

LEASE AGREEMENT

THIS LEASE, made this 1st day of May 2021, between LRG-125 Hirst Road, LLC, a Virginia limited liability company ("Landlord"), and the Town of Purcellville, a municipal corporation, ("Tenant"), provides:

THAT for and in consideration of the mutual agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Leased Premises. The Landlord hereby lets, grants, demises and leases unto the Tenant, and the Tenant hereby leases and takes from the Landlord, for the term and upon the conditions hereinafter set forth, a portion of the property located at 125 Hirst Road, Purcellville, Virginia ("**Property**"), with such leased portion containing approximately 6,312 square feet of space and further identified as First Floor Units 5A&B, 6A&B, 7A&B, and 8A&B and Second Floor Unit 8C ("Leased Premises").

2. Term. The term of this Lease shall commence as of May 1, 2021 and expires April 30, 2026 ("Original Lease Term").

3. Renewal Option. Tenant may extend the term of this Lease on the same terms and conditions as in effect just before the end of the Original Lease Term, for up to five years, by providing written notice to Landlord no later than 90 days prior to the end of the Original Lease Term, with the sf price to be negotiated but not to exceed 5% annum increase over the sf rate in effect at the end of the Original Lease Term.

4. Deposit. Landlord shall retain the security deposit of \$4,766 ("**Deposit**") and take no additional security deposit. Upon termination of this Lease, the Deposit shall be refunded to the Tenant within (30) days of Tenant's vacation of the Leased Premises, with interest, less any deductions properly chargeable against the Deposit, together with a written itemization of any such deductions made and withheld by the Landlord. Tenant shall be given an opportunity to remedy any item which Landlord may deem as chargeable against the Deposit. In the event the Landlord sells the property, the Deposit shall be transferred to the new owner(s).

4(a). Deposit Interest. Interest on Deposit shall be calculated at 0.30% interest and 0.30% APY based on the June 2, 2016, John Marshall Bank Deposit Account Rate Sheet for Money Market Accounts with a balance of \$2,500.01 - \$25,000.

5. Use of Leased Premises. The Tenant may use the Leased Premises for government and institutional uses, to include office space and related accessory uses for law enforcement activity.

6. Rent. For the period from May 1, 2021, to April 30, 2026, the Tenant shall pay the Landlord monthly installments as listed below:

	Annual Rent	Monthly Installments
5/1/2021 – 4/30/2022	\$123,084.00	\$10,257.00
5/1/2022 – 4/30/2023	\$128,007.36	\$10,667.28
5/1/2023 – 4/30/2024	\$133,127.65	\$11,093.97
5/1/2024 – 4/30/2025	\$138,452.76	\$11,537.73
5/1/2025 – 4/30/2026	\$143,990.87	\$11,999.24

Rent shall be payable to LRG-125 Hirst Road LLC, at 125 Hirst Road, Suite 3C Purcellville, VA 20132. All monthly rent installments are due on the first day of every month.

7. Landlord-Provided Considerations. Landlord will provide considerations at no cost to the Tenant as described in Exhibit B.

8. Late Rent. In the event that monthly rent is not paid within five (5) days of the date stated above, the Tenant agrees to pay a single late payment penalty of \$100.00.

9. Personal Property. All personal property in the Leased Premises shall be and shall remain at the sole risk of the Tenant, and the Landlord shall not be liable for any damage to any other persons or from any other cause whatsoever, except as otherwise provided in this Lease.

10. Destruction by Casualty. The Landlord shall maintain hazard insurance with respect to the Leased Premises. In the event of damage to the Leased Premises by fire or other casualty, but the Leased Premises remains tenantable, the Landlord shall promptly repair the same. If the Leased Premises, or any part thereof, is damaged by fire or other casualty to such an extent as to be rendered untenable, this Lease shall terminate as of the date of such damage at the option of either the Landlord or the Tenant.

11. Injury to Persons or Property and Insurance by the Tenant. The Tenant agrees to maintain public liability insurance on the Leased Premises with combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) for bodily injury and property damage coverage and FIVE MILLION DOLLARS (\$5,000,000.00) in excess liability coverage.

12. Condemnation. If all or any part of the Leased Premises shall be taken for any public use pursuant to an exercise of the power of eminent domain, or by purchase in lieu thereof by a public body vested with such power of eminent domain, upon the taking of

possession by such public body of all or any part of the Leased Premises, this Lease and all rights of the Tenant and the Landlord hereunder shall immediately and automatically terminate and the Landlord shall not be liable for any inconvenience or damage to the Tenant caused thereby.

13. Assignment and Subleasing. The Tenant agrees that the Tenant will not transfer or assign this Lease, or let or sublet the whole or any part of the Leased Premises, without the prior written consent of the Landlord, which consent will be granted or denied by the Landlord within 60 days of such request. Any assignment or sublease approved by the Landlord shall not in any way relieve Tenant from the obligations contained in this Lease. The Landlord may assign any or all of Landlord's rights under this Lease at any time and without the necessity of obtaining any prior consent of the Tenant, provided, however that Landlord shall notify Tenant of any such transfer or assignment at least sixty (60) days prior to the effective date of such transfer or assignment.

14. Quiet Possession. The Landlord covenants that the Tenant shall have the quiet possession and enjoyment of the Leased Premises. The Landlord acknowledges that the Tenant is using the Leased Premises as a station for all law enforcement purposes, with such station occupied twenty-four hours per day, seven days per week. The Tenant shall conduct himself and require other persons on the premises with his consent, as reasonably possible, whether known by the Tenant or not, to conduct themselves in a manner that will not disturb his neighbor's peaceful enjoyment of their premises, and the Tenant further covenants and agrees that he will not permit said premises to be used for an improper, illegal, or immoral purpose, nor will he use, permit, or suffer the same to be used by any person or persons in any offensive, illegal or improper manner.

15. Inspection and Condition of the Leased Premises. The Tenant agrees: to keep the Leased Premises as clean and sanitary as the conditions of the premises permits; to dispose from the premises all rubbish, garbage and other organic or flammable waste in a clean safe and sanitary manner; and to properly use and operate all electrical, gas, plumbing and heating fixtures and appliances. The Tenant shall be responsible for all repairs required for damages caused by the negligent or intentional acts of the Tenant or its employees, and the Tenant shall pay the Landlord for the cost of any such required repairs immediately upon presentation of the bill to the Tenant by the Landlord. If such bill is not immediately paid, it shall be added to and deemed to be additional rent due owing for the following month. The Tenant shall not deliberately or negligently destroy, deface, damage, impair or remove any part of the premises (including light fixtures, facilities and appliances) or permit any person to do so whether known by the Tenant or not, and Tenant shall be responsible for any damage caused by his failure to comply with this requirement.

16. Landlord's Obligations. Landlord will fully pay for capital costs to include: (i) all costs of a capital nature, including, but not limited to, capital improvements, capital repairs, capital replacements, capital equipment, and capital tools, which, under general accepted accounting principles consistently applied, are not regarded as operating or maintenance expenses (including but not limited to the cost of any rental or leased

equipment that if purchased would be a capital expenditure); (ii) the cost of the acquisition of and debt service on the Property, (iii) any construction on the Property, whether original construction or in connection with any replacement or expansion of the existing building; and (iv) all costs incurred by Landlord for structural repairs, major repairs to building systems, or latent building construction defects. Further, Landlord will pay as follows:

16(a). Electrical Energy. Landlord shall be responsible for ensuring electrical service is available to the Leased Premises and common areas. The Tenant shall be responsible for payment to Dominion Virginia Power for electrical energy used by the Leased Premises (which is currently separately metered and charged), and the Landlord shall be responsible for payment to Dominion Virginia Power for electrical energy used by the remainder of the building and by the common spaces (such as exterior lighting). Landlord will replace and maintain all electrical, including all lighting bulbs, tubes, ballasts and starters within the Leased Premises (except for lighting bulbs which Tenant will replace), the base building, and common space.

16(b). Heating, Ventilation and Air Conditioning. Landlord shall be responsible for regular HVAC maintenance and for paying all costs associated with the HVAC equipment, systems, and facilities that serve the base building, the Leased Premises, and the common area.

16(c). Water and Sewer. Landlord shall supply and pay for hot and cold water from the base building outlets. Tenant shall pay for water used by the Leased Premises, to the extent the water is separately metered at and charged to the Leased Premises.

16(d). Real Estate Taxes. Landlord shall be responsible for the payment of real estate taxes assessed against the Leased Premises. The Tenant shall be responsible for the payment of all personal property taxes.

16(e). Generator Maintenance. Landlord shall be responsible for maintenance and paying all costs associated with the building generator.

16(f). Lawn, Landscaping, and Snow. Landlord shall be responsible for payment for lawn, landscaping, and snow removal costs. Snow removal will occur within 2 hours of 2+ inches falling. The Landlord gives permission to the Tenant to conduct snow removal operations, at Tenant's sole expense, upon the Landlord's common area associated with the Leased Premises so as to permit ingress and egress to the Leased Premises in an emergency situation as determined by the Tenant.

16(g). Property and Liability Insurance. Landlord shall be responsible for property insurance on the Building in an amount not less than the full insurable replacement cost of the Building insuring against loss or damage by the and such other risks as are covered by the current ISO Special Form policy. Landlord, at its option, may obtain such additional coverages or endorsements as Landlord deems appropriate or necessary, including, without limitation, insurance covering foundation, grading, excavation and debris removal costs;

business income and rent loss insurance; boiler and machinery insurance; ordinance or laws coverage; earthquake insurance; flood insurance; and other coverages. Landlord may maintain such insurance in whole or in part under blanket policies. Such insurance will not cover or be applicable to any personal property or trade fixtures of Tenant within the Premises or otherwise located at the Property or any other such property (including that of third parties) in Tenant's care, custody or control at the Property. Landlord shall be responsible for Commercial general liability insurance against claims for bodily injury, personal injury, and property damage occurring at the Property in such amounts as Landlord deems necessary or appropriate. Such liability insurance will protect only Landlord and, at Landlord's option, Landlord's lender and some or all of the Landlord Parties, and does not replace or supplement the liability insurance this Lease obligates Tenant to carry.

16(h). Other Maintenance. Landlord shall be responsible for other necessary maintenance and paying all costs associated with such maintenance of the building. The term "maintenance" does not include "replacement" of or "expansion" of any equipment or portion of the building, including the roof.

17. Tenant's Obligations. Tenant is solely responsible for paying directly to the applicable utility companies, prior to delinquency, all electric and water utilities that are separately metered or separately charged utilities, if any, to the Leased Premises. Tenant will also obtain and pay for all other utilities and services Tenant requires with respect to the Leased Premises that are not provided by Landlord under this Agreement (including, but not limited to, hook-up and connection charges).

18. Maintenance. The Tenant shall take reasonable care of the interior of the Leased Premises and the fixtures located within the Leased Premises. The Landlord shall maintain the Property in good order and repair, including (a) the roof, (b) the building structure, (c) all exterior portions of the Building inclusive of doors and windows, and (d) all common infrastructure and pipes including plumbing, HVAC ducts, sanitary sewer and water lines, facilities, grounds, sidewalks, parking areas, and common areas.

19. Tenant Installation and Removal of Fixtures and Improvements. The Tenant may make improvements to the Leased Premises so that the space can be used as a police station. Tenant agrees that all such work shall be done at Tenant's sole cost and expense and in a good and workmanlike manner, that the structural integrity of the Property shall not be impaired, and that no liens shall attach to all or any part of the Leased Premises or the Property by reason thereof. Prior to contracting for or making such improvements, Tenant shall provide Landlord with a written description of the planned improvements, and, recognizing that time is of the essence for the installation of such improvements, Landlord shall have 10 calendar days to raise questions or objections about the impact of the planned improvements on the Landlord's building or on the ability of the Landlord to lease the space to another party once the Lease terminates. Tenant may proceed with all improvements not timely identified by the Landlord as an improvement about which there is a question or an objection. As to improvements about which the Landlord has raised a timely question or objection, the Tenant will respond promptly and the parties will diligently work together to resolve any issues relating to the impact of those specific improvements on either the Landlord's building or on

the Landlord's ability to lease the Leased Premises to another party once the Lease terminates, and the parties shall reach agreement during this time as to whether each such improvement shall be removable by the Tenant at the termination of the Lease, understanding that the improvements are intended to be removable by the Tenant unless they will cause harm to the structural integrity of the building or would require Landlord to incur additional expenses outside those typically incurred when changing tenants that cannot be reasonably remedied through repairs performed by the Tenant. Tenant shall repair at its sole cost and expense all damage caused to the Premises or the Property by the removal of any fixtures or improvements that Tenant is required to remove. Landlord may remove any fixtures or improvements that Tenant is required but fails to remove at the end of the Term and Tenant shall pay to Landlord the reasonable cost of removal. The planned improvements may include, but shall not be limited to, showers, lockers, ballistic glass, special improvements for the storage of firearms and evidence, signage, interior furnishings, and technology components related to: computer network, phone network, security access systems (including, but not limited to security access readers, hardware panels, and other equipment paid for by the Tenant), and surveillance equipment, all of which the Tenant may remove upon termination of the Lease so long as any damage caused by such removal is repaired by Tenant at its sole expense to a commercially reasonable standard acceptable to Landlord.

20. Fire Suppression System. The building includes a fire suppression system. If for any reason the tenant desires to add or delete fire suppression heads for the Tenant's use, the change shall be at the Tenant's expense, only with prior written permission of Landlord, and Landlord shall not be responsible for such costs.

21. Notice of Defects or Malfunction. Tenant shall give Landlord prompt notice of any known defect, breakage, malfunction or damage to or in the structure, equipment or fixtures in or on said Leased Premises. The Landlord shall be responsible for prompt maintenance and repair of these items except as provided for otherwise in this Lease Agreement.

22. Liens Upon Property. The Tenant has no authority to incur any debt or to make any charge against the Landlord or assign or create any lien upon said leased property for any work or materials furnished the same.

23. Landlord Access to the Leased Premises. The Landlord agrees that the Leased Premises shall be used for and by the Tenant for law enforcement purposes and that such use may create the need for additional security of the Leased Premises. Accordingly, in the event that the Landlord desires to enter the Leased Premises for the purpose of inspection or showing the premises to prospective tenants or purchasers or for conducting maintenance or making necessary repairs, the Landlord shall provide one (1) day's notice to the Chief of Police or their designated representative and receive authorization from the same to enter. In case of an emergency only, the Landlord, or their designated representative, shall make a reasonable effort to provide notice to the Chief of Police or their designated representative prior to entry of the Leased Premises; however, the Landlord or their designated representative may enter the unit without consent of Tenant. During the last thirty (30) days of this lease or

any renewal period, the Landlord or its representatives may enter the premises at reasonable times and upon reasonable notice in order to make repairs or decorate for any incoming tenant.

24. Holdover/Option. Upon termination of this Lease, the Tenant shall deliver possession of the Leased Premises to the Landlord together with a written instrument evidencing such termination and delivery of possession. Any holding over after the expiration hereof, with the consent of the Landlord, shall be construed as a tenancy from month to month in accordance with the terms of this Lease, as applicable.

25. The Tenant's Covenants. The Tenant covenants and agrees (a) to pay all charges payable hereunder, (b) not to permit any lien to be filed against the Leased Premises on account of nonpayment of amounts payable with respect to labor or materials furnished in connection with any repairs, modifications or additions to the Leased Premises, or otherwise arising out of any action taken by Tenant with respect to the Leased Premises, and, should any lien of any nature be filed against the Leased Premises as a result of the actions or inactions of the Tenant, to cause said lien to be released and removed by substitution of collateral, posting of bond or other appropriate action within thirty (90) days of its filing, (c) to comply with all laws, ordinances, rules and regulations applicable to the occupancy and use of the Leased Premises (d) to maintain the Leased Premises in at least as good condition as the Leased Premises were when the Tenant took possession thereof with the exception of normal wear and tear, (e) not to deliberately or negligently alter, destroy, deface, damage or impair any part of the Leased Premises nor permit any other person to do so, (f) to give to the Landlord prompt notice of any such damage to the Leased Premises.

26. Intentionally Omitted.

27. Rights of the Landlord upon Default. The Tenant agrees that any of the following shall be deemed a default by the Tenant and a breach of this Lease: (a) a default in the payment of any payment due from Tenant, (b) a default by the Tenant in the performance of any other provision, covenant or condition of this Lease and (c) any abandonment, desertion or vacation of the Leased Premises by the Tenant. Any notice of default must be mailed as described in Section 28 and also personally delivered to the Town Manager. In the event of any such default by the Tenant and the failure of the Tenant to cure such default within twenty (20) days after receipt of such written notice thereof, the Landlord and the Landlord's agents shall have the right to reenter and resume possession of the Leased Premises and terminate this Lease. No such entry or reletting shall deprive the Landlord of any other right, action or proceeding for possession or damage by statute or otherwise provided at law or in equity.

28. Notice. Any notice provided for or permitted by this Lease must be given in writing by registered or certified United States mail, postage prepaid, return receipt requested, addressed to, if the Town: Town Manager, Town of Purcellville, 221 South Nursery Avenue, Purcellville, Virginia 20132, and if to the Landlord: Joe Scanlan, LRG-125 Hirst Rd LLC, 125 E Hirst Rd, Suite 3C, Purcellville, Virginia 20132, and shall be deemed conclusively to have been given on the date of delivery.

29. Early Termination Option. The Landlord or Tenant may exercise their option to terminate this lease prior to April 30, 2026, for any reason. This lease shall terminate by operation of its terms, without any notice required, on April 30, 2026. If such Early Termination Option is exercised, notice must be given in writing at least 365 days prior to the early termination date.

30. Waiver. No failure of the Landlord or Tenant to enforce any term of this agreement shall be deemed a waiver, nor shall any acceptance of a partial payment of rent be deemed a waiver of the Landlord's right to the full amount thereof.

31. Subordination and Attornment. This Lease shall be subject and subordinate at all times, to the lien of the mortgages now or hereafter on the Leased Premises and to all advances made or hereafter to be made upon the security thereof, and subject and subordinate to the lien of any mortgage or mortgages which at any time may be made a lien upon the Leased Premises, provided, however, that anyone who forecloses such a lien or purchases from someone who forecloses such a lien shall recognize this Lease and Tenant's right to possess the Property under this Lease and shall provide the Tenant notice of the intent to terminate this Lease at least 180 days' prior to actual Lease termination. The TENANT will execute and deliver such further instrument or instruments subordinating this Lease to the lien of any such mortgage or mortgages as shall be desired by any mortgagee or proposed mortgagee. The TENANT hereby appoints the LANDLORD the attorney-in-fact of the TENANT, irrevocably, to execute and deliver any such instrument or instruments for the TENANT.

If any holder of any mortgage, indenture, deed of trust, or other similar instrument described above succeeds to LANDLORD's interest in the Leased Premises, TENANT will pay to it Rents subsequently payable under this Lease. TENANT will, upon request of anyone so succeeding to the interest of LANDLORD, automatically become the TENANT of, and attorn to, the successor in interest without change in this Lease, provided that such successor will become the LANDLORD of the TENANT under this Lease and either party can terminate this Lease with 180 days' notice. The successor in interest will not be bound by (1) any amendment or modification of this Lease made without its written consent, (2) any claim against LANDLORD arising prior to the date on which the successor succeeded to LANDLORD's interest, or (3) any claim or offset of Rent against the LANDLORD. Upon request by the successor in interest and without cost to LANDLORD or the successor in interest, TENANT will execute, acknowledge, and deliver an instrument or instruments confirming the attornment. The instrument of attornment will also provide that the successor in interest will not disturb TENANT in its use of the Leased Premises in accordance with this Lease. If TENANT fails or refuses to execute, acknowledge, and deliver the instrument within twenty (20) days after written demand, the successor in interest will be entitled to execute, acknowledge and deliver the document on behalf of TENANT as TENANT's attorney-in-fact. TENANT constitutes and irrevocably appoints the successor in interest as TENANT's attorney-in-fact to execute, acknowledge, and deliver on behalf of TENANT any document described in this paragraph.

If ownership of the Property should change under any circumstances, the Lease shall

remain in effect as to the new owner.

32. Outside Signs. Tenant may affix signs to the outside of the building only with prior written permission of the Landlord.

33. Common Areas. All automobile parking areas, driveways, entrances and exits thereto, pedestrian sidewalks, entrances and other facilities furnished by the Landlord shall be considered common areas.

34. Parking. Landlord shall provide parking in accordance with the Purcellville Zoning Ordinance and in keeping with agreements provided in Exhibit B.

35. Laws. Tenant agrees to comply with all Federal, State and local laws and regulations concerning the use and occupancy of the premises.

36. Mutual Covenants. This Lease constitutes the entire agreement between the parties and may not be modified except by written instrument executed by all of the parties hereto. This Lease shall be construed, interpreted and applied according to the laws of the Commonwealth of Virginia, and shall be binding upon and inure to the benefit of the heirs, representatives, successors, permitted sub lessee and assigns of the parties.

WITNESS the following signatures.

LANDLORD:
LRG-125 HIRST RD LLC

BY: 
Joe Scanlan, Vice President

TENANT:
TOWN OF PURCELLVILLE

BY: 
David A. Mekarski, AICP
Town Manager

EXHIBIT A - DEMISED PREMISES

FLOOR PLAN/SITE PLAN SPACE DESCRIPTION

The Premises that are the subject of this Lease are identified as Unit 5 A&B, Unit 6 A&B, Unit 7 A&B, Unit 8 A&B, 1st floor and Unit 8C, 2nd floor in a building located at 125 Hirst Road, Purcellville, Virginia.

EXHIBIT B – LANDLORD-PROVIDED CONSIDERATIONS

The following list of considerations shall be provided by the landlord at no cost to the tenant:

- CCTV coverage over the exterior of the building.
- Parking signage or designation for tenant employees and visitors will be provided with twenty-six (26) contiguous parking spaces (which may be split between front and rear of building) and also provided near the entrances to Leased Premises.