



**AGENDA**

**ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VA**  
**Bedford County Administration – Ground Floor Training Room**  
**122 E Main Street**  
**Bedford, VA 24523**  
**October 10, 2023**  
**6:30 p.m.**

- (1) CALL TO ORDER**
- (2) APPROVAL OF AGENDA**
- (3) NEW BUSINESS**
  - A. Renewal of East Coast Fabricators lease agreement
- (4) ADJOURN**

**THIS ADDENDUM** made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2023, by and between, the Economic Development Authority of the County of Bedford, Virginia, party of the first part, and East Coast Fabricators, Inc., a Virginia corporation, party of the second part.

**WHEREAS**, the parties hereto entered into a lease on the 4<sup>th</sup> day of September, 2020, with a commencement date of November 2, 2020, and an expiration date of October 31, 2023; and

**WHEREAS**, the aforesaid lease contains a provision allowing the parties to extend the term of the lease for two additional, one-year periods; and

**WHEREAS**, the parties hereto desire to extend the lease for an additional year, that is until the 31st day of October 2024.

**NOW THEREFORE**, in consideration of mutual covenants and agreements contained herein, the parties agree as follows:

1. That the lease shall be extended for an additional one (1) year period and shall terminate at midnight on the 31<sup>st</sup> day of October, 2024.
2. That all remaining terms of the aforesaid lease shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have executed this Addendum as of the date first above written.

**Landlord:**

Economic Development Authority of  
the County of Bedford, Virginia

By: \_\_\_\_\_ (SEAL)  
Jimmy Robertson, Chairman

Approved as to form:

By: \_\_\_\_\_  
Patrick J. Skelley II, Esq., County Attorney

**Tenant:**

East Coast Fabricators, Inc.

By: \_\_\_\_\_ (SEAL)  
Howard McGrath, President

**DEED OF LEASE**

**BETWEEN**

Bedford County Economic Development Authority,  
as Landlord

**AND**

East Coast Fabricators, Inc. ,  
as Tenant

Dated: September 4, 2020

For Premises Located At

1635 Venture Boulevard  
Bedford, Virginia

## DEED OF LEASE

**THIS DEED OF LEASE** ("Lease") is made as of the 4<sup>th</sup> day of September 2020 (for reference purposes only, "Date of Lease"), by and between Bedford County Economic Development Authority ("Landlord"), and East Coast Fabricators, Inc., a Virginia corporation ("Tenant").

Landlord and Tenant, intending legally to be bound, hereby covenant and agree as set forth below.

### ARTICLE 1: BASIC LEASE PROVISIONS

The following are the basic terms of this Lease, which shall have the meanings indicated:

1.1 Premises. The Premises are deemed to be approximately 30,000 square feet of interior space, known as 1635 Venture Boulevard, Bedford, Virginia 24523 consisting of the south (front) and east side of the Building as described on Exhibit A attached hereto and made a part hereof, together with the exclusive use of the loading dock in the north (rear) of the building. A plat of the lot showing the building and parking area is attached as "Exhibit C." A site plan showing parking areas is attached as "Exhibit D."

1.2 Building. The Building contains 50,000 square feet of interior space to be leased to tenants (of which approximately 30,000 square feet is the subject of this lease), a loading dock of (which is included in this lease), and approximately 4,600 square feet of interior space which will be used a common space by other tenants, together with all alterations, additions, improvements, restorations or replacements now or hereafter made thereto. Tenant shall have exclusive use of the portions of the building designated for its manufacturing processes and administrative offices. The common areas in the CVCC area of the building (including restrooms) are to be used exclusively by other tenants. A floor plan of the building is attached as "Exhibit B."

1.3 Term. Three (3) years with option to renew annually by the express agreement of both parties for up to two (2) additional years, at the rental terms in this lease.

1.4 Commencement Date. November 1, 2020.

1.5 Expiration Date. October 31, 2023.

1.6 Rent. Rent shall be \$121, 280.04 per annum payable in monthly payments of \$10,106.67. At the end of the three (3) year term, the Landlord a may agree to extend the lease for one (1) additional year, at the rental terms in this lease, up to two (2) times.

1.7 Permitted Use. Metal fabrication and powder coating operations as are currently being conducted by Tenant.

1.8 Landlord's Address for Payment of Rent

Bedford County Economic Development Authority  
122 East Main Street, Suite 202  
Bedford, VA 24523

Attn: Economic Development Director

1.9 Landlord's Address for Notice Purposes

Bedford County Economic Development Authority  
122 East Main Street, Suite 202  
Bedford, VA 24523

Attn: Economic Development Director

1.10 Tenant's Address.

East Coast Fabricators, Inc.  
1635 Venture Boulevard  
Bedford, VA 24523

ARTICLE 2: DEFINITIONS

In addition to the terms defined in Article 1 above, the following defined terms are used in this Lease and shall have the meanings indicated.

2.1 Agents. Officers, partners, directors, trustees, mortgagees, collateral agents, employees, agents, licensees, customers, contractors, invitees, affiliates, sub-lessees and assignees.

2.2 Alterations. Alterations, decorations, additions or improvements of any kind or nature to the Premises or the Building, whether structural or non-structural, interior, exterior or otherwise.

2.3 Common Area. All areas, improvements, facilities and equipment from time to time designated by Landlord for the common use or benefit of Tenant, other tenants of the Building or Project, and their Agents, including, without limitation, entrances and exits, landscaped areas, exterior lighting, pedestrian walkways, roadways, sidewalks, exterior utility lines, hallways, lobbies, common window areas, common walls, common ceilings, common trash areas and driveway and Parking Facilities. Landlord may in its reasonable discretion designate other land and improvements outside the boundaries of the Land and Building, but within the boundaries of the Project, to be part of the Common Area, provided that such other land and improvements have a reasonable and functional relationship to the Land and Building and as such additional portion is for the common use or benefit of Tenant, other tenants of the Building or Project and their Agents (e.g., common parking and landscape areas of the Project).

2.4 Event of Bankruptcy. As defined in Article 21.

- 2.5 Event of Default. As defined in Article 17.
- 2.6 Hazardous Materials . As defined in Article 22.
- 2.7 Herein, hereafter, hereunder and hereof. Under this Lease, including, without limitation, all Exhibits and any Riders.
- 2.8 Force Majeure . As defined in Section 23.15.
- 2.9 Land. The piece or parcel of land described herein and all rights, easements and appurtenances thereunto belonging or pertaining, or such portion thereof as shall be allocated by Landlord to the Building.
- 2.10 Lease Year. Each consecutive twelve (12) month period elapsing after (i) the Commencement Date if the Commencement Date occurs on the first day of a month, or (ii) the first day of the month following the Commencement Date if the Commencement Date does not occur on the first day of a month.
- 2.11 Legal Requirements. All laws, statutes, ordinances, orders, rules, ordinances, regulations and requirements (including but not limited to any and all energy conservation requirements applicable to the Building and customary industry indoor air quality standards and practices) of all federal, state and municipal governments, and the appropriate agencies, officers, departments, boards and commissions thereof whether now or hereafter in force which relate or are applicable to the Land, Premises, Building or Project, or any part thereof.
- 2.12 Mortgage . Any mortgage, deed of trust, security interest or title retention interest affecting the Building or the Land, including a leasehold or sub-leasehold mortgage, and any and all renewals, modifications, consolidations of any such interest.
- 2.13 Mortgagee. The holder of any note or obligation secured by a mortgage, deed of trust, security interest or title retention interest affecting the Building or the Land, including, without limitation, lessors underground leases, sale-leasebacks and lease-leasebacks.
- 2.14 Parking Facilities. All parking areas now or hereafter made available by Landlord for use by tenants in the Building or Project, including, without limitation, surface parking, parking decks and parking areas under or within the Building, whether reserved, exclusive, non-exclusive or otherwise.
- 2.15 Project. The Building, related parking facilities and common areas, and other appurtenances available to all Tenants of the Project as shown on Exhibit A-2 attached hereto and made a part hereof.
- 2.16 Real Estate Taxes. As defined in Section 4.
- 2.17 Substantial Part. More than fifty percent (50%) of the rentable square feet of the Premises or the Building, as the case may be.

2.18 Tenant's Property . Any and all personal property, furniture, business trade fixtures, inventory and equipment located in the Premises and owned by Tenant together with all leasehold and tenant improvements and Alterations installed in or performed by Tenant or its Agents or on behalf of Tenant or by Landlord on behalf of Tenant pursuant to the Work Agreement (as hereinafter defined) or the terms of this Lease, but expressly excluding those items of standard base building work insured by Landlord and provided at Landlord's sole cost and expense, as more fully described in the Work Agreement.

### ARTICLE 3: THE PREMISES

3.1 Lease of Premises. In consideration of the agreements contained herein, Landlord hereby conveys, bargains, grants and leases a leasehold interest in the Premises to Tenant, and Tenant hereby leases a leasehold interest in the Premises from Landlord, for the Term and upon the terms and conditions hereinafter provided. As an appurtenance to the Premises, Tenant shall have the non-exclusive right, together with other tenants of the Building and their Agents, to use such Common Areas as are designated herein. Landlord shall retain absolute dominion and control over the Common Area and shall operate and maintain the Common Area in such manner as Landlord, in its sole discretion, shall determine; provided, however, such exclusive right shall not operate to prohibit Tenant from its use of the Premises for the Permitted Use. The Premises are leased subject to, and Tenant agrees not to violate, all present and future covenants, conditions and restrictions of record, which affect the Building.

3.2 Landlord's Reservations. In addition to the other rights of Landlord under this Lease, Landlord reserves the right (i) to change the street address and/or name of the Building, (ii) to install, erect, use, maintain and repair mains, pipes, conduits and other such facilities to serve the Building's tenants in and through the Premises, (iii) to grant to anyone the exclusive right to conduct any particular business or undertaking in the Building, (iv) to control the use of the roof and exterior walls of the Building for any purpose, and (v) to perform such other acts and make such other changes with respect to the Common Area and Building as Landlord may, in the exercise of sound business judgment, deem to be appropriate. Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance or interruption of the business of Tenant or Tenant's use or occupancy of the Premises.

### ARTICLE 4: TAXES

4.1 Real estate taxes. Landlord by reason of its being a political subdivision of the Commonwealth of Virginia, is exempt from real estate taxation except when a part of a building or land is a source of revenue from an organization that is not exempt from taxation. Tenant shall pay as additional rent any real estate taxation assessed upon the Bedford County Economic Development Authority as a result of this lease.

4.2 Tenant's Machinery and Other Personal Property. Tenant shall pay all taxes assessed by taxing authorities upon its machinery, equipment and other properties.

## ARTICLE 5: PARKING

5.1 Parking, Loading Dock and Driveway Privileges. Landlord guarantees to Tenant for the term of this lease and any extension of this lease, for the benefit of Tenant and Tenant's employees, agents, customers, and invitees, their exclusive right to no fewer than thirty-six (36) parking spaces on the south (front) of the building, together with the right in common with other tenants and their employees, agents, customers, and invitees to use the entrances, exits, driveways and walkways serving the entire building. Tenant shall have exclusive use of the docking area at the north end (rear) of the building, which is a part of the premises of this lease. Access to the loading dock shall be over a designated truck route to be designated by Landlord from Venture Boulevard over the asphalt parking area on the west side of the building leading to the loading dock. Landlord reserves the right to assign no fewer than ten (10) parking places on the south end of the building for use by a future tenant of the area designated T3. Landlord also reserves the right to designate all or parts of the parking area on the west side of the building for the exclusive use of the area to be leased to Central Virginia Community College.

5.2 Tenant's maintenance of parking areas. During the term of this lease and any extension of this lease, Tenant shall cause the parking area on the south side of the building, the loading facilities on the north side of the building, and any walks on the east side of the building to be operated and maintained properly and to be kept in good repair, such operation and maintenance to include, without limitation, removal of snow, ice, rubbish, debris. Landlord shall be responsible for all other entrances, exits, driveways, and walkways, including the main entrance from Venture Boulevard and all parking areas, sidewalks, and entrances on the west side of the building.

## ARTICLE 6: USE

6.1 General . Tenant shall occupy the Premises solely for the permitted use under its name and the name of its subtenant, Rhino Coat Powder Coating Services, Inc. The Premises shall not be used for any other purpose without the prior written consent of Landlord.

6.2 Compliance With Laws, etc. Tenant shall comply, at Tenant's expense, with (i) all Legal Requirements applicable to the Premises, and (ii) any reasonable requests of Mortgagee or any insurance company providing coverage with respect to the Premises. Tenant shall not use or occupy the Premises or allow the Premises to be used in violation of any recorded covenants, conditions and restrictions affecting the Premises or the Building or of any Legal Requirements, or of any certificate of occupancy issued for the Premises or Building or in any manner that is dangerous or that shall constitute waste, unreasonable annoyance or a nuisance to Landlord or the other tenants of the Building or Project.

6.3 Tenant to Comply With Insurance Requirements. Tenant shall, at Tenant's sole cost and expense, comply with any and all requirements pertaining to the demised premises of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering the building and appurtenances.



6.4 Rights of Other Tenants Tenant shall not commit, or suffer to be committed, any waste upon the demised premises or any nuisance (public or private) or other act or thing of any kind whatsoever that may disturb the quiet enjoyment or cause unreasonable annoyance of any other tenant in the building. Tenant acknowledges that other portions of the building will be rented to the Central Virginia Community College for educational and training space and for related offices. Tenant shall not do or permit anything to be done in or about the demised premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the building or injure or annoy them, or use or allow the demised premises to be used for any immoral, unlawful or objectionable purposes. No loudspeakers or other similar device, system, or apparatus, which can be heard outside the demised premises shall, without the prior, express, and written approval of Landlord, be used on or at the demised premises.

#### ARTICLE 7: ASSIGNMENT AND SUBLETTING.

Tenant shall not have the right to assign, transfer, mortgage or otherwise encumber this Lease or its interests herein without first obtaining Landlord's written consent.

#### ARTICLE 8: MAINTENANCE AND REPAIR

8.1 Tenant's Obligations. Tenant shall keep, maintain, and preserve the portion of the interior of the building and the loading dock area, being rented exclusively to it hereunder, and the parking lot on the south of the building in good condition and repair, and, when and if needed, at Tenant's sole cost and expense shall make all minor repairs and replacements to such areas (not exceeding \$500 in cost of any such repair), unless the damage is caused by the negligent acts or omissions of Landlord, its agents or employees. Tenants shall be responsible for routine interior maintenance of the Premise (including, but not limited to, refuse removal, janitorial services, and non-structural alterations) and shall keep and maintain the Premise in a clean, sanitary and safe condition. Tenant shall be responsible for the routine maintenance of the heating and air conditioning systems serving the Demised Premises only (e.g. replacement of filters and routine servicing), but shall not be required to replace any components of the heating and air conditioning systems (e.g. replacement of compressors, etc.), which shall remain the responsibility of Landlord.

8.2 Damage Caused by Tenant. Tenant shall repair at its expense any and all damage caused by Tenant or Tenant's agents to the building, common area, the Premises and Tenant's property, including equipment within and serving the building, ordinary wear and tear accepted.

8.3 Landlord's Obligations. All other repairs, including all structural repairs to the Premises, the exterior of the Premises, and the common areas, if such repairs have not been necessitated by the act, fault, or negligence of Tenant, or Tenant's agents, shall be the sole responsibility of Landlord. In addition, all repairs performed by the Landlord shall be at a time and in a manner so as not to unreasonably interfere with Tenant's normal business operations.

8.4 Landlord's Right to Maintain or Repair. If, within ten (10) days following notice to Tenant, Tenant fails to commence to repair or replace any damage to the Building, Common Area, Premises or Tenant's Property which is Tenant's obligation to perform, and diligently

pursue timely completion of such repair and replacement, Landlord may, at its option, perform Tenant's obligations and Tenant shall promptly pay Landlord all costs incurred in connection therewith plus interest thereon at the Interest Rate from the due date until paid.

## ARTICLE 9: ALTERATIONS

9.1 Tenant's Alterations. Tenant shall not make or perform, or permit the making or performance of, any alterations, installations, improvements, additions or other physical changes in or about the Premises (referred to collectively as "Alterations") without Landlord's prior written consent. Within thirty (30) days after Landlord receives Tenant's request for approval of an Alteration, together with the plans and the identity of the contractors to perform the Alterations, Landlord shall give Tenant a notice of its approval or disapproval of Tenant's request. Notwithstanding the foregoing provisions of this Section or Landlord's consent to any Alterations, all Alterations shall be made and performed in conformity with and subject to the following provisions: (i) except as otherwise provided in Section 10.1, all Alterations shall be made and performed at Tenant's sole cost and expense and at such time and in such manner as Landlord may reasonably designate; (ii) Alterations shall be made only by contractors or mechanics approved by Landlord, (iii) no Alterations shall materially and adversely affect any part of the Building or adversely affect any service required to be furnished by Landlord to Tenant or to any other tenant or occupant of the Building; (iv) all business machines and mechanical equipment shall be placed and maintained by Tenant in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance to other tenants or occupants of the Building; (v) Tenant shall (a) submit to Landlord reasonably detailed plans and specifications for each proposed Alteration and (b) not commence any such Alteration without first obtaining Landlord's approval of such plans and specifications, which approval will not be unreasonably withheld, conditioned or delayed; (vi) notwithstanding Landlord's approval of plans and specifications for any Alterations, all Alterations shall be made and performed in full compliance with all Legal Requirements and in accordance with the Rules and Regulations; (viii) all materials and equipment to be incorporated in the Premises as a result of all Alterations shall be of reasonably good quality and the Alterations shall be performed in a good and workmanlike manner; and (ix) Tenant shall require any contractor performing Alterations to carry and maintain at all times during the performance of the work, at no expense to Landlord, (A) a policy of comprehensive public liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, contractor's protective liability coverage and a broad form property damage endorsement, naming Landlord and (at Landlord's request) any Mortgagee of the Building and any management agent as additional insured(s), with such policy to afford protection to the limit of not less than Two Million and 00/100 Dollars (\$2,000,000.00) with respect to bodily injury or death to any number of persons in any one accident and to the limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) to damage to the property of any one owner from one occurrence, and (B) workmen's compensation or similar insurance in the form and amounts required by the laws of the Commonwealth of Virginia.

## ARTICLE 10 : SIGNS

10.1 Signs. Restrictive covenants upon the property of Landlord allow each parcel to have one wall-mounted sign on its principal building and one monument sign. Signs may contain only the name, address and logo of the occupants of the building. Landlord will cooperate with Tenant in approving the signage identifying Tenant's location in accordance with the restrictive covenants, the cost of any such sign (or the proportionate cost of any sign identifying more than one tenant) to be paid by Tenant. No sign, advertisement or notice shall be inscribed, painted, affixed, placed or otherwise displayed by Tenant on any part of the Land or the outside or the inside (including, without limitation, the windows) of the Building or the Premises without Landlord's express permission. Landlord shall have the right to prohibited any sign, advertisement, notice or statement to the public by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a first class office building.

## ARTICLE 11: TENANT'S PROPERTY

11.1 Loss or Damage to Tenant's Property or Persons . All personal property belonging to the Tenant, located on or about the Premises shall be there at the sole risk of the Tenant; and neither the Landlord nor Landlord's agent shall be liable for the theft or misappropriation thereof nor for any damage or injury thereto, nor for damage or injury to the Tenant or any of its officers, agents or employees or to other persons or to any property caused by fire, explosion, water, gas, electriTown, leaks from the roof or other portion of the building, the bursting or leaking of pipes, plumbing, electrical wiring and equipment or fixtures of any kind, or by any act or neglect of other tenants or occupants f the Premises, or due to any other cause whatsoever, unless resulting from the willfull acts of the Landlord, its employees, agents or representatives. Tenant shall give immediate notice to Landlord in case of fire or accident in the Premises or of any defects, damage or injury therein or in any fixtures or equipment.

11.2 Removal of Tenant's Property Upon Surrender or Termination of Lease. Upon the expiration or other termination of this Lease, or any renewals or extensions thereof, Tenant shall quit and surrender the Premises to Landlord in good order and condition, ordinary wear and tear, acts of God, fire, and other casualty (not resulting from Tenant's acts or omissions) excepted. Tenant shall on the day of termination of this Lease, or prior to such date, remove all property of Tenant, and Tenant shall within two weeks after termination repair all damage to the demised premises caused by such removal and make reasonable restoration of the Premises to the condition in which they were in prior to the installation of the property so removed.

## ARTICLE 12: UTILITY SERVICES

12.1 Landlord has installed or will install all necessary connections for gas, electriTown, water, sewer, and telephone and communication services to the portions of the building which are being leased to Tenant under this lease, and Landlord shall be responsible for all installation and maintenance of the equipment to the point of supply for Tenant's use. A separate propane tank has been supplied for Tenant's exclusive use. Water and electrical services are metered separately. Sewage services provided by the Town are calculated upon the water consumption as metered by the Town.

12.2 Utility Services to Common Area Landlord shall pay all expenses of utility services supplied to the Common Areas of the building and to the outside parking areas, except for any lighting at the loading dock area.

12.3 Utilities Consumed by Tenant. Tenant shall pay for heat, light, water, sewer, telephone and communication, and other utility services supplied to the Premises that Tenant consumes and is separately metered and will pay any required deposits. All meters curbing the use of electric and water pertaining to the operation of the Premises being leased to Tenant shall be transferred into the name of Tenant, which shall assume and pay all meter charges. Water, sewer, and electrical services are provided to the building by the Town of Bedford, and Tenant shall contract with the Town of Bedford for all such services.

12.4 Limitation of Landlord's Liability. Landlord shall be under no responsibility or liability for failure, defect or interruption in such services caused by force majeure, breakage, accident, strikes, repairs, or for any other cause or causes beyond the control of Landlord, nor in any event for any indirect or consequential damages; and failure or omission on the part of Landlord to furnish such service shall not be construed as an eviction of Tenant, nor work in abatement of rent, nor rent or Landlord liable in damages, nor release Tenant from proper fulfillment of any of the covenants under this lease.

12.5 Garbage Disposal Tenant shall be responsible for disposing of any garbage, debris, or refuse. Landlord shall provide a designated area outside of the building for such disposal, and it shall be the responsibility of the Tenant to provide appropriate receptacles or storage of garbage and trash and to contract for dumpster service.

## ARTICLE 13: INSURANCE

13.1 Liability Insurance by Tenant . Tenant shall, at its sole cost and expense, procure and maintain throughout the Term a commercial general liability policy insuring against claims, demands or actions for bodily injury, death, personal injury, and loss or damage to property arising out of or in connection with: (i) the Premises and Tenant's Property; (ii) the condition of the Premises; (iii) Tenant's operations in, maintenance and use of the Premises, Building and Common Area, and (iv) Tenant's liability assumed under this Lease. Such insurance shall afford protection to the limit of not less than \$2,000,000 with respect to bodily injury or death to any one individual, to the limit of not less than \$3,000,000 with respect to bodily injury or death to any number of individuals in any one accident and to the limit of \$1,000,000 with respect to damage to the property of any one owner from one occurrence and shall be primary over any insurance carried by Landlord. Endorsements shall be obtained for cross-liability and contractual liability.

13.2 Insurance for Tenant's Property . Tenant shall, at its sole cost and expense, procure and maintain throughout the Term a property insurance policy (written on an "All Risk" basis) insuring all of Tenant's Property for not less than the full replacement cost of said property. All proceeds of such insurance shall be used to repair or replace Tenant's Property. If this Lease is terminated as the result of a casualty in accordance with Article 16 herein, the proceeds of said

insurance attributable to the repair and/or replacement of any leasehold improvements, tenant improvements or Alterations performed by or on behalf of Tenant or by Landlord pursuant to the terms of the Work Agreement or this Lease shall be the property of the Landlord and paid to Landlord upon demand together with interest thereon at the Interest Rate until paid.

13.3 Additional Insurance. Tenant shall, at all times during the term hereof, maintain in effect workers' compensation insurance and any other insurance as required by applicable Legal Requirements.

13.4 Requirements of Insurance Coverage . All such insurance required to be carried by Tenant herein shall be with an insurance company licensed to do business in the Commonwealth of Virginia and rated not lower than A-XII in the A.M. Best Rating Guide. Such insurance (i) shall contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured has released its right of action against any party before the occurrence of a loss; (ii) shall name Landlord and, at Landlord's request, any Mortgagee or ground lessor, as additional insured(s); (iii) shall provide that the policy shall not be cancelled, failed to be renewed or materially amended without at least thirty (30) days' prior written notice to Landlord and, at Landlord's request, any Mortgagee, and (iv) shall be issued as primary policies and not contributing with and not in excess of coverage which the Landlord may carry. On or before the Commencement Date and, thereafter, not less than thirty (30) days before the expiration date of the insurance policy, an original of the policy (including any renewal or replacement policy) or a certified copy thereof, together with evidence satisfactory to Landlord of the payment of all premiums for such policy, shall be delivered to Landlord and, at Landlord's request, to any Mortgagee. Tenant's insurance policies shall not include deductibles in excess of Five Thousand and 00/100 Dollars (\$5,000.00).

13.5 Waiver of Subrogation . Each party hereby releases the other party hereto from liability for any loss or damage to any building, structure or tangible personal property, or any resulting loss of income, or losses under worker's compensation laws and benefits, notwithstanding that such loss, damage or liability may arise out of the negligent or intentionally tortious act or omission of the other party or its Agents, if such loss or damage is covered by insurance benefiting the party suffering such loss or damage or was required to be covered by insurance pursuant to this Lease. Each party hereto shall require its insurer(s) to include in its insurance policies a waiver of subrogation clause (providing that such waiver of right of recovery against the other party shall not impair the effectiveness of such policy or the insured's ability to recover thereunder), and shall promptly notify the other in writing if such clause cannot be included in any such policy; if such waiver of subrogation clause shall not be available, then the foregoing waiver of right of recovery shall be void.

13.6 Security . In the event that Landlord engages the services of a professional security system company or service for the Building, it is understood that such engagement shall in no way increase Landlord's liability for occurrences and/or consequences which such a system is designed to detect or avert and that Tenant shall look solely to its insurer as set out above for claims for damages or injury to any person or property.

13.7 Landlord's Insurance . Landlord shall procure and maintain throughout the Term fire and extended coverage insurance on the Building in such coverage and amounts as reasonably determined by Landlord in its prudent management of the Building and as necessary to satisfy the requirements of Landlord's Mortgagee, if any. At Landlord's option, such insurance may be carried under any blanket or umbrella policies, which Landlord has in force for other buildings and projects. In addition, at Landlord's option, Landlord may elect to self-insure all or any part of such required insurance coverage. Landlord may, but shall not be obligated to, carry any other form or forms of insurance as Landlord or the mortgagees or ground lessors of Landlord may reasonably determined is advisable. The proceeds payable under all fire and other hazard insurance policies maintained by Landlord on the Building shall belong to and be the property of Landlord, and Tenant shall not have any interest in such proceeds.

13.8 Coverage. Landlord makes no representation to Tenant that the limits or forms of coverage specified above or approved by Landlord are adequate to insure Tenant's Property or Tenant's obligations or assumption of contractual liability under this Lease, and the limits of any insurance carried by Tenant shall not limit its duties and obligations under this Lease.

#### ARTICLE 14: LIABILITY OF LANDLORD

14.1 No Liability . Except where due to Landlord or its Agents' gross negligence or willful misconduct, Landlord and its Agents shall not be liable to Tenant or its Agents for, and Tenant, for itself and its Agents, does hereby release Landlord and its Agents from liability for, any liability, damage, compensation or claim arising from (i) the necessity of repairing any portion of the Premises or the Building or the Common Area or any structural defects thereto, (ii) any interruption in the use of the Premises or the Common Area for any reason including any interruption or suspension of utility service, (iii) fire or other casualty or personal or property injury, damage or loss resulting from the use or operation (by Landlord, Tenant, or any other person whomsoever) of the Premises or the Building or the Common Area, (iv) the termination of this Lease, (v) robbery, assault, theft or other crime, or (vi) any leakage in the Premises or the Building from water, rain, snow or casualty, or any other cause whatsoever. No such occurrence shall give rise to diminution or abatement of Rent or constructive eviction. Notwithstanding the foregoing, any goods, automobiles, property or personal effects stored or placed by Tenant or its Agents in or about the Premises, the Building or the Common Area shall be at the sole risk of Tenant; Tenant hereby expressly waives its right to recover against Landlord and its Agents therefore. Tenant hereby waives any claim it might have against Landlord or its Agents for any consequential damages or business losses sustained by Tenant arising out of the loss or damage to any person or property of Tenant, or any interruption in the use of the Premises or the Common Area, for any reason. Tenant acknowledges its obligation to insure against such losses and damages. Tenant shall not have the right to offset or deduct any amount allegedly owed to Tenant pursuant to any claim against Landlord from any Rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord.

14.2 Indemnity. Tenant shall indemnify, defend, protect and hold Landlord and its Agents harmless from and against any and all damage, claim, liability, cost or expense (including, without limitation, attorneys' or other professionals' fees) of every kind and nature (including,

without limitation, those arising from any injury or damage to any person, property or business) incurred by or claimed against Landlord or its Agents, directly or indirectly, as a result of, arising from or in connection with (i) Tenant's or its Agents' use, occupancy, repair or maintenance of the Premises, the Building or the Common Area; (ii) Tenant's breach of any provision of this Lease; or (iii) any act, omission or negligence of Tenant or its Agents.

14.3 Limitation on Recourse. Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual, directors, officers, advisors or agents of Landlord, and Tenant shall not seek recourse against the individual, directors, officers or advisors or agents of Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and notwithstanding anything contained in this Lease to the contrary, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for its obligations under this Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Landlord), shall be limited solely to, and Tenant's and its successors' and assigns' sole and exclusive remedy shall be against Landlord's interest in the Building and Land and proceeds therefrom, and no other assets of Landlord. In the event that the original Landlord hereunder, or any successor owner of the Building, shall sell or convey the Building, all liabilities and obligations on the part of the original Landlord, or such successor owner, under this Lease occurring thereafter shall terminate as of the day of such sale, and thereupon all such liabilities and obligations shall be binding on the new owner.

## ARTICLE 15: RULES AND REGULATIONS

15.1 General . Tenant and its Agents shall at all times abide by and observe the Rules and Regulations and any amendments thereto that may be promulgated from time to time by Landlord for the operation and maintenance of the Building and the Common Area and the Rules and Regulations shall be deemed to be covenants of the Lease to be performed and/or observed by Tenant. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms or provisions contained in any other lease, against any other tenant of the Building. Landlord shall not be liable to Tenant for any violation by any party of the Rules and Regulations or the terms of any other Building lease. If there is any inconsistency between this Lease and the Rules and Regulations, this Lease shall govern. Landlord reserves the right to amend and modify the Rules and Regulations as it deems necessary.

## ARTICLE 16: DAMAGE AND CONDEMNATION

16.1 Damage to the Premises. If the Premises shall be damaged by fire or other cause without the fault or negligence of Tenant or its Agents, Landlord shall diligently and as soon as practicable after such damage occurs (taking into account the time necessary to effect a satisfactory settlement with any insurance company involved and any delays beyond the direct control of Landlord) repair such damage to the Premises (excluding the Tenant's Property) at the expense of Landlord; provided, however, that Landlord's obligation to repair such damage shall

not exceed the proceeds of insurance available to Landlord (reduced by any proceeds retained pursuant to the rights of Mortgagee). Notwithstanding the foregoing, (i) if the Premises or the Building is damaged by fire or other cause to such an extent that, in Landlord's sole judgment, the damage cannot be substantially repaired within two hundred (200) days after the date of such damage then Landlord within sixty (60) days from the date of such damage may terminate this Lease by written notice to Tenant, or (ii) if the Premises are damaged during the last Lease Year, then Landlord or Tenant within thirty (30) days from the date of such damage may terminate this Lease by written notice to the other. If either Landlord or Tenant terminates this Lease, the Rent shall be apportioned and paid to the date of such termination. If neither Landlord nor Tenant so elects to terminate this Lease but the damage required to be repaired by Landlord is not repaired within two hundred (200) days from the date of such damage (such two hundred (200) day period to be extended by the period of any delay outside the direct control of Landlord plus a reasonable period for a satisfactory settlement with any insurance company involved), Tenant, within thirty (30) days from the expiration of such two hundred (200) day period (as the same may be extended), may terminate this Lease by written notice to Landlord. During the period that Tenant is deprived of the use of the damaged portion of the Premises, and provided such damage is not the consequence of the fault or negligence of Tenant or its Agents, Rent shall be reduced by the ratio that the rentable square footage of the Premises damaged bears to the total rentable square footage of the Premises before such damage. Notwithstanding anything herein to the contrary, Landlord shall not be required to rebuild, replace or repair any of the Tenant's Property. In the event that neither party terminates this Lease as aforesaid, Tenant shall be required to repair or replace the Tenant's Property.

16.2 Condemnation. In the event the Demised Premises shall be acquired or condemned by any public or quasi-public authority under the power of condemnation, eminent domain or appropriations, the term of this Lease shall cease and terminate as of the date possession shall be taken by such authority and Tenant shall pay rent and other payments required hereby up to that date and an appropriate refund shall be made by Landlord of such amounts as shall have been paid in advance for a period subsequent to the date of the taking. If only a part of the Demised Premises shall be taken or acquired by such public authority, then at Tenant's option this Lease may be terminated in its entirety, or upon notice to Landlord, Tenant may remain in possession and the rent shall be abated in that proportion that the area so taken shall bear to the area of the Demised Premises as a whole immediately prior to such taking, and Landlord shall promptly proceed to restore the remaining part not taken to a complete architectural unit.

#### ARTICLE 17: DEFAULT

17.1 Events of Default. Tenant shall be deemed to be in default hereunder if:

(a) The Tenant shall fail to pay any installment of rent due hereunder or any other costs and expenses for which the Tenant shall be responsible hereunder, within seven (7) days after notice from the Landlord specifying the item or items alleged to be due and unpaid, unless the Tenant shall in good faith dispute its liability therefore or the propriety of the amount claimed (other than the rent);



(b) Tenant shall fail or neglect to keep and perform each and every one of the other covenants, conditions and agreements herein contained and on the part of the Tenant to be kept and performed, within thirty (30) days after written notice from the Landlord specifying the items alleged to be in default, unless (1) the curing of such default will take more than thirty (30) days, in which event the Tenant shall be deemed to be in default only if it does not commence the curing of such default within the said thirty (30) day period and carry it, in good faith, to prompt completion; or (2) the Tenant shall, in good faith, dispute the existence of any default or the extent of its liability therefore, in which event the Tenant shall be deemed to be in default only if it fails, within thirty (30) days after the agreement or final adjudication, to commence the curing of such default as is adjudged to exist or which the Landlord and Tenant shall agree exists, and to carry it, in good faith, to prompt completion.

(c) If the Tenant shall make an assignment of its assets for the benefit of creditors, or if the Tenant shall file a voluntary petition in bankruptcy, or if an involuntary petition in bankruptcy or for the receivership be instituted against the Tenant and the same be not dismissed within thirty (30) days of the filing therefore, or if the Tenant be adjudged bankrupt, then and in any of said events this lease shall immediately cease and terminate at the option of the Landlord with the same force and effect as though the date of said event was the day herein fixed for expiration of the term of this Lease.

(d) In the event the Tenant abandons the property, the Landlord may, at its option, accelerate the entire unpaid balance of the un-expired portion of the lease and take such action to collect same, as the Landlord deems appropriate. The Landlord may re-enter the Premises and such re-entry shall not be deemed a surrender and termination of the lease. It shall be deemed to be a retaking for the purpose of re-letting The Premises and the Landlord may make such alterations, improvements, repairs, etc., as it deems necessary to prepare the Premises for re-letting. Neither the Landlord's re-entry nor failure to re-enter shall be deemed a waiver of any claim it may have against the Tenant for the remaining portion of the lease. The tenant remains liable to the Landlord for the entire unpaid balance plus all damages that the Landlord may have suffered by reason of Tenant's abandonment, less credit given for any rental received by the Landlord from a successor tenant. If the successor tenant pays a rent that exceeds the rent obligation of the Tenant hereunder, the Landlord shall be under no obligation to the Tenant to account for or pay over such excess.

17.2 Landlord's Remedies. If a default shall exist, material or otherwise, because of any reason set out in this lease, Tenant's right to possession shall thereupon cease and Landlord shall be entitled to the possession of said Premises and to re-enter the same without demand for rent or for possession. Landlord may proceed forthwith to recover possession of said premises by process of law, any notice to quit or of intention to exercise such option or to re-enter said premises being hereby EXPRESSLY WAIVED BY TENANT. Further, Landlord at its sole option may accelerate the unpaid rent for the un-expired portion of the lease, giving credit for any proceeds from the re-letting in whole or in part of the Premises and improvements by Landlord to others. Tenant will be liable to Landlord for all court costs and reasonable attorney's fees in the event Tenant shall become in default and Landlord incurs court costs and attorney's fees in obtaining possession of the Premises or in the enforcement of any covenant, condition or agreement herein contained, whether through legal proceedings or otherwise, and whether or not any such legal proceedings be prosecuted to a final judgment. To establish

reasonable attorney's fees, the Landlord may present a signed affidavit from his counsel as to the fees claimed and the services rendered, and anticipated to be rendered, to collect the unpaid claim of Landlord. Tenant hereby expressly waives all objections to this method of proof. The parties agree that future attorney's fees may be claimed hereunder.

**17.3 Rights Upon Possession.** If Landlord takes possession pursuant to this Article, with or without terminating this Lease, Landlord may, at its option, enter into the Premises, remove Tenant's Alterations, signs, personal property, equipment and other evidences of tenancy, and store them at Tenant's risk and expense or dispose of them as Landlord may see fit, and take and hold possession of the Premises; provided, however, that if Landlord elects to take possession only without terminating this Lease, such entry and possession shall not terminate this Lease or release Tenant or any Guarantor, in whole or in part, from the obligation to pay the Rent reserved hereunder for the full Term or from any other obligation under this Lease or any guaranty thereof.

**17.4 No Waiver.** If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any other covenant, condition or agreement herein contained, nor of any of Landlord's rights hereunder. No waiver by Landlord of any breach shall operate as a waiver of such covenant, condition or agreement, or operate as a waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment of Rent by Tenant or acceptance of Rent by Landlord shall operate as a waiver of any breach or default by Tenant under this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent herein stipulated shall be deemed to be other than a payment on account of the earliest unpaid Rent, nor shall any endorsement or statement on any check or communication accompanying a check for the payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease.

**17.5 Right of Landlord to Cure Tenant's Default.** If an Event of Default shall occur, then Landlord may (but shall not be obligated to) make such payment or do such act to cure the Event of Default, and charge the amount of the expense thereof, together with interest thereon at the Interest Rate, to Tenant. Such payment shall be due and payable upon demand; however, the making of such payment or the taking of such action by Landlord shall not be deemed to cure the Event of Default or to stop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled. Any such payment made by Landlord on Tenant's behalf shall bear interest until paid at the Interest Rate.

**17.6 Late Payment.** If Tenant fails to pay any Rent within five (5) days after such Rent becomes due and payable, Tenant shall pay to Landlord a late charge of five percent (5%) of the amount of such overdue Rent. In addition, any such late Rent payment shall bear interest from the date such Rent became due and payable to the date of payment thereof by Tenant at the Interest Rate. Such late charge and interest shall be due and payable within two (2) days after written demand from Landlord.

17.7 Landlord's Lien. As security for the performance of Tenant's obligations, Tenant grants to Landlord a lien upon and a security interest in Tenant's Property both existing or hereafter acquired. Such lien shall be in addition to Landlord's rights of distraint, if any. Within twenty (20) days after request, Tenant shall execute, acknowledge and deliver to Landlord a financing statement and any other document submitted to Tenant in form reasonably acceptable to Tenant evidencing or establishing such lien and security interest. During any period that an Event of Default exists hereunder, Tenant shall not sell, transfer or remove from the Premises all or any portion of Tenant's Property except to repair, exchange, or replace such items of Tenant's Property comprised of personal property, furniture, and business trade fixtures and equipment; provided such repair, exchange, or replacement of such designated items is of equal or greater value. Landlord hereby agrees that its lien upon Tenant's Property comprised of personal property, furniture, and business trade fixtures and equipment shall be automatically subordinated to any purchase money security interest or to the line of any institutional lender of Tenant, if required by such lender. In confirmation of such subordination upon the reasonable request of Tenant, Landlord shall at Tenant's expense, execute a commercially reasonable and customary subordination instrument in form acceptable to Landlord in its sole and absolute discretion.

#### ARTICLE 18: BANKRUPTCY

18.1 Event of Bankruptcy. An "Event of Bankruptcy" is: the occurrence, with respect to Tenant, of any of the following: (i) Tenant's becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency laws of any state (the "Insolvency Laws"); (ii) appointment of a receiver or custodian for any property of Tenant, or the institution of a foreclosure or attachment action upon any property of Tenant; (iii) filing of a voluntary petition by Tenant under the provisions of the Bankruptcy Code or Insolvency Laws; (iv) filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or insolvency Laws, which either (A) is not dismissed within sixty (60) days after filing, or (B) results in the issuance of an order for relief against the debtor; or (v) Tenant's making or consenting to an assignment for the benefit of creditors or a composition of creditors.

18.2 Remedies. Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article 17; provided, however, that while a case (the "Case") in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of Tenant or its trustee in bankruptcy (collectively, "Trustee") to assume or assign this Lease pursuant to the Bankruptcy Code. Trustee shall not have the right to assume or assign this Lease unless Trustee promptly: (i) cures all defaults under this Lease; (ii) compensates Landlord for damages incurred as a result of such defaults; (iii) provides adequate assurance of future performance on the part of Tenant or Tenant's assignee; (iv) complies with the other requirements of this Article; and (v) complies with all other requirements of the Bankruptcy Code. If Trustee fails to assume or assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after entry of an order for relief then Trustee shall be deemed to have rejected this Lease. Adequate assurance of future performance shall require that the following minimum criteria be met: (a) Tenant's gross receipts in the ordinary course of business during the thirty (30) days preceding the Case must be greater than ten (10) times the next monthly

installment of the Base Rent and additional rent; (b) both the average and median of Tenant's monthly gross receipts in the ordinary course of business during the seven (7) months preceding the Case must be greater than ten (10) times the next monthly installment of the Base Rent and additional rent; (c) Trustee must pay its estimated pro-rata share of the cost of all services performed or provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Base Rent) in advance of the performance or provision of such services; (d) Trustee must agree that Tenant's business shall be conducted in a first-class manner, and that no liquidating sale, auction or other non-first-class business operation shall be conducted in the Premises; (e) Trustee must agree that the use of the Premises as stated in this Lease shall remain unchanged and that no prohibited use shall be permitted; (f) Trustee must agree that the assumption or assignment of this Lease shall not violate or affect the rights of other tenants in the Building and the complex or area in which the Building or Project are located; (g) Trustee must pay at the time the next monthly installment of the Base Rent is due, in addition to such installment, an amount equal to the monthly installments of the Base Rent and additional rent due for the next six (6) months thereafter, such amount to be held as a security deposit; (h) Trustee must agree to pay, at any time Landlord draws on such security deposit, the amount necessary to restore such security deposit to its original amount; and (i) all assurances of future performance specified in the Bankruptcy Code must be provided. If Trustee shall propose to assume and assign this Lease to any person who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to Trustee, then notice of such proposed assignment shall be given to Landlord by Trustee no later than twenty (20) days after receipt by Trustee of such offer, but in any event no later than ten (10) days prior to the date that Trustee shall make application to the court of competent jurisdiction for approval to assume this Lease and enter into such assignment, and Landlord shall thereupon have the option, to be exercised by notice to Trustee given at any time prior to the date of such application, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease.

## ARTICLE 19: MORTGAGES

### 19.1 Subordination.

19.1.1 This Lease and Tenant's interest hereunder shall be, at the option of Mortgagee's collateral agent, subordinate to the lien of any Mortgage made by Landlord. If at any time or from time to time during the Term, a Mortgagee or prospective Mortgagee, or a collateral agent therefore, requests that this Lease be subject and subordinate to its Mortgage, this Lease and Tenant's interest hereunder shall be subject and subordinate to the lien of such Mortgage and to all renewals, modifications, replacements, consolidations and extensions thereof and to any and all advances made thereunder and the interest thereon. Tenant agrees that, within ten (10) days after receipt of a written request therefore from Landlord, it will, from time to time, execute and deliver any instrument or other document required by any such Mortgagee to subordinate this Lease and its interest in the Premises to the lien of such Mortgage. If, at any time or from time to time during the Term, a Mortgagee of a Mortgage made prior to the date of this Lease shall request that this Lease have priority over the lien of such Mortgage, and if Landlord consents thereto, this Lease shall have priority over the lien of such Mortgage and all renewals,

modifications, replacements, consolidations and extensions thereof and all advances made thereunder and the interest thereon, and Tenant shall, within ten (10) days after receipt of a request therefore from Landlord, execute, acknowledge and deliver any and all documents and instruments confirming the priority of this Lease. In any event, however, if this Lease shall have priority over the lien of a first Mortgage, this Lease shall not become subject or subordinate to the lien of any subordinate Mortgage, and Tenant shall not execute any subordination documents or instruments for any subordinate Mortgagee, without the written consent of the first Mortgagee.

19.1.2 This Lease and Tenant's interest hereunder shall be subject and subordinate to each and every ground or underlying lease hereafter made of the Building or the land on which it is located, or both, and to all renewals, modifications, consolidations, replacements and extensions thereof. Tenant agrees that, within ten (10) days after receipt of request therefore from Landlord, it will, from time to time, execute, acknowledge and deliver any instrument or other document required by any such lessor to subordinate this Lease and its interest in the Premises to such ground or underlying lease.

19.2 Mortgagee Protection. Tenant agrees to give any Mortgagee or Mortgagee's collateral agent, by certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that before such notice Tenant has been notified in writing of the address of such Mortgagee or Mortgagee's collateral agent. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagee or Mortgagee's collateral agent shall have an additional thirty (30) days within which to cure such default; provided, however, that if such default cannot be reasonably cured within that time, then such Mortgagee or Mortgagee's collateral agent shall have such additional time as may be necessary to cure such default so long as Mortgagee or Mortgagee's collateral agent has commenced and is diligently pursuing the remedies necessary to cure such default (including, without limitation, the commencement of foreclosure proceedings, if necessary), in which event Tenant shall not exercise any remedies for default while such remedies are being so diligently pursued. In the event of the sale of the Land or the Building, by foreclosure or deed in lieu thereof, the Mortgagee or purchaser at such sale shall be responsible for the return of the Security Deposit only to the extent that such Mortgagee or purchaser actually received the Security Deposit.

19.3 Modification Due to Financing. If, in connection with obtaining construction or permanent financing for the Premises, the Building or the Land, any lender (or Mortgagee) shall request reasonable modifications of this Lease as a condition to such financing, Tenant shall promptly execute a modification of this Lease, provided such modifications do not materially increase the financial obligations of Tenant hereunder or materially adversely affect the leasehold interest hereby created or Tenant's reasonable use and enjoyment of the Premises. Tenant and any Guarantor shall each, prior to execution and throughout the Term, upon request from time to time, provide such financial information and documentation about itself to Landlord or Mortgagee as may be requested.

19.4 Attornment. In the event of (i) a transfer of Landlord's interest in the Premises, (ii) the termination of any ground or underlying lease of the Building or the land on which it is constructed, or both, or (iii) the purchase of the Building or Landlord's interest therein in a

foreclosure sale or by deed in lieu of foreclosure under any Mortgage or pursuant to a power of sale contained in any Mortgage, then in any of such events Tenant shall, at the request of Landlord or Landlord's successor in interest, attorn to and recognize the transferee or purchaser of Landlord's interest or the lessor under the terminated ground or underlying lease, as the case may be, as Landlord under this Lease for the balance then remaining of the Term, and thereafter this Lease shall continue as a direct lease between such lessor, transferee or purchaser, as "Landlord," and Tenant, as "Tenant," except that such lessor, transferee or purchaser shall not be liable for any act or omission of Landlord prior to such lease termination or prior to its succession to title, nor be subject to any offset, defense or counterclaim accruing prior to such lease termination or prior to such succession to title, nor be bound by any payment of Base Rent or Additional Rent prior to such lease termination or prior to such succession to title for more than one month in advance. Tenant shall, upon request by Landlord or the transferee or purchaser of Landlord's interest or the lessor under the termination ground or underlying lease, as the case may be, execute and deliver an instrument or instruments confirming the foregoing provisions of this Section. Tenant hereby waives the provisions of any present or future law or regulation which gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease, or the obligations of Tenant hereunder, upon or as a result of the termination of any such ground or underlying lease or the completion of any such foreclosure and sale.

#### ARTICLE 20: SURRENDER AND HOLDING OVER

20.1 Surrender of the Premises. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, including, without limitation, the repair of any damage to the Premises caused by the removal of any of Tenant's Property except for reasonable wear and tear and loss by fire or other casualty not caused by Tenant or its Agents. If, for any reason, Tenant fails to surrender the Premises on the expiration or earlier termination of this Lease with such removal and repair obligations completed, then, in addition to the provisions of Section 22.2 herein and Landlord's rights and remedies under Article 19 and the other provisions of this Lease, Tenant shall indemnify, defend (by counsel reasonably approved in writing by Landlord) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) resulting from such failure to surrender, including, without limitation, any claim made by any succeeding tenant based thereon. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

20.2 Holding Over. In the event that Tenant shall not immediately surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, Tenant shall be deemed to be a month to month tenant upon all of the terms and provisions of this Lease. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a consent to a hold over hereunder or result in an extension of this Lease.

#### ARTICLE 21: QUIET ENJOYMENT

Landlord covenants that if Tenant shall pay Rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the Term peaceably and

quietly occupy and enjoy possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord, subject to the provisions of this Lease and any Mortgage to which this Lease is subordinate and easements, conditions and restrictions of record affecting the Land.

## ARTICLE 22: TENANT'S COVENANTS REGARDING HAZARDOUS MATERIALS

22.1 Definition. As used in this Lease, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "infectious wastes," "hazardous materials" or "toxic substances" now or subsequently regulated under as defined in any Legal Requirements including, without limitation, oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

22.2 General. Tenant shall comply with all laws and regulations relating to Hazardous Material. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal or bodily injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses arising from a breach of this prohibition by Tenant or its Agents.

22.3 Notice. In the event that Hazardous Materials are discovered upon, in, or under the Premises, the Building or the Land, and applicable Legal Requirements require the removal of such Hazardous Materials, Tenant shall be responsible for removing those Hazardous Materials arising out of or related to the use or occupancy of the Premises by Tenant or its Agents. Notwithstanding the foregoing, Tenant shall not take any remedial action in or about the Premises, the Building or the Land without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to protect Landlord's interest with respect thereto. Tenant immediately shall notify Landlord in writing of: (i) any spill, release, discharge or disposal of any Hazardous Material in, on or under the Premises, the Building, the Land or any portion thereof, (ii) any enforcement, cleanup, removal or other governmental or regulatory action instituted, contemplated, or threatened (if Tenant has notice thereof) pursuant to any Legal Requirements; (iii) any claim made or threatened by any person against Tenant, the Premises, the Building or the Land relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (iv) any reports made to any governmental agency or entity arising out of or in connection with any Hazardous Materials in, on, under or about or removed from the Premises, the Building or the Land,

including any complaints, notices, warnings, reports or asserted violations in connection therewith. Tenant also shall supply to Landlord as promptly as possible, and in any event within five (5) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises, the Building, the Land or Tenant's use or occupancy thereof.

22.4 Survival. The respective rights and obligations of Landlord and Tenant under this Article 25 shall survive the expiration or earlier termination of this Lease.

## ARTICLE 23: MISCELLANEOUS

23.1 No Representations by Landlord . Tenant acknowledges that neither Landlord or its Agents nor any broker has made any representation or promise with respect to the Premises, the Building, the Land, the Project or the Common Area, except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth. Tenant, by taking possession of the Premises shall accept the Premises and the Building "AS IS," (except as may be agreed upon in writing) and such taking of possession shall be conclusive evidence that the Premises and the Building are in good and satisfactory condition at the time of such taking of possession.

23.2 No Partnership. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between Landlord and Tenant other than that of landlord and tenant.

23.3 Estoppel Certificate. Tenant agrees, at any time and from time to time, upon not less than five (5) days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the lease is in full force and effect as modified and stating the modifications), (b) stating the dates to which the rent and other charges hereunder have been paid by Tenant, (c) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which the Tenant may have knowledge, and (d) stating the address to which notices to Tenant should be sent. Any such statement, delivered pursuant hereto, may be relied upon by any owner of the Premises, any prospective purchaser of the Premises, any mortgagee or prospective mortgagee of the Premises, or of an interest in Premises, or any prospective assignee of any such mortgagee.

23.4 Invalidity of Particular Provisions. If any provisions of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.

23.5 Gender and Number. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number or gender as the context may require.



23.6 Benefit and Burden. Subject to the provisions of Article 7 and except as otherwise expressly provided, the provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, heirs, successors and assigns. Landlord may freely and fully assign its interest hereunder.

23.7 Entire Agreement. This Lease (which includes the Exhibits attached hereto) contains and embodies the entire agreement of the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease shall be of any force or effect. This Lease (other than the Rules and Regulations, which may be changed from time to time as provided herein) may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by Landlord and Tenant.

23.8 Authority. The person executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and validly existing corporation, in good standing, qualified to do business in the Commonwealth of Virginia, that the corporation has full power and authority to enter into this Lease and that he or she is authorized to execute this Lease on behalf of the corporation.

23.9 Attorneys' Fees. If, as a result of any default of Landlord or Tenant in its performance of any of the provisions of this Lease, the other party uses the services of an attorney in order to secure compliance with such provisions or recover damages therefore, or to terminate this Lease or evict Tenant, the non-prevailing party shall reimburse the prevailing party upon demand for any and all attorneys' fees and expenses so incurred by the prevailing party.

23.10 Governing Law. This Lease is governed by the laws of the Commonwealth of Virginia. It is the intention of the parties hereto that this Lease shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

23.11 Time of the Essence. Time is of the essence as to Tenant's obligations contained in this Lease.

23.12 Force Majeure. Except for Tenant's obligations to pay Rent under this Lease, neither Landlord nor Tenant shall be required to perform any of its obligations under this Lease, nor shall such party be liable for loss or damage for failure to do so, nor shall the other party thereby be released from any of its obligations under this Lease, where such failure by the non-performing party arises from or through acts of God, strikes, lockouts, labor difficulties, explosions, sabotage, accidents, riots, civil commotions, acts of war, results of any warfare or warlike conditions in this or any foreign country, fire or casualty, legal requirements, energy shortage or other causes beyond the reasonable control of the non-performing party, unless such loss or damage results from the willful misconduct or gross negligence of the non-performing party.

23.13 Headings. Captions and headings are for convenience of reference only.

23.14 Memorandum of Lease. Tenant shall, at the request of Landlord, execute and deliver a memorandum of lease in recordable form. Tenant shall not record such a memorandum or this Lease without Landlord's consent.

23.15 Effectiveness. The submission to Tenant of an unsigned copy of this document, including drafts and correspondence submitted to Tenant by any person on Landlord's behalf, shall not constitute an offer or option to lease. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant

23.16 Exhibits and Riders . All Exhibits and Riders attached to this Lease are hereby incorporated in this Lease as though set forth at length herein.

23.17 Transportation Management . Tenant shall fully comply with all present or future programs implemented or required by any Legal Requirements or by Landlord to manage parking, transportation, air pollution or emissions, or traffic in and around the Building or the area in which the Building is located.

IN WITNESS WHEREOF, Landlord and Tenant have set their signatures and seals as of the date first above written.

LANDLORD:

Bedford County Economic Development Authority,

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

Name: James Messier

Title: Chairman



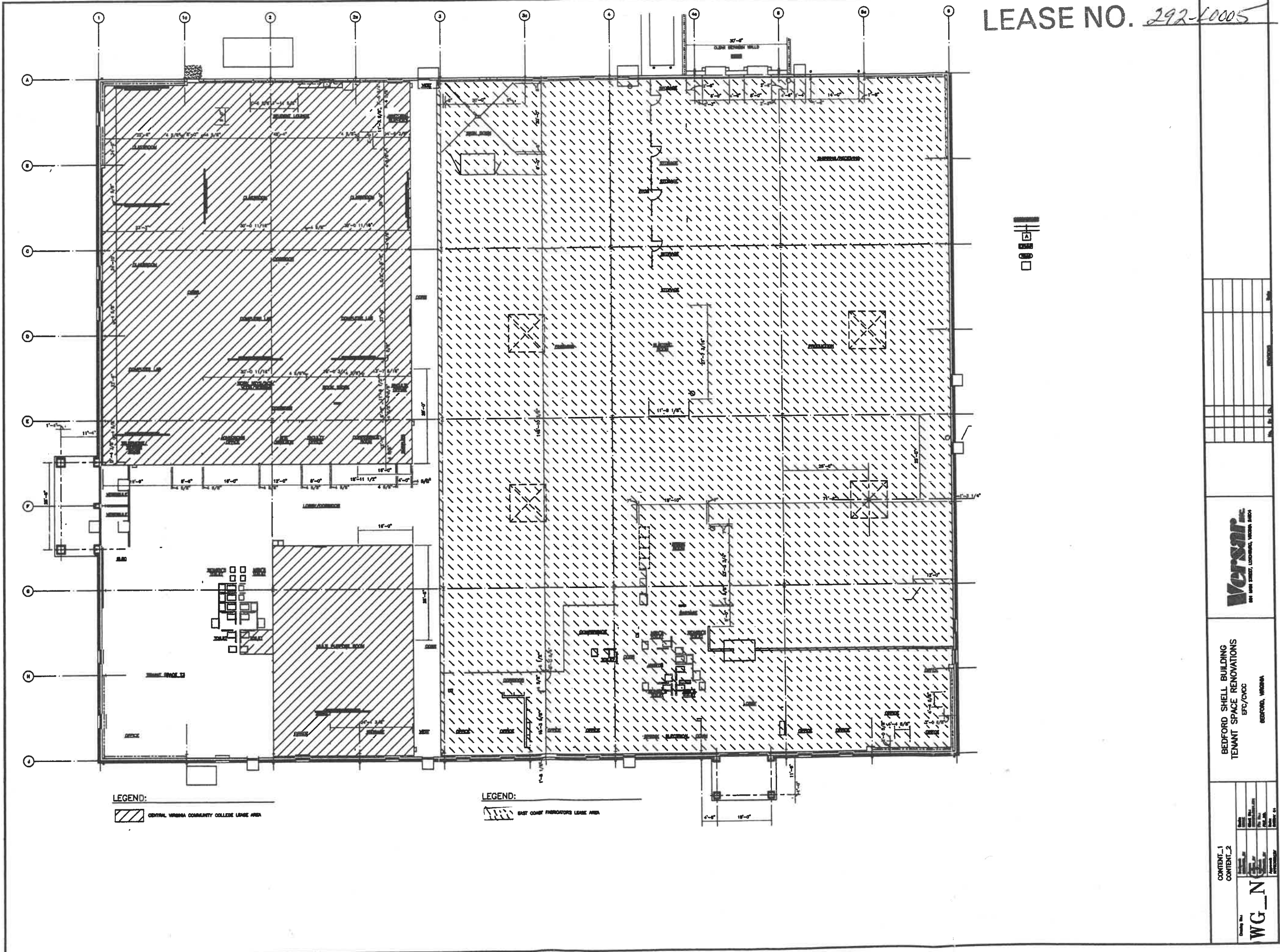
*Pamela MCBRAYER BAILEY*  
9/8/20

TENANT:

East Coast Fabricators, Inc.,

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

Its President





REV.: JULY 30, 2002  
REV.: JUNE 18, 2002  
REV.: JANUARY 25, 1999

This is to certify that an accurate survey of the premises shown hereon and that there are no easements or encroachments visible on the ground other than those shown hereon.

Shaffer, Surveying and Assoc. P.C.  
P.O. Box 646 Bedford Va. 24523  
Ph. 540-586-957

NOTE: REAS DESIGNATED ON THIS PLAT AS DETENTION PONDS ARE SET ASIDE AND RESERVED AS STORM WATER FACILITIES AND SHALL BE SUBJECT TO THE RESTRICTION THAT THERE SHALL BE NO STRUCTURE BUILT WITHIN SUCH AREA AND NO USAGE PERMITTED WHICH INTERFERES WITH THE FLOW OF DRAINAGE. THE CITY OF BEDFORD RESERVES A RIGHT OF ACCESS TO SUCH AREAS FROM THE PUBLIC ROADS FOR INSPECTION AND EMERGENCY ACCESS, BUT SUCH ACCESS IN NO WAY ALLEGATES THE CITY TO MAINTAIN THE STRUCTURES. THE RESTRICTIONS IMPOSED HEREBY ARE FOR THE BENEFIT OF THE CITY OF BEDFORD.

# BEDFORD CENTER FOR BUSINESS

PLAT SHOWING SUBDIVISION OF  
TRACT 1 - 7.191 ACRES

REMAINING AREA - 87.903 ACRES  
TOTAL AREA: 95.094 ACRES

PROPERTY OWNED BY:  
**CITY OF BEDFORD**

CITY OF BEDFORD,  
VIRGINIA

PLAT BOOK 38 PAGE 53  
PLAT BOOK 38 PAGE 339

SCALE 1" = 200'  
F.B. 339 PG. 26  
CD U99

DATE: JANUARY 25, 1999  
REVISED: JUNE 18, 2002  
REVISED: JULY 30, 2002

RUTH H. ELLIS, IPE AT  
T.M. 158-1-21, WHITE OAK  
STUMP

ROBERT E. AND  
KATHRYN L. MITCHELL  
D.B. 452 PG. 777

MARIUS AND  
JEAN VENDORST  
D.B. 880 PG. 493

ELAINE AND  
IVO CAGAS  
D.B. 880 PG. 493

ELAINE AND  
IVO CAGAS  
D.B. 876 PG. 517  
BEDFORD WAREHOUSE LLC  
D.B. 936 PG. 549  
WOODSIDE AVE.  
30.4'  
790.50'  
936.26' TOTAL  
T. IRON

ECHOLS CREEK, INC.  
A VIRGINIA CORP.  
D.B. 819 PG. 195  
PARKING  
AREA  
200.2'

TRACT 1  
7.191 AC.  
101.4'  
LOC. PUE  
BRANCH  
L33

50' CONSERVATION EASEMENT  
25' EITHER SIDE OF BRANCH

DETENTION  
POND  
PUE & ELEC. EASE

VENURE BOULEVARD  
980.08' TOTAL OF H.H.  
618.60'

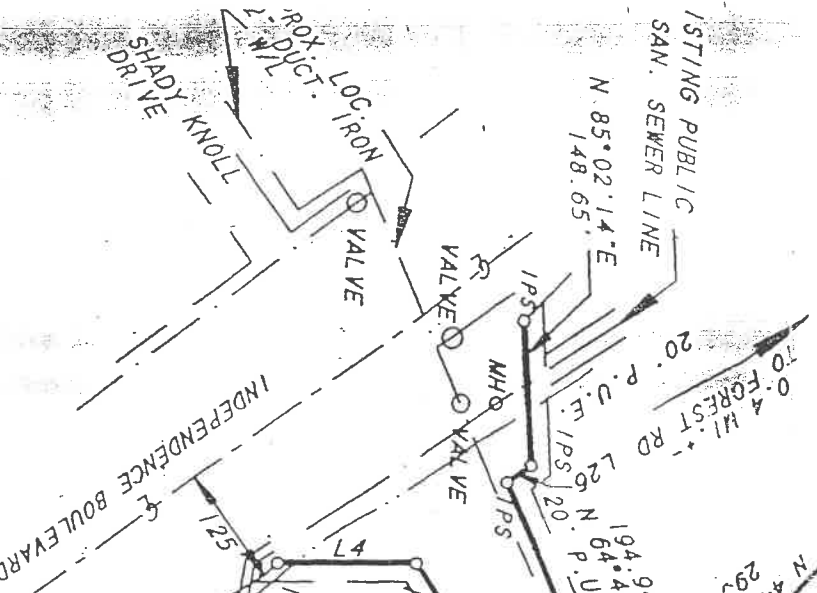
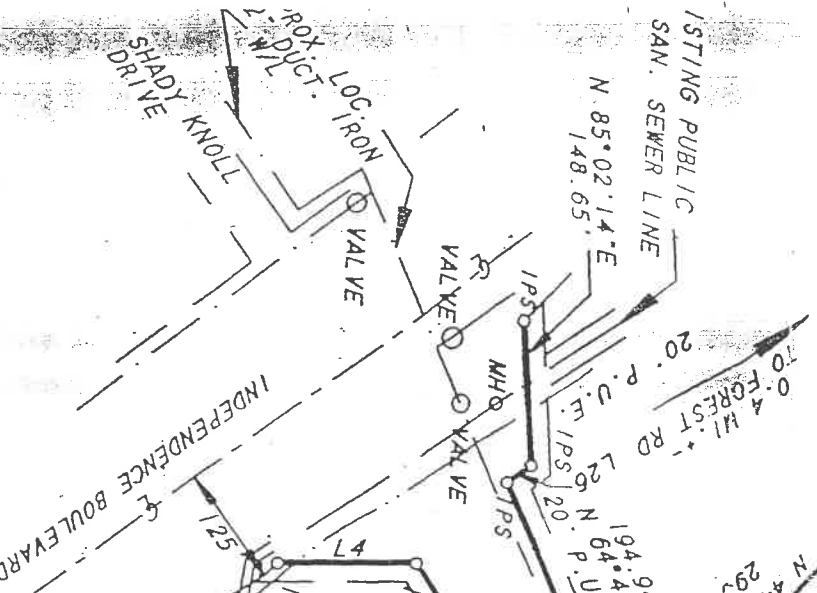
PUBLIC SAN  
SEWER EASEMENT  
JOYCE N. AND  
WILLIAM B. HUFF  
T.M. 177-A-1A

50' CONSERVATION EASEMENT  
25' EITHER SIDE OF BRANCH

APPROX. LOC.  
15" SAN.  
SEWER

PAVED  
DRIVE  
MH (TYP)

APPROX.  
LOC. OF  
DETENTION  
POND



Survey as it appears on this plat is made with the free and consent and in accordance with the desires of the assigned owners.

*[Signature]*

State of Virginia at large aforesaid hereby certify that the same before me this 30 day of March, 2002.

Commission expires April 30, 2005  
*[Signature]*  
Notary Public



EXHIBIT C



Start

Exhibit C - [In]

Permit-Low Volume System

Bedford 1.TIF - Windo...

Address << V2 4:23 PM