

INTRODUCED: May 26, 2015

AN ORDINANCE No. 2015-121-162

As Amended

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Sublease Agreement, as amended, between the City of Richmond and the County of Henrico for the purpose of renting certain office space and common space located at 203 East Cary Street for the expansion of services provided by the Center for Workforce Innovation.

\_\_\_\_\_  
Patron – Mayor Jones (By Request)

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: JULY 13 2015 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Sublease Agreement, as amended, between the City of Richmond and the County of Henrico for the purpose of renting certain office space and common space located at 203 East Cary Street for the purpose of the expansion of services provided by the Center for Workforce Innovation. The Sublease Agreement, as amended, shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

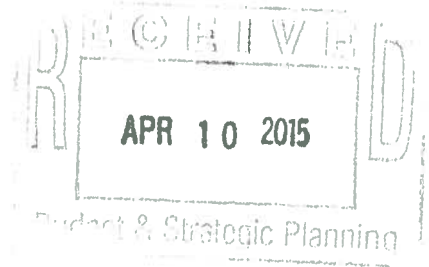
§ 2. This ordinance shall be in force and effect upon adoption.

AYES:            9            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED: SEPT 14 2015 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_



CITY OF RICHMOND
INTRACITY CORRESPONDENCE



O&R REQUEST RECEIVED

DATE: April 8, 2015

MAY 05 2015

O & R REQUEST

APR 15 2015

EDITION: 2

OFFICE OF CITY ATTORNEY

Chief Administration Office
City of Richmond

TO: The Honorable Members of City Council

THROUGH: Dwight C. Jones, Mayor [Signature]

THROUGH: Christopher L. Beschler, Interim Chief Administrative Officer [Signature]

THROUGH: Norman Butts, Deputy Chief Administrative Officer for Finance & Administration [Signature]

THROUGH: Jay A. Brown, Interim Director of Budget and Strategic Planning [Signature]

THROUGH: Peter L. Downey, Interim Deputy Chief Administrative Officer, Economic Development and Planning [Signature]

FROM: Douglas Dunlap, Interim Director of Economic & Community Development [Signature]

RE: To Authorize the Chief Administrative Office to enter into a Sublease Agreement with Henrico County (representing the Capital Region Workforce Partnership) for the City's Workforce Innovation Programs to be located at 203 East Cary Street (Parcel ID W0000045001), Richmond, Virginia.

ORD. OR RES. No. \_\_\_\_\_

PURPOSE: To Authorize the Chief Administrative Officer to enter into a Sublease Agreement with Henrico County (representing the Capital Region Workforce Partnership) for the City's Workforce Innovation Programs to be located at 203 East Cary Street in approximately 510 square feet of office space and 790.17 square feet of common space to deliver City and Regional Workforce Development Initiatives.

REASON: Henrico County is currently the tenant on behalf of Capital Region Workforce Partnership under a certain Deed of Lease dated May 23, 2012, as amended by Letter Addendum, dated July 9, 2012, by and between Henrico County and PBC Cary, LLC, the landlord, for 15,189 square feet of office space on the 1st floor of the building located at 203 E. Cary Street,

201504013

Richmond, VA 23219, including its pro rata share of parking spaces in the parking lot located adjacent to the Building. The existing lease expired on November 30, 2020.

The City wishes to sublease approximately 510 square feet of office space and 790.17 square feet of common space at 203 East Cary Street through the end of the existing lease term which expires November 30, 2020 for the expansion of services for the Center for Workforce Innovation.

**RECOMMENDATION:** Approval is recommended by the City Administration

**BACKGROUND:**

The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014. WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. A key provision of the act is the Supports Access to Services to make services easier to access, the WIOA requires co-location of the Wagner-Peyser Employment Service and adds the Temporary Assistance for Needy Families (TANF) program as a mandatory partner. WIOA establishes partner programs to support the costs of infrastructure and other shared costs that support access to services. As a result the City will sublease approximately 510 square feet of office space and 4,688 square feet of common space at 203 East Cary Street through the end of the existing lease term, which expires November 30, 2020, for the expansion of services for the Center for Workforce Innovation. This center will allow the CWI increased capacity for Richmond residents seeking to access employment training services and allow flexibility at the Marshall Plaza location, which currently has space limitations. The Cary Street space will also serve as a location for the Family Self-Sufficiency pilot project, allowing greater access to classes and workshops and increasing access to appropriate services for a greater number of participants. The space at the downtown One-Stop Workforce Center will be staffed by Richmond City employees under the supervision of the Center for Workforce Innovation and will generally operate during the standard work week hours and during the weekends as necessary. In addition to the services described above, CWI will rotate members of its team, who work with community partners, to ensure that participants are receiving and have knowledge of the services and resources that can aid in their re-employment.

**FISCAL IMPACT / COST:** The City will continue to pay rent at 203 East Cary Street through the end of the existing lease term with a \$21,880.94 annual cost (\$16.62 per square foot plus internet and phone fees) with a 3% annual escalation for the base rent.

**FISCAL IMPLICATIONS:** The Department of Economic and Community Development does not anticipate any impact to the City's budget for this transaction.

**BUDGET AMENDMENT NECESSARY:** No

**REVENUE TO CITY:** The City will not receive any addition revenue.

**DESIRED EFFECTIVE DATE:** Upon Adoption of this ordinance.

**REQUESTED INTRODUCTION DATE:** April 27, 2015

**CITY COUNCIL PUBLIC HEARING DATE:** May 26, 2015

**REQUESTED AGENDA:** Consent Agenda

**RECOMMENDED COUNCIL COMMITTEE:** Land Use, Housing & Transportation Standing Committee Meeting or City Planning Commission

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** None

**AFFECTED AGENCIES:** City Attorney's Office, Department of Social Services, Economic and Community Development.

**RELATIONSHIP TO EXISTING ORD. OR RES.:** None

**REQUIRED CHANGES TO WORK PROGRAM(S):** None

**ATTACHMENTS:** Sublease Agreement with the Henrico County (representing the Capital Region Workforce Partnership).

**STAFF:**

Peter L. Downey, Interim Deputy Chief Administrative Officer, Economic Development and Planning

Douglas C. Dunlap, Interim Director Economic & Community Development

Jane Ferrara, Deputy Director Economic & Community Development

Jamison Manion, Director Workforce Development

Paul A. McClellan, Economic & Community Development

## SUBLEASE AGREEMENT

### As Amended

This Sublease Agreement (the "Sublease") dated this 11<sup>th</sup> day of March, 2015, by and between the COUNTY OF HENRICO, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("Henrico" or "Sublessor"), and the CITY OF RICHMOND, VIRGINIA, a political subdivision of the Commonwealth of Virginia, ("Sublessee"), and 708, LLC, a Virginia limited liability company, successor-in-interest to PBC CARY, LLC, a Virginia limited liability company, THERON WARD, [an individual,] and DARLENE WARD[~~, an individual, collectively hereinafter known as (the "Landlord" or "Master Lessor")~~] ("Landlord" or "Master Lessor").

### WITNESSETH

WHEREAS, Henrico in its capacity as fiscal agent for the Capital Region Workforce Partnership is responsible for the leasing of space for the establishment of a Workforce One Stop Center for the use of for-profit, non-profit and governmental entities that provide services pursuant to the Workforce Investment Act of 1998 (Public Law 105-220), as amended ("WIA"), in Virginia; and

WHEREAS, Henrico is the tenant under a certain Deed of Lease dated May 23, 2012, as amended by Letter Addendum, dated July 9, 2012, and Certificate of Lease Commencement, dated as of November 13, 2012, (the "Master Lease") by and between Sublessor and Landlord, for the premises described therein as 15,189 square feet on the 1<sup>st</sup> floor of that certain building located at 203 E. Cary Street, Richmond, VA 23219 (the "Building"), and for access thereto and for the use of its pro rata share of unreserved and unmonitored parking spaces in the parking lot located adjacent to the Building (collectively, the "Master Premises"); and

WHEREAS, Sublessor desires to sublease to Sublessee the Subleased Premises, as defined below, and Sublessee desires to sublease the same upon the terms and conditions described in this Sublease.

NOW THEREFORE, in consideration of the premises, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and between the parties hereto as follows:

- 1. SUBLEASED PREMISES.** For and in consideration of the terms, conditions, covenants, promises and agreements herein made, Sublessor subleases to Sublessee the following property (the "Subleased Premises"), together with full rights of ingress and egress, more particularly described as:

**Office 8, consisting of approximately 127 square feet, Office 9, consisting of approximately 191 square feet, and Office 10, consisting of approximately 192 square feet, each being dedicated office space for Sublessee's exclusive use and totaling 510 square feet (the "Exclusive Areas"), together with the**

**right in common with other occupants of the Building to use the common areas, inclusive of conference rooms, classrooms, hallways, rest rooms, and customer use areas (the “Common Space”) located in Subleased Premises, at the Building.**

A sketch of the floor plan of the Master Premises showing the Exclusive Areas shaded in yellow, showing the Common Space shaded in green and the unshaded Dedicated Areas is attached hereto as **Exhibit A**.

- 2. USE OF SUBLEASED PREMISES.** The Sublessee anticipates using the Subleased Premises for its departments and agencies, and for its Workforce Development Center for Workforce Innovation Programs (“Occupants”) as office space and service delivery to Resource Workforce Center (“One-Stop”) customers as defined by the Virginia Workforce Council and the Workforce Investment Act of 1998, 29 U.S.C. § 2811 et seq. (Public Law 105-220) and its implementing regulations, or for such uses as the Occupants may now or hereafter be empowered or authorized by law to offer, provided that the use is compatible with all laws and regulations governing One-Stop programs in the Commonwealth of Virginia.

Subleased Premises may be used by (i) Sublessee, (ii) the Occupants, or (iii) by future occupants that are participants in the One-Stop program, each of which shall be designated an Occupant upon assignment of space in the Subleased Premises by Sublessee. Use by any party other than the Sublessee shall not be deemed a subletting or assignment of this Sublease and Sublessee shall remain the Sublessee hereunder. Sublessor acknowledges that no such designation or occupancy creates any contractual relationship between Sublessor and an Occupant. Occupants shall have the benefit of any rights of Sublessee associated with this Sublease. Each Occupant, with respect to its portion of the Exclusive Areas (as allocated to it by Sublessee), is authorized to deal directly with Sublessor concerning routine maintenance and repairs, access to the Building and the Subleased Premises and similar matters; provided, however, that nothing herein prevents Sublessee from dealing directly with Sublessor as to any such matters. Sublessor shall deal solely with Sublessee as to major repairs, insurance, untenability, breaches or defaults, termination, extensions of the term (including the option terms, if any), and additional charges imposed by Sublessor (as may be authorized by this Sublease or subsequent agreement of the parties).

Sublessor shall not unreasonably disturb Sublessee in its use and enjoyment of its portion of the Subleased Premises, including the Common Space, subject to the terms of this Sublease. Sublessor shall, and Sublessor shall cause the other sublessees of the Building to, reasonably and in good faith cooperate with all of the Occupants with respect to the use of the Common Space. Sublessee shall, and Sublessee shall cause the Occupants to, reasonably and in good faith cooperate with Sublessor and the other sublessees of the Building with respect to the use of the Common Space.

Any disagreement as to the use of the Common Space shall be resolved by the Resource Workforce Investment Board, subject to the appeal process set forth in any federal law or regulations.

**3. TERM.** The initial term of this Sublease (the "Initial Term") shall commence upon [date] \_\_\_\_\_, 2015 (the "Commencement Date") and terminate on [~~October 31~~] November 30, 2020, (the "Termination Date"), which Termination Date is the end of the initial term of the Master Lease (a copy of the Master Lease is attached hereto as **Exhibit B** and made a part of this Sublease).

**4. RENT.**

(a) **Base Rent.** Sublessee shall pay Sublessor a base rent (the "Base Rent") as shown on the Rent Calculation Worksheet, attached hereto as **Exhibit C**, which shall be paid in advance, in equal monthly installments due and payable by the first of each month beginning on the Commencement Date, and each month thereafter for the remainder of the Term. Rent, as defined below, for any partial month shall be pro-rated.

(b) **Additional Rent.** All other payments, charges, and sums that Sublessee may be obligated to pay to the Sublessor under this Sublease including without limitation Sublessee's (i) annual share, if any, for phone access (3 Extensions, not including long distance calls), internet access (share of total computers in Master Premises) and assessment for percentage share of Common Space as determined by the total office square footage of Exclusive Areas divided by the total office dedicated square footage ("Dedicated Space") 5,958 sq. ft., as date of Sublease] (collectively the "Operational Cost"), and (ii) long distance phone charges, supplies and copier costs which will be calculated and billed quarterly (collectively the "Additional Cost"), all as shown on **Exhibit C**. Collectively, the Operational Cost and the Additional Cost shall be "Additional Rent" (whether designated as such or not). Operational Costs shall be paid on a monthly basis, in advance, at the same time as payment of Base Rent. Additional Costs shall be invoiced to Sublessee, with payment due and payable within forty-five (45) days of date of invoice. Each invoice shall itemize the charges.

(c) **Rent.** Base Rent and Additional Rent are collectively called "Rent."

(d) **Rent Allocation; Changes to the Exclusive Areas.** **Exhibit C** sets out the computations used to determine the Rent to be allocated between Office 8, Office 9 and Office 10 to be paid during the Initial Term.

In the event of a redetermination of the size of the Exclusive Areas, or an adjustment thereto made with the consent of both parties, the portion of the Rent calculated as a multiple of the per square foot cost ("PSF/Cost") as provided in **Exhibit C** shall be adjusted on a pro-rata basis.

Upon 120 days prior written notice to Sublessor and with Sublessor's consent, Sublessee may vacate and withdraw one or more of the dedicated office spaces for Sublessee's exclusive use from the Subleased Premises, in which event, effective as of

the date of such withdrawal, the Rent payable hereunder shall be adjusted to reflect the amount attributable to the retained Exclusive Areas.

(e) Rent Escalation. Base Rent during the Initial Term shall escalate as shown on **Exhibit C**. Escalation of Base Rent during any extensions or renewals of this Sublease shall be as provided in Section 6 hereof.

(f) Payment. All Rent shall be made payable to the **County of Henrico, Virginia** and delivered or mailed to:

County of Henrico, Virginia  
c/o Capital Region Workforce Partnership  
1001 N. Laburnum Ave, Suite B  
Henrico, VA 23223

or to such other person or entity or at such other address as Sublessor may designate from time to time by written notice to Sublessee.

(g) Full Service. Subject to the provisions of this Sublease, the Rent is based on a full service Sublease, including all common area maintenance, management fees, insurance, real estate taxes, utilities, water and sewer, trash removal and janitorial expenses. Nevertheless, Sublessee shall be responsible for the insurance for its property and for liability insurance or self-insurance as provided in Section 11 hereof.

(h) Occupancy. If Sublessee shall occupy the premises prior to the Commencement Date of this Sublease with Henrico County's consent, all the provisions of this Sublease shall be in full force and effect as soon as Sublessee occupies the Subleased Premises and the Sublease Termination Date shall not change. Notwithstanding the foregoing, the Rent shall be abated during this period ("Abatement Period"). Sublessee shall have access during the Abatement Period to install cabling and video-conferencing equipment provided that Sublessee shall coordinate their work and not interfere with the other occupants of the Building. Any contractors performing work on behalf of the Sublessee shall, prior to gaining access to the Premises, provide to the Sublessor proof of insurance meeting the requirements stated in Section 11 of this Agreement and naming the Sublessor and Landlord as additional insureds.

## **5. CONDITION OF PREMISES.**

(a) Quiet Enjoyment. Sublessor shall not disturb Sublessee's quiet enjoyment of the Exclusive Areas, or Sublessee's shared use of the Common Space, during the Initial Term, and any renewals or extensions thereof.

(b) Right to Enter. Landlord and Sublessor, and their employees, agents and contractors, shall have the right to enter and pass through the Exclusive Areas, with reasonable prior notice, and without notice to provide routine janitorial services consistent with this Sublease. If Landlord or Sublessor, or their employees, agents or contractors, must enter the Exclusive Areas in the case of an emergency, then as soon



as practicable before or after such emergency entrance, such party, or its agent, shall contact Program Administrator-Real Estate Strategies, Economic & Community Development, (Telephone #804-646-3061) or Project Development Manager, Economic & Community Development Department, (Telephone #804-646-5653), and Director – Workforce Development, (Telephone #804-646-6475). This contact person may be changed by proper notice to Sublessor.

## **6. HOLDOVER & TERMINATION.**

(a) Holdover. If Sublessee shall continue to occupy the Subleased Premises after the Termination Date (a "holdover"), such holdover shall be deemed a tenancy from month-to-month upon one and a half times the same Base Rent and other terms and conditions as existed immediately prior to the commencement of the holdover. Sublessor shall have the right to regain possession of the Exclusive Areas in any manner provided by law, inclusive of self-help remedies. If Sublessee's holdover causes Sublessor to incur Holdover charges as defined under the Master Lease, Sublessee shall reimburse Sublessor for the Holdover charges.

~~(d)~~ (b) Condition at Termination. At the termination of this Sublease, Sublessee will peaceably deliver the Exclusive Areas in as good condition as when it was accepted, nominal damage and normal wear and tear excepted, and subject to any agreement by the Landlord or Sublessor to make repairs and restoration as provided elsewhere in this Sublease or the Master Lease, and will return all keys and vacate the Exclusive Areas in broom clean condition.

**7. TERMS AND CONDITIONS OF SUBLEASE.** This Sublease is subordinate to the Master Lease, and nothing herein shall be construed as modifying the terms of the Master Lease. Nevertheless, the parties acknowledge that there is no contractual relationship between Landlord and Sublessee, and nothing herein is intended to create any contractual obligation of Sublessee to Landlord. To the extent permitted by law, the Sublessee shall abide by all terms and conditions outlined in the Master Lease, except as modified or amended by the provisions of this Sublease.

## **8. SPECIAL PROVISIONS.**

(a) As political subdivisions of the Commonwealth of Virginia, the Sublessor and Sublessee cannot expend funds unless appropriated by, respectively, Richmond City Council and the Board of Supervisors of Henrico County, and may not obligate a future session of the Richmond City Councils or future Boards of Supervisors of Henrico County. Therefore, notwithstanding any provision in this Sublease to the contrary, if any session of the Richmond City Council or the Board of Supervisors of Henrico County fail to appropriate funds for the continuance of this Sublease or for the continuance of the Master Lease, (or federal or state funding for the continuation of this Sublease is no longer available) this Sublease and all obligations hereunder shall automatically terminate upon depletion of the then currently appropriated or

allocated funds and this Sublease shall bind the Sublessee only to the extent that the City Council appropriates sufficient funds for the Lessee to perform its obligations hereunder. Sublessor and Sublessee shall upon request provide reasonable written documentation of non-appropriation, but if non-appropriation has occurred then nothing herein shall be construed as limiting Sublessor or Sublessee's right to terminate this Sublease. Sublessee or Sublessor shall endeavor to give at least 120 days' notice from the first of any month if appropriate funding is not provided but Sublessee's and Sublessor's rights pursuant to this provision shall not be dependent upon the giving of such notice. Additionally, if any, County, State or Federal funding supporting Sublessor's Workforce Investment Act Title 1 programs are reduced or eliminated, this Sublease may be terminated by Sublessor by written notice to Sublessee given 120 days written notice from the first of any month. Sublessee appropriates sufficient funding for a portion of the Subleased Premises but not the entire Subleased Premises then the Sublease shall not terminate, provided, however that the portion for which the Sublessee does not appropriate sufficient funding shall be removed from the Subleased Premises and the Rent shall be reduced accordingly.

**(b)** The parties acknowledge that under the terms of the Master Lease, Landlord is responsible for all maintenance and repairs relating to the Property and the Building, to the extent provided in Section 6 of the Master Lease. Failure of Landlord to properly maintain or repair the Property or the Building, or any other breach of the Master Lease by Landlord that impacts on the use and enjoyment of the Premises by Sublessee, not timely cured as provided in the Master Lease, shall constitute a breach of this Sublease and permit Sublessee, in its discretion, to terminate this Sublease, but such event shall not create any liability of Sublessor to Sublessee.

**(c)** The parties understand and acknowledge that Sublessor and Sublessee are political subdivisions of the Commonwealth of Virginia and the Occupants are agencies of the Sublessee and with respect to tort liability for acts or occurrences on or about the Premises, including product liability, the Sublessor, Sublessee, and the Occupants 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.

**(d)** Sublessor and Sublessee understand and acknowledge that Sublessor and Sublessee have agreed not to provide any indemnification or save harmless agreements running to the other. No provision, covenant or agreement contained in this Sublease shall be deemed to be a waiver of the sovereign immunity of the Sublessor or of Sublessee, from tort or other liability.

**(e)** Notwithstanding any other provision of this Sublease, if Sublessor or any 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 Subleased Premises for the purpose and use for which same are Leased or Subleased, then this Sublease and all responsibility or obligations of Sublessor or Sublessee under this Sublease shall terminate. In such event, Sublessor

or Sublessee, as appropriate, will endeavor to give as much notice as is reasonably possible of the event triggering the termination of this Sublease or the Master Lease and the anticipated termination date, but failure to give such notice shall not affect the termination.

(f) Notwithstanding the foregoing, if an event under subsection (a) or (e) of this Section affect less than all of the then Occupants of the Subleased Premises, Sublessee and Sublessor may agree (by amendment to this Sublease) to continue this Sublease in effect for only such Occupants as are not affected by such event, with an appropriate adjustment to the Rent based on the Exclusive Areas under the control of such Occupants.

(g) Sublessor or Landlord shall not be obligated to make any repairs to the Subleased Premises or Building due to damages caused by the grossly negligent or willful acts of Sublessee, or its agents, employees, invitees, or contractors.

(h) Sublessee shall have access to the Building 24 hours a day, 365 days a year.

**9. LATE FEE.** In the event that Sublessor does not receive from Sublessee the installment of any Rent due by the 5<sup>th</sup> day after such Rent is due, a late fee of 5% of the delinquent amount shall be due as additional rent.

**10. ALTERATIONS AND MODIFICATIONS.** In the event Sublessee desires to make alterations, additions, or improvements to the Exclusive Areas, Sublessee shall submit a written request to Sublessor detailing the extent of such alterations, additions, or improvements. Sublessor will then forward such written request to the Landlord and approval by the Landlord will authorize such alterations, additions, or improvements at Sublessee's sole cost and expense, and without any obligation of the Sublessor related thereto. In the event Sublessee desires to make alterations, additions, or improvements to the Common Space, in addition to the foregoing, the approval of any other sublessees shall likewise be required.

**11. INSURANCE.** Sublessee shall at all times during the term of this Sublease maintain in full force and effect the following insurance in standard form generally in use in the Commonwealth of Virginia, with insurance companies authorized to do business in the Commonwealth of Virginia

(a) Comprehensive commercial general liability insurance in the amount of at least \$1,000,000 per occurrence, combined single limit for bodily injury and property damage.

(b) Insurance covering, Sublessee's and Occupants' trade fixtures, furniture, and equipment used in the Subleased Premises providing protection to the extent of one hundred percent (100%) of insurable value of the same against all casualties including under standard insurance industry practice within the classification "ALL RISK" or equivalent policy form.

- (c) Insurance covering Sublessor's trade fixtures, furniture, and equipment used in the Subleased Premises providing protection to the extent of one hundred percent (100%) of insurable value of the same against any casualty caused by the Sublessee or Occupant

With respect to each and every policy of insurance and renewal thereof, Sublessee, at the beginning of the term of this Sublease and thereafter at the expiration of any such policy, shall furnish Sublessor and Landlord with a certificate of insurance. Sublessee shall endeavor to have the insurer give Sublessor and Landlord not less than thirty (30) days prior written notice of any cancellation, non-renewal or change in such policy.

Notwithstanding the foregoing provisions of this Section 11, Sublessee may elect to provide comparable coverages against the foregoing risks through a self-insurance program, subject to the laws of the Commonwealth of Virginia relating to State agencies and the Commonwealth Risk Management Plan.

**12. RULES AND REGULATIONS.** Sublessee agrees that the following rules and regulations shall be a part of this Sublease.

- (a) The sidewalks, entries, hallways, passages, and stairways shall not be obstructed nor used for any purpose other than ingress and egress.
- (b) The doors and windows that allow light into passageways shall not be covered or obstructed by Sublessee.
- (c) Nothing shall be thrown out of windows, doors, or into passageways.
- (d) No signs, curtains, window shades, or awnings shall be installed by Sublessee in the Exclusive Areas without the approval of both the Landlord and Sublessor of their style, material, and quality. Such curtains or awnings shall be at the expense of Sublessee and upon request of the Landlord or Sublessor they will be removed by Sublessee upon termination of this Sublease, and any damage to the Subleased Premises caused by the installation or removal shall be repaired at the expense of the Sublessee.
- (e) Sublessee shall observe the rights, privileges, and welfare of invitees, all other Lessees, sublessees, and Sublessor to the extent that the observance of those rights, privileges does not interfere with the Sublessee's rights, privileges and welfare as provided under this Sublease.
- (f) If Landlord subsequently adopts additional reasonable rules or regulations then those additional rules and regulations shall bind Sublessee upon 60 day's notice ("Rules and Regulation Notice") to Sublessee under this Sublease, provided, however, that Sublessee may terminate this Sublease by providing written notice of its intent to terminate within 60 days of receiving the Rules and Regulations Notice. Sublessee further agrees that any failure by Sublessee or any Occupant,

or their employees, agents or contractors, to fully abide by such rules and regulations may be deemed by Sublessor a default by Sublessee and breach of this Sublease.

**13. NOTICES.** All notices required or permitted under this Sublease shall be given by hand delivery or by mailing the notice by certified U.S. mail, postage prepaid, return receipt requested, to the following:

- (a) [~~All notices required or permitted under this Sublease shall be given by hand delivery or by mailing the notice by certified U.S. mail, postage prepaid, return receipt requested, to the following:~~]

To Sublessee:

Program Administrator  
Real Estate Strategies  
Economic & Community Development Department  
City of Richmond  
1500 East Main Street  
Richmond, VA 23219

with a copy to:

Project Development Manager  
Economic & Community Development Department  
City of Richmond  
1500 East Main Street  
Richmond, VA 23219-0300

and

Program Administrator  
Workforce Development Center for Workforce Innovation  
Economic & Community Development Department  
City of Richmond  
Richmond, VA 23219

(b)

To Sublessor:

Director  
c/o Capital Region Workforce Partnership  
1001 N. Laburnum Avenue, Suite B  
Henrico, Virginia 23233

with a copy to:

Director  
Real Property Department  
4300 E. Parham Road  
Henrico, Virginia 23228

**14. BINDING EFFECT: AMENDMENTS.** The covenants, agreements, and rights contained in this Sublease shall bind and inure to the respective heirs, personal representatives, successors and assigns of Landlord, Sublessor and Sublessee. This Sublease and the terms incorporated herein constitutes the entire, full and complete understanding and agreement between the parties, and all representations, statements, warranties, covenants, promises or agreements previously made or given by any party to the other are expressly merged into this Sublease and shall be null, void and without legal effect. No party, nor any agent of a party, has any authority to alter, amend or modify any of the terms of this Sublease, unless the amendment is in writing and executed by all parties to this Sublease with the same formality as this Sublease. The Sublease shall not be effective or binding unless and until signed by all parties.

**15. APPLICABLE LAW AND SUCCESSORS.** This Sublease shall be interpreted and applied according to the laws of the Commonwealth of Virginia, and it shall be binding upon and inure to the benefit of the heirs, personal representatives, assignees, and successors of the parties. The parties choose the County of Henrico, Virginia, as the exclusive venue for any action instituted pursuant to the terms of this Sublease.

**16. SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT.** Within fifteen (15) days after request by Sublessor or Master Lessor, Sublessee agrees to execute a Subordination, Non-Disturbance and Attornment Agreement provided, however, that the form is subject to approval by Sublessor and the Henrico County Attorney, Sublessee and the Richmond City Attorney.

**17. CONSENT OF LANDLORD.** The Landlord executes this Sublease solely to acknowledge its consent to the sublease of the Subleased Premises by the Sublessee under the terms and conditions herein set out. Notwithstanding any other provision of this Sublease to the contrary, this Sublease shall not operate to change or modify any of the terms or obligations under the Master Lease.

**18. HEADINGS.** The heading of the sections of the Sublease are inserted for convenience only and do not alter or amend the provisions that follow such headings.

**19. SUBLEASING AND ASSIGNMENT.** Sublessee may not assign this Sublease, or sublet the Subleased Premises, without consent of Sublessor and Landlord, which consent shall not be unreasonably withheld or delayed.

**20. SIGNATURE AUTHORITY[?].** The Chief Administrative Officer of the City of Richmond, Virginia, shall have the authority to execute this Sublease of behalf of the Sublessee, and, the Chief Administrative Officer or his designee shall have the authority to provide any notices or authorizations contemplated under this Sublease on behalf of Sublessee.

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

**Exhibits:** EXHIBIT A – Sketch of the Floor Plan of the Subleased Premises showing the Exclusive Areas shaded in yellow, showing the Common Space shaded in green and showing the unshaded Dedicated Areas  
EXHIBIT B - Master Lease  
EXHIBIT C – Rent Calculation Worksheet

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

SUBLESSOR:           **COUNTY OF HENRICO, VIRGINIA**

By: \_\_\_\_\_  
John A. Vithoukas  
County Manager

Approved as to Form: \_\_\_\_\_  
Senior Assistant County Attorney

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_, to wit:

The foregoing Sublease Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015 by John A. Vithoukas, acting in his capacity as County Manager of the County of Henrico, on behalf of the County.

My commission expires \_\_\_\_\_.  
Registration # \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

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SUBLESSEE: **CITY OF RICHMOND, VIRGINIA,**

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

Print Name: \_\_\_\_\_

Print Title: Chief Administrative Officer  
[Øf] of the City of Richmond, Virginia

Approved as to Form: \_\_\_\_\_  
City Attorney

Approved as to Terms: \_\_\_\_\_  
Department of Economic and Community Development

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_, to wit:

The foregoing Sublease Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015 by \_\_\_\_\_, acting in his/her capacity as the Chief Administrative Officer of the City of Richmond, Virginia.

My commission expires \_\_\_\_\_.  
Registration # \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

[Remainder of Page Intentionally Blank]

Consent to this Amendment

LANDLORD: ~~[PBC-CARY]~~ **708, LLC**,  
a Virginia limited liability company

By: \_\_\_\_\_  
Print Name: ~~[Nathan Ward]~~  
Title: ~~[Manager]~~  
Date: \_\_\_\_\_

STATE OR COMMONWEALTH OF ~~[FLORIDA]~~  
CITY/COUNTY OF ~~[PALM BEACH]~~, to wit:

The foregoing Sublease Agreement was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by ~~[NATHAN WARD]~~ \_\_\_\_\_  
(Name) acting in his/her capacity as \_\_\_\_\_ (Title)  
~~[Manager Of PBC-CARY]~~ **708, LLC**, a Virginia limited liability company, on behalf of the ~~[limited liability]~~ company.

My commission expires: \_\_\_\_\_  
Registration No. \_\_\_\_\_

\_\_\_\_\_  
Notary Public

[LANDLORD: \_\_\_\_\_ **THERON WARD**

By: \_\_\_\_\_  
Name: Theron Ward  
Date: \_\_\_\_\_

STATE OF FLORIDA  
CITY/COUNTY OF PALM BEACH, to wit:

The foregoing Sublease Agreement was acknowledged before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015 by THERON WARD.

My commission expires: \_\_\_\_\_  
Registration No. \_\_\_\_\_

\_\_\_\_\_  
Notary Public

LANDLORD: \_\_\_\_\_ **DARLENE WARD**

By: \_\_\_\_\_  
Name: Darlene Ward  
Date: \_\_\_\_\_

STATE OF FLORIDA  
CITY/COUNTY OF PALM BEACH, to wit:

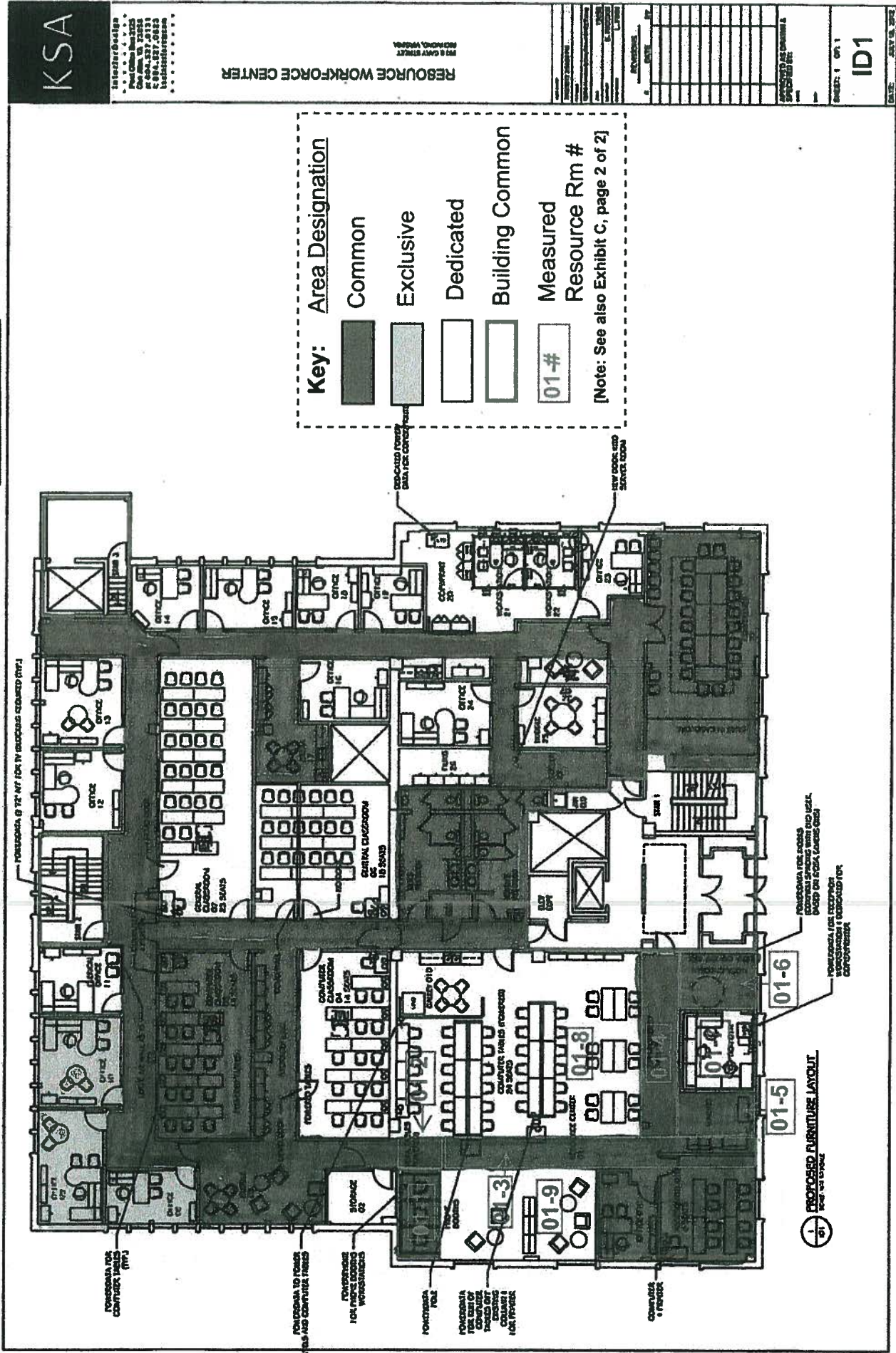
The foregoing Sublease Agreement was acknowledged before me this \_\_\_\_\_ day  
of \_\_\_\_\_, 2015 by DARLENE WARD.

My commission expires: \_\_\_\_\_  
Registration No. \_\_\_\_\_

\_\_\_\_\_  
Notary Public]

# Exhibit A

## Exhibit A



**Deed of Lease**

This DEED OF LEASE (the "Lease") is dated the 23<sup>rd</sup> day of May, 2012 among PBC CARY, LLC a Virginia limited liability company ("PBC"), THEREON WARD, an individual ("T. Ward"), and DARLENE WARD, an individual ("D. Ward") as Landlord(s) (PBC, T. Ward, and D. Ward, individually and collectively, the "Landlord"), and the COUNTY OF HENRICO, VIRGINIA, a political subdivision of the Commonwealth of Virginia, as Tenant ("Tenant").

**WITNESSETH:**

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

*15,189 square feet on the 1<sup>st</sup> floor of that certain building located at 203 E. Cary Street, Richmond, VA 23219 (the "Building")*

A sketch of the floor plan of the Premises and the Building is attached as Exhibit A attached hereto and incorporated herein by this reference. Tenant shall also be entitled to use of its pro rata share of unreserved and unmonitored parking spaces in the parking lot located adjacent to the Building.

1. **LANDLORD WARRANTY.** Landlord warrants that to the best of Landlord's Knowledge, 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 the County of Henrico. The County of Henrico in its capacity as fiscal agent for the Capital Region Workforce Partnership is responsible for the leasing of space for the use of for-profit, non-profit and governmental entities that provide services pursuant to the Workforce Investment Act of 1998 ("WIA"), 29 U.S.C. § 2810 *et seq.*. The County, 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 of the entities described above as designated by Tenant (herein, "Occupant" or, collectively, "Occupants"), and that such designation may change

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over the 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).

(b) Permitted Uses. The Premises shall be used for delivery of services pursuant to WIA 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 permitted use and the zoning regulations and ordinances applicable to the Building.

3. **TERM.** The Term of this Lease (the "Term") shall be ninety six (96) months, beginning on November 1, 2012, (the "Commencement Date") and terminating on October 31, 2020 (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 Term following occurrence thereof in the form attached hereto as Exhibit B; provided, however, that failure to execute such certificate of lease commencement shall not affect the commencement or expiration of the Term or any of the other matters listed thereon.

4. **RENT.**

(a) Amount and Payment. Tenant shall pay Landlord as Rent the sum of Base Rent plus Energy Costs. For the first year of the Term, Base Rent shall be Two Hundred and Twenty Seven Thousand Eight Hundred and Thirty Five and 00/100 Dollars (\$227,835) and Energy Costs shall be Ten Thousand Eight Hundred and Five and 50/100 Dollars (\$10,805.50) as Energy Costs for a total Rent of Two Hundred Thirty Eight Thousand Six Hundred and Forty and 50/100 Dollars (\$238,640.50) (the "Rent"), in monthly installments of Nineteen Thousand Eight Hundred Eighty Six and 71/100 dollars (\$19,886.71), payable in advance, due on the first day of the month commencing on November 1, 2012, and each month thereafter for the first 12 months of the Term. For the remaining months of the Term, Rent shall increase annually as provided in Section 4(g). The payment of all Rent shall be made payable to **PBC Cary Street, LLC** and mailed to:

(Name) c/o Bank Street Advisors

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BAT

(Address) 10120 W. Broad Street, Suite J  
Glen Allen, VA 23060

or to such other person or entity or at such other address as Landlord may designate from time to time by written notice to Tenant.

- (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 janitorial expenses, with no pass-throughs; provided however, that Tenant agrees to pay as additional Rent to Landlord all expenses associated with services provided to Tenant or any Occupant(s) outside of Tenant's hours of operation set forth in Section 6(h) below, such additional Rent due and payable as Rent pursuant to the schedule set forth in Section 4(a) of this Lease.
- (c) Security Deposit. No security deposit shall be required.
- (d) Intentionally Omitted.
- (f) Cable Installation. Tenant shall have rent-free access during construction to install cabling prior to Landlord's contractor's enclosure of walls and ceilings, provided that Tenant's contractors shall coordinate their work and not interfere with Landlord's contractors; provided, however, that Landlord, in Landlord's sole discretion, may require that Tenant, at Tenant's sole cost, shall remove any such cabling, and make any repairs after such removal, upon the expiration or earlier termination of this Lease.
- (g) Escalation. Commencing on the first twelve (12) month anniversary of the Rent Commencement Date of the Lease and on each and every succeeding anniversary date thereafter the Base Rent for the Premises shall increase by three percent (3%) per annum over the rate charged for the immediately preceding twelve (12) months. The Energy Cost is not subject to escalation and shall remain Ten Thousand Eight Hundred and Five and 50/100 Dollars (\$10,805.50) for each year of the Term.
- (h) Late Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of Base Rent, Energy Costs or Additional Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within ten (10) days after paid amount is due then Tenant shall immediately pay to Landlord a late charge equal to ten percent (10%) of such over due amount or the sum of One Hundred Dollars (\$100.00), whichever is greater. The parties hereby agree that such late charge

represents a fair and reasonable estimate of the cost Landlord will incur by reason of late payment by Tenant and is in addition to interest due under Section 18(d) below. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, or prevent Landlord from exercising any of the other rights and remedies granted hereunder.

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 Term, and any renewals or extensions thereof.
- (b) Building and Occupancy Codes; Condition Suitable for Intended Use. On the Commencement Date, Landlord shall, to the best of Landlord's knowledge, 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, and its employees, agents and contractors, shall have the right to enter and pass through any part of the Building, (i) without prior notice, in the case of an emergency and to provide routine services consistent with this Lease, and (ii) at any time for any reason upon twenty-four (24) hours' advance notice.
- (d) Asbestos. Landlord covenants that, to the best of Landlord's knowledge, (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 abated 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.
- (e) Delivery. If the Landlord shall be unable to give possession of the Premises on the date of the commencement of the Term hereof by reason of the holding over of any Tenant or Tenants or for any cause beyond the control of the Landlord (other than extra work undertaken by the Landlord for the Tenant), then Tenant shall be entitled to a reimbursement of Rent pro-rata on a day-for-day basis, such reimbursement in full satisfaction for the failure of the Landlord to give possession of the Premises on the said date, and to the exclusion of all claims and rights which the Tenant might otherwise have by reason of possession of the entire Premises not being given on the said date. If Landlord is unable to give



possession due to extra work undertaken at Tenants request then Tenant shall not be entitled to any reimbursement of Rent.

If Tenant shall occupy the Premises prior to the Commencement Date of this Lease with Landlord's consent, all the provisions of this Lease shall be in full force and effect as soon as Tenant occupies the Premises and the Lease Expiration Date shall not change.

- (f) Environmental. Tenant and Tenant Parties (as defined below) shall not use, generate, manufacture, produce, store, release, discharge or dispose of on, in, about or under the Premises or transport to or from the Premises any hazardous materials as defined in applicable environmental laws, rules and regulations, or allow any other person or entity to do so, other than in compliance with all applicable environmental laws, rules and regulations. Tenant and Tenant Parties shall comply with all local, state and federal laws, ordinances and regulations relating to hazardous materials used by Tenant and Tenant Parties in connection with its business. Landlord and Tenant shall promptly notify the other should it receive notice of, or otherwise become aware of, any: (a) pending or threatened environmental regulatory action in any way related to the Building or the use thereof; (b) claims made or threatened by any third party relating to any loss or injury resulting from any hazardous material; or (c) release or discharge, or threatened release or discharge, of any hazardous material in, on, under or about the Building, including the Premises.

## 6. MAINTENANCE.

- (a) Condition at Commencement Date. Landlord warrants that on the Commencement Date, to the best of Landlord's knowledge after inspection, 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 Term of this Lease, or any extension or renewal thereof, to comply with the provisions of applicable 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 or its agent, employees, contractors or invitees, Occupant(s) or its agent, employees, contractors or invitees (collectively the "Tenant Parties"), any of such Tenant Parties are found

by a court of competent jurisdiction to be liable for such acts, or the County consents that any of such Tenant Parties are 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 service. Landlord shall cause the HVAC System to provide a temperature throughout the Building of not less than 69° F nor more than 75° F year round, during regular business hours of the Occupants, as provided in Section 6(h) herein. This subsection shall not apply if the necessity for compliance with this subsection arises from a grossly negligent or willful act of Tenant or the Tenant Parties, any of such Tenant Parties are found by a court of competent jurisdiction to be liable for such damage, or the County consents that any of such Tenant Parties are so liable.
- (d) **Other Maintenance.** All other necessary or required maintenance, repairs and replacements to the Premises, including the parking areas and landscaping, 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 reasonably necessary for such maintenance. Landlord shall provide janitorial services to the Building five (5) days per week, exclusive of State holidays if the Occupant(s) will not be open for business. Specifications for janitorial services are set out in Exhibit E. Janitorial services of a disruptive nature, such as washing/waxing floors and vacuuming, shall be performed after regular business hours, as defined in Section 6(h) herein.
- (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 any of the Tenant Parties.
- (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 forty-five (45) days following such notice, then Tenant, with a second written notice to Landlord, may proceed to make, or cause to be made, such reasonable upkeep, repair and maintenance, at Landlord's expense. Landlord shall reimburse Tenant for the actual, reasonable cost thus incurred by Tenant in fulfilling Landlord's obligations under this Lease. No reimbursement shall accrue 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.

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 reasonable 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; provided however, that with respect parking areas, Landlord shall not be required to remove snow and/or ice until the accumulation of such snow and/or reaches two (2) inches in depth.
- (h) Access. Tenant and Occupants shall have access to the Building 24 hours a day, 365 days a year; provided, however, that Tenant's and Occupant(s)' hours of operation shall be 7:30 a.m. through 9:00 p.m., Monday through Friday, exclusive of State holidays and 7:30 a.m. through 5 p.m. on Saturdays.

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

- (a) Obligation to Repair and Restore. If the Premises or any part thereof shall be damaged or destroyed by fire or any other cause during the Term of this Lease Landlord shall repair and restore the Building as promptly as possible to its former condition, but in any event within one hundred and twenty (120) days following the date of any casualty. Tenant shall be entitled to reimbursement of Rent pro rata on a day-for-day basis 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. Tenant shall be entitled to no reimbursement of Rent with respect to any portion of the Premises in which Tenant or Occupant(s) is/are able to conduct its business. 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.

- (b) Plans upon Casualty. Upon the happening of a casualty for which Section 7(a) 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 non-structural alterations and additions to the Premises as Tenant deems proper. Tenant, however, shall not make any structural alterations of the roof, foundation, supporting columns/walls or exterior walls of the Building without the prior written consent of Landlord, unless made pursuant to Section 6(f). Tenant, at its sole cost and expense, may install fixtures, partitions and make such other non-structural improvements as Tenant may deem proper. The title and ownership of materials used in such non-structural alterations and additions, and all fixtures, partitions, and other non-structural 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 non-structural 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 non-structural 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. 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 Exhibit A (the Final Space Plan) attached to this Lease and building standard improvements, as may be changed by change order signed by Landlord and Tenant (the "Tenant Improvements"). In addition, Landlord shall perform and complete the construction, improvements, and/or other work, and shall make such other repair, replacement or renovation as may be necessary to bring the Building in conformance with the Tenant Improvements. Notwithstanding any provision to the contrary contained herein, the Landlord does not covenant, represent or warrant to Tenant that Premises shall meets any building code or zoning requirements necessary to permit Tenant or Occupant(s) to use the Premises for its permitted uses. As used herein "Improvements" shall mean the Tenant Improvements and the Base Building Improvements. 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, after the effective date of this Lease, Landlord shall pay for the space planning services, to include the first draft and one (1) substantive

revision of 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, water and sewer, janitorial service and interior trash removal. Landlord shall also permit Tenant or a telecommunications company to install, telecommunications connections from the public right of way through the Building to the Premises, subject to the provisions of Section 4(f) of this Lease; provided, however, that the Landlord has approved any such installation, such installation is performed in a good and workmanlike manner, such installation shall not materially damage the structure or appearance of the Building, and no other tenants of the Building shall be disturbed. 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 reimbursement for the per diem Rent for each day that such interruption or discontinuance caused by Landlord or Landlord's agent 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 reimbursement from Landlord of the amount of such payment to the provider.
- (b) Real Estate Taxes. Landlord shall be responsible for all real estate taxes applicable to the Premises.
- (c) Landlord Insurance. Landlord, at Landlord's expense, shall keep the Building insured against damage and casualty loss, under a broad form extended coverage or similar property loss policy. In addition, Landlord shall maintain general commercial liability insurance sufficient to ensure reasonable financial responsibility in the event of liability for injury, loss or damage at the Building.
- (d) Tenant Insurance. Tenant shall obtain and maintain in full force during the Term of this Lease a policy of comprehensive general public liability insurance with respect to the Premises, insuring against loss, damage or liability for injury to or death of persons and loss or damage to property occurring from any cause whatsoever in, upon or about the Premises and the Building. Such policies of liability insurance shall name Landlord and its designated property manager as an additional insured and shall be in amounts and afford coverage against perils all as is reasonably required from time to time by Landlord. Coverage shall initially be in the amount of at least One Million and 00/100 Dollars (\$1,000,000.00) per

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occurrence, with an aggregate limit of at least Two Million and 00/100 Dollars (\$2,000,000.00).

10. **INDEMNIFICATION.** To the extent permitted by applicable laws, rules, and regulations, Tenant shall indemnify, defend and hold Landlord, its agents and employees, harmless from and against any and all liabilities, claims, demands, costs and expenses of every kind and nature (including reasonable Landlord's attorneys' fees and the attorneys fees of any third party asserted against Landlord) directly or indirectly attributable to Tenant's or any Tenant Parties' failure to comply with any representation, warranty or covenant of Tenant in this Lease, including, without limitation: (a) all consequential damages; and (b) the costs of any required or necessary repair, cleanup or detoxification of the Premises or surrounding area, and the preparation and implementation of any closure, remedial or other required plan. The indemnity contained in this Section 10 shall survive the termination or expiration of this Lease. Landlord understands that under current Virginia law, Tenant cannot indemnify or hold harmless Landlord or any third party.

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 and any renewal terms, Landlord covenants that, to the best of its knowledge, with respect to the Premises solely upon delivery of the Premises to Tenant, and with respect to the common areas of the Building exclusive of the Premises during the Term or any extension thereof, it has fully complied, and shall continue to fully 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.

- (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 so long as Tenant is a political subdivision of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences on or about the Premises, including product liability, the Tenant is either (i) constitutionally immune (or partially immune) from suit, judgment or liability, except as permitted by applicable law, (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 Tenant from tort or other liability, except as permitted by applicable law.
- (b) No Indemnification. Landlord understands and acknowledges that Tenant has not agreed to provide any indemnification or save harmless agreements running to Landlord except to the extent permitted by applicable law, rules and regulations. Landlord further understands that under current Virginia law, Tenant cannot indemnify or hold harmless Landlord or any other third party.
- (c) Choice of Law. This Lease shall be governed by, and construed according to, the laws of the Commonwealth of Virginia. The parties choose the County of Henrico, Virginia, 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 designate such other agency or institution as an Occupant for that portion of the Premises, subject to the provisions of Section 2 of this Lease.
- (e) Non-Appropriation. The County of Henrico cannot expend funds unless appropriated by the Henrico County Board of Supervisors and may not obligate a future session of the Board of Supervisors. 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 Henrico County

Board of Supervisors fails to appropriate funds for the continuance of this Lease for all Occupants, and 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, and Tenant and any Occupant(s) shall not have the right to occupy or possess the Premises; provided, however, Tenant warrants and represents: (i) that Rent with respect to the first twelve (12) months of the Term has been duly appropriated by the applicable authorities, and (ii) if at any time funds are not appropriated by the applicable authorities, Tenant shall pay Landlord, as additional Rent, an amount equal to the sum of the unamortized (x) leasing commissions paid by Landlord with respect to this Lease, plus (y) cost of all Tenant Improvements performed by Landlord pursuant to this Lease. For purposes of this sub-section, the Tenant and Landlord agree that an interest rate of eight percent (8%), shall be used for determining amortization.

13. **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 affect of the taking.

14. **SIGNAGE.** Landlord shall permit one (1) building standard interior Tenant sign. Tenant shall be solely responsible for the cost and installation of such sign and any additional signage desired by Tenant, such sign and such additional signage subject to Landlord's approval and all applicable laws, rules, and regulations.

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

- (a) Intentionally Omitted.

EM  
EAT



- (b) Intentionally Omitted.
- (c) Intentionally Omitted.
- (d) Holdover. Tenant agrees that at the expiration of this Lease, it will deliver to Landlord peaceable possession of the Premises. No holding over by Tenant nor acceptance of Rent or other charges by Landlord shall operate as a renewal or extension of the Lease without the written consent of Landlord. 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, provided however, that the monthly installments of Rent payable by Tenant during this period shall One Hundred Fifty Percent (150%) of the monthly installment of Rent payable by Tenant in the final month of the Term. 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, as reasonably determined by Landlord.
- (f) Posting of Notice. After notice of termination has been properly given by either party, Landlord may elect to post notices in, on or about the Premises and the Building 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.

**16. NOTICES.**

- (a) To Tenant. All notices (except as provided in Sections 5(c) and 17) 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:

County Manager  
Attn: Virgil R. Hazelett, P.E.  
County of Henrico, Virginia  
4301 E. Parham Rd.  
Henrico, Virginia 23228-2745

With a copy to:

Real Property Department

Attn: Director  
County of Henrico, Virginia  
4300 E. Parham Rd.  
Henrico, Virginia 23228-2752

- (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:

PBC Cary, LLC  
c/o Bank Street Advisors  
10120 West Broad Street  
Suite J  
Glenn Allen, Virginia 23060  
Attn: Edward W. Brown

with a copy to:

PBC Cary, LLC  
505 South Flagler Drive  
Suite 1400  
West Palm, Florida 33401  
Attn: Nate Wood

- (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 if (i) any such address above shall change and (ii) if any party to this lease shall change its name or assign its interest in the Lease voluntarily or otherwise, 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).

17. **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. 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.

18. **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 non-monetary 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.

(c) Event of Default. In addition to any other events specifically referenced in this Lease, any of the following events shall be deemed to be an "Event of Default" by Tenant under this Lease:

(1) If Tenant shall fail to pay any installment of the Rent, additional Rent or Energy Costs within ten (10) days of the due date thereof.

(2) If Tenant shall fail to comply with any term, provision or covenant of this Lease, and if such failure shall continue for more than thirty (30) days after written notice thereof to Tenant; provided, however that if such Event of Default cannot reasonably be cured in such thirty (30) day period, then Tenant shall have such additional time as may reasonably be necessary to prosecute such cure, so long as Tenant commenced such cure within such thirty (30) day period and diligently pursues the cure thereafter as set forth in Section 18(b) above.

- (3) If Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
  - (4) If Tenant shall file a petition under any section or chapter of the Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof, or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder.
  - (5) If a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant and such receiver or trustee shall fail within a reasonable time to (a) affirm this Lease, (b) provide adequate assurances as to its ability to perform all of the terms and conditions of this Lease or as receiver or trustee for Tenant, (c) cure all defaults, and (d) pay all damages incurred by Landlord as a result of Tenant's defaults.
  - (6) If the Premises are vacated or abandoned by Tenant without the written consent of Landlord.
- (d) Interest on Past Due Monetary Obligations; Certified Funds. Except as may expressly be provided in this Lease to the contrary, any amount due to Landlord not paid when due shall bear interest at the rate of ten percent (10%) per annum, provided, however, that the payment of such interest shall in no event exceed the highest rate allowed under applicable law. Payment of such interest shall not excuse or cure any default by Tenant under this Lease. In the event that either Tenant is more than ten (10) days late in making any payment due under the Lease, or any payment from Tenant to Landlord does not clear the bank or is returned for insufficient funds, and either such condition occurs on two or more occasions, or each occurs once, Landlord shall have the right at any time thereafter to require that all succeeding monthly installments of Base Rent and all succeeding payments of Additional Rent be paid to Landlord in certified funds drawn on a bank located in the metropolitan area in which the Premises are located. Said right may be exercised by Landlord by giving notice of such requirements to Tenant, but the giving of such notice and the exercise of this right by Landlord shall not be construed to be a waiver of any default by Tenant or any other right which Landlord may exercise under this Lease.

19. **TELECOMMUNICATIONS EQUIPMENT.** Subject to all applicable federal, state and local laws, including zoning ordinances, Tenant shall have the right to install on or about the Premises telecommunication equipment ("Telecommunications Equipment") as reasonably necessary for the operations of each Occupant in the Building. Any related Telecommunications Equipment shall be placed within the Building. Prior to any such installation, the specifications and location of the Telecommunications Equipment shall be subject to Landlord's approval. Landlord may establish reasonable rules relating to the manner of installation thereof so as to not interfere with the structural integrity of the Building. Tenant shall be responsible to assure that the installation, maintenance, operation and removal of such Telecommunications 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 Telecommunications Equipment. In the event that any Telecommunications Equipment is not removed by Tenant within ninety (90) days after the expiration of this Lease, then Landlord, at Landlord's option, shall (a) become the rightful owner of such Telecommunications Equipment, and Tenant shall execute necessary documentation to evidence the conveyance of such Telecommunications Equipment to Landlord, or (b) Landlord shall be entitled to remove such Telecommunications Equipment at Tenant's sole cost and expense.

20. **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.
21. **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 permit occupancy of the Premises by entities providing WIA services pursuant to the terms of Sections 2 and 12.
22. **BROKERAGE.** Tenant warrants that it has had no dealings with any broker or agent in connection with this Lease, except as set forth below. Tenant and Landlord hereby confirm the following:  
Landlord shall pay the Bank Street Advisors, Landlord's broker, a six percent (6%) commission for its services hereunder upon execution of this Lease by both Landlord and Tenant. Further, Landlord shall pay Landlord's broker a two percent (2%) commission on any expansion, extension, or renewal of this Lease, including any assignment of Lease to another Tenant. All parties to this transaction acknowledge that Edward W. Brown is a both a principal of Landlord and a licensed real estate broker in the Commonwealth of Virginia
23. **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.
24. **COUNTERPARTS.** This Lease may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.
25. **ESTOPPEL, NON-DISTURBANCE, SUBORDINATION, AND ATTORNMENT.**
  - a. **Subordination.**
    - (1) This Lease and Tenant's interest hereunder shall be, at the option of the beneficiary (the "Mortgagee") of any deed of trust or security instrument's (the "Mortgage") collateral agent, subordinate to or superior to the lien of

any made by Landlord. Subject to the non-disturbance requirement set forth in Section 25(b) below, if at any time or from time to time during the Term and any extension thereof, a Mortgagee or prospective Mortgagee, or a collateral agent therefor, 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 twenty (20) days after receipt of a written request therefor from Landlord, it will, from time to time, execute and deliver any instrument or other document reasonably 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 and any extension thereof, 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 twenty (20) days after receipt of a written request therefor from Landlord, execute, acknowledge and deliver any and all documents and instruments confirming the priority of this Lease reasonably requested by Landlord or its Mortgagee.

- (2) Subject to the non-disturbance requirement set forth in Section 25(b) below, 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 twenty (20) days after receipt of a written request therefor from Landlord, it will, from time to time, execute, acknowledge and deliver any instrument or other document reasonably required by any such lessor to subordinate this Lease and its interest in the Premises to such ground or underlying lease.

B. Non-Disturbance. In any instance where the Lease is subordinate to a mortgage, ground lease, or otherwise, consistent with the foregoing Section 25(a), Landlord covenants and agrees to provide a non-disturbance agreement and any subordination hereunder is conditioned upon, confirming that Tenant's possession and quiet enjoyment of the Premises under the Lease, and Tenant's right to continue under this Lease in accordance with its terms, shall remain in full force and effect for so long as Tenant is not in default hereunder, beyond all applicable cure periods.

C. 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 written 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 any extension thereof, 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 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.

26. **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

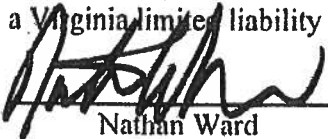
Exhibits:            A            Final Space Plan  
                          B.            Form Certificate of Commencement  
                          C.            Janitorial Specifications

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*[Remainder of Page Intentionally Blank]*

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

**LANDLORD: PBC CARY, LLC**  
a Virginia limited liability company

By:   
Nathan Ward  
Title: Manager

STATE OF FLORIDA  
CITY/COUNTY OF PALM BEACH, to wit:

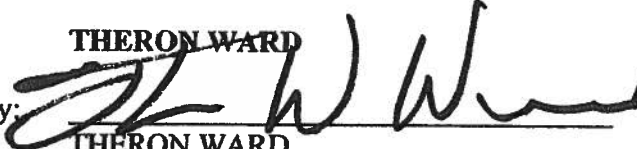
The foregoing Deed of Lease was acknowledged before me this 31<sup>st</sup> day of May, 2012 by Nathan Ward acting in his/her capacity as Manager of PBC CARY, LLC, a Virginia limited liability company, on behalf of the limited liability company.

My commission expires: 4/20/14  
Registration No. DD983866

  
Notary Public

NOTARY PUBLIC-STATE OF FLORIDA  
Danielle Ferrera  
Commission #DD983866  
Expires: APR. 20, 2014  
BONDED THRU ATLANTIC BONDING CO., INC.

**LANDLORD: THERON WARD**

By:   
THERON WARD

STATE OF FLORIDA  
CITY/COUNTY OF PALM BEACH, to wit:

The foregoing Deed of Lease was acknowledged before me this 31<sup>st</sup> day of May, 2012 by THERON WARD.

My commission expires: 4/20/14  
Registration No. DD983866

  
Notary Public

NOTARY PUBLIC-STATE OF FLORIDA  
Danielle Ferrera  
Commission #DD983866  
Expires: APR. 20, 2014  
BONDED THRU ATLANTIC BONDING CO., INC.



Lease No. \_\_\_\_\_

LANDLORD: **DARLENE WARD**

By: *Darlene Ward*  
DARLENE WARD

STATE OF FLORIDA  
CITY/COUNTY OF PALM BEACH, to wit:

The foregoing Deed of Lease was acknowledged before me this 31<sup>st</sup> day of May, 2012 by DARLENE WARD.

My commission expires: 4/20/14  
Registration No. DD 983814

*[Signature]*  
Notary Public

NOTARY PUBLIC-STATE OF FLORIDA  
Danielle Ferrera  
Commission #1D983866  
Expires: Apr. 20, 2014  
BONDED THRU ATLANTIC BONDING CO., INC.

TENANT: **COUNTY OF HENRICO, VIRGINIA**, a political subdivision of the Commonwealth of Virginia

By: *Virgil R. Hazelett*  
Virgil R. Hazelett, P.E.  
Title: County Manager

COMMONWEALTH OF VIRGINIA  
COUNTY OF HENRICO, to wit:

The foregoing Deed of Lease was acknowledged before me this 6<sup>th</sup> day of June, 2012 by Virgil R. Hazelett, P.E. acting in his capacity as County Manager of the County of Henrico, Virginia.

My commission expires: 4/30/2013  
Registration No. 221356

*Valerie G. Abernathy*  
Notary Public

**APPROVED AS TO FORM**

*[Signature]*  
Asst. COUNTY ATTORNEY



## Attachment A

GENERAL TERMS AND CONDITIONS FOR WORK TO BE PERFORMED BY  
LANDLORD

This Attachment shall apply to all work to be performed by Landlord for the benefit of Tenant at the Premises, pursuant to Section 8(b) of the Lease.

- (a) Landlord, shall, at Landlord's sole cost and expense, perform and complete all tenant improvements to the Premises as specified in Exhibit A and Exhibit C attached to the Lease (the "Tenant Improvements"), including the preparation of all final plans and specifications. All of the work to be performed by Landlord pursuant to the foregoing (including any additional work necessary to meet any building code or zoning requirements) shall be referred to herein as the "Work."
- (b) Landlord shall execute a contract to perform the Work within two weeks of the approval of the construction drawings by both Landlord and Tenant. If Landlord fails to execute the contract in a timely manner, Tenant shall have the right to terminate the Lease upon written notice to Landlord, provided that (A) Tenant did not consent in writing to the delay in executing the contract and (B) the termination notice is received by Landlord prior to Landlord's execution and delivery of the contract.
- (c) Upon execution of the construction contract, Landlord shall use its best efforts to expeditiously and substantially complete the construction of the Work to prepare the Premises for Tenant's possession, in a professional and competent manner using good quality materials. Landlord agrees to provide Tenant with at least twenty-eight (28) days advance written notice of the anticipated substantial completion of the Work. From the commencement of this twenty-eight (28) day period through the date Tenant takes possession of the Premises, Tenant shall have the right to enter the Premises for the installation of furniture, fixtures, equipment and telecommunications connections, as well as making any alterations or tenant improvements that are not being made by Landlord. Tenant's agents will coordinate their activities with Landlord's contractor so as not to interfere with the work being performed by Landlord. Tenant shall not be liable for payment of Rent prior to Tenant's taking possession of the Premises.
- (d) Upon the later of the substantial completion of the Work or the expiration of the twenty-eight (28) day period, Tenant shall, within three (3) business days thereafter, conduct a walk-through inspection to determine if there are deficiencies in the Work. The walk-through inspection may be conducted earlier if agreed by both Landlord and Tenant. If, as of the walk-through inspection, Tenant finds: (A) that all Work has not been satisfactorily completed, in the good faith opinion of Tenant, (B) that any of the Work has not been performed in a good and workmanlike manner or has been done with poor quality or used materials, or (C) that all required building inspections or approvals applicable to the Work have not been properly obtained, then Tenant may determine that the Work is not substantially complete and refuse to accept the Premises at that time. All

deficiencies (as described above) shall be specified in writing to Landlord. Landlord shall correct all deficiencies within fourteen (14) days of receipt of Tenant's notice. Tenant shall not be obligated to accept the Premises until the deficiencies are satisfactorily corrected. Alternatively, without waiving any other rights under the Lease or this Attachment or Tenant's remedies under law, Tenant may accept the Premises and provide Landlord with a written punch list of minor items that need correction, but which will not prevent Tenant taking possession of the Premises. Landlord agrees to correct all such punch list items within fourteen (14) days after receipt of the written punch list. If the punch list items are not corrected within said fourteen (14) day period, then Tenant may, but is not obligated to, correct all punch list items with its own resources. Acceptance of the Premises shall not be construed as Tenant's waiver of: (AA) any defect or condition not reasonably known to Tenant prior to its occupancy of the Premises that may interfere with Tenant's use and enjoyment of the Premises unless Landlord has given Tenant actual written notice thereof; or (BB) any obligation of Landlord to maintain and repair the Premises.

- (e) Tenant shall take possession of the Premises, and Rent shall commence to accrue (subject to any abatement thereof), on the later of (A) the date first set out in Section 3 of the Lease or (B) the date the Tenant accepts the Work in accordance with "(d)" above or (C) if the Work includes the installation of new carpeting or flooring or construction of a telecommunications room, then the fifteenth day following completion of such installation or construction. If possession is established pursuant to "(A)" above or is otherwise on the first day of a month, then such day shall be the Commencement Date. Otherwise, the Commencement Date shall be the first day of the first month after the date of possession. If the Commencement Date is later than the date first set out in Section 3 of the Lease, the Termination Date shall be changed so that the length of the Term remains unchanged. If the Rent commences to accrue on a day other than the first day of a month, the Rent shall be prorated for the remainder of that month, with payment for such prorated period due with the first full month's payment of Rent.
- (f) Intentionally Omitted.
- (g) Change Orders

(1) Upon Tenant's written request for any change to the Work, Landlord shall notify Tenant of the extent by which the same shall delay or shorten the time for substantial completion of the Work, and Tenant shall either (A) withdraw its request for such change or (B) reaffirm its request for such change. Tenant's affirmation of such request shall be deemed an acknowledgement of the effect on construction time, with the effect that the date first specified in Section 3 of the Lease shall be modified by adding the number of days specified by Landlord.

(2) In addition to the requirements of Section (g)(1), upon Tenant's written request for any change, Landlord shall notify Tenant of the extent by which the same shall increase or decrease the cost of the Work, and Tenant shall either (A) withdraw its request for such change or (B) reaffirm its request for such change. Tenant's

affirmation of such request shall be deemed an acknowledgement of the effect the change has on the cost of the Work and Tenant's responsibility for such cost. Nevertheless, if the payment of such amount is not expressly authorized by the Lease or an existing amendment thereto, then the change order shall be withdrawn unless a new amendment authorizing the payment of such amount is approved and executed by all parties with the same formality as the Lease.

- (3) Tenant shall be responsible for the cost of its proposed change orders only to the extent that the net effect of all such change orders increases the total cost of the Work as evidenced by the contracts entered into by Landlord, which shall be provided to Tenant if so requested.
- (4) Landlord may propose changes to the work, in writing, subject to the approval of Tenant, which may be withheld in its reasonable discretion. Landlord's proposal shall state the effect the change will have on the date of completion of the Work. No such change shall be deemed a Tenant Delay, and any cost associated with such change shall be borne by Landlord. If any such change shall result in a cost decrease, then the amount of such decrease shall be available to Tenant to apply to any change order proposed by Tenant, and Tenant shall not be liable to reimburse Landlord for such amount.
- (5) Landlord shall provide to Tenant documentation showing the effect of all change orders on the cost of construction, and payment thereof by Landlord to the contractor. Any amount due from Tenant to Landlord shall be due and payable within thirty (30) days following Tenant's acceptance of the Premises, subject to Landlord providing to Tenant documentation that Landlord has paid the contractor in full.

### FINAL SPACE PLAN

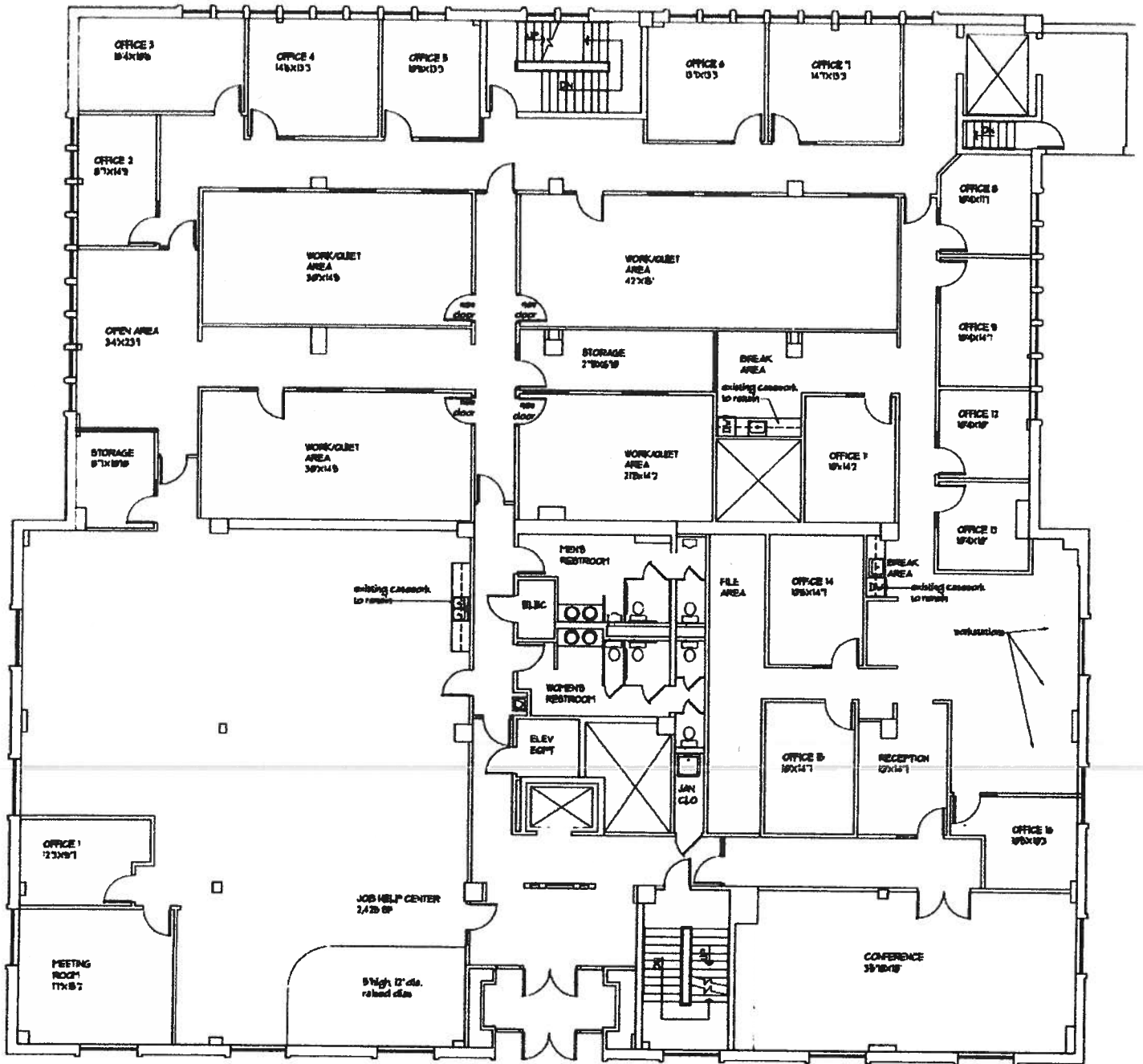


Exhibit C

Janitorial Specifications

**Tasks and Frequency of Service**

**5x Weekly General Cleaning:**

- Trash removal/replace liners as needed.
- Vacuum all exposed carpeted areas
- Sweep or dust mop all tile floors
- Damp mop all tile floors
- Dust all reasonably exposed horizontal surfaces
- Clean entrance/exit door glass

**5x Weekly Restroom Cleaning:**

- Thoroughly clean and sanitize all fixtures and counters
- Mirrors and chrome to be cleaned and polished
- Stall partitions will be spot cleaned
- Floors will be swept and damp mopped with a sanitizing cleaner
- Paper products will be supplied by Landlord for reasonable office sanitation purposes
- Hand soap will be supplied by Landlord for reasonable office sanitation purposes

**Monthly General Cleaning:**

- All carpeted floors will be edged
- All exposed baseboards will be dusted
- Tops of picture frames, door frames and bottoms of chairs will be dusted.

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**Janitorial staff will adhere to all holidays.**

| 203 E. Cary Workforce Center<br>Space Allocation |                    |                     |  |                                       |                 |                    |                         |
|--|--------------------|---------------------|--|---------------------------------------|-----------------|--------------------|-------------------------|
| Rm. #  | Room Name          | Size<br>(SEE Notes) | Sq. Footage                                | Space Type                            | Total<br>Common | Total<br>Dedicated | Total City<br>Exclusive |
| 1  | Resource Center    | 57'-9" x 49'-7"     | 2863                                       |                                       |                 |                    |                         |
| 01-1   | Resource Center-A  | 14'-4" x 6'-0"      | 86   | Common                                | 86              |                    |                         |
| 01-2   | Resource Center-B  | 4'-9" x 6'-0"       | 29   | Common                                | 29              |                    |                         |
| 01-3   | Resource Center-C  | 6'-0" x 51'-9"      | 246  | Common                                | 246             |                    |                         |
| 01-4   | Resource Center-D  | 30'-6" x 7'-3"      | 216  | Common                                | 216             |                    |                         |
| 01-5   | Resource Center-E  | 6'-3" x 12'-0"      | 75   | Common                                | 75              |                    |                         |
| 01-6   | Resource Center-F  | 6'-3" x 12'-0"      | 75   | Common                                | 75              |                    |                         |
| 01-7   | Resource Center-G  | 18'-0" x 12'-0"     | 216  | Dedicated                             |                 | 216                |                         |
| 01-8   | Resource Center-H  | 30'-6" x 38'-8"     | 1179                                       | Dedicated                             |                 | 1179               |                         |
| 01-9   | Resource Center-I  | 14'-4" x 26'-9"     | 383  | Dedicated                             |                 | 383                |                         |
| 01B  | Resource Assm't    | 15'-2" x 14'-4"     | 217  | Common                                | 217             |                    |                         |
| 01C  | Resource Office    | 9'-10" x 14'-4"     | 141  | Common                                | 141             |                    |                         |
|  | <b>Subtotal:</b>   |                     | <b>2863</b>                                |                                       | <b>1085</b>     | <b>1778</b>        | <b>0</b>                |
| 02   | Storage            | 10'-11" x 8'-7"     | 94   | Dedicated                             |                 | 94                 |                         |
| 03   | Huddle             | 20'-2" x 13'-4"     | 269  | Common                                | 269             |                    |                         |
| 04   | Computer Classroom | 14'-5" x 30'-0"     | 433  | Common                                | 433             |                    |                         |
| 05   | Computer Classroom | 15'-0" x 30'-0"     | 450  | Dedicated                             |                 | 450                |                         |
| 06   | General Classroom  | 21'-6" x 21'-8"     | 466  | Dedicated                             |                 | 466                |                         |
| 07   | General Classroom  | 15'-0" x 42'-0"     | 360  | Dedicated                             |                 | 360                |                         |
| 08   | Office             | 14'-9" x 8'-7"      | 127  | Dedicated-Excl.                       |                 | 127                | 127                     |
| 09   | Office             | 10'-7" x 18'-0"     | 191  | Dedicated-Excl.                       |                 | 191                | 191                     |
| 10   | Office             | 13'-4" x 14'-5"     | 192  | Dedicated-Excl.                       |                 | 192                | 192                     |
| 11   | Office             | 13'-3" x 10'-11"    | 145  | Dedicated                             |                 | 145                |                         |
| 12   | Office             | 13'-4" x 13'-2"     | 176  | Dedicated                             |                 | 176                |                         |
| 13   | Office             | 13'-4" x 14'-6"     | 193  | Dedicated                             |                 | 193                |                         |
| 14   | Office             | 11'-2" x 10'-4"     | 115  | Dedicated                             |                 | 115                |                         |
| 15   | Office             | 14'-2" x 10'-0"     | 142  | Dedicated                             |                 | 142                |                         |
| 16   | Office             | 10'-0" x 10'-4"     | 103  | Dedicated                             |                 | 103                |                         |
| 17   | Break              | 11'-9" x 7'-9"      | 91   | Common                                | 91              |                    |                         |
| 18   | Office             | 10'-0" x 10'-4"     | 103  | Dedicated                             |                 | 103                |                         |
| 19   | Office             | 10'-0" x 10'-4"     | 103  | Dedicated                             |                 | 103                |                         |
| 20   | Copy/Print         | 12'-0" x 16'-6"     | 198  | Dedicated                             |                 | 198                |                         |
| 21/22  | Workstations       | 14'-4" x 28'-9"     | 412  | Dedicated                             |                 | 412                |                         |
| 23   | Office             | 14'-4" x 10'-3"     | 147  | Dedicated                             |                 | 147                |                         |
| 24   | Office             | 14'-7" x 10'-6"     | 153  | Dedicated                             |                 | 153                |                         |
| 25   | Huddle             | 14'-9" x 10'-0"     | 148  | Dedicated                             |                 | 148                |                         |
| 26   | Filing             | 14'-7" x 6'-0"      | 88   | Dedicated                             |                 | 88                 |                         |
| 27   | Server             | 14'-9" x 6'-0"      | 89   | Common                                | 89              |                    |                         |
| n/a  | Lounge Seating     | 14'-9" x 5'-0"      | 74   | Dedicated                             |                 | 74                 |                         |
| n/a  | Lounge Circulation | 14'-9" x 5'-0"      | 74   | Common                                | 74              |                    |                         |
| 28   | Conference         | 18'-0" x 36'-0"     | 648  | Common                                | 648             |                    |                         |
|  | Women's            | 13'-4" x 21'-0"     | 280  | Common                                | 280             |                    |                         |
|  | Men's              | 9'-10" x 21'-8"     | 207  | Common                                | 207             |                    |                         |
|  | Circulation        |                     | 6055                                       | Common                                | 6055            |                    |                         |
| <b>TOTALS</b>                                    |                    |                     | <b>15189</b>                               |                                       | <b>9231</b>     | <b>5958</b>        | <b>510</b>              |
| <b>Master Lease SqFt Total:</b>                  |                    |                     | <b>15189</b>                               |                                       |                 |                    |                         |
|  |                    |                     |  | <b>City Exclusive:</b>                |                 |                    | <b>510</b>              |
|  |                    |                     |  | <b>Total Dedicated:</b>               |                 | <b>5958</b>        |                         |
|  |                    |                     |  | <b>City % of Total<br/>Dedicated=</b> |                 |                    |                         |
|  |                    |                     |  | <b>510/5958:</b>                      | <b>8.6%</b>     |                    |                         |
|  |                    |                     | <b>City % Share of Total Common Space=</b> |                                       |                 |                    |                         |
|  |                    |                     | <b>% x Total Common:</b>                   | <b>8.6% x 9231</b>                    | <b>790.17</b>   |                    |                         |





