

## COMMERCIAL LEASE AGREEMENT

NOTE: This is a legally binding contract. If you do not understand its content, it is advisable to seek competent help.

THIS LEASE AGREEMENT, hereinafter referred to as "Lease", dated \_\_\_\_\_, by and between Woodard Properties LLC (a Virginia Limited Liability Company), owner, hereinafter referred to as "Lessor" with office located at 224 14<sup>th</sup> Street, NW, Charlottesville, Virginia 22903 (434-971-8860), and \_\_\_\_\_, jointly and severally; if more than one hereafter referred to as "Lessee," whether singular or plural, provides:

In and for consideration of the rents and mutual covenants and conditions set forth herein, Lessor and Lessee agree as follows:

### 1. PREMISES AND TERM:

- a. Lessor hereby leases to Lessee real property consisting of approximately \_\_\_\_\_ (gross) square feet located at \_\_\_\_\_, Charlottesville, VA 22903, hereinafter referred to as 'Premises'. The boundaries and location of Premises are outlined in red on the floor plan attached hereto as Exhibit A. Lessor's adjacent real property is sometimes herein referred to as the "Property".
- b. The term of this Lease shall be for \_\_\_\_\_ years, beginning at 10am on \_\_\_\_\_, and ending at 3pm on \_\_\_\_\_.
- c. The parties agree to hold in confidence all terms and conditions of this Lease.

### 2. RENT:

Lessee shall make all payments to Lessor, in advance, on the first day of each calendar month during the lease term. Beginning on the \_\_\_\_\_, Lessee agrees to pay as rent for the initial period of this Lease for the Premises the total amount of \_\_\_\_\_, payable as follows:

- \$ \_\_\_\_\_ For the first twelve (12) full months of this lease at \$ \_\_\_\_\_ per month.  
\$ \_\_\_\_\_ For the second twelve (12) full months of this lease at \$ \_\_\_\_\_ per month.  
\$ \_\_\_\_\_ Total.

Whenever it is provided in this Lease that Lessee is required to make any payment to Lessor, such payment shall be deemed to be additional rent and all remedies applicable to the non-payment of rent shall be applicable thereto.

- ### 3. LATE FEE:
- In the event that Lessor does not receive from Lessee any installment of rent by the fifth (5<sup>th</sup>) day of the month for which such installment is due, a late fee of five percent (5%) of the monthly rent shall be due. For each additional day that rent is late, a late fee of 1% of the monthly rent shall be due. In the event any check is returned by Lessor's bank for any reason, Lessee agrees to pay a \$35.00 returned check fee, in addition to all late fees.
- ### 4. SECURITY DEPOSIT:
- Upon execution of this Lease, Lessee agrees to pay to Lessor a security deposit in the amount of \$ \_\_\_\_\_. Said security deposit may be applied by the Lessor to the payment of accrued rent, charges for late payment of rent as specified herein, to the payment of any damages which the Lessor suffers by reason of the Lessee's noncompliance with his duty to maintain the Premises, to loss of rent incurred due to space not being vacated on time, and/or to any other damages as provided for herein. Nothing in this section, however, entitles the Lessee to an immediate credit against any delinquent rent account upon the termination of the tenancy. If Lessee complies with all provisions of this Lease, said deposit, or the balance thereof, shall be returned to Lessee within forty-five days after the termination of the tenancy and delivery of possession. At the termination of this Lease, if there is need for any cleaning, repair of damage, or replacement of locks or keys, the Lessor shall have such work done and shall deduct the cost, including reasonable charges for overhead and supervision of said work by the Lessor, and any rent lost due to time needed to make such repairs, from the deposit as a part of Lessor's damages for noncompliance with this Lease. No deduction shall be made for ordinary wear and tear or for repair of damages which may exist at the time this Lease commences, provided Lessee submits an itemized list of damages at the commencement date of this Lease setting forth any such existing damages. Ordinary wear and tear is any damage or deterioration that naturally occurs over the useful life of the item but was not caused by excessive or unreasonable use and treatment. Ordinary wear and tear does not include damage caused by Lessee's negligence, misuse, failure to maintain and clean Premises, or abuse of Premises. Acceptance of this deposit by the Lessor does not constitute any waiver of damages that may exceed the amount of the deposit or any waiver of any other rights the Lessor may have against the Lessee by reason of the Lessee's default. In the event of damages suffered by the Lessor by reason of the Lessee's default which exceed the amount of the deposit, the Lessor shall be entitled to such additional

damages along with the costs of exercising its rights. Lessee acknowledges security deposit will not accrue interest while held by Lessor.

5. **MANAGEMENT AGENT:** Lessor has appointed Woodard Properties as its authorized agent to manage the Premises.
6. **UTILITIES & COMMON AREA MAINTENANCE AND USE:**
- a. The common areas, defined as all space within the property that is outside of the buildings (grounds, parking lots, sidewalks), the hallways and restrooms located at 1701D, 1710, 1713-2A, B & C, 1717-2A and 1724-2 Allied Street, are for use by all Lessees unless otherwise designated or marked by Lessor (loading zone, reserved parking, etc.). The common areas may not be used by Lessee except for ingress and egress to Premises and parking. Lessor reserves the right to diminish the amount of common areas in its sole discretion. In the event of a diminution of the common areas, Lessor shall not be subject to any liability nor shall Lessee be entitled to any compensation or diminution or abatement in the payment of rent provided that reasonably adequate common areas are provided for Lessee's use. Lessor, at Lessee's expense (as specified in paragraph b below), shall be responsible for common area maintenance including repairs, grounds work, and janitorial services for the portion of the property deemed as common elements. Lessor shall maintain and clear snow from the main paths of vehicle travel of the parking lot as Lessor deems necessary. Notwithstanding any provision to the contrary in this Lease, in no event shall Lessor be responsible for repairing any damage to, or performing any maintenance of, the Premises or any common area when any such damage and/or maintenance is caused (i) by any act or omission of Lessee or any of Lessee's employees, agents, invitees, or licensees, (ii) by any fixtures, equipment, or other items placed in or on the Premises by Lessee, or (iii) by any use of the Premises not allowed by the terms of this Lease. Lessee also shall pay for all utilities furnished to Premises for the term of this Lease, including electricity, gas, water, sewer, trash removal, and telephone and/or internet service. Lessee is responsible for placing office trash in the dumpsters or containers provided by Lessor.
  - b. In addition to each monthly rental payment, Lessee agrees to pay \$\_\_\_\_\_ to Lessor each month of this Lease for common area maintenance and disposal of trash from trash containers provided by Lessor. Such charges shall be subject to late penalties and interest as set forth in Paragraph 3 for late rent payments. By reasonable (not less than 30 days) notice, Lessor may adjust the monthly utility and common area maintenance charges to reflect actual expenses incurred.
  - c. Lessee agrees to pay all costs, including turn on charges, for electric, water/sewer and gas directly to the utility company or authority providing such service.
7. **RENEWAL:** This Lease shall automatically renew for successive one year terms unless one party gives to the other a written notice, 90 days prior to the ending date of the initial term or any renewal term, that the lease will terminate at the end of the current term. In the event that proper notice to terminate, as defined herein, is given by either party, Lessor may show Premises to other prospective lessees during normal business hours, and may display signs on the Premises to advertise it for rent.

Beginning with the first day of any initial renewal term of this Lease, and annually on the first day of any lease renewal term thereafter, rental will increase for each succeeding year of the lease term to an amount equal to the greater of: (i) the rate for the previous year increased by 3% or (ii) an amount equal to the product of a fraction multiplied times the rental for the immediately preceding year of the lease term, the numerator of which fraction shall be the Current Consumer Price Index and the denominator of which shall be the Previous Consumer Price Index. As used in this Lease, (i) the term "Consumer Price Index" mean the Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series), U.S. City Average, All Items (1982-1984 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor in the Current Labor Statistics Section of the Monthly Labor Review (final publication only), (ii) the term "Current Consumer Price Index" means the Consumer Price Index so published for the calendar month three (3) months prior to the month during which said Lease Year commences and (iii) the term "Previous Consumer Price Index" means the Consumer Price Index so published for the calendar month that twelve (12) months prior to the calendar month that is the basis for the Current Consumer Price Index. In the event that such index shall cease to use the 1982-1984 average of 100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in the index, then the index shall be adjusted to the figure that would have been arrived at had the change in the number of computing the index on the date hereof not been altered. In the event that the index shall be discontinued or no longer published, Lessor shall substitute a comparable price index or formula and such substitute price index or formula shall have the same effect as if originally designated herein as the index.

8. **PARKING:** Vehicles must be properly positioned in a marked parking space. Overnight parking is not permitted on the Property without a valid parking permit issued by Lessor. Availability of overnight parking is not guaranteed. Lessee must complete an application for an overnight parking permit in which there may be additional fees. Lessee shall not use the parking areas for vehicle storage or any other storage. Roll-offs or PODS are not permitted in lots without written approval from Lessor. Lessee may not use parking areas for the display of any vehicle that is for sale. Parking for extended periods is not permitted and vehicles must be regularly operated by Lessee. Vehicles that are not operational or considered legal by the Virginia Department of Motor Vehicles will be regarded as abandoned and will be towed away at Lessee's, or vehicle owner's, risk and expense. Parking may be subject to additional rules and regulations with reasonable notice from Lessor.
9. **REPAIRS AND MAINTENANCE:** Lessor shall maintain in good condition the front, side and rear exterior walls, the roof and common areas. Lessee shall, at its sole expense, repair and maintain in good condition the rest of the Premises, including, but not limited to windows, doors, skylights, plumbing, heating, cooling systems, interior electric wiring or lighting, interior walls, and all signage. Lessee agrees to replace or repair all broken or damaged glass, locks, plaster, and flooring at the sole expense of Lessee, and such replacement or repair shall be to the satisfaction of Lessor. Lessee agrees to replace all water faucet washers as necessary, promptly repair any dripping or leaking plumbing fixtures and not to keep any explosives on the property. Lessee agrees to indemnify Lessor and to pay for any damages resulting from the placement or moving of any heavy articles.
10. **ALTERATIONS:** No alteration, addition, improvement, change in mechanical, plumbing or electrical systems or exterior decoration to the Premises shall be made by Lessee without written consent of Lessor. Any alteration, addition or improvement made by Lessee shall be in accordance with local building codes and properly inspected by the building code officials. Any fixtures installed in or about the Premises, shall at Lessor's option become the property of the Lessor upon the expiration or other sooner termination of this Lease as provided; Lessor shall have the option, however, to require Lessee to remove such fixtures at Lessee's cost upon the termination of this Lease.
11. **SIGNS:** Lessee shall not construct or place signs, advertisements, awnings, marquees, or other structures projecting from the exterior of the Premises or display such in windows on the Premises without the written consent of Lessor and the consent of the local municipal government, where required. Lessee shall remove any such signs, displays, advertisements, or decorations it has placed on the Premises that, in the opinion of Lessor, are offensive or otherwise objectionable. If Lessee fails to remove such signs, displays, advertisements, structures or decorations within three (3) business days after receiving written notice from Lessor to remove them, Lessor reserves the right to enter the Premises and remove them at the expense of Lessee. If Lessor supplies a street directory for Premises and Lessee so chooses, Lessor may provide, at Lessee's expense, a sign to be placed on Lessor's street directory.
12. **ACCESS AND LOCKS:** Upon reasonable notice to Lessee and at reasonable times, Lessor, and his duly designated representatives, may enter the Premises in order to inspect, make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, exhibit the property to prospective or actual purchasers, mortgagees, lessees, workmen, or contractors, and place "for sale" signs on the property and, after notice of termination of this Lease by Lessor and/or Lessee, place "for rent" signs on Premises or if the Premises has been abandoned or surrendered by Lessee, the Premises may be entered by Lessor without notice to Lessee. Lessee shall not change any locks at or in Premises without prior written consent from Lessor. If Lessee does change any locks, Lessee agrees to provide Lessor with a key to those locks. Lessee agrees to pay a minimum of \$100.00 per lock (some locks are more expensive) for replacing any lock on Premises and for cutting new keys, or for re-programming combination locks, if Lessee loses any key to any lock on Premises, or fails to return all keys, with each key labeled, to Lessor by termination of this Lease. Lessee agrees to pay \$10.00 per key to Lessor for additional key(s). Lessor makes no guarantee that he will be available to unlock Premises at any time, and there will be a \$5.00 fee for borrowing a key. In the event that Lessor accesses Premises, as permitted above, and Lessee is not present, Lessor will lock all doors to Premises upon exiting. If Lessee is locked out and Lessor is not available, Lessee may call a locksmith to unlock Premises at Lessee's expense. Lessee shall provide Lessor with keys and/or instructions on how to operate any new burglary prevention or fire detection devices that have been installed by Lessee. Lessor may erect scaffolding, fences, and similar structures, post relevant notices and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to Lessee for temporary inconvenience or disturbance of quiet enjoyment of the Premises.
13. **ASSIGNMENT, SUBLETTING AND RE-RENTING PREMISES BY LESSOR:** Lessee shall not assign this Lease nor sublet the Premises or any portion thereof, without prior written consent of Lessor. In any event, whether as a result of default by Lessee or at Lessee's request, should the Lessor secure a new lessee to complete the term of this Lease, Lessee agrees to pay Lessor a re-renting fee equal to two month's rent, plus expenses incurred by

the Lessor for re-renting the Premises. Such payments shall be in addition to other payments due or past due. If Lessee requests Lessor to secure a new lessee for the Premises, or if Lessee defaults on this Lease, Lessee understands that Lessee remains liable for all responsibilities hereunder until such time as said new lease commences. In the event Lessee elects to have Lessor find a new lessee to complete the term of this Lease, Lessor may require that the procedure, dates, and details of the re-renting be agreed to by Lessor and by Lessee in writing before Lessor will advertise or show Premises.

**14. NOTICES:** All notices to be given with respect to this Lease shall be in writing. All notices from Lessor to Lessee should be sent to \_\_\_\_\_ and all notices from Lessee to Lessor should be sent to 224 14<sup>th</sup> Street, NW, Charlottesville, VA 22903. Each notice shall be sent by mail or hand delivered to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing. Every notice shall be deemed to have been given the day following the postmark by the United States Postal Service or the day of hand delivery to the Premises. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.

**15. MOLD:** Lessee acknowledges that there are no visible signs of mold in the Premises at the time of execution of this Lease. Lessee agrees to maintain environmental conditions in the Premises to prevent the growth of mold. Lessee agrees to immediately notify Lessor of visible mold growth in the Premises or of conditions inside or outside of the Premises which could promote mold growth. Lessee hereby expressly waives any claim for injury to persons or property occasioned by mold or mold spores in the Premises.

**16. INDEMNIFICATION:**

- a. Lessee shall indemnify Lessor against all liabilities, expenses (including attorney's fees) and losses incurred by Lessor as a result of (i) the failure of Lessee to perform any covenant required to be performed by Lessee hereunder, (ii) any accident, injury or damage which shall happen in or about the Premises or (iii) Lessee's failure to comply with any requirement of any governmental authority and any mechanic's lien or security agreement or other lien filed against the Premises or fixtures and equipment therein or thereon belonging to the Lessor. If any such lien is asserted, Lessee shall take such action as may be necessary to have such lien released within ten (10) days after Lessee receives notice thereof. In case Lessor, without fault on its part, shall be made a party to any litigation commenced against Lessee, Lessee shall indemnify and hold Lessor harmless therefrom and shall pay Lessor all costs and expenses including reasonable attorney's fees, which Lessor may sustain by reason thereof. Lessee's duties under this paragraph shall survive any termination of this Lease for matters occurring during the term of the Lease.
- b. Lessee waives all claims against Lessor for damage to any property or injury to, or death of, any person in, upon, or about Premises, the common areas, or any other areas within or about the Property, arising at any time and from any cause (including theft) other than solely by reason of the gross negligence or willful misconduct of Lessor, its agents, employees, representatives, or contractors.
- c. Without limiting the generality of the foregoing paragraphs, Lessor, in the absence of gross negligence or willful misconduct shall not be liable for any injury or damage to persons or property resulting from theft, fire, explosion, falling plaster, steam, gas, electricity, water, rain, flood, snow, ice or leaks from any part of Premises or from pipes, appliances, plumbing works, roof, or subsurface of any floor or ceiling, or from the street or any other place, or by dampness or by any other cause whatsoever. Lessor shall not be liable for any such damage caused by other lessees or person in Premises or by occupants of adjacent property thereto, or by the public, or caused by any private, public, or quasi-public construction or other work, including, but not limited to, any construction, modification, or operation of underground, ground level, or above ground pedestrian tunnels, bridges, walkways, or similar items.

**17. INSURANCE:**

- a. During the term of this Lease, Lessee shall maintain such insurance as it deems necessary to cover the value of its property located on Premises.
- b. Lessee shall maintain, in force, insurance against liability for personal injury and/or property damage with limits of no less than \$1,000,000. Lessee shall also keep in force such other insurance that may from time to time be reasonably required by Lessor against any loss which might result from the Lessee's business activity. In the event Lessee or Lessee's use or occupancy of the Premises causes, for any reason whatsoever, any additional charge or increase in the rate of insurance on the Premises, the building in which the Premises is situated, or any other adjoining building, or in any way impairs or invalidates the obligation of any policy of insurance on or in reference to, the aforementioned Premises or Lessor's other property,

Lessee agrees to pay upon demand, as additional rent, any increase in premiums for insurance that may be charged during the term of this Lease on the amount of insurance to be carried by Lessor on Premises and Lessor's other property, resulting from the business carried on in the Premises by Lessee, whether or not Lessor has consented to same.

- c. All insurance required by this paragraph shall be carried in favor of Lessor and Lessor's designated management agent and Lessee, as their respective interests may appear. All insurance will be written with companies which are acceptable to Lessor and are licensed to do business in the Commonwealth of Virginia. Such insurance shall provide for ten (10) days notice by registered mail for any cancellation or change affecting any interest of Lessor. Nothing contained herein shall be construed as obligating Lessor to carry any fire insurance for the benefit of Lessee. Lessee shall deliver to Lessor at the beginning of the lease term copies of certificates of coverage, listing Lessor and Lessor's designated management agent as an Additional Insured, for the above required insurance coverage. If the insurance policies are not kept in force during the entire term of this Lease or any extension thereof, Lessor may procure the necessary insurance and pay the premiums which shall be repaid to Lessor as an additional rent installment for the month following the date on which the premiums were paid by Lessor.

**18. TAXES:** Lessee shall be responsible for and shall pay when due all municipal, county or state taxes assessed during the term of this Lease against any Leasehold interest or personal property of any kind, owned by or placed in Premises by Lessee. Lessor shall pay, at its sole expense, all real estate taxes.

**19. COST OF ENFORCEMENT OF THIS LEASE:** Lessee hereby agrees to pay all costs, expenses, fees and charges incurred by Lessor in enforcing, by legal action or otherwise, any of the provisions, covenants and conditions of this Lease including reasonable attorney's fees, and Lessee hereby waives the benefit of any Homestead or similar exemption laws with respect to the obligations of this Lease.

**20. CONDEMNATION:** If all or any part of Premises is acquired for any public use by right of eminent domain or private purchase in lieu of such right, by a public body vested with the power of eminent domain, Lessor may terminate this Lease as of the date of such taking. The rent shall be adjusted as of the time of such acquisition. Lessee shall have no claim against Lessor for any value of the remaining lease term and Lessee shall not be entitled to any part of the condemnation award or purchase price in lieu of such award. Lessee's right to receive compensation or damages from parties other than Lessor for its trade fixtures and personal property shall not be affected in any manner hereby.

**21. DESTRUCTION BY CASUALTY:** Lessee shall give prompt notice to Lessor in case of fire or other casualty to the Premises or the property. If the Premises shall be made untenable by fire or other casualty, Lessor may at his sole option terminate this Lease as of the date of such fire or casualty, upon written notice to Lessee. In the event that Lessor does not exercise his option to terminate this Lease, Lessor shall repair the damage to the property with reasonable dispatch after being given written notice of such damage by the Lessee, with an equitable adjustment of the rent to the extent that the property is rendered untenable while repairs are made. If the damage to Premises by fire or otherwise is caused by the deliberate or negligent act of the Lessee, or the agents, servants, employees, visitors, or licensees of the Lessee, Lessee shall be liable for the rent during the remaining term of this Lease, without abatement, and Lessee shall be responsible to pay for and indemnify Lessor from all damages arising as a result of such deliberate or negligent act. Provided this Lease is not terminated pursuant to any provision hereof, and subject to Lessor's ability to obtain the necessary permits and the availability of insurance proceeds, Lessor shall repair or reconstruct the Premises to a substantially similar condition as existed prior to the casualty; provided, however, that in no event shall Lessee be required to expend an amount in excess of the insurance proceeds in performing such repairs or reconstruction. If the building in which the Premises is located shall be so damaged by a casualty, or so adversely affected by some other occurrence that it is necessary, in Lessor's judgment, to demolish such building for the purpose of reconstruction, Lessor may do so. In the event of such demolition, the rent shall be abated to the same extent and according to the same terms as if the Premises were rendered untenable by a casualty, and the aforementioned terms shall be applicable.

**22. EVENT OF DEFAULT OR BREACH:** Each of the following events shall constitute a default or breach of this Lease by Lessee:

- a. Lessee, or any successor or assignee of Lessee, while in possession, files a voluntary petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or otherwise, or makes an assignment for the benefit of creditors.
- b. Involuntary proceedings under any bankruptcy law or insolvency act are instituted against Lessee, or if a receiver or trustee is appointed of all or substantially all of the property of Lessee, and such proceedings are

not dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment.

- c. Five (5) days have elapsed after the Lessor has given the Lessee written notice that the Lessee has failed to pay any rent or additional rent when due under this Lease.
- d. Lessee fails to perform or comply with any of the conditions of this Lease and the nonperformance continues for a period of five (5) days after written notice thereof. If the performance cannot be reasonably completed within five days and if Lessee commences to cure the default during the five day cure period and diligently proceeds thereafter to cure such default, and then the cure period shall be extended for a reasonable time in order to provide Lessee the opportunity to cure the default.
- e. Lessee fails to make timely payments for rent and/or other charges two (2) or more times within any twelve (12) month period or has been given notice of the same non-monetary breach two (2) or more times within any twelve (12) month period. In either of these events, Lessee shall not be entitled to additional notices.
- f. Lessee vacates or abandons the demised Premises. Lessee shall give Lessor notice of any extended absence from Premises in excess of ten (10) days. During such absence, Lessor may enter Premises as reasonably necessary to protect Premises. In the event that Lessee fails to give such notice, Lessor may recover from Lessee any actual damages sustained.
- g. Lessee does not vacate the Premises by the last date of this Lease. In such event Lessee shall pay for the entire time during which possession is so withheld, an amount equal to twice the base rent, prorated for the period of time during which possession is withheld, in addition to the prorated utilities and common area maintenance fees. Lessee further agrees to compensate Lessor for any other loss or losses incurred as a result of said hold-over, including but not limited to, any loss incurred as a result of a subsequent lessee not being able to occupy the Premises. Neither these provisions nor the acceptance of such liquidated damages by Lessor shall constitute a waiver of Lessor's right to re-enter the leased Premises or terminate this Lease.
- h. Lessee attempts to sublet or transfer this lease without Lessor's consent as provided in paragraph 13, such assignment or transfer shall be void and of no effect.
- i. Lessee fails to take possession of the demised Premises on the term commencement date, or within ten (10) days after notice that the demised Premises is available for occupancy, if the term commencement date is not fixed herein.
- j. Lessee fails to comply with the rules or regulations of this Lease, or any subsequent rule or regulation deemed necessary by Lessor, provided that Lessee has had notice of such new rule or regulation.
- k. A material adverse change in information provided on rental application or in support of rental application.

### **23. REMEDIES UPON DEFAULT OR BREACH:**

- a. Upon the occurrence of an event of default or breach, Lessor shall have the right, at its election, then or at any time thereafter while such event of default or breach shall continue, either:
  - i. To give Lessee written notice of intent to terminate this Lease on the date of such notice or on any later date specified therein, and on the date specified in such notice Lessee's right to possession of the Premises shall cease and this Lease shall thereupon be terminated; or
  - ii. Without demand or notice, to reenter and take possession of the Premises, or any part thereof, and repossess the same as of Lessor's former estate and expel Lessee and those claiming through or under Lessee and remove the effects of both or either, either by summary proceedings, or by action at law or by force (if necessary) or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or breach of covenant. If Lessor elects to reenter under the subparagraph, Lessor may terminate this Lease, or, from time to time, without terminating this Lease, may relet the Premises, or any part; or
  - iii. Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the Premises for the purpose of correcting or remedying any such default or breach and to remain until the default or breach has been corrected or remedied, but any expenditure for the correction by Lessor of said default or breach shall not be deemed to waive or release the default or breach of Lessee or the right of Lessor to take any action as may otherwise be permissible hereunder in the case of any default or breach. Any funds expended to correct or remedy any such default or breach shall be due upon demand; or
  - iv. Lessor shall have the right of injunction to restrain Lessee and the right to invoke any remedy allowed by law as if the specific remedy of indemnity or reimbursement were not provided herein.
- b. If Lessor terminates this Lease as a result of an event of Lessee's default or breach, Lessee shall remain liable (in addition to accrued liabilities) for (i) the (a) rent and all other sums provided for in this Lease until

the date this Lease would have expired had such termination not occurred, and (b) any and all expenses incurred by Lessor in reentering the Premises, repossessing the same, making good any default or breach of Lessee, painting, altering or dividing the Premises, putting the same in proper repair, protecting and preserving the same, reletting the same (including any and all attorney's fees and disbursements and brokerage fees incurred in so doing), and any and all expenses which Lessor may incur during the occupancy of any new lessee; less (ii) the net proceeds of any reletting prior to the date when this Lease would have expired if it had not been terminated. Lessee agrees to pay Lessor the difference between items (i) and (ii) above with respect to each month during the term of this Lease, at the end of such month. Any suit brought by Lessor to enforce collection of such difference for any one month shall not prejudice Lessor's right to enforce the collection of any difference for any subsequent month. In addition to the foregoing, and without regard to whether this Lease is terminated, Lessee shall pay to Lessor all costs incurred, including reasonable attorney's fees with respect to any successful lawsuit or action taken or instituted by Lessor to enforce the provisions of this Lease. Lessor shall have the right, at its sole option, to relet the whole or any part of the Premises for the whole of the unexpired term of this Lease, or longer, or from time to time for shorter periods, for any rental then obtainable, giving such concession of rent and making such special repairs, alterations, decorations and paintings for any new lessee as Lessor, in their sole and absolute discretion, may deem advisable. Lessee's liability as aforesaid shall survive the institution of summary proceedings and the issuance of any warrant thereunder. Lessor shall be under no obligation to relet the Premises, but agrees to use reasonable efforts to do so.

- c. If Lessor terminates this Lease as a result of an event of default or breach by Lessee, Lessor shall have the right, at any time, at its option, to require Lessee to pay to Lessor, on demand, as liquidated and agreed final damages in lieu of Lessee's liability the preceding paragraph, the rent and all other charges which would have been payable from the date of such demand to the date when this Lease would have expired if it had not been terminated, minus the fair rental value of the Premises for the same period. If the Premises shall have been relet for all or part of the remaining balance of the terms by Lessor after a default or breach but before presentation of proof or such liquidated damages, the amount of rent reserved upon such reletting, absent proof to the contrary, shall be deemed the fair rental value of the Premises for purposes of the foregoing determination of liquidated damages. Upon payment of such liquidated and agreed final damages, Lessee shall be released from all further liability under this Lease with respect to the period after the date of such demand.
- d. For the purpose of the foregoing subparagraphs, the term "rent" shall include rent, additional rent, and other charges to be paid by Lessee under this Lease.
- e. In the event of any default or breach, Lessee agrees to pay Lessor's cost of enforcement of its rights under this Lease, including attorney's fees and court costs, and agrees to pay an administrative fee of \$75.00, should Lessor find it necessary to file any legal action to enforce those rights, and interest at 18% per annum on the unpaid balance until paid in full.
- f. No receipt of money by Lessor from Lessee after default or breach or cancellation of this Lease in any manner shall (i) reinstate, continue or extend the term of said lease or affect any notice given to Lessee, (ii) operate as a waiver of the right of Lessor to enforce the payment of rent then due or falling due, (iii) operate as a waiver of the right of Lessor to recover possession of the Premises by proper suit, action, proceeding or other remedy, or (iv) operate as a waiver of any other rights of Lessor. After (i) service of notice of termination and forfeiture as herein provided and the expiration of the time specified herein, (ii) the commencement of any suit, action, proceeding or other remedy, or (iii) final order or judgment for possession of the Premises, Lessor may demand, receive and collect any monies due, without any manner affecting such notice or judgment.

**24. FORFEITURE:** Lessee expressly agrees to indemnify Lessor for any costs or expenses, including attorney's fees, and for any loss suffered by Lessor resulting from any forfeiture, seizure or attempted seizure of the Premises or any part thereof or interest therein by federal, state, or local authorities as a result in whole or in part of the violation or alleged violation by Lessee or any person on the Premises with Lessee's permission of any federal, state or local statute or ordinances. The provisions of this paragraph shall survive any termination of this Lease and any forfeiture or seizure of the Premises.

**25. ENVIRONMENTAL:** Lessee will not use, generate, manufacture, produce, store, discharge or dispose of on, under or about the Premises or the property, or transport to or from the Premises of the property any Hazardous Waste (as defined below) or allow any other person or entity to do so. Lessee will keep and maintain the Premises in compliance with and shall not cause or permit the Premises to be in violation of any Environmental Law (as defined below). As used herein "Hazardous Waste" shall mean any "hazardous waste", "hazardous substance", "solid waste",

or "toxic substance" as such terms are defined in the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., as amended ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended ("CERCLA"), the Toxic Substance Control Act, 15 U.S.C. § 2601 et seq., as amended, the Hazardous Material Act, 49 U.S.C. § 1801 et seq., as amended, and any regulations now or hereafter promulgated pursuant thereto; any mixture of sewage or the waste material that passes through a sewer system to a treatment facility; any industrial waste-water discharges subject to regulation under § 402 of the Clean Water Act, 33 U.S.C. § 1342 et seq.; asbestos; polychlorinated biphenyls (PCB's); petroleum; and any other substance or waste regulated by any federal, state or local law. "Environmental Law" means any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Premises or property, including without limitation, CERCLA and RCRA.

**26. GOVERNING LAW AND VENUE:** All questions, with respect to the construction of this Lease and of the rights and liabilities of the parties, shall be determined in accordance with the applicable provisions of the laws of the Commonwealth of Virginia. Any litigation arising from this Lease shall be conducted only in a court of competent jurisdiction in Charlottesville, Virginia. Wherever appropriate herein, the singular includes the plural and the plural includes the singular. Whenever the word "including" is used herein, it shall be deemed to mean "including but not limited to", the words "re-enter" and "re-entry" as used herein shall not be restricted to their technical legal meaning.

**27. ESTOPPEL:**

- a. Subordination: The foregoing subordination shall be self-operative and effected by execution of this Lease. This Lease and all rights of Lessee hereunder shall be subjected and subordinate to the lien of any and all deeds of trust that may now or hereafter affect the Premises, or any part thereof, and to any and all renewals, modifications, or extensions.
- b. Estoppel: Lessee shall, without charge therefore, at any time and from time to time, within ten (10) days after receipt of request therefore by Lessor, execute, acknowledge and deliver to Lessor a written estoppel certificate certifying to Lessor, any mortgagee, assignee of a mortgage, or any purchaser of the property, or any person designated by Lessor, as of the date of such estoppel certificate provide in recordable form a statement in writing certifying: the commencement and termination dates of this Lease; that this Lease is or is not in full force and effect; that the Lessee has or has not accepted the Leased Premises and is or is not in complete possession thereof; that this Lease has not been modified or amended, or if it has, stating the specific modifications or amendments thereto; that all improvements to the Leased Premises to be made by the Lessor have been fully completed in accordance with the applicable plans and specifications or stating specifically any failure to complete such improvements; that, as of the date of certification, the Lessee has not paid rent for more than the current month or stating the amount of rent so paid; and that there are no defaults under this Lease, nor defenses or offsets thereto or if there are any such defaults, defenses or offsets, stating the specific defaults, defenses or offsets claimed by the Lessee. Such statement shall include any other certification reasonably requested.

**28. POSSESSION OF PREMISES:** Lessee accepts Premises in the condition which exists on the date hereof and as suited for uses specified herein without warranty or representation by Lessor. Lessee acknowledges that Lessor will not be doing any alterations, additions, improvements, changes in mechanical, plumbing or electrical systems or exterior decoration or cleaning of the Premises prior to Lessee taking possession of Premises.

**29. DELAY IN DELIVERING POSSESSION:** This Lease shall not be rendered void or voidable by the inability of Lessor to deliver possession to Lessee on the date set forth in Paragraph 1b, and Lessor shall not be liable to Lessee for any loss or damage suffered by reason of such delay. In the event of a delay in delivering possession, the rent for the period of such delay will be deducted from the total rent due under this Lease. No extension of this Lease shall result from a delay in delivering possession.

**30. SURRENDER OF POSSESSION:** Lessee shall on the last day of the term, or on earlier termination or forfeiture of the Lease, peaceably and quietly surrender and deliver the Premises to Lessor, clean, including all additions and improvements constructed or placed thereon by Lessee, except movable trade fixtures, all in good condition and repair, ordinary wear and use excepted. Lessee shall surrender to Lessor all keys used in connection with Premises. Any trade fixtures or personal property belonging to Lessee, if not removed at the termination or default, and if Lessor shall so elect, shall be deemed abandoned and become the property of Lessor. There shall be no payment or offset. As an alternative, Lessor may remove such fixtures or property from Premises and store them at the risk and expense of Lessee or dispose of them in a commercially reasonable manner. Lessee shall remove, at his own expense, all business signs placed on the Premises by Lessee and restore the portion of the Premises on which they

were placed to the same condition as when received. Lessee shall repair and restore all damage to Premises caused by the removal of equipment, trade fixtures, and personal property. Lessee shall leave Premises in a clean condition.

- 31. SALE OF PREMISES BY LESSOR:** In the event of any sale or exchange of the Premises by Lessor and assignment by Lessor of this Lease, Lessor shall be and is hereby entirely freed and relieved of all liability of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence, or omission relating to the Premises of this Lease occurring after the consummation of such sale or exchange and assignment and the purchaser or assignee shall be deemed to have assumed and will carry out any and all of the covenants and obligations of Lessor under this Lease occurring after the consummation of the sale or exchange of the Premises. Lessee agrees that it shall attorn to the purchaser at such sale and shall recognize such purchaser as Lessor under the terms of this Lease and shall continue this Lease in full force and effect.
- 32. BINDING EFFECT:** This Lease contains the entire agreement between the parties and supersedes all negotiations, understandings and agreements (written or oral) between the parties. The Lease cannot be changed except by a written instrument subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, personal representatives, successors and assigns of both parties. All the rights, privileges, and reservations in favor of the Lessor may be exercisable by any agent of the Lessor.
- 33. SEVERABILITY:** In the event that any provision of this Lease shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Lease.
- 34. SPECIAL STIPULATIONS:** In so far as the following stipulations conflict with any of the foregoing provisions, the following shall control:
- 35. OTHER RULES AND REGULATIONS:**
- a. The sale of tobacco products is not allowed on the property.
  - b. Smoking is prohibited in Common Areas and on the Property except in specifically designated areas.
  - c. Lessee shall not use the Premises or allow it to be used for any illegal purpose.
  - d. Lessee shall not park, stand, store or leave a motor vehicle overnight upon property, any parking area or parking lots, without the consent and permission of Lessor.
  - e. Parking in designated spaces is very important, as it maximizes available spaces for customer parking. Loading zones, "No parking" areas, reserved spaces and fire lanes will be strictly enforced. Lessor shall designate specific parking areas and parking lots for employees of Lessee.
  - f. Janitorial service of the Premises is not included in the rent.
  - g. No garbage, trash cans, equipment, supplies, or other property shall be stored outside the leased Premises. This prohibition includes loading docks, sidewalks, parking lot, and grounds. All trash shall be removed by Lessee directly from the interior of the leased Premises to off site disposal or to the trash containers maintained on site, but shall not be stored outside of any unit. Any property or trash found outside the Lessee's unit may, without notice, be removed and disposed of by Lessor. Lessee shall be liable to Lessor for the cost of such removal and Lessor shall have no liability to Lessee for any loss arising from such removal.
  - h. Trash removal, provided by Lessor, is for Lessee's office trash only (construction debris, by-products and personal trash is not permitted). In addition, the following hazardous items are not permitted under any circumstances to be discarded in the trash containers: Batteries, paint (water or oil based), automotive fluids (oil, gasoline, transmission fluids, etc), acids, liquid chemicals, asbestos, large quantities of fluorescent light tubes, tires, refrigerators or air conditioners with freon, or any rigid material whether wood, metal, or plastic over two feet in length, or any items, materials, etc. with similar characteristics. All the aforementioned items should be properly disposed of at the landfill. Failure to adhere to these rules will result in the loss of all dumping privileges.
  - i. Lessee agrees to unstop and clear all waste pipes and to use water closets and other plumbing fixtures only for the purpose for which they were installed and no sweepings, rubbish, rags, chemicals, solvents, paints, construction materials, or other substance of any kind shall be thrown into them. The expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by any Lessee who has caused such breakage, stoppage, or damage.
  - j. Lessee and its employees shall not create or permit any unreasonably loud or distracting noises in the building or otherwise disturb or interfere with other lessees, throw anything out of windows or doors or place anything on window sills.
  - k. Lessee shall not bring, allow, or keep any animals on the property without the written consent of the Lessor.

- l. Lessee shall be responsible for removal of snow, ice and debris from sidewalks and loading docks in front of Lessee's unit as required by city code for public sidewalks, and Lessee shall hold harmless and indemnify Lessor from any claim or liability arising out of occurrences related to this duty.
- m. Lessee shall not use the name "Woodard Properties LLC" or any like phrases, as part of the name of any business or occupation carried on in the Premises.
- n. Canvassing, peddling, or soliciting on the Premises is prohibited and it is the duty of Lessee to exercise all due effort to discourage this activity.
- o. The Premises shall not be used at any time by Lessee or his employees, agents, or customers for lodging or sleeping purposes.
- p. Lessee and its employees or guests shall use the ladder or stairs and/or loft or mezzanine area, if any, in a safe manner and assumes all risks for using them.
- q. Premises are to be used only as \_\_\_\_\_.  
Lessee shall restrict its use to such purposes, and shall not use or permit the use of the Premises for any other purpose without the written consent of Lessor. Lessee shall not violate any current or future laws, ordinances, notices, orders, rules, regulations or requirements of any federal, state or municipal government or any department, commission or board thereof or of the National Board of Fire Underwriters or any body exercising similar functions relating to the Premises or the use or manner of use thereof.
- r. Lessor reserves the right to make other reasonable rules and regulations, which in Lessor's sole discretion, may be necessary to maintain clean, safe, and quality surroundings and atmosphere for the intended uses of the property.

IN WITNESS WHEREOF, the parties have executed this lease on the day and year first above written.

**Lessee:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Printed Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Printed Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**The undersigned personally unconditionally guarantee the performance by Lessee of all obligations pursuant to this Lease:**

**Guarantor:** \_\_\_\_\_  
**Printed Name:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**Guarantor:** \_\_\_\_\_  
**Printed Name:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**Lessor:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
 Authorized Agent for Woodard Properties

Commercial Lease