Lessor

Lessee shall immediately notify Lessor of any damage to the Premises caused by fire or any other casualty.

19.3 Repair of Premises

No damage, compensation, or claim shall be payable by Lessor for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises or the Project. Subject to the provisions of Paragraph 19.1, Lessor shall diligently proceed to have such repairs made promptly.

20. Condemnation

20.1 Effect on Lease

This Lease shall be terminated and the Rent shall be abated to the date of such termination in either of the following events: (a) condemnation of the Premises, the Building or any part thereof by any competent authority under right of eminent domain for any public or quasi-public use or purpose; or (b) condemnation by competent authority under right of eminent domain for any public or quasi-public use or purpose of the Project in which the Premises are located. The forcible leasing by any competent authority of any portion of the Project other than the Premises shall have no effect upon this Lease. In case of any taking or condemnation, whether or not the Term shall cease and terminate, the entire award shall be the property of Lessor, and Lessee hereby assigns to Lessor all its right, title and interest in and to any such award. Lessee however, shall be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for fixtures and other equipment installed by it, but only if such awards shall be made by the court in addition to (and shall in no manner whatsoever reduce) the award made by it to Lessor for the land and improvements or part thereof so taken.

20.2 Effect on Lease for Temporary Loss

In the event of a temporary taking or condemnation of all or any part of the Premises for any public or quasi-public use or purpose, this Lease shall be unaffected and Lessee shall continue to pay in full Basic Rent and all Additional Rent payable for any such period. In the event of any such temporary taking, notwithstanding the provisions of Paragraph 20.1, Lessee shall be entitled to claim, prove and receive the portion of the award for such taxing that represents compensation for use or occupancy of the Premises during the Term, and Lessor shall be entitled to appear, claim, prove and receive the portions of the award that represent the cost of restoration of the Premises and the use or occupancy of the Premises after the end of the Term.

21. Defaults; Remedies

21.1 Definition of Default

It is hereby mutually agreed that: (a) if Lessee shall fail (i) to pay Rent or other sums which Lessee is obligated to pay by any provision of this Lease, when and as it is due and payable hereunder and without demand therefor, or (ii) to keep and perform each and every covenant, condition and agreement herein contained on the part of Lessee to be kept and performed; or (b) if Lessee shall abandon or evidence any intention to abandon all or any portion of the Premises; or (c) if the estate hereby created shall be taken by execution or other process of law; or (d) if Lessee shall (i) generally not pay Lessee's debts as such debts come due, (ii) becomes insolvent, (iii) make an assignment for the benefit of creditors, (iv) file, be the entity subject to, or acquiesce in a petition in any court (whether or not filed by or against Lessee pursuant to any statute of the United States or any state and whether or not for a trustee, custodian, receiver, agent, or other officer of Lessee or for all or any portion of Lessee's property) in any proceeding, whether in bankruptcy, reorganization, composition, extension, arrangement, insolvency proceedings, or otherwise then, and in each and every case, from thenceforth and at all times thereafter, at the sole option of Lessor, Lessor may:

21.1.1 Lessor's Right to Terminate Lease and Recover Possession

Terminate this Lease, in which event Lessee shall immediately surrender the Premises to Lessor. If Lessee fails to do so, Lessor may without notice and without prejudice to any other remedy Lessor may have, enter upon and take possession of the Premises and expel or remove Lessee and its effects without being liable to prosecution or any claim for damages therefor; and Lessee shall indemnify Lessor for all loss and damage which Lessor may suffer by reason of such termination, whether through the inability to relet the Premises or otherwise including any loss of Rent for the remainder of the Term.

21.1.2 Lessor's Right to Sue Lessee for Breach of Contract

Sue Lessee for breach of contract, in which event Lessee's event of default should be considered a total breach of Lessee's obligations under this Lease and Lessee immediately shall become liable for damages for such breach, in an amount equal to the total of the costs of recovering the Premises; the unpaid Rent earned as of the date of termination, plus interest thereon at a rate per annum from the due date equal to the legal judgment rate; and all other sums of money and damages owing by Lessee to Lessor. Lessee's right of possession shall cease and terminate and Lessor shall be entitled to the possession of the Premises and shall remove all persons and property therefrom and reenter the Lease without process of law and without becoming liable to prosecution therefor, any notice to quit or intention to reenter being hereby expressly waived by Lessee.

21.1.3 Lessor's Right to Collect Balance

Declare the present worth (as of the date of such default) of the entire balance of rent for the remainder of the Term to be due and payable, and collect such balances in any manner not inconsistent with applicable law. For the purpose of this Paragraph 21.1.3, "present worth" shall be computed by discounting the entire balance to present worth at a discount rate equal to the discount rate then in effect at the Federal Reserve Bank nearest the location of the Building.

21.1.4 Lessor May Pursue Numerous Remedial Options

Pursue any combination of such remedies and/or other remedy available to Lessor on account of such default under applicable law.

21.1.5 Lessee's Liability

In the event of any reentry or retaking of the Premises by Lessor and/or any termination of this Lease by Lessor due to Lessee's default and exercise of Lessor's rights pursuant to this section. Lessee in all events shall remain liable and answerable nevertheless for the rent to the date of such retaking, reentry or termination and Lessee shall also be and remain answerable in damages for the deficiency or loss of rent as well as all related expenses which Lessor may thereby sustain in respect to the balance of the Term. In such case, Lessor reserves full power, which is hereby acceded to by Lessee, to let said Premises for the benefit of Lessee, in liquidation and discharge, in whole or in part, as the case may be, of the liability of Lessee under the terms and provisions of this Lease. Such damages and related expenses that shall have been made more easily ascertainable by reletting of the Premises, or such action by Lessor may, at the option of Lessor, be deferred until the expiration of the Term, in which latter event the cause of action shall not be deemed to have accrued until the date of the termination of the Term.

21.2 Limitation of Lessor's Rights

The provisions of this Article 21 are subject to the bankruptcy laws of the United States of America and the Commonwealth of Virginia that, in certain cases, may limit the rights of Lessor to enforce some of the provisions of this Article in proceedings thereunder. To the extent that limitations exist by virtue thereof, the remaining provisions hereof shall not be affected thereby but shall remain in full force and effect. The provisions of this Article 21 shall be interpreted in a manner that results in a termination of this Lease in each and every instance, and to the fullest extent and at the earliest moment that such termination is permitted under the federal and state bankruptcy laws.

21.3 Application of Lessee's Payments

All rents received by Lessor in any reletting after Lessee's default shall be applied, first to the payment of such expenses as Lessor may have incurred in recovering possession of the Premises and in reletting the same (including brokerage fees), second to the payment of any costs and expenses incurred by Lessor, either for making the necessary repairs (including fitting up the space for such reletting) to the Premises or in curing any default on the part of Lessee of any covenant or condition herein made binding upon Lessee. Any remaining rent shall then be applied toward the payment of Rent due from Lessee, together with interest and penalties as defined in Article 3, and Lessee expressly agrees to pay any deficiency then remaining. Lessor shall in no event be liable in any way whatsoever (nor shall Lessee be entitled to any set off) for Lessor's failure to relet the Premises, and Lessor, at its option, may refrain from terminating Lessee's right of possession, and in such case may enforce against Lessee the provisions of this Lease for full Term.

21.4 Costs Associated With Collecting from Lessee

In the event Lessee defaults in the performance of any of the terms, covenants, agreements or conditions contained in this Lease and Lessor places in the hands of an attorney or collection agency the enforcement of all or part of this Lease, the collection of any Rent due or to become due or recovery of the possession of the Premises, Lessee agrees to pay Lessor's costs of collection and enforcement including reasonable attorneys' fees, whether suit is actually filed or not.

21.5 Period to Cure

In the event of default under the terms of this Lease Agreement, Lessee shall within five days of the receipt of the notice, either pay the overdue rent or quit the Premises. Should the default be for other than overdue rent, Lessee shall have thirty (30) days in which to cure the default or quit the premises. Failure to cure within the prescribed time shall result in the immediate termination of this Lease Agreement and Lessee's immediate suit for eviction.

22. Subordination

22.1 Subordination Clause

This Lease shall be subject and subordinate at all times to the lien of any mortgage or deed of trust or other encumbrance(s) which may now or which may at any time hereafter be made upon the Project of which the Premises is a part or any portion thereof, or upon Lessor's interest therein. This clause shall be self-operative, and no further instrument or subordination shall be required to effect the subordination of this Lease. Nonetheless, in confirmation of such subordination, Lessee shall execute and deliver such further instrument(s) subordinating this Lease to the lien of any such mortgage or deed of trust or any other encumbrance(s) as shall be desired by any mortgagee or party secured or proposed to be secured thereby, and Lessee hereby appoints Lessor the attorney-in-fact of Lessee, irrevocably, to execute and deliver any such instrument(s) for Lessee. If the interests of Lessor under this Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage or deed of trust on the Premises or Project, Lessee shall be bound to the transferee at the option of the transferee, under the terms, covenants and conditions of this Lease for the remaining Term, including any extensions or renewals, with the same force and effect as if the transferee were Lessor under this Lease, and, if requested by such transferee, Lessee agrees to attorn to the transferee as its Lessor. The holder of any mortgage or deed of trust encumbering the Project shall have the right, unilaterally, at any time to subordinate fully or partially its mortgage or deed of trust or other security instrument to this Lease on such terms and subject to such conditions, as such holder may consider appropriate in its discretion. Upon request, Lessee shall execute and deliver an instrument confirming any such full or partial subordination.

23. Surrender of Possession

23.1 Lessee's Obligations and Rights

Upon the expiration or earlier termination of the Term, Lessee shall surrender to Lessor the Premises and all keys, gate cards, parking passes, security cards, and locks connected therewith to Lessor in good order and repair (ordinary wear and tear excepted). Subject to the provisions of Article 13, any and all improvements, repairs, alterations and all other property attached to, used in connection with or otherwise installed upon the Premises (i) shall, immediately upon the completion of the installation thereof, be and become Lessor's property without payment therefor by Lessor, and (ii) shall be surrendered to Lessor upon the expiration or earlier termination of the Term, except that any machinery, equipment or fixtures installed by Lessee and used in the conduct of the

Lessee's trade or business (rather than to service the Premises or any of the remainder of the Building or the Project generally) and all other personalty of Lessee shall remain Lessee's property and shall be removed by Lessee upon the expiration or earlier termination of the Term, and Lessee shall promptly thereafter fully restore any of the Premises or the Building damaged by such installation or removal thereof.

24. Lessee Holding Over

24.1 Rights of Lessor

If Lessee or any person claiming through Lessee shall not immediately surrender possession of the Premises at the expiration or earlier termination of the Term, Lessor shall be entitled to recover compensation for such use and occupancy at one hundred percent (100%) of the Basic Rent and Additional Rent payable hereunder just prior to the expiration or earlier termination of the Term. Lessor shall also continue to be entitled to retake or recover possession of the Premises as herein before provided in case of default on the part of Lessee, and Lessee shall be liable to Lessor for any loss or damage it may sustain by reason of Lessee's failure to surrender possession of the Premises immediately upon the expiration or earlier termination of the Term. Lessee hereby agrees that all the obligations of Lessee and all rights of Lessor applicable during the Term shall be equally applicable during such period of subsequent occupancy.

25. Estoppels

25.1 Elements of Estoppel Certificates

Lessee shall, without charge therefor, at any time and from time to time, within five (5) business days after request by Lessor, execute, acknowledge and deliver to Lessor a written estoppel certificate certifying to Lessor, any mortgagee, assignee of a mortgagee, or any purchaser of the Project, or any other person designated by Lessor, as of the date of such estoppel certificate; (a) that Lessee is in possession of the Premises; (b) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and setting forth such modification); (c) whether or not there are then existing any setoffs or defenses against the enforcement of any right or remedy of Lessor, or any duty or obligation of Lessee hereunder (and, if so, specifying the same in detail); (d) the amount of the Basic Rent and the dates through which Basic Rent and Additional Rent have been paid; (e) that Lessee has no knowledge of any then uncured defaults on the part of Lessor under this Lease (or if Lessee has such knowledge, specifying the same in detail); (f) that Lessee has no knowledge of any event having occurred that authorizes the termination of this Lease by Lessee (or if Lessee has knowledge of any such uncured defaults, specifying the same in detail); (g) that Lessor has no knowledge of any event having occurred that authorizes the termination of this Lease by Lessor (or if Lessor has such knowledge, specifying the same in detail); (h) the amount of any Security Deposit held by Lessor; and (i) such reasonable other information requested by Lessor, such mortgagee, assignee of such mortgagee, such purchaser or such other person. Failure to deliver the certificate within five (5) business days after request by Lessor shall be conclusive upon Lessee for the benefit of Lessor and any successor to Lessor that this Lease is in full force and effect and had not been modified except as may be represented by the party requesting the certificate. If Lessee fails to deliver the certificate within five (5) business days after requested by Lessor, then by such failure Lessee shall irrevocably constitute and appoint Lessor as its attorney-in-fact to execute and deliver the certificate to any third party.

26. Miscellaneous

26.1 Definition of Lessee

The term "Lessee" shall include legal representatives, successors and permitted assigns. All covenants herein made binding upon Lessee shall be construed to be equally applicable and binding upon its Permittees and others claiming the right to be in the Premises or in the Project through or under Lessee.

26.2 Joint Lessees

If more than one individual, firm or corporation shall join as Lessee, singular context shall be construed to be plural wherever necessary and the covenants of Lessee shall be the joint and several obligations of each party signing as Lessee and when the parties signing as Lessee are partners, shall be the obligation of the firm and of the individual members thereof.

26.3 References to Gender

Feminine or neuter pronouns shall be substituted for those of the masculine form and the plural shall be substituted for the singular, wherever the context shall require. It is also agreed that no specific words, phrases or clauses herein used shall be taken or construed to control, limit or cut down the scope or meaning of any general words, phrases or clauses used in connection therewith.

26.4 Waiver of Breach

No waiver or breach of any covenant, condition or agreement herein contained shall operate as a waiver if the covenant, condition or agreement itself, or of any subsequent breach thereof.

26.5 Limitation of Lessor's Liability

Notwithstanding anything to the contrary contained in this Lease, Lessee shall look only to Lessor's ownership in the Project for satisfaction of Lessee's remedies for collection of a judgment (or other judicial process) requiring the payment of money by Lessor in the event of any default by Lessor hereunder, and no other property or assets of Lessor or its agents, disclosed or undisclosed, shall be subject to levy, execution or the enforcement procedure for satisfaction of Lessee's remedies with respect to this Lease, the relationship of Lessor and Lessee hereunder, or Lessee's use or occupancy of the Premises. No personal liability or personal responsibility is assured by, nor shall at any time be asserted or enforceable against Lessor's agents, or their respective heirs, legal representatives, successors and assigns on account of this Lease or any covenant, undertaking, or agreement to Lessor not to unreasonably withhold its consent or approval, an action for declaratory judgment or specific performance shall be Lessee's sole right and remedy in any dispute as to whether Lessor has breached such obligation.

26.6 Warranty of Habitability and Fitness for Particular Purpose

LESSEE AND LESSOR EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE.

26.7 Written Lease

It is understood and agreed by and between the parties hereto that this Lease contains the final and entire agreement between said parties, and that they shall not be bound by any terms,

statements, conditions or representations, oral or written, express or implied, not herein contained. This Lease may not be modified orally or in any manner other than by written agreement signed by the parties hereto.

26.8 Provisions that are Unlawful or Against Public Policy

Every agreement contained in this Lease is, and shall be construed as a separate and independent agreement. If any term of this Lease or the application thereof to any person or circumstances shall be invalid and unenforceable, the remaining provisions of this Lease, the applications of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected.

26.9 Conditions That Prevent Performance

Whenever a period of time is herein prescribed for action to be taken by Lessor, Lessor shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of Lessor.

26.10 Signatures of Both Parties Required

The submission of this Lease to Lessee shall not be construed as an offer nor shall Lessee have any rights with respect thereto unless Lessor executes a copy of this Lease and delivers same to Lessee.

26.11 Both Parties Must Consent to Assignment

This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns. This provision shall not be deemed to grant Lessee any right to assign this Lease or sublet the Premises or any part thereof other than as provided in Article 17 hereof.

26.12 Time Is of Essence Clause

All times, whenever stated in this Lease, are declared to be of the essence of this Lease.

27. Brokers

27.1 Payment of Broker Fees

Lessee represents and warrants that it has not entered into any agreement with, nor otherwise had any dealings with, any broker or agent in connection with the negotiation or execution of this Lease which could form the basis of any claim by any such broker or agent for a brokerage fee or commission, finder's fee, or any other compensation of any kind or nature in connection herewith, and Lessee shall indemnify, defend and hold Lessor harmless from and against any costs (including, but not limited to, court costs and attorneys' fees), expenses, or liability for commissions or other Compensation claimed by any broker or agent other than those listed or dealings, or alleged agreement or dealings, between Lessee and any such agreement or dealings, or alleged agreement or dealings, between Lessee and any such agent or broker.

28. Notices

28.1 Contacting Lessee and Lessor

All notices required or permitted hereunder shall be deemed to have been given if mailed in any United States Post Office by certified or registered mail, postage prepaid, return receipt requested, addressed to Lessor or Lessee respectively, at the following addresses or to such other addresses as the parties hereto may designate to the other in writing from time to time:

LESSOR

County Administrator
Rodney A. Hathaway
Post Office Box 150
12007 Courthouse Circle
New Kent, Virginia 23124-0050

With a copy to:

County Attorney
Post Office Box 150
12007 Courthouse Circle
New Kent, Virginia 23124-0050

LESSEE

Quin Rivers, Inc.
7911 Courthouse Way, Suite 200
P.O. Box 208
New Kent, Virginia 23124

With a copy to:

Randolph Boyd, Registered Agent,
14 East Main Street
Richmond, Virginia 23219

29. Quiet Enjoyment

29.1 Scope of Implied Covenant of Quiet Enjoyment

Lessor covenants and agrees that upon Lessee paying the Rent and any other charges due and payable and observing and performing all the terms, covenants and conditions, Lessee may peaceably and quietly enjoy the Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any mortgages and deeds of trust hereinbefore mentioned.

30. Waiver of Trial by Jury

30.1 Waiver of Jury Trial

LESSOR AND LESSEE EACH AGREE TO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LESSOR AND LESSEE, LESSEE'S USE OR OCCUPANCY OF THIS PREMISES, ANY CLAIM OF INJURY OR DAMAGE, AND/OR ANY STATUTORY REMEDY.

31. Governing Law

31.1 Law Governing Contract

This Lease shall be construed and governed by the laws of the Commonwealth of Virginia, without respect to its conflict of laws provisions. The Courts of New Kent County shall hear any legal action regarding the interpretation or enforcement of this writing. The prevailing party in any dispute, including mediation or arbitration, shall recover its costs (including reasonable attorney's fees) from the other party. Should any provision of this Lease and/or its conditions be illegal or not enforced under the laws of said state, it or they shall be considered severable and the Lease and its conditions shall remain in force and be binding upon the parties hereto as though the said provision had never been included.

32. Documentation and Authorizing Resolutions.

The Lessee shall furnish and deliver to the Lessor with this Agreement and at no cost to the Lessor, documentation and authorizing resolutions to evidence the Lessee's existence in good standing and its authority to execute this Agreement.

The signatures of the parties are set out below in acknowledgment of this Lease Agreement and warrant their respective authority to enter this Lease Agreement.

SIGNATURES ON SEPARATE PAGES

Lease Agreement
Lessor: Board of Supervisors of New Kent County
Lessee: Quin Rivers Agency for Community Action, Inc.

The Board of Supervisors of New Kent County

By: _____
Rodney A. Hathaway
Clerk of the Board

COMMONWEALTH OF VIRGINIA
County of New Kent, to wit:

Rodney A. Hathaway, Clerk of the Board of Supervisors for New Kent County
acknowledged the foregoing instrument before me this _____ day of _____, 2013.

Notary Public
My Commission Expires: _____
Notary Number: _____

Reviewed as to form.

Michelle Gowdy
County Attorney

Lease Agreement
Lessor: Board of Supervisors of New Kent County
Lessee: Quin Rivers Agency for Community Action, Inc.

INC. **QUIN RIVERS AGENCY FOR COMMUNITY ACTION,**

By: _____

Its: _____

(Attach the appropriate resolution authorizing this person to execute this Agreement.)

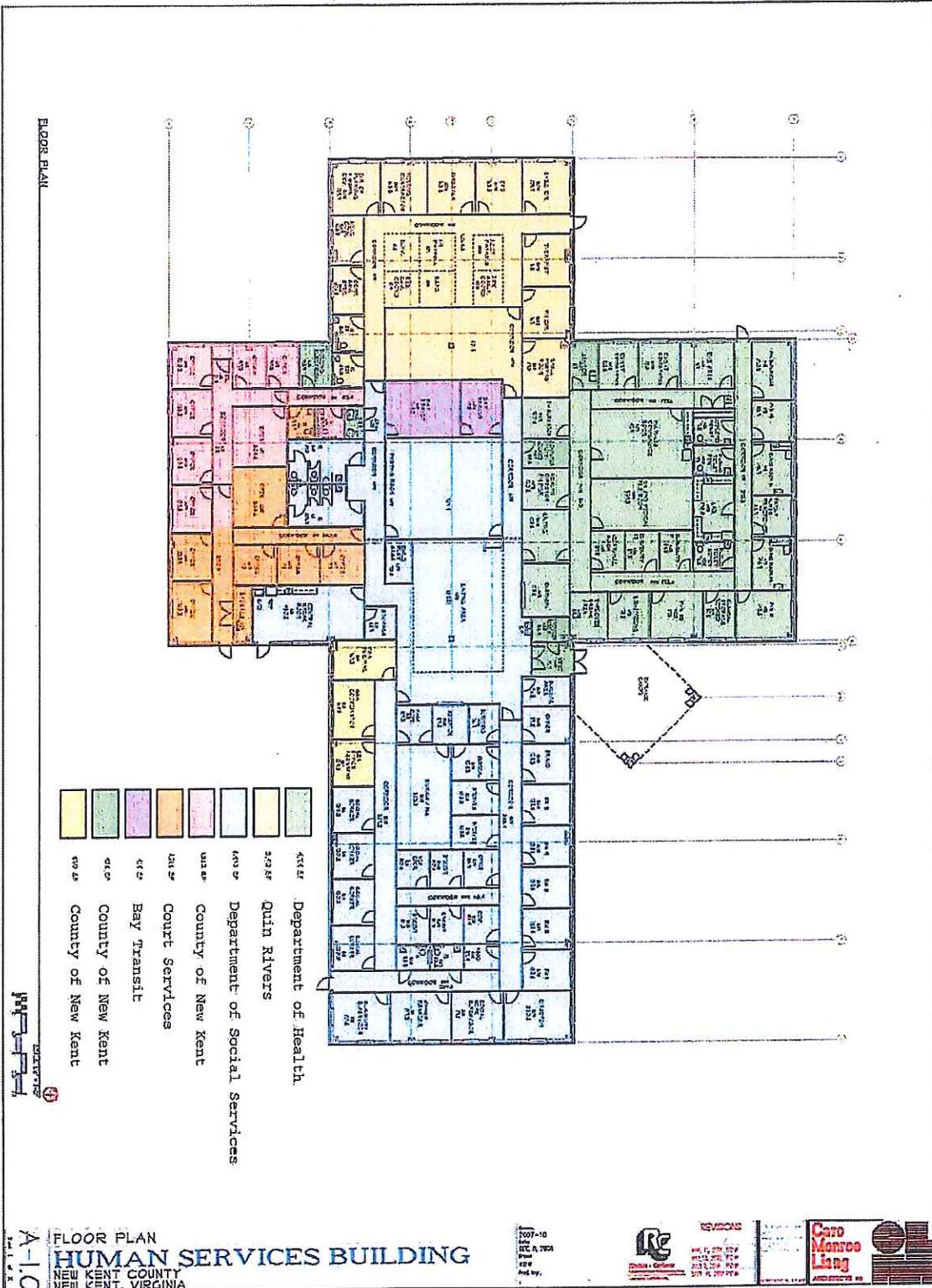
COMMONWEALTH OF VIRGINIA,
COUNTY/CITY OF _____, to-wit:

_____ (*insert name*), as _____ (*insert title*) of QUIN RIVERS, INC. acknowledged the foregoing instrument before me this ____ day of _____, 2013.

My Commission Expires: _____
Notary Number: _____

Notary Public

Exhibit A



NOTICE OF PUBLIC HEARINGS

NEW KENT COUNTY BOARD OF SUPERVISORS

Notice is hereby given that the New Kent County Board of Supervisors will hold public hearings, and may or may not take action, on January 9, 2017 at 7:00 p.m. or as soon thereafter as possible, in the Boardroom of the County Administration Building located at 12007 Courthouse Circle, New Kent, VA 23124, to consider the following:

- A. **Quin Rivers, Inc. Lease** - Authorization for the County Administrator to execute a three year lease agreement between the County of New Kent and Quin Rivers, Inc. The lease will involve 3,412 square feet of office space in the New Kent Human Services Building located at 7911 Courthouse Way, New Kent, Virginia.

All interested persons may appear and present their views at the above time and place. If a member of the public cannot attend, comments may be submitted by mail to P. O. Box 150, New Kent, VA 23124; by fax to (804) 966-9370; or by email to bos@newkent-va.us. Comments received by 12:00 noon on the day of the hearings will be distributed to Board members and made a part of the public record. Copies of any proposed ordinances, resolutions, applications and staff reports may be viewed approximately one week prior to the hearing in the Office of the County Administrator at 12007 Courthouse Circle, New Kent, VA 23124, during regular business hours or at <http://www.co.new-kent.va.us>. Anyone needing assistance or accommodation under the provisions of the Americans with Disabilities Act should call the County Administrator's Office at (804) 966-9687.

If the meeting cannot be held because of the closing of State and/or County offices, it will be held on the next business day that the County offices are open.

By authority of
Rodney A. Hathaway
Clerk of the Board