

Deed of Lease

This DEED OF LEASE (the "Lease") is dated the _____ day of _____, 20___, between COUNTY OF ACCOMACK, a political subdivision of the Commonwealth of Virginia, as Grantor ("Landlord"), and the COMMONWEALTH OF VIRGINIA, DEPARTMENT OF GENERAL SERVICES, as Grantee ("Tenant"), with approval of the Governor pursuant to § 2.2-1149 of the Code of Virginia (1950), as amended.

WITNESSETH:

For and in consideration of the terms, conditions, covenants, promises and agreements herein made, Landlord leases to Tenant the following property or premises (the "Premises"), together with full rights of ingress and egress, in the County of Accomack, Virginia. The Premises are more particularly described as:

Tax Map Parcel Number 86-A-105, consisting of 2.82 acres, more or less, known as 23191 Front Street, Accomac, VA 23301, including the one-story office building thereon containing approximately 13,980 square feet (the "Building"), and 76 parking spaces.

A plat of the Premises is attached hereto as **Exhibit A-1**. A sketch of the floor plan of the Building is attached as **Exhibit A-2**.

1. **LANDLORD WARRANTY.** Landlord warrants that Landlord alone, at the time this Lease is executed, has the right to lease the Premises, without the consent of any other party. It is expressly understood and agreed that this covenant by Landlord constitutes a warranty. If Landlord does not have this right, then Tenant, in addition to any other remedy available at law or in equity, may immediately declare this Lease null and void from its inception and of no force and effect, without notice. In such event, no rent shall accrue or be deemed to have accrued for the term of this Lease, or for any part of the term, and Landlord shall be liable for any damages incurred by Tenant as a result of such breach.
2. **USE OF PREMISES.**
 - (a) **Role of Department of General Services.** The Department of General Services, through its Division of Real Estate Services, is responsible for the leasing of space for the use of agencies of the Commonwealth of Virginia. The Department, as Tenant herein, does not contemplate that it will occupy the Premises itself, but rather that the Premises will be used by one or more agencies of the Commonwealth of Virginia as designated by Tenant (herein, "Occupant" or, collectively, "Occupants"), and that such designation may change over the Initial Term or any extension thereto. No such designation shall be deemed a subletting or assignment of this Lease and Tenant shall remain the tenant hereunder. Landlord acknowledges that no such designation or occupancy

creates any contractual relationship between Landlord and an Occupant. Occupant(s) shall have the benefit of any rights of Tenant associated with this Lease. Each Occupant, with respect to its space, is authorized to deal directly with Landlord concerning routine maintenance and repairs, building access, entry of Landlord onto its Premises and similar matters; provided, however, that nothing herein prevents Tenant from dealing directly with Landlord as to any such matters. Landlord shall deal solely with Tenant as to change orders, major repairs, insurance, untenability, breaches or defaults, termination, extensions of the term (including the option terms), and additional charges imposed by Landlord (as may be authorized by this Lease or subsequent agreement of the parties). The initial Occupant is the Virginia Department of Health ("Initial Occupant").

(b) Permitted Uses. The Premises shall be used as a medical clinic and general offices or for such purposes as the Occupant(s) may now or hereafter be empowered or authorized by law to use same, provided that such uses are consistent with the zoning regulations and ordinances applicable to the Building. Occupancy by the Initial Occupant(s) is hereby approved by Landlord.

3. **TERM.** The initial term of this Lease (the "Initial Term") shall be Five (5) years, beginning on February 1, 2018, (the "Commencement Date") and terminating on January 31, 2023 (the "Termination Date"), subject to the provisions of Attachment A. The Commencement Date shall be confirmed by Landlord and Tenant by the execution of a written certificate of commencement of the Initial Term following occurrence thereof in the form attached hereto as **Exhibit B**.

4. **RENT.**

(a) Amount and Payment. Tenant shall pay Landlord the sum of One Hundred Sixty Seven Thousand Seven Hundred Sixty and 00/100 Dollars (\$167,760.00) as rent (the "Rent") annually for the Initial Term which shall be paid in arrears, in monthly installments of Thirteen Thousand Nine Hundred Eighty and 00/100 Dollars (\$13,980.00), on the 10th day of the subsequent month beginning on March 1, 2018, and each month thereafter. With the completion and remittance of the W9_COVA Substitute a sample of which is provided in **Exhibit F**, the payment of all Rent to any such person or entity and to any such address as Landlord may designate shall be in accordance with the information as completed on the submitted W9_COVA Substitute form. If the Landlord chooses to make modifications to any such person or entity or to change the address associated with the payment of Rent, the Landlord must resubmit either, a new W9_COVA Substitute form or other documentation acceptable as determined by Tenant's fiscal department, to the Tenant.

X
\$ / year

(b) Full Service. Except as may otherwise be specifically provided in this Lease, the Rent is based on a full service lease, including all management fees, Landlord insurance, real estate taxes, utilities and refuse disposal, water, sewer, and

} *

*prefer use
than custodial*

security system, with no pass-throughs, except that janitorial services shall be contracted for and paid directly by Tenant. }

(c) Security Deposit. No security deposit shall be required. ✓

(d) Verification of Square Footage. Prior to occupancy, Tenant shall have the right to independently verify RSF computed in accordance with the American National Standard of measuring floor area in office buildings of the Building Owners and Managers Association International (ANSIZ65.1-1996). ✓

(e) Cable Installation. Landlord shall provide and install all network cabling as detailed in **Exhibit C-3**. X
part of construction

(f) Furniture. Tenant shall provide, assemble, and install any additional furniture that may be required. Existing furniture will be relocated by Landlord within the Building, or in a trailer located on the Premises, as the work to be performed by Landlord progresses. ✓

(g) Emergency Generator. Tenant shall continue to bear the maintenance expense of the emergency generator and related equipment. Neither Tenant nor Landlord is responsible for replacing the generator in the event of a major failure. X

5. POSSESSION AND CONDITION OF PREMISES.

(a) Quiet Possession and Enjoyment. Landlord shall deliver quiet possession of the Premises to Tenant on the Commencement Date and shall provide quiet enjoyment of the Premises to Tenant during the Initial Term, and any renewals or extensions thereof.

(b) Building and Occupancy Codes; Condition Suitable for Intended Use. On the Commencement Date, Landlord shall deliver the Premises to Tenant in good repair, in compliance with all applicable building and occupancy codes, and in a condition suitable to the use for which it is leased. ✓

(c) Landlord Entry. Landlord's maintenance staff is authorized entry into the Building to perform maintenance as required, without prior notice, except that the maintenance staff is not authorized to enter the Medication Storage Room. Other than the maintenance staff, Landlord, and its employees, agents and contractors, shall not have the right to enter and pass through any part of the Building without prior notice to Scott R. Chandler (Telephone #757-693-5888), or his authorized alternate. Landlord, and its employees, agents and contractors shall at all times be respectful of the privacy of the Occupant's patients. Landlord and Tenant acknowledge that the Medication Storage Room is a restricted access area operating as an Alternative Drug Delivery Site pursuant to Board of Pharmacy regulations and that the Landlord does not possess keys and is not allowed unescorted access to this area. ✓
Archive Room

- (d) Asbestos. Landlord covenants that (i) the Building is free of friable asbestos that is not managed under a management plan prepared by an Asbestos Management Planner licensed by the Virginia Department of Professional and Occupational Regulation; and (ii) any friable asbestos discovered in or on the Building shall be promptly and properly removed by Landlord, at Landlord's sole expense, in compliance with applicable federal, state and local laws and regulations, provided that, if the asbestos was introduced into the Building by Tenant or an Occupant, the cost of the removal thereof shall be Tenant's expense. ✓

6. **MAINTENANCE.**

- (a) Condition at Commencement Date. Landlord warrants that on the Commencement Date, the Building and all its equipment, including the plumbing, heating, ventilation and air conditioning equipment and systems: (i) shall be in good repair and good working order; and (ii) free of termite or other pest infestation and damage. ✓

- (b) Compliance with Laws. Landlord shall equip the Building and perform all alterations, replacements, improvements, decontamination, and additions to the Building and the equipment upon the Building, at Landlord's expense, as shall be necessary at any time during the Initial Term of this Lease, or any extension or renewal thereof, to comply with the provisions of federal, State and local laws and regulations pertaining to health, safety, public welfare, and environmental protection, including laws and regulations pertaining to asbestos, carbon monoxide, polychlorinated biphenyls, urea formaldehyde, lead paint, mold, radon, petroleum product storage tanks, and freon, regardless of the effective date of law or regulation unless the Building is grandfathered from such laws or regulations. This subsection shall not apply if the necessity for compliance with these laws arises from a grossly negligent or willful act of Tenant and its employees and Tenant is found by a court of competent jurisdiction to be liable for such acts under the Virginia Tort Claims Act, or the Commonwealth's Division of Risk Management consents that Tenant is so liable. ✓

- (c) Compliance with Technical Requirements: HVAC Specifications. It shall be the sole responsibility and obligation of Landlord, at its expense and in accordance with applicable laws, technical publications, manuals and standard procedures, to (i) properly maintain, repair and replace all the structural portions of the Building, including foundation, sub-floor, structural walls and roof, as well as to keep the Building and all equipment and non-trade fixtures (exclusive of equipment and non-trade fixtures owned by Tenant or an Occupant), in good working order and to perform any required repairs, replacement and maintenance, and (ii) keep all plumbing, heating, air conditioning, electrical and mechanical devices, appliances and equipment of every kind or nature affixed to or serving the Building in good repair, condition and working order. As used herein, the word "repair" shall be deemed to include replacement of broken or cracked glass. All equipment and ✓

systems (exclusive of equipment and systems owned by Tenant or an Occupant) shall be maintained to provide reliable, energy efficient service, without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. Landlord shall cause the HVAC System to provide a temperature throughout the Building of not less than 68° F nor more than 74° F year round, during regular business hours of the Occupants, with a minimum of 20% relative humidity when heat is being provided and with a maximum of 60% relative humidity when air conditioning is being provided. Fresh air exchange rates and CO2 levels shall comply with ASHRAE Ventilation Standard 62 (2001).

- (d) Other Maintenance. Tenant shall be responsible for procuring and paying for all janitorial services. All other necessary or required maintenance, repairs and replacements to the Premises, including the parking areas and landscaping, mowing, weed removal and pest control shall be the sole responsibility and expense of Landlord. Landlord's maintenance responsibilities shall include the supply and replacement of all supplies, materials and equipment necessary for such maintenance. ✓
- (e) Tenant's Negligence or Willful Acts. Landlord shall not be obligated to make any repairs to the Premises due to damage caused by the grossly negligent or willful acts of Tenant, or its agents, employees, or contractors. ✓
- (f) Failure to Maintain. If Landlord fails to comply with any of its obligations under this Section 6, or fails to keep, repair and maintain the Building and the Premises, including all plumbing, heating, air conditioning, electrical and mechanical devices, the roofing system, and appliances and equipment of every kind or nature affixed to or serving the Building, in good repair, condition and working order as provided in this Section, then Tenant shall give written notice thereof to Landlord. If the failure has not been remedied within ten (10) days following such notice, then Tenant, at its option and with a second written notice to Landlord, may either terminate this Lease and all obligations hereunder, or proceed to make, or cause to be made, such upkeep, repair and maintenance, at Landlord's expense. Tenant may deduct the cost thus incurred in fulfilling Landlord's obligations under this Lease from future Rent payments and/or may collect the cost from Landlord in any manner provided by law. No notice of termination shall be given under this Section if Landlord has physically commenced such repairs or is causing such repairs to be made, and such repair work is being diligently and continuously pursued to completion in a good and workmanlike manner. Furthermore, if the failure has not been remedied within the time specified above, Tenant shall be entitled to deduct from the Rent, or any installment thereof, the per diem rental for each day that such failure continues beyond the specified time. The rights of Tenant set out herein shall be cumulative, and the exercise of any right shall not exclude the exercise of any other right. ✓

In the case of any repetitive failure of Landlord to comply with its obligations to maintain any device or system, Tenant shall advise Landlord of any subsequent problem with respect to such device or system, in writing, but shall not be required to wait any additional period of time before exercising its rights under this provision.

Notwithstanding the foregoing, if any event occurs that creates an unreasonable risk of injury to person or property, Tenant is authorized to make temporary repairs to alleviate such risk, at Landlord's expense.

- (g) Snow Removal. When and as snow and/or ice removal become necessary, Landlord shall promptly remove all snow and ice from all walkways, loading areas and parking areas. ✓
- (h) Access. Tenant and Occupants shall have access to the Building 24 hours a day, 365 days a year. ✓

7. **DAMAGE OR DESTRUCTION OF THE PREMISES.**

- (a) Termination. If the Building is damaged by fire, lightning, windstorm, tornado, earthquake, civil disturbance, flood, acts of nature or other casualty loss, and, in the reasonable opinion of either party, it is thereby rendered substantially untenable or unusable, and cannot be reasonably commercially rebuilt within two hundred forty (240) days following the date of casualty, this Lease shall terminate, at the option of either party, effective on the date of the casualty, upon written notice to the other party, given within thirty (30) days following the casualty. ✓
- (b) Obligation to Repair and Restore. If neither party terminates this Lease as provided in "(a)" above, Landlord shall, subject to the appropriation of funds, repair and restore the Building as promptly as possible to its former condition, but in any event within two hundred forty (240) days following the date of casualty. In the event there is a lack of appropriation of sufficient funds within ninety (90) days following the casualty, Landlord shall give prompt notice thereof to Tenant, and Tenant shall then have the right to terminate this Lease without penalty. Tenant's right to terminate shall expire if Landlord gives notice that sufficient funds have been appropriated to repair and restore the Building, provided Landlord's notice to Tenant of the appropriation occurs before Tenant has given its notice of termination. There shall be a proportionate abatement of all Rent and other payments otherwise due to Landlord under the terms of this Lease, for the period during which the said repairs and restoration are being completed, for that portion of the Premises not substantially usable by Tenant during such period. Landlord shall commence to make all repairs, replacement, restoration, or renovation as required in this subsection and shall thereafter diligently pursue such repairs, replacement, restoration or renovation until completed. If Landlord shall fail to substantially complete all work within the time period herein required ✓

(even if the work was delayed because of a delay in securing the appropriation), then, in addition to all other rights of Tenant, Tenant may choose either option (i) or (ii) below:

- (i) Tenant, or the appropriate Occupant if authorized by Tenant, may undertake with its own resources to repair, replace, restore or renovate the Premises and may deduct the reasonable costs of the repairs, replacement, restoration, and renovation from the Rent or other payments otherwise due to Landlord under the terms of this Lease, or any renewal or extension thereof, or Tenant may collect all such costs from Landlord in any manner provided by law, if Landlord has not paid for such repairs within thirty (30) days after receipt of billing therefor from Tenant; or
 - (ii) Tenant may terminate this Lease by giving fifteen (15) business days written notice to Landlord.
- (c) Insufficient Funds. If Landlord is willing to repair and restore the Building and Premises, but is unable to do so in a manner that is substantially equivalent to the quality and condition of the Building and Premises prior to the casualty, then, unless Landlord and Tenant shall agree on an appropriate reduction to the Rent or other concessions, Tenant shall have the right to terminate the Lease upon written notice to Landlord. Upon the happening of a casualty for which Section 7(b) applies, Landlord shall, upon request by Tenant, provide Tenant with a copy of the as-built plans for the Building and the post-casualty constructions plans and specifications. ✓

8. ALTERATIONS.

- (a) Tenant's Right to Make Alterations. Tenant, at its sole cost and expense, may make alterations and additions to the Premises as Tenant deems proper. Tenant, however, shall not make any structural alterations of the roof, foundation or exterior walls of the Building without the prior written consent of Landlord, unless made pursuant to § 7(b)(i). Tenant, at its sole cost and expense, may install fixtures, interior signage, partitions and make such other improvements as Tenant may deem proper. The title and ownership of materials used in such alterations and additions, and all fixtures, partitions, and other improvements made and/or installed by Tenant shall remain in Tenant. Upon termination of this Lease, Tenant may, at its option, remove the fixtures, partitions and other improvements made under this Section, in which event any damage to the Premises caused by removal, other than nominal damage (such as screw holes, bracket marks, etc.) shall be repaired by Tenant at its expense. If Tenant elects not to remove any of the improvements, it shall have no further responsibility for them or their removal, and such improvements shall thereafter be the property of Landlord. ✓

- (b) Turnkey Improvements. The construction drawings prepared by HBA Architecture & Interior Design, dated September 23, 2016, for all work to be performed by Landlord, have been agreed to by the parties, and a copy has been provided to each party. A copy of the cover page of the construction drawings is attached to this Lease as **Exhibit C-1**. In consideration for the Rent, Landlord agrees to perform, and Tenant's obligations under this Lease are expressly conditioned upon, Landlord's performance and completion of the construction, improvements and/or other renovation work as shown on the construction drawings, as may be changed by change order signed by Landlord and Tenant (the "Improvements"). The Premises shall meet any building code or zoning requirements necessary to permit Tenant to use the Premises for its permitted uses. Landlord shall, at Landlord's sole cost and expense, perform and complete the Improvements as provided in Attachment A (General Terms and Conditions for All Work to be Performed by Landlord). ✓
- (c) Plans. In addition, Landlord shall pay for the space planning and programming services, and Landlord shall pay for all architectural and engineering construction documents, including MEP drawings (if required), pertaining to the work to be performed under this Lease. ✓

9. **UTILITIES AND SERVICES; INSURANCE; TAXES.**

- (a) Utilities and Services. Landlord shall provide, at Landlord's expense, the following utilities and services for the Premises: heating and air-conditioning as conditions require, electricity, gas, security system, water and sewer, and refuse disposal. Landlord shall also provide (if required in the exhibits), or permit Tenant or a telecommunications company to install, telecommunications connections from the public right of way through the Building to the Premises. If Landlord or Landlord's agent interrupts, discontinues or causes the interruption or discontinuation of any utilities or services reasonably necessary for Tenant's use and enjoyment of the Premises, in whole or in part, then Tenant, in addition to any other remedy available under the law, shall be entitled to deduct from the Rent, or other payments otherwise due to Landlord under the terms of this Lease or any renewal or extension thereof, the per diem Rent for each day that such interruption or discontinuance remains in effect. If the interruption is caused by Landlord's failure to pay the provider of the utility or service, resulting in the termination of the utility or services by such provider, then Tenant may pay directly to the provider the amount necessary to restore the utility or services, in which event Tenant shall be entitled to deduct from the Rent, or other payments otherwise due to Landlord under the terms of this Lease or any renewal or extension thereof, the amount of such payment to the provider. ✓
- (b) Real Estate Taxes. Landlord shall be responsible for all real estate taxes or charges in lieu of taxes applicable to the Premises. ✓

- (c) Insurance. Landlord, at Landlord's expense, shall keep the Premises and the Building insured against damage by fire, lightning, windstorm, tornado, earthquake, civil disturbance, flood, acts of nature and casualty loss, under a broad form extended coverage or similar property loss policy. The policy shall cover at least eighty percent (80%) of the replacement cost of the Building. In addition, Landlord shall maintain broad form general commercial liability insurance sufficient to ensure reasonable financial responsibility in the event of liability for injury, loss or damage at the Premises. ✓

10. **INTENTIONALLY OMITTED.**

11. **ACCESSIBILITY BY PERSONS WITH DISABILITIES.** ✓

- (a) Compliance with ADA. In addition to any other requirements or covenants in this Lease, and at all times during the Term, option and any renewal terms, Landlord covenants that, as to the Premises (including the parking facilities), it has fully complied, or will comply, to the fullest extent required by law, with:
- (i) the facilities accessibility laws, regulations and standards required by the "Americans With Disabilities Act of 1990", including Titles II and III thereof, and the regulations and standards promulgated thereunder, including the regulations promulgated by the U.S. Department of Justice (28 CFR Chapter 1, Part 36 and the Standards for Accessible Design Pt. 36, App. A-entitled "ADA Accessibility Guidelines for Buildings and Facilities"), as amended (the "ADA"), and
 - (ii) the minimum requirements of the Virginia Uniform Statewide Building Code (VUSBC), Volume I-New Construction, as amended, pertaining to access by the physically handicapped and aged persons, including Chapter 11 ("Accessibility") of said VUSBC, which, in part, incorporates the regulations and referenced standards of the U.S. Department of Justice identified above.

To the extent of any conflict between the foregoing requirements, in each case the more restrictive of the two shall control. Landlord further covenants that, following the date of execution of this Lease, all alterations of the Premises, including parking facilities, shall be undertaken by Landlord in such a manner that the ADA and the regulations and standards promulgated thereunder and the VUSBC are fully complied with to the extent required by law and as herein provided.

If Tenant shall discover that an element of the Premises, or the construction or design of the Premises, or alterations thereto, are not in compliance with the requirements herein set forth, Tenant shall promptly notify Landlord (or Landlord's agent) in writing detailing both the requirement and the noted deficiency and specifying the action required to bring about compliance.

Should Landlord fail within thirty (30) calendar days following such notice to comply or to propose in writing an alternative for compliance that Tenant deems acceptable, or, alternatively, fail to convince Tenant that compliance is not required, either because such accommodation as would otherwise be required would constitute an undue hardship when measured against the financial resources of Landlord or because the facilities are nevertheless accessible and usable by individuals with disabilities, then Tenant may undertake with its own resources to accomplish the work needed to achieve such compliance and may deduct the reasonable costs of such accommodation from the rents or other sums then otherwise due Landlord under the terms of this Lease, or may terminate this Lease by giving three months' written notice to Landlord.

- (b) Tenant's Trade Fixtures. The foregoing provisions of this Section, as applied to Landlord, shall not apply to trade fixtures used or installed by Tenant or Tenant's layout of such trade fixtures.

12. DISCLOSURES; NON-WAIVER; APPROPRIATIONS.

- (a) Sovereign Immunity. Landlord understands and acknowledges that Tenant and Occupant(s) are agencies of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences on or about the Premises, including product liability, the Commonwealth, Tenant and Occupant(s) are either (i) constitutionally immune (or partially immune) from suit, judgment or liability, (ii) insured, or (iii) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable laws, government policies and practices. No provision, covenant or agreement contained in this Lease shall be deemed to be a waiver of the sovereign immunity of the Commonwealth of Virginia, Tenant or Occupant(s), from tort or other liability.
- (b) No Indemnification. Landlord understands and acknowledges that Tenant and Occupant(s) have not agreed to provide any indemnification or save harmless agreements running to Landlord.
- (c) Choice of Law. This Lease shall be governed by, and construed according to, the laws of the Commonwealth of Virginia. The parties choose Accomack County, as the venue for any action instituted pursuant to the terms of this Lease.
- (d) Dissolution or Restructuring of Occupant. Notwithstanding any other provision of this Lease, if an Occupant shall cease to exist, and is not replaced by a successor entity with similar powers and purposes, or its powers and authority are limited so as to not permit the continued use of the Premises for its intended purpose and use, then Tenant shall have the right to withdraw from this Lease such portion of the Premises then occupied by such Occupant (with a corresponding reduction in the Rent). In such event, Tenant will endeavor to give as much notice as is reasonably possible of the event triggering the reduction and

the anticipated date by which such Occupant will completely vacate such portion of the Premises. If the Occupant is the sole Occupant of the Premises, then upon such event this Lease shall terminate. Nevertheless, if Tenant, in its sole discretion, determines that another agency or institution of the Commonwealth has a need for the portion of the Premises used by such Occupant, Tenant may designate such other agency or institution to use that portion of the Premises.

- (e) Non-Appropriation. Agencies of the Commonwealth of Virginia cannot expend funds unless appropriated by the Virginia General Assembly and may not obligate a future session of the Virginia General Assembly. It is further understood that the Rent paid by Tenant is derived from appropriations (or federal funding) made to the individual Occupants and paid over to Tenant. Therefore, notwithstanding any provision in this Lease to the contrary, if any session of the Virginia General Assembly fails to appropriate funds for the continuance of this Lease for all Occupants (or federal funding for the continuation of this Lease is no longer available), this Lease and all obligations hereunder shall automatically terminate upon depletion of the then currently appropriated or allocated funds; provided, however, that if there is more than one Occupant, and not all Occupants have lost funding as aforesaid, then Tenant shall have the right to delete the space occupied by such Occupant from the Premises and reduce the Rent accordingly (subject to Tenant paying the cost of constructing a new demising wall, if required, and further subject to the space deleted from the Premises being reasonably commercially leasable, either by itself or as part of adjacent available space). Nevertheless, if Tenant, in its sole discretion, determines that another agency or institution of the Commonwealth has a need for the portion of the Premises used by such Occupant, Tenant may designate such other agency or institution to use that portion of the Premises.

13. REPORT OF OCCUPANCY.

- (a) Form of Report of Occupancy. Tenant shall, within fifteen (15) days after receipt of a written request by Landlord, submit to Landlord, or its designee, a written Report of Occupancy specifying: (i) the date of possession of the Premises by Tenant and the date on which the Lease terminates, (ii) whether this Lease is in full force and effect, (iii) the annual Rent, (iv) whether there have been any modifications to the Lease, and if there have been, a description of all such modifications, and, (v) whether Tenant has knowledge of any default hereunder on the part of Landlord, or if it does have such knowledge, a description of any such default.
- (b) Effect of Report of Occupancy. The issuance of a report requested under subsection 13(a), or any errors or omissions in such report: (i) shall not operate as an estoppel against either the Commonwealth of Virginia or Tenant, (ii) shall not form or provide any basis for liability against the Commonwealth or Tenant, and (iii) shall not operate as a waiver of any rights or defenses that may be available to the Commonwealth or Tenant either at that time or in the future.

14. **CONDEMNATION.**

- (a) **Notice.** Landlord shall give prompt notice to Tenant of any discussions, offers, negotiations or proceedings with any party regarding condemnation or taking of any portion of the Premises.
- (b) **Rights of Parties.** If any portion of the Premises is taken by eminent domain or sold to the holder of such power pursuant to a threatened taking (exclusive of takings that, in the reasonable discretion of Tenant, do not materially adversely affect the use and enjoyment of the Premises by Tenant), this Lease shall terminate effective as of the date of the taking. The date of taking shall be the earlier of: (i) the date on which title vests in the condemning entity or (ii) the date on which the condemning entity takes possession. In the event of a taking, Tenant assigns to Landlord any rights that Tenant may have in and to any portion of a condemnation award, but such an assignment shall exclude any portion that may be due for, or attributed to, Tenant's fixtures, moving expenses and allowances. If the taking does not materially adversely affect the use and enjoyment of the Premises by Tenant, so that this Lease is not terminated, Landlord shall promptly take such action as will minimize the effects of the taking on Tenant, and Rent shall be equitably adjusted to compensate Tenant for any adverse effect of the taking.

15. **SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT.** Upon request by Landlord, Tenant agrees to execute a Subordination, Non-Disturbance and Attornment Agreement that substantially conforms to **Exhibit D**, attached hereto. Any modification thereof shall be subject to approval by Tenant and the Office of the Attorney General of Virginia.

16. **SIGNAGE.** Landlord, at its expense, shall provide one exterior sign listing each Occupant in the Building.

17. **OPTION, TERMINATION, RENEWAL, AND HOLDOVER.**

- (a) **Options.** Tenant shall have two (2) options of five (5) years each to extend the term of this Lease ("First Option Term" and "Second Option Term") upon providing a minimum of six (6) months' written notice to Landlord prior to the expiration of the Initial Term or First Option Term as may be applicable. Rent during the First and Second Option Term shall be based on the previous year's Rent plus the annual CPI adjustment as hereinafter set out. The Rent shall escalate annually by an amount equal to one-half of the percentage increase, if any (not to exceed two percent (2%)), over the previous year's Consumer Price Index (CPI) (as hereinafter defined)(example: prior year – 197, current year 206; $206/197=4.57\%$ increase; 50% of the increase is 2.29%, but the Rent increases in such event by only 2%). As used herein, the Consumer Price Index shall mean the United States Department of Labor's Bureau of Labor Statistics, Consumer Price

Index for Urban Wage Earners and Clerical Workers (CPI-W), all items index: Selected Areas (1982-1984 = 100), and within such table the indices under "Region/population size class cross classification - South urban", or the successor to that index. The CPI-W for the calculations shall be the figure in effect three (3) months prior to the commencement of each Option Term and every year thereafter, as applicable. All calculations shall be rounded to the nearest hundredth. In no event shall the new Rent be less than the preceding year's Rent.

- (b) Termination. Unless otherwise terminated herein, Tenant may elect to terminate this Lease and vacate the Premises at the end of the Initial Term or any Option Term upon providing a minimum of six (6) months' written notice to Landlord prior to the expiration of the Initial Term or such Option Term as may be applicable, or at any time during any Renewal Term (as defined below) upon providing a minimum of six (6) months' prior written notice to Landlord.

Unless otherwise terminated herein, Landlord may elect to terminate this Lease upon the expiration of the Second Option Term or upon the expiration of any Renewal Term by providing a minimum of six (6) months' prior written notice to Tenant. Landlord may also elect to terminate this Lease upon the expiration of the Initial Term or the First Option Term, if Tenant does not exercise its option rights at such times, by providing a minimum of six (6) months' prior written notice to Tenant.

- (c) Renewal. This Lease shall automatically renew and continue from year to year ("Renewal Term") on the same terms and conditions as existed immediately prior to the commencement of the Renewal Term, including any provision relating to escalation in Rent, if neither party has given a timely notice of termination as provided in (b) above.
- (d) Holdover. If Tenant continues to occupy the Premises after the termination date specified in a proper notice to terminate as provided in (b) above ("Holdover"), such Holdover shall be deemed a tenancy from month-to-month upon the same terms and conditions, including any rent escalation, as existed immediately prior to the commencement of the Holdover. Either party may terminate such holdover upon providing a minimum of four (4) months' prior written notice to the other party.
- (e) Condition of Premises. At the termination of this Lease, Tenant shall peaceably deliver the Premises in the same condition as originally accepted, except for damage by accident or fire, reasonable wear and tear, and subject to any provisions herein to make repairs and restoration.
- (f) Posting of Notice. After notice of termination has been properly given by either party, Landlord may elect to post a notice that the Premises are available for lease. Landlord may show the Premises to prospective tenants only during Tenant's

normal business hours, with prior notice to Tenant and in such a manner so as not to disturb Tenant's operations.

18. NOTICES.

- (a) To Tenant. All notices (except as provided in § 17(f)) to Tenant required or permitted under this Lease shall be given in any manner set out in subsection (c) of this Section, to Tenant addressed to:

Division of Real Estate Services
Attn: Director
1100 Bank St., 3rd Floor
Richmond, VA 23219

With a copy to:

Virginia Department of Health
Attn: Operations Director of Community Health Services
109 Governor Street, 13th Floor
Richmond, VA 23219

- (b) To Landlord. All notices to Landlord required or permitted under this Lease (other than oral notices where permitted under this Lease) shall be given in any manner set out in subsection (c) of this Section, to Landlord addressed to:

Accomack County Finance Department
23296 Courthouse Avenue, Suite 204
PO Box 620
Accomac, VA 23301-0620

- (c) Manner of Delivery. Wherever a notice is required under this Lease, notice shall be deemed to have been duly given if in writing and either: (i) personally served; (ii) delivered by prepaid nationally recognized overnight courier service; or (iii) forwarded by Registered or Certified mail, return receipt requested, postage prepaid.

- (d) Date of Delivery. Each such notice shall be deemed to have been given to or served upon the party to which addressed on the date the same is received by the party or delivery is refused.

- (e) Change of Address. Each party to this Lease shall notify the other party of a new address at which to mail notices, which notice shall be given in the manner provided above, and unless and until such notice of new address is given, notices to a party hereto shall be sufficient if mailed to such party's address as specified in this Section.

- (f) Alternative Methods. Where notice is sent by an alternative method, the notice shall be effective if actually received by the party, or its appointed agent, to whom the notice is addressed. Nevertheless, notice to an Occupant shall not constitute notice to Tenant (unless expressly directed by Tenant pursuant to this Section).

19. **BINDING EFFECT; AMENDMENTS.** The covenants, agreements, and rights contained in this Lease shall bind and inure to the respective heirs, personal representatives, successors and assigns of Landlord and Tenant. This Lease constitutes the entire, full and complete understanding and agreement between Landlord and Tenant, and all representations, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are expressly merged into this Lease and shall be null, void and without legal effect. This Lease shall not be effective or binding unless and until signed by all parties and Tenant obtains the recommendation of the Virginia Department of General Services and the approval of the Governor of Virginia, or his designee, as required by § 2.2-1149 of the Code of Virginia (1950), as amended. No amendment or modification of any of the terms of this Lease shall be binding on Tenant unless in writing and executed by all parties to this Lease with the same formality as this Lease.

20. **DEFAULT.**

- (a) Permitted Termination. The termination of this Lease by Tenant pursuant to the provisions contained herein shall not be a default hereunder.
- (b) Breach; Rights; No Additional Obligations. If either party shall breach any provision of this Lease, the non-breaching party shall give written notice thereof to the breaching party. The breaching party shall have thirty (30) days (which shall be extended to the extent reasonably necessary if a cure shall reasonably require more than thirty (30) days, provided the breaching party promptly commences the cure and diligently pursues completion thereof) from the receipt of the notice to cure the breach and, if not so cured, the non-breaching party may, at its option, exercise such rights as may exist at law or in equity, except that Landlord shall not take possession of the Premises by any self-help remedy. The provisions of this subsection shall not be construed as imposing any additional obligations on the non-breaching party to the extent that this Lease permits the non-breaching party to take certain actions as a result of a breach by the other party.

21. **TELECOMMUNICATIONS EQUIPMENT.** Subject to all applicable federal, state and local laws, including zoning ordinances, Tenant shall have the right to place upon the roof of the Building one antenna and/or one standard-size telecommunication dish ("Satellite Equipment") as reasonably necessary for the operations of each Occupant in the Building. Any related telecommunications equipment that is not required to be located on the roof shall be placed within the Building. Prior to any such installation, the specifications and location of the Satellite Equipment shall be subject to Landlord's approval. Landlord may establish reasonable rules relating to the positioning of such

Satellite Equipment on the roof, as well as the manner of installation thereof so as to not interfere with the structural integrity of the roof. Tenant shall be responsible to assure that the installation, maintenance, operation and removal of such Satellite Equipment complies with all laws, rules and regulations applicable thereto, and Tenant agrees to repair any damage to the Building associated with the installation, maintenance or removal of the Satellite Equipment. There shall be no additional Lease costs associated with such rooftop rights. In the event that any Satellite Equipment is not removed by Tenant within ninety (90) days after the expiration of this Lease, then Landlord, at Landlord's option, shall (i) become the rightful owner of such Satellite Equipment, and Tenant shall execute necessary documentation to evidence the conveyance of such Satellite Equipment to Landlord, or (ii) Landlord shall be entitled to remove such Satellite Equipment at Tenant's sole cost and expense. To the extent any Occupant shall have a need for Satellite Equipment, Landlord will make available to Tenant a conduit from the portion of the Building occupied by such Occupant to the roof to install wiring and related equipment necessary to connect such Satellite Equipment on the roof with the occupied space. If such conduit does not exist, the cost of installation shall be reimbursed by Tenant promptly upon submission by Landlord of an invoice therefor, unless included as part of the work to be performed by Landlord pursuant to Section 8(b).

22. **PRESUMPTIONS.** No presumption shall be created in favor of or against any of the parties to this Lease with respect to the interpretation of any term or provision of this Lease due to the fact that this Lease, or any part hereof, was prepared by or on behalf of one of the parties hereto, as may be evidenced by the disclosure on the face of this Deed of Lease made pursuant to Virginia Code § 17.1-223.
23. **ASSIGNMENT.** Tenant may not assign this Lease, or sublet the Premises, without the written consent of Landlord, which consent shall not be unreasonably withheld or delayed, except that Tenant may assign this Lease to any other agency of the Commonwealth of Virginia without Landlord's consent, pursuant to the terms of Sections 2 and 12.
24. **BROKERAGE.** INTENTIONALLY DELETED.
25. **FIREARMS RIDER.** Landlord shall acknowledge and return the Firearms Rider provided in Exhibit E.
26. **NOVATION OF PRIOR LEASE.** The parties acknowledge that a prior deed of lease, relating to the Premises, dated July 1, 2000 (the "Prior Lease"), is currently in an automatic one year renewal term that is scheduled to terminate on June 30, 2018. The parties agree that the Prior Lease shall terminate on the date on which this Lease shall commence and that the Prior Lease shall thereupon be of no further force or effect.
27. **HEADINGS.** The heading of the sections of this Lease are inserted for convenience only and do not alter or amend the provisions that follow such headings.

28. **ADDITIONAL PROVISIONS.** This Lease is subject to the following terms, conditions, modifications, additions and/or deletions provided in the following designated attachments and exhibits, which are hereby incorporated into this Deed of Lease:

Attachments: A General Terms and Conditions for Work to be Performed by Landlord

Exhibits: A-1. Plat
 A-2. Proposed Floor Plan
 B. Model Certificate of Commencement
 C-1. Cover Sheet for Construction Drawings
 C-2. Guidelines for Interior Improvements
 C-3. Landlord's Additional Work
 D. Subordination, Non-Disturbance and Attornment Agreement
 E. Firearms Rider
 F. W9_COVA Substitute

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals.

LANDLORD: COUNTY OF ACCOMACK
a political subdivision of the Commonwealth of Virginia

By: _____
Title: _____

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

The foregoing Deed of Lease was acknowledged before me this _____ day of _____, 20__ by _____ acting in his/her capacity as _____ of _____, on behalf of the county.

My commission expires: _____
Registration No. _____

Notary Public

TENANT: COMMONWEALTH OF VIRGINIA
DEPARTMENT OF GENERAL SERVICES

By: _____
Title: _____

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

The foregoing Deed of Lease was acknowledged before me this _____ day of _____, 20__ by _____ acting in his/her capacity as _____ of the Commonwealth of Virginia, Department of General Services, on behalf of the agency.

My commission expires: _____
Registration No. _____

Notary Public

