LEASE AGREEMENT

THIS LEASE, made and entered into this 1st day of October, 2015, by and between the **COUNTY OF MONTGOMERY, VIRGINIA,** Grantor, hereinafter referred to as "the County", and the **NEW RIVER VALLEY EMERGENCY COMMUNICATIONS REGIONAL AUTHORITY,** Tenant, hereinafter referred to as "the Authority".

W I T N E S S E T H:

PREMISES

That for and in consideration of the payment by the Authority of the rent and their prorated share of operating expenses and the performance by the Authority of the covenants and agreements herein agreed to be performed by it, and in accordance with all of the provisions hereinafter set forth, the County does hereby lease, let and demise unto the Authority and the Authority does hereby take and lease from the County all that certain fourth floor of the Public Safety Building owned by the County located at 1 E. Main Street, Christiansburg, Virginia consisting of approximately 10,140 square feet of office space as shown on the attached drawing entitled "Montgomery County Public Safety Building Renovation, Fourth Floor Plan", dated 09/04/2012, which said drawing shall be made a part of this Agreement.

TERM

The term of this Lease shall be for a period of seventeen (17) years commencing on October 1, 2015, and ending on September 30, 2032.

RENT AND OPERATING EXPENSES

Commencing on the first day of the term and monthly thereafter during the term, the Authority shall pay to the County without demand and without notice as rent Fifteen Thousand, Five Hundred-Forty Dollars ($15,540) each month payable on the first day of October, 2015, and the first day of each month thereafter during the term of this Lease.

In addition to the monthly rent as aforesaid, for the term of this Lease commencing on October 1, 2015, the Authority agrees to pay as additional rent the Authority's monthly proportionate share of operating expenses (as defined herein). The County and Authority agree that the Authority's proportionate share of operating expenses shall be 17.36%. The percentage representing the Authority's share of operating expense is the percentage the demised premises bears to the total square feet of the Public Safety Building which is approximately fifty-eight thousand four hundred (58,400) square feet.

The Authority pro-rata share of operating expenses shall be billed by the County monthly with the Authority making such payment payable to the County within thirty (30) days after receipt of such statement.

The term "operating expenses", is defined as meaning any and all expenses incurred by the County in connection with the servicing, operation, maintenance and repair of the building and

related exterior appurtenances of which the demised premises is a part including, but not limited to electricity, water, sewer, maintenance contracts for HVAC, elevator, sprinklers, fire alarm, and generator, and the housekeeping janitorial services. The County and Authority agree that the Authority's proportionate share of the County's phone and internet expense shall be based on the percentage of Authority devices utilizing the County's phone and internet system to the total devices utilizing phone and internet services in the Public Safety Building. Phone and internet expenses shall not be included in the operating expenses determined by square footage. Operating expenses shall not include capital improvements. The County shall, upon Authority's request, submit statements of operating expenses and shall be certified by the County as true and correct to the best of the County's knowledge.

DAMAGE OR DESTRUCTION BY CASUALTY

If during the term of this Lease, the leased premises are damaged by fires, floods, windstorms, earthquakes, explosions, hurricanes, tornadoes, strikes, acts of public enemy, incidences of terrorism, wars or riots, civil disturbances, acts of God or other casualty so that the same are rendered unsuitable for the Authority's operations and if said premises cannot be repaired within sixty (60) days from the time of said damage, then this Lease shall terminate as of the date of such damage. In such case, the Authority shall pay the rent apportioned to the time of damage and shall immediately surrender the leased premises to the County who may enter upon and repossess the same and the Authority shall be relieved from further liability hereunder.

If any damage by any of the above casualties rendering the leased premises unsuitable for the Authority's operations can be repaired within sixty (60) days thereafter, the County agrees to repair such damage promptly and this Lease shall not be effected in any manner except that rent shall be suspended and shall not accrue from the date of such damage until such repairs have been completed.

If said premises shall be partially damaged by any of the above casualties as to partially render the premises unsuitable for the Authority's operations, the County shall repair the premises promptly and during the period from the date of such damage until the repairs are complete, the rent shall be apportioned so that the Authority shall pay as rent an amount which bears the same ratio to the entire monthly rent as the portion of the premises which the Authority is able to occupy without disturbance during such period bear to the entire premises. If the damage by any of the above calculations is so slight that the Authority is not disturbed in its possession and enjoyment of the premises then the County shall repair the same promptly and in that case the rent accrued or accruing shall not abate.

INSURANCE

The Authority shall carry insurance covering the Authority's interest in the leased premises, and improvements and contents therein, including but not limited to, fire, theft, breaking and entering, vandalism and malicious mischief. In addition, the Authority shall maintain throughout the Lease term comprehensive general liability insurance (including contractual liability coverage insuring the obligations assumed by the Authority pursuant to the paragraph entitled "Indemnification of County" and endorsement for personal injury) and all risk property

insurance. Such liability insurance shall be in the minimum amount typically carried by Authorities engaged in similar operations but in no event shall be in an amount less than Five Million Dollars combined single limit per occurrence and Five Million Dollars in the aggregate. All such insurance shall name the County, its Board, employees, volunteers and agents as additional insured, contain an endorsement that such insurance shall remain in full force and effect prohibiting cancellation, failure to renew, reduction in amount of insurance change of coverage, without the insurer giving the County thirty (30) days prior written notice of such action.

If the liability insurance purchased by the Tenant has been issued on a "claim made" basis, the Tenant must comply with the following additional conditions. The limits of liability and the extensions to be included as described previously in these provisions, remain the same. The Tenant must either (a) agree to provide certificates of insurance evidencing the above coverage for a period of two (2) years after final payment for the Agreement for General Liability policies. This certificate shall evidence a "retroactive date" no later than the beginning of the Tenant's work under this Agreement, or (b) purchase the extended reporting period endorsement for the policy or policies in force during the term of this Agreement and evidence the purchase of this extended reporting period endorsement by means of a certificate of insurance or a copy of the endorsement itself.

INDEMNIFICATION OF COUNTY

The Authority shall reimburse the County for and shall indemnify, defend and hold the County, its Board, its employees, volunteers and agents harmless from and against all costs, damages, claims, liability expenses (including attorney's fees), losses and court costs suffered by or claimed against the County directly or indirectly, based on or arising from out of in whole or in part from (a) use and occupancy of the premises or the operations conducted therein by the Authority; (b) any act or omission of the Authority or any invitee; (c) any breach of the Authority's obligations under this Lease, including failure to surrender the premises upon the expiration or early termination of the lease term.

LOSS OR DAMAGE TO PROPERTY OR PERSONS

All personal property belonging to the Authority, located on or about the premises shall be there at the sole risk of the Authority; and neither the County nor its agents shall be liable for the theft or misappropriation there of nor for any damage or injury thereto, nor for damage or injury to the Authority or any of its officers, agents or employees or to other persons or to any property caused by fire, explosion, water, gas, electricity, leaks from the roof or other portion of the Public Safety Building, the bursting or leaking of pipes, plumbing, electrical wiring and equipment or fixtures of any kind or by any act or neglect of other tenants or occupants of the Public Safety Building or due to any other cause whatsoever, unless resulting from the willful acts of the County, its employees, agents or representatives. The Authority shall give immediate notice to the County in case of fire or accident in the premises or of any defects, damage or injury therein or in any fixtures or equipment.

REPAIRS AND MAINTENANCE

The Authority shall keep in good repair and shall take good care of the premises and fixtures, therein located and at the expiration or earlier termination or cancellation of this Lease, shall surrender the premises and fixtures in as good condition as at the time of delivery, subject to reasonable wear and tear.

All injury to the building or fixtures caused by moving any property of the Authority, its agents, employees, independent contractors, licenses, invitees or visitors, as well as any other damage due to the neglect of the premises and/or fixtures located therein may be repaired by the County at the expense of Authority and such costs of repair shall become due and payable upon delivery of a statement of such costs by County to Authority. All other repairs including all structural repairs to the premises, the exterior of the premises and the common areas, if such repairs have not been necessitated by the act, fault or negligence of Authority or Authority's agents, shall be the sole responsibility of County.

All repairs performed by the County shall be at a time and in a manner so as not to unreasonably interfere with the Authority's normal business operations. The County's failure to use all reasonable diligence in making repairs which are the County's responsibility under this Lease, shall give the Authority the right to abate rent by an amount proportionate to the inconvenience thereby caused Authority.

SERVICES AND UTILITIES

In exchange for the Authority's payment of its proportionate share of operating expenses, phone and internet expenses pursuant to this Lease, the County agrees to furnish and provide to the Authority heating, ventilation and air conditioning in the premises in such amount as to maintain an even comfortable temperature at all applicable hours. County shall not be liable in damages to the Authority for temporary failure to provide heat and/or air conditioning, if such failure results from the temporary breakdown of the plants or systems providing such services; provided, however, that in the event of such temporary failure, the County shall promptly and at its own costs and expense repair the machinery or equipment so that said services will be restored.

The County further agrees to provide hot and cold water, sewer services and electricity consumed or used in the premises, good quality lavatory supplies, fluorescent tube replacements, elevator service and normal and usual cleaning services including trash removal.

The County shall provide the Authority with up to twelve (12) strands of fiber for the Authority's exclusive use. The County agrees to maintain and test the generator weekly.

The County shall provide an electronic access security system. The Authority shall have access to the Public Safety Building twenty-four (24) hours a day, seven days a week through the use of specially provided security access cards. It is understood and agreed by the Authority that the installation of such security system shall not be considered a guarantee against fire, robbery,

theft, vandalism, mysterious disappearance or any other casualty, nor shall the County, its employees or agents be liable for loss or damage due directly or indirectly to any occurrence or consequence therefrom which the security system is designed to detect or avert.

COMMON AREAS AND PARKING

The County agrees that the Authority and Authority employees and/or visitors shall have the right throughout the term of this Lease to use, in common with others entitled to similar use thereof, all of the interior common areas of the Public Safety Building of which the leased premises are a part, including all hallways, stairways, and doorways for ingress to egress from the leased premises and the exterior common areas to the total premises, all parking spaces, streets, service doors and sidewalks for ingress to and egress from the demised premises and the public streets and highways and the County shall arrange and adequately maintain said interior common areas in good and usable condition throughout the term of the Lease.

The County shall pave, arrange and adequately maintain in good and usable condition throughout the term of this Lease all exterior common areas and shall be responsible for snow removal and the maintenance of adequate lighting facilities in the said parking areas at all times during the business hours of the Public Safety Building containing the leased premises. The County agrees to provide the Authority with adequate parking spaces for Authority staff and visitors.

USE OF PREMISES

The premises shall only be used by the Authority for their general and administrative offices and for their 911 dispatch operations. No other use may be made of the premises without the express consent of the County.

The Authority agrees to observe all reasonable rules and regulations promulgated by the County which in the County's judgment (to be reasonably exercised) are needed for the general well-being safety, care and cleanliness of the premises and the Public Safety Building.

IMPROVEMENTS BY TENANT

The Authority shall have the right to make such alterations, additions or improvements in or to the demised premises as it shall consider necessary or desirable for the conduct of the Authority's business, provided that all such work shall be done in a good and workmanlike manner, using the same quality workmanship and materials as exist on the premises, and provided that the structural integrity of the Public Safety Building or premises shall not be impaired. Notice of such proposed alterations, additions or improvements shall be submitted in writing for the County's written prior approval, which shall not be unreasonably withheld. Upon the termination of this Lease such alterations, additions or improvements shall become the property of the County, subject to the provisions of the paragraph concerning the removal, if required by the County, of fixture, machines, equipment and items of similar permanent nature. The Authority shall pay the entire cost of designing, construction and installation of such alterations, additions or improvements.

DEFAULT BY AUTHORITY

The Authority shall be deemed to be in default hereunder if:

a) The Authority shall fail to pay any installment of rent or prorated share of operating expenses Authority shall be responsible hereunder within seven (7) days after notice from the County specifying the item or items alleged to be due and unpaid, unless the Authority shall in good faith dispute its liability therefor or the propriety of the amount claimed (other than the rent);

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

If a default shall exist, material or otherwise, because of any reason set out in this Lease, the Authority's right to possession shall thereupon cease and the County shall be entitled to the possession of said premises and to re-enter the same without demand for rent or for possession. County at its sole option may accelerate the unpaid rent for the unexpired portion of the Lease. The Authority shall be liable for the County for all court costs and reasonable attorney's fees in the event the Authority shall become in default and the County incurs court costs and/or attorney's fees in obtaining possession of the premises, or in the enforcement of any covenant, condition or agreement herein contained.

DEFAULT BY COUNTY

The County shall be deemed to be in default under this Lease if it shall fail to provide the premises in the condition agreed free from any interference with the Authority's use and enjoyment thereof, or to provide all services within the standards and terms agreed or to provide any other obligations undertaken by the County under this Lease.

In case of County default, the Authority shall have each and all of the following remedies: Authority shall have the option of canceling this Lease for any substantial default by the County. Such default shall include but not be limited to denying the Authority access to the premises for any reason other than the Authority's prior default, or failure to perform with all reasonable

speed and efficiency any repair which is the obligation of the County under this Lease. In addition, if any default by the County is due to its failure to make necessary repairs with reasonable dispatch after notice from the Authority that such repair are needed, the Authority may cause the repairs to be made of its own expense. The reasonable expense of such repairs may then be deducted by the Authority from its next due rent.

In addition, the Authority shall have the right to abate its rent proportionately when the County, for any cause reasonably within its control, is unable or unwilling to provide the premises in the condition agreed, free from interference or obstruction or the services within the standards of the hours agreed.

ASSIGNMENT

The Authority shall not assign this Lease or any of the Authority's rights or obligations hereunder or sublet or permit anyone to occupy the premises or any part thereof without the County's prior written consent, which consent may be granted or withheld in County's sole and absolute discretion.

NOTICE

Any notice required or permitted by this Lease to be given by either party to the other may be either personally delivered or sent by registered mail, postage and prepaid, deposited and properly addressed in the U.S. Post Office, the date of such depositing being taken as the date of giving such notice.

All notices required by this Lease, unless otherwise designated in writing shall be given to:

Authority: Executive Director
NRV Emergency Communication Authority
755 Roanoke Street, Suite 2A
Christiansburg, VA 24073

County: County Administrator
County of Montgomery, Virginia
755 Roanoke Street, Suite 2E
Christiansburg, VA 24073

SUBORDINATION

This Lease and all rights of the Authority hereunder shall, at the sole option of the County, be either prior to or subject and subordinate to any first mortgage or first deed of trust or ground lease now or hereafter constituting a lien against the premises or any part thereof, and to any and all renewals, modifications, consolidations, replacements and extensions thereof. The election of the County hereunder may be made at any time during the term of this Lease. The Authority agrees to execute any reasonable Subordination of Mortgage Agreements requested by the County at any reasonable time during the term hereof.

PARTIAL INVALIDITY

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

BINDING EFFECT

It is agreed that all the terms and conditions of this Lease are binding upon the parties hereto, their administrators, heirs, successors and assigns, unless otherwise specified herein. All terms and conditions herein are also covenants.

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IN WITNESS WHEREOF, the parties have executed this Lease this ____ day of October, 2015.

COUNTY OF MONTGOMERY, VIRGINIA

By: _____

William H. Brown, Chair, Board of
Supervisors of Montgomery County, Virginia

STATE OF VIRGINIA

COUNTY OF MONTGOMERY, to wit:

The foregoing Lease Agreement was acknowledged before me this _____day of October, 2015, by William H. Brown, as Chair of the Board of Supervisors on behalf of Montgomery County, Virginia.

My commission expires: _____

Registration number: _____

_____

Notary Public

APPROVED AS TO FORM:

_____

Martin M. McMahon, County Attorney

NEW RIVER VALLEY EMERGENCY
COMMUNICATION REGIONAL AUTHORITY

By: _____
Sherwood G. Wilson

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

The foregoing Lease Agreement was acknowledged before me this _____day of October, 2015, by Sherwood G. Wilson, Chair, on behalf of New River Valley Emergency Communications Regional Authority.

My commission expires: _____

Registration Number: _____

_____
Notary Public

APPROVED AS TO FORM:

_____
Theresa J. Fontana, Authority Attorney