



CITY COUNCIL AGENDA
February 7, 2011

6:30 – 7:00 p.m.

Closed session as provided by Section 2.2-3712 of the Virginia Code
(Second Floor Conference Room)

TYPE OF ITEM

SUBJECT

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

AWARDS/RECOGNITIONS
ANNOUNCEMENTS

MATTERS BY THE PUBLIC

Public comment will be permitted until 7:35 p.m. (limit of 3 minutes per speaker) and at the end of the meeting on any item, including items on the agenda, provided that a public hearing is not planned or has not previously been held on the matter. Persons are asked to sign up in advance of the start of the meeting.

COUNCIL RESPONSES TO MATTERS BY THE PUBLIC

1. CONSENT AGENDA*

(Items removed from the consent agenda will be considered at the end of the regular agenda.)

a. Minutes of January 18

b. **APPROPRIATION:** \$9,480 – Reimbursement from Albemarle County for Additional Wayfinding Signage (2nd of 2 readings)

c. **APPROPRIATION:** \$14,598.42 – Smith Aquatic Center Appropriation of Boys & Girls Club Reimbursement (2nd of 2 readings)

d. **APPROPRIATION:** \$1,485 – Virginia Department of Fire Programs, Training Mini – Grant Award (2nd of 2 readings)

e. **APPROPRIATION:** \$7,500 – Family Finding Training (1st of 2 readings)

f. **RESOLUTION:** Amendments to Agreement between CEDA and Jefferson School Community Partnership (1st of 1 reading)

g. **RESOLUTION:** Anti-Immigration Legislation (1st of 1 reading)

h. **ORDINANCE:** Sale of Land to Southern Development (2nd of 2 readings)

2. PUBLIC HEARING / ORDINANCE*

Sale of 409 Stadium Rd. (1st of 2 readings)

3. PUBLIC HEARING / ORDINANCE*

Longwood Park PUD – Exchange of Land (1st of 2 readings)

4. REPORT / RESOLUTION*

Carver Recreation Center Lease (1st of 1 reading)

5. REPORT

Black and Veatch Presentation

6. REPORT

Schnabel Presentation

7. REPORT

Dialogue on Race

*ACTION NEEDED

Reasonable accommodations will be provided for persons with disabilities upon request.

APPROPRIATION

Reimbursement from Albemarle County for Additional Wayfinding Signage

\$9,480

WHEREAS, the City of Charlottesville has received \$9,480 from Albemarle County that will cover their share of additional wayfinding signage that was installed at their request.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that the sum of \$9,480, received from Albemearle County is hereby appropriated in the following manner:

Revenue

\$9,480	Fund: 425	Project: CP-001	G/L: 451999
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Expenditures

\$9,480	Fund: 425	Project: CP-001	G/L: 599999
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APPROPRIATION
Smith Aquatic Center - Appropriation of Boys & Girls Club Reimbursement
\$14,598.42

WHEREAS, the Boys & Girls Clubs of Central Virginia has provided reimbursement to the City of Charlottesville \$14,598.42 for improvements made by the City on their behalf, as part of the recent construction of the new Smith Aquatic Center and the new Boys & Girls Club on the Buford Middle School campus.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the sum of \$14,598.42 received is hereby appropriated in the following manner:

Revenues

\$14,598.42 Fund: 426 Project: P-00492 G/L Account: 451999

Expenditures

\$14,598.42 Fund: 426 Project: P-00492 G/L Account: 599999

APPROPRIATION

**VDFP Training Mini-Grant Application
\$1,485**

WHEREAS, the City of Charlottesville Fire Department has been awarded \$1,485 from the Virginia Department of Fire Programs; and

WHEREAS, the grant award covers the period from period December 31, 2010 through December 31, 2011.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that the sum of \$1,485, received from the Virginia Department of Fire Programs, is hereby appropriated in the following manner:

Revenue – \$1,485

Fund: 209 I/O: 1900158 G/L Account: 430110

Expenditures - \$1,485

Fund: 209 I/O: 1900158 G/L Account: 520990

BE IT FURTHER RESOLVED, that this appropriation is conditioned upon the transfer of \$1,485 into the Charlottesville, City of (540) ATL allocation receiving account for the purchase of one 77" Smart Board.

RESOLUTION

BE IT RESOLVED by the Council for the City of Charlottesville, Virginia, that the City Council has reviewed and approved the attached Amended and Restated Funding Agreement among the Economic Development Authority of the City of Charlottesville, Virginia, Jefferson School Community Partnership, L.L.L.P., Jefferson City Center, Inc., and Jefferson School Foundation related to the redevelopment and adaptive re-use of the Jefferson School.

**AMENDED AND RESTATED
FUNDING AGREEMENT BETWEEN
THE CHARLOTTESVILLE ECONOMIC DEVELOPMENT AUTHORITY
AND JEFFERSON SCHOOL FOUNDATION**

THIS AMENDED AND RESTATED AGREEMENT (this "Amended Agreement") is entered into this 8th day of FEB., 2011 by and among the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHARLOTTESVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"), **JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, L.L.L.P.**, a Virginia limited liability limited partnership (the "Partnership"), **JEFFERSON CITY CENTER, INC.**, a Virginia corporation (the "Corporation"), and **JEFFERSON SCHOOL FOUNDATION**, a Virginia nonstock corporation (the "Foundation," and together with the Authority, the Partnership and the Corporation, the "Parties").

RECITALS

WHEREAS, the Authority is authorized pursuant to Virginia Code sec. 15.2- 4905 (13) to make grants or loans to any person or entity for the purpose of promoting economic development in the City of Charlottesville (the "City"); and

WHEREAS, by ordinance adopted on August 6, 2007 the City Council of the City of Charlottesville (the "City Council") approved an Option and Purchase Agreement between the City and Jefferson School Community Partnership, L.L.L.P. for the conveyance and redevelopment of property in the City commonly known as the Jefferson School property (the "School"); and

WHEREAS, the City Council has previously appropriated capital improvement funds for the renovation and restoration of the School in the amount of \$5,912,510.30 (the "Funds"); and

WHEREAS, by Resolution dated March 17, 2009 the City Council authorized the execution of a funding agreement between the City and the Authority (the "City/CEDA Funding Agreement"), a copy of which is attached hereto as Exhibit 1, whereby the aforementioned Funds would be made available to the Authority for disbursement to the Partnership as payment for certain costs incurred by the Partnership in the rehabilitation and renovation of the School; and

WHEREAS, the City/CEDA Funding Agreement was amended by that First Amendment to the Funding Agreement Between the City of Charlottesville and the Charlottesville Economic Development Authority approved September 7, 2010, and by that Second Amendment to the Funding Agreement Between the City of Charlottesville and the Charlottesville Economic Development Authority approved December 20, 2010, to allow up to \$1,250,000 of the Funds to be disbursed for reasonable and necessary expenses of the Partnership; and

WHEREAS, the renovation and redevelopment of the School will promote the safety, health, welfare, convenience and prosperity of the City by creating employment opportunities and attracting new commercial uses to the downtown area of the City, through the adaptation of the property for uses that may include, but are not limited to, educational, historical demonstration and interpretation, commercial and recreational uses; and

WHEREAS, the renovation and redevelopment of the School will also honor the legacy of the School, which served as the premier educational and social center for generations of African Americans in Charlottesville, Virginia and was one of Virginia's first African American high schools, by housing the Jefferson School African American Heritage Center and, generally, serving the Charlottesville, Virginia community's educational, social, service and recreational needs; and

WHEREAS, at its meeting on February 10, 2009 the Board of Directors of the Authority authorized the Chair of the Authority to execute, on behalf of the Authority, that certain Funding Agreement between the Charlottesville Economic Development Authority and Jefferson School Community Partnership, L.L.L.P. (the "Funding Agreement"); and

WHEREAS, on March 17, 2009, the Authority and the Partnership entered into the Funding Agreement; and

WHEREAS, on September 9, 2010, the Authority and the Partnership entered into that First Amendment to the Funding Agreement Between the City of Charlottesville and the Charlottesville Economic Development Authority; and

WHEREAS, the Authority and the Partnership now wish to amend and restate the Funding Agreement to allow up to \$1,250,000 of the Funds to be disbursed for reasonable and necessary expenses and to provide for and reflect the distribution of all Funds to the Foundation, followed by a distribution of such Funds to the Corporation, which is owned 100% by the Foundation, and then to the Partnership, which is owned in part by the Corporation, in accordance with the terms and conditions set forth in this Amended Agreement; and

WHEREAS, the Foundation was formed as a nonprofit, nonstock corporation to support the long-term operation of the School as an educational, social, service and recreational center for the Charlottesville community and to support the nonprofit tenants of the School; and

WHEREAS, the Foundation and the Corporation join in this Amended Agreement for the purpose of memorializing their acknowledgement of, and agreement to, the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, the Parties do hereby agree as follows:

1. The Authority shall make the Funds available to the Foundation, less any amounts previously disbursed to the Partnership or Foundation, and less any amounts expended by the

City for the routine maintenance and upkeep of the building up to the date of the conveyance of the School to the Partnership for the redevelopment and adaptive reuse of the School by the Partnership. The Funds made available to the Foundation pursuant to this Amended Agreement shall be used solely for the purposes specified herein.

2. The Authority, from time to time, shall make payments of the Funds to the Foundation to pay the reasonable and necessary expenses incurred by the Partnership in the acquisition and redevelopment of the School, as contemplated by the Partnership's Option and Purchase Agreement with the City. The Authority shall have no obligation to make any payments to the Foundation in excess of the funding actually provided to it by the City.

3. As used herein, the term "reasonable and necessary expenses" of the Partnership include, but are not limited to:

- (a) the cost of acquisition of all lands, structures, rights-of-way, franchises, easements and other property rights and interests associated with the Jefferson School property;
- (b) the cost of construction, including the cost of all labor, materials, machinery and equipment; financing charges and interest on all bonds and loans prior to and during construction;
- (c) the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, and other expenses necessary or incident to determining the feasibility or practicability of the redevelopment of the School;
- (d) the costs related to obtaining the necessary zoning and land use approvals for the desired use of the property;
- (e) the costs related to the financing of the redevelopment of the property through federal and or state historic tax credits and other conventional financing;
- (f) the administrative expenses, provisions for working capital, reserves for interest and for extensions, enlargements, additions and improvements;
- (g) the employment of personnel to oversee and manage the redevelopment of the property, and to market and obtain leases for the renovated spaces within the property;
- (h) such other expenses as may be necessary or incident to the redevelopment of the School and the placing of the property in operation.

4. All requests from the Foundation to the Authority for the disbursement of funds shall be in writing, shall be documented with copies of bills of the Partnership, invoices or charges of the Partnership for the expenses sought to be paid, and shall include a statement signed by authorized representatives of the Partnership, the Foundation and the Corporation certifying that the funding sought is for reasonable and necessary expenses actually incurred by the Partnership in furtherance of its redevelopment of the School or the Partnership's contractual obligations under the Option and Purchase Agreement with the City, and which are eligible for funding pursuant to the terms of this Amended Agreement. Prior to a request for Funds, the Foundation shall provide written notice to the Authority of two (2) individuals who are authorized to sign the certification on behalf of the Foundation. Payment by the Authority to the Foundation shall be made within twenty (20) days from receipt of all required documentation

from the Foundation. The Authority's Executive Director or his designee is hereby authorized to cause payments to be made to the Foundation pursuant to the terms of this Amended Agreement. The Partnership hereby agrees to provide the Foundation with any all documents requested by the Authority pursuant to this Section 4.

5. As provided in this Amended Agreement, the Authority will utilize the services of City staff in implementing this Amended Agreement, including but not limited to the review and approval of the Partnership's documentation for the Funds, as such documentation is submitted by the Foundation. A representative of the City or the Authority will give prompt written notice to the Foundation in the event that its funding request, or any part thereof, will not be approved, with an explanation of the reasons for disapproval.

6. This Amended Agreement shall survive the transfer of title to the School from the City to the Partnership; provided, however, that no more than One Million Two Hundred Fifty Thousand and 00/100 Dollars (\$1,250,000.00) in aggregate shall be provided to the Foundation by the Authority prior to the closing on the School, regardless of the amount of funding which has been made available to the Authority by the City.

7. This Amended Agreement shall terminate upon:

- (a) written notice from the City that the contemplated funding, or any part thereof, will not be made available to the Authority by the City;
- (b) the termination of the Option and Purchase Agreement between the City and the Partnership prior to completion of all obligations of the Partnership thereunder;
- (c) abandonment of the redevelopment of the School by the Partnership;
- (d) the appointment of a guardian or receiver for, or the dissolution or termination of existence of, the Partnership, or an assignment for the benefit of the creditors of the Partnership, or the insolvency of, or commencement of any bankruptcy or insolvency proceeding by or against, the Partnership.

8. By August 1 of each calendar year that this Amended Agreement is in effect, and at the time of the termination of this Amended Agreement, the Foundation, with the assistance of the Partnership and the Corporation, shall provide the Authority and the City with an accounting of all funds paid by the Authority to the Foundation.

9. The Foundation agrees that the entire outstanding amount of the Funds that has been loaned to, and actually received by, or on behalf of, the Foundation (the "Advanced Funds") shall be repaid in full to the Authority, with interest, on or before January 31, 2019 (the "Maturity Date"), without demand or formal request by the Authority. Interest shall accrue on payments made by the Authority to, or on behalf of, the Foundation at the rate of six and one-half percent (6.5%) per annum. The Authority shall calculate the interest on the outstanding balance at the end of each calendar quarter. The Foundation's obligation to repay the Advanced Funds shall be evidenced by a promissory note (the "Note"), executed by a duly authorized officer of the Foundation, in favor of the Authority. At the Authority's option, and provided this Amended Agreement remains in effect and there are no outstanding defaults by the Foundation, the loan evidenced by the Note shall convert on the Maturity Date to a grant in the amount of the

then-outstanding balance of the Note (the "Conversion Option"). Not later than six (6) months prior to the Maturity Date, the Authority shall notify the Foundation of whether it elects to exercise the Conversion Option or not.

At the time of the closing of the sale of the School by the City to the Partnership, or at any time thereafter, on the request of the Authority, the Foundation shall enter into a pledge agreement with the Authority (the "Pledge Agreement"), whereby the Foundation shall pledge all of the stock of the Corporation owned by it to the Authority as collateral for the Foundation's payment under the Note.

In the event of default by the Foundation under the terms of the Note or the Pledge Agreement, the Foundation and the Corporation shall, upon written demand from the City, cause the Partnership to re-convey the School to the City

10. Except as expressly provided herein, no part of this Amended Agreement may be assigned or subcontracted by the Partnership, the Foundation or the Corporation without the prior written approval of the Authority and the City, which approval may be granted or withheld in the sole discretion of the Authority and the City.

11. The Foundation, the Corporation and the Partnership agree that duly authorized representatives of the Authority and the City shall have access to any books, documents, papers and records which are directly pertinent to this Amended Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

12. No failure on the part of the Authority to enforce any of the terms or conditions set forth in this Amended Agreement shall be construed as or deemed to be a waiver of the right to enforce such terms or conditions. No waiver by the Authority of any default or failure to perform by the Partnership, the Corporation or the Foundation shall be construed as or deemed to be a waiver of any other and/or subsequent default or failure to perform. The acceptance of the performance of all or any part of this Amended Agreement by the Partnership, the Corporation or the Foundation, for or during any period(s) following a default or failure to perform by the Partnership, the Corporation or the Foundation, shall not be construed as or deemed to be a waiver by the Authority of any rights hereunder, including, without limitation, the Authority's right to terminate this Amended Agreement.

13. Neither the Foundation, the Corporation nor the Partnership, nor their agents, employees, assignees or contractors shall be deemed employees or agents of the Authority by virtue of any services performed pursuant to this Amended Agreement.

14. The Partnership, the Corporation and the Foundation agree to indemnify and hold harmless the City and the Authority and all of their respective officers, agents and employees from all losses and expenses, including but not limited to reasonable attorneys' fees, suffered or threatened from any suits, actions or claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons or property by or from actions taken by the Partnership, the Corporation or the Foundation or by, or in consequence of, any negligence, omissions or misconduct of the Partnership, the Corporation

or the Foundation or any of their contractors, subcontractors, agents or employees in performing any work funded pursuant to this Amended Agreement.

15. In the event that any term, provision, or condition of this Amended Agreement, or the application thereof to any person or circumstance shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amended Agreement, and the application of any term, provision or condition contained herein to any person or circumstance other than those to which it has been held invalid or unenforceable, shall not be affected thereby.

16. This Amended Agreement may be modified by the Parties during performance, but no modification shall be valid or enforceable unless in writing and signed by each of the Parties hereto in the same manner and with the same formality as this Amended Agreement.

17. The payment obligations of the Authority in future fiscal years are expressly conditioned upon the availability of and appropriation by the City Council of sufficient public funds therefore in succeeding fiscal years. When public funds are not appropriated, or are otherwise unavailable to support continuation of payment by the City to the Authority in a subsequent fiscal year, this Amended Agreement and the Authority's obligations hereunder shall automatically expire, without liability or penalty to the Authority. Within a reasonable time following the City Council's adoption of a budget, the Authority shall provide the Foundation with written notice of any non-appropriation or unavailability of funds affecting this Amended Agreement.

18. The only obligation of the Authority pursuant to this Amended Agreement is to disburse funding as provided herein. Nothing herein shall be construed as making the Authority responsible for any part of the obligations or performance of the Partnership, the Corporation or the Foundation, or as a guarantor of the School's renovation.

19. This Amended Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia. All litigation arising out of this Amended Agreement shall be commenced and prosecuted in the federal, state or local court(s) having jurisdiction within the City.

20. This Amended Agreement represents the entire agreement between the Parties and there are no other agreements or understandings between the Parties, either verbal or written, which have not been incorporated herein.

21. This Amended Agreement may be executed in counterparts, each of which is an original and all of which together constitute one and the same instrument.

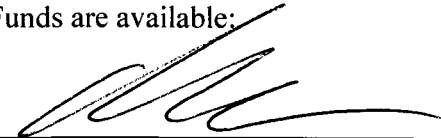
[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties execute this Amended Agreement as of the date first written above.

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF CHARLOTTESVILLE,
VIRGINIA**

By: 
Name:
Title:

Funds are available:


Director of Finance
\$4,749,069.39

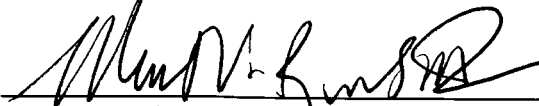
Approved as to form:


City Attorney

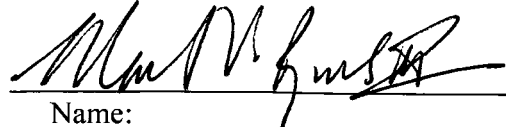
**JEFFERSON SCHOOL COMMUNITY
PARTNERSHIP, L.L.L.P.**

By: Jefferson City Center, Inc., its managing partner

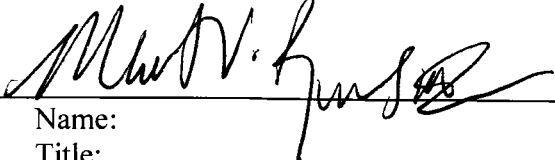
By: ~~Jefferson School Restoration, Inc.,~~ ^b
~~its Special Manager~~


By: Martin Burks, III, President

JEFFERSON SCHOOL FOUNDATION, INC.

By: 
Name:
Title:

JEFFERSON CITY CENTER, INC.

By: 
Name:
Title:

A RESOLUTION EXPRESSING OPPOSITION TO PENDING VIRGINIA GENERAL ASSEMBLY LEGISLATION: SB 789, HB 1468, HB 1420, HB 1421, HB 1482, HB 1574, and HB 1465

WHEREAS, the City of Charlottesville is better able to protect and serve its community when all people, regardless of residency status, can communicate with law enforcement and public agencies without fear of arrest, deportation and imprisonment; and

WHEREAS, legislation in Virginia General Assembly is being proposed which puts state and local police in the position of enforcing federal immigration law, requiring verification of residency or citizenship status by a police officer suspecting any misdemeanor or felony as having been committed, being committed, or about to be committed, regardless of conviction of a crime; and

WHEREAS, legislation is being proposed in the Virginia General Assembly making non-identification to a police officer a misdemeanor crime; and

WHEREAS, legislation is being proposed that restricts localities from awareness and oversight of federal immigration enforcement in our communities while simultaneously mandating that localities and state police enforce federal immigration law; and

WHEREAS, such legislation inhibits the ability of police to gather information from witnesses and victims, invites racial profiling and presents an undue financial burden on Virginia's localities and taxpayers; and

WHEREAS, the City of Charlottesville remains a safer community for all when its residents have access to public services, higher education, drivers' licenses, and employment; and

WHEREAS, legislation in the Virginia General Assembly is being proposed which greatly restricts immigrant access to public services and higher education; and

WHEREAS, legislation is being proposed in the Virginia General Assembly that reduces immigrants' access to drivers' licenses; and

WHEREAS, legislation is being proposed in the Virginia General Assembly that requires the Virginia Employment Commission to verify immigration status and report any offenses; and

WHEREAS, the City of Charlottesville recognizes that all people living or working in Virginia are entitled to respect and inalienable human rights regardless of residency status; and

WHEREAS, undocumented people in the Commonwealth held in detention on immigration offenses are often held for more than eight months while awaiting deportation; and

WHEREAS, the imprisonment of undocumented people living in the City of Charlottesville could violate their human rights and would unduly burden the City's law enforcement and Jail facilities;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTESVILLE, VIRGINIA:

Charlottesville City Council expresses its strong opposition to Virginia General Assembly bills: SB 789, HB 1468, HB 1420, HB 1421, HB 1482, HB 1574, and HB 1465, as well as any legislation containing similar language and substance to the aforementioned bills upon consolidation, amendment, or change of bill number, and urge all state legislators, particularly Delegate. David Toscano and Senator Creigh Deeds, to oppose them on our behalf.

ADOPTED by the City Council of the City of Charlottesville, Virginia this day of February 7, 2011.

David Norris, Mayor, Charlottesville City Council

January 18, 2011 Council Agenda (First Reading)

**AN ORDINANCE
AUTHORIZING THE CONVEYANCE OF A PORTION OF
CITY-OWNED PROPERTY ON ELLIOTT AVENUE**

WHEREAS, the City of Charlottesville is the owner of property which is a portion of Parcel 266C on City Real Property Tax Map 29, identified as Lot 2 on the attached proposed subdivision plat dated October 11, 2010, revised October 20, 2010 (hereinafter the "Property"); and

WHEREAS, Southern Development Group, Inc. has offered to purchase the Property for \$40,000 for construction of housing; and

WHEREAS, the sale of the Property will fulfill certain elements of City Council's Strategic Plan (Quality Housing Opportunities); and

WHEREAS, in accordance with Virginia Code Section 15.2-1800(B), a public hearing was held to give the public an opportunity to comment on the proposed conveyance of the City property; and,

WHEREAS, the City Engineer, the Department of Neighborhood Development Services and the Public Utilities Manager have reviewed the proposed conveyance and have no objection thereto; now, therefore,

BE IT ORDAINED by the Council for the City of Charlottesville, Virginia that the Mayor is authorized to execute a deed, in form approved by the City Attorney, to convey said Property, designated on the attached subdivision plat as Lot 2 (a portion of existing Parcel 266C on 2010 City Tax Map 29), being approximately 8,265.79 square feet in area, to Southern Development Group, Inc. for the purchase price of \$40,000. The City Attorney is hereby authorized to take whatever steps are necessary to effect the closing of said property conveyance.

RESOLUTION

BE IT RESOLVED by the Council for the City of Charlottesville, Virginia, that the City Manager is hereby authorized to sign the following document, in form approved by the City Attorney or his designee:

Lease Agreement between Jefferson School Community Partnership, L.L.P. (Landlord) and the City of Charlottesville, Virginia (Tenant), for the lease of certain space in the historic building known as Jefferson School, located in the City of Charlottesville, Virginia, containing 28,358 square feet of space, more or less, at 233 Fourth Street, NW, Charlottesville, Virginia, and commonly known as Carver Recreation Center.

A copy of the above-referenced Lease Agreement shall be kept on file with this Resolution.

LEASE AGREEMENT

By and Between:

JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, L.L.L.P.

and

CITY OF CHARLOTTESVILLE, VIRGINIA

LEASE AGREEMENT

BASIC LEASE PROVISIONS

- A. BUILDING ADDRESS: 233 4th Street, N.W.
Charlottesville, Virginia
- B. LANDLORD AND ADDRESS: Jefferson School Community
Partnership, L.L.L.P.
123 E. Main Street, 8th Floor
Charlottesville, VA 22902
- C. TENANT AND ADDRESS: City of Charlottesville
Office of the City Manager
City Hall
PO Box 911
Charlottesville, VA 22902
Attn: Maurice Jones
- D. LEASE TERM: See paragraph 1
- E. RENEWALS See paragraph 43
- G. INITIAL MONTHLY RENT: See paragraph 2 and Exhibit "B"
- H. RENTABLE AREA OF SPACE: See paragraph 1 and Exhibit "A"
- I. SECURITY DEPOSIT: \$0.00
- J. WORK LETTER AGREEMENT: See Exhibit "E"
- K. TENANT'S PROPORTIONATE SHARE 47.9% (Calculated by dividing the usable area of the Premises of 28,358 square feet by the total usable area of all tenant space in the Building of 59,221 square feet.)

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") made this ____ day of _____, 2011, by and between **JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, L.L.P.**, a Virginia limited liability limited partnership, hereinafter referred to as "Landlord" and **CITY OF CHARLOTTESVILLE, VIRGINIA**, a body politic and a body corporate, hereinafter referred to as "Tenant."

WITNESSETH

1. LEASED PREMISES AND TERM. Landlord, in consideration of the Rent hereinafter reserved to be paid and of the covenants, conditions and agreements to be kept and performed by Tenant, hereby leases, lets and demises to the Tenant, and Tenant hereby leases and hires from Landlord, that certain space in the historic building known as Jefferson School (the "Building"), located on certain parcel of land in the City of Charlottesville, Virginia, containing 3.9 acres, more or less, located at 233 Fourth Street, NW, Charlottesville, VA 22903 (the "Property"), which space is outlined on the attached diagram marked **EXHIBIT "A"**, consisting of approximately 28,358 square feet in aggregate of usable area (the "Premises"). Rent is calculated based on a rentable area of 33,701 square feet,

TO HAVE AND TO HOLD the Premises pursuant to the terms of this Lease and the attached Basic Lease provisions, which are incorporated herein by this reference, for a term of one hundred eighty (180) months, commencing on the earlier to occur of (i) five days after Landlord notifies Tenant in writing that the Finish Work is Substantially Completed, or (ii) the date Tenant takes occupancy of the Premises for the purposes of conducting its business (as such capitalized terms are defined in the Work Letter Agreement attached hereto as **EXHIBIT "E"**) (the "Commencement Date"). If completion of the Finish Work is delayed due to any act or omission of Tenant, including, but not limited to, delays due to changes in or additions to the Finish Work requested by Tenant, delays in submission of information or estimates, delays in giving authorizations or approvals, or delays due to the postponement of any work at the request of Tenant, then the Commencement Date shall be accelerated by the number of days of delay caused by Tenant. The term of the Lease (the "Term") shall end at midnight on the earlier to occur of (y) the date that is one hundred eighty (180) months after the Commencement Date, or (z) the last day of the fiscal year in which Charlottesville City Council fails to appropriate funds for payment of Rent for the next fiscal year, if not terminated sooner pursuant to the terms of this Lease. By occupying the Premises, Tenant shall be conclusively deemed to have accepted the same as complying fully with Landlord's covenants and obligations, unless Tenant has given Landlord written notice of Landlord's noncompliance prior to Tenant's occupancy of the Premises.

During the Term and subject to such rules and regulations as Landlord may promulgate from time to time, Tenant shall be entitled to the non-exclusive use of not less than 63 parking spaces in the lots on the Property for Tenant's employees and invitees; provided that Landlord

reserves the right, from time to time, to assign and reassign to Tenant and other tenants of the Building specific parking spaces, and Tenant agrees to be bound thereby.

Upon the termination of this Lease, possession of the Premises shall be returned to Landlord in broom clean condition free of Tenant's personal property except as provided in Section 8 of the Work Letter Agreement attached hereto as **EXHIBIT "E."**

2. RENT. Tenant covenants and agrees to pay to Landlord Base Rent as defined in subparagraph (a) below and Additional Rent as defined in subparagraph (b) below (collectively, the "Rent"):

(a) Base Rent. Tenant covenants and agrees to pay to Landlord base rent for the Premises in the amounts per annum, payable in equal monthly installments of 1/12th of such annual amounts, shown on the attached EXHIBIT "B" (subject to adjustment per paragraph 3 of this Lease), such amounts hereinafter called "Base Rent" and such monthly installments being due and payable on or before the first day of the first full calendar month of the Term and on or before the first day of each and every successive calendar month thereafter during the Term, subject to the adjustments as provided hereinafter. In the event the Commencement Date occurs on a day other than the first day of a calendar month, the first rent payment shall be in the amount of the Rent for the first (1st) full calendar month of the term of this Lease plus the prorated Rent for the calendar month in which the term of this Lease commences. Rent and all other sums payable by Tenant to Landlord under this Lease shall be paid to Landlord, without deduction or offset, at Milestone Partners, 300 2nd Street NE, Charlottesville, VA 22902, or at such other place as Landlord may hereafter specify in writing.

(b) Additional Rent. Tenant further covenants and agrees to pay to Landlord, as additional rent ("Additional Rent"), Tenant's Proportionate Share (as such term is defined in the Basic Lease Provisions above) of the following:

(1) All taxes assessed against and payable by Landlord for the Property pursuant to paragraph 9 of this Lease ("Taxes"); and

(2) All insurance purchased by Landlord for the Property in accordance with paragraph 14 of this Lease ("Insurance");

which shall be payable as follows:

(x) Monthly Expense Payment. On or about January 1, 2012, and on or about January 1 of each succeeding calendar year of the Term, Landlord shall determine or estimate the amount of Taxes, and Insurance due for such calendar year and submit this information, together with Landlord's calculations or other basis therefor, to Tenant in writing ("Estimated T+I"). Commencing on the date of the first installment of Base Rent due after Tenant's receipt of Estimated T+I, and continuing with each successive installment of Base Rent until Landlord renders the next Estimated T+I to Tenant, Tenant shall pay to Landlord on account of the obligations contained in this paragraph 2(b) a sum (the "Monthly Expense Payment") equal to 1/12th of Tenant's Proportionate Share of Taxes and Insurance shown on the

Estimated T+I. Tenant's first Monthly Expense Payment after receipt of Estimated T+I shall be increased by (or reduced by, as the case may be) an amount equal to the product of the number of full months, if any, within the calendar year that have elapsed prior to such first Monthly Expense Payment, times the Monthly Expense Payment; minus any Additional Rent already paid by Tenant on account of its obligation under this paragraph 2(b) for such calendar year. From time to time, Landlord may revise the Estimated T+I and adjust Tenant's Monthly Expense Payment to reflect Landlord's revised estimate, in which event Tenant shall pay along with the next monthly payment due (or deduct from such payment, if applicable), the difference between the aggregate amount of the Monthly Expense Payments theretofore made on account of its obligation under this paragraph 2(b) for such calendar year, and the amount which would have been payable by Tenant during such calendar year had Landlord billed Tenant for the revised Monthly Expense Payment for each prior month of such calendar year. Thereafter, Tenant shall pay the revised Monthly Expense Payment in accordance with the provisions of this paragraph 2(b)(x). Nothing herein shall require Tenant to pay Additional Rent for any period of time prior to the Commencement Date.

(y) *Reconciliation.* Landlord shall use reasonable efforts to deliver to Tenant, within ninety (90) days after the end of each calendar year that includes any portion of the Term, an "Annual Expense Reconciliation" reconciling the aggregate of all Monthly Expense Payments made by Tenant in the calendar year in question with Tenant's Proportionate Share of actual Taxes and Insurance paid for such calendar year. Any balance due to Landlord shall be paid by Tenant within thirty (30) days after Tenant's receipt of the Annual Expense Reconciliation; any surplus due to Tenant shall be applied by Landlord against the next accruing monthly installment(s) of Additional Rent due under paragraph 2(b)(x). If the Term has expired or has been terminated, Tenant shall pay the balance due to Landlord or, alternatively, Landlord shall refund the surplus to Tenant, as the case may be, within thirty (30) days after Tenant's receipt of the Annual Expense Reconciliation; provided, however, that if the Term terminated as a result of a default by Tenant, then Landlord shall have the right to retain such surplus to the extent Tenant still owes Landlord any Rent.

(z) *Audit.* For thirty (30) days following Landlord's delivery to Tenant of the Annual Expense Reconciliation, Tenant shall have the right, during normal business hours and upon no less than five (5) days' prior written notice to Landlord, to examine Landlord's books and records for the purpose of confirming the Annual Expense Reconciliation. Tenant shall be deemed to have accepted the Annual Expense Reconciliation unless, within fifteen (15) days after Tenant's examination of Landlord's books and records, Tenant delivers an objection notice to Landlord specifying in detail why Tenant believes such Annual Expense Reconciliation is incorrect.

(c) Tenant further covenants and agrees to pay to Landlord any and all other sums of money Tenant is required to pay to Landlord under this Lease, whether or not such sum is herein described as "additional rent" or whether provision is made for the collection of said sum as "additional rent," which sums shall nevertheless be deemed Additional Rent, and shall be considered part of the Rent and collectable as such with the first installment of Rent thereafter falling due under this Lease unless otherwise expressly provided herein.

All delinquent Rent or other sums due shall bear interest at 12% per annum from the date due until the date such amount is paid. In addition, Tenant shall pay a late payment service charge equal to 5% of the total delinquent amount for each month for which payment of Rent or other sums due are not received by Landlord when due to offset the administrative expense to Landlord of handling such overdue payment. Tenant shall pay a charge equal to \$50.00 per returned check. Notwithstanding the foregoing, no interest, late fee or charge shall exceed the respective percentage or amount permitted by applicable law.

3. RENT ADJUSTMENT. The Base Rent shall be adjusted by the lesser of (a) three (3) percent annually during the term of this lease as shown on EXHIBIT "B" attached hereto, or (b) the change in the Consumer Price Index for Urban Earners and Clerical Workers, United States and Selected Areas, All Items (CPI-W) for the preceding 12-month period, as published by the Bureau of Labor Statistics, United States Department of Labor, using the most current data available as of each anniversary of the Commencement Date. Notwithstanding the foregoing, in no case shall the annual adjustment be less than zero percent. Landlord shall notify Tenant in writing of the new Base Rent amount thirty days prior to the date on which the first adjusted Base Rent payment is due. Landlord agrees to use its best efforts to deliver such notice along with the calculation of Estimated T+I pursuant to 2(b)(x); however, Landlord's failure to deliver both notices at the same time shall not be deemed a waiver of Landlord's right to Base Rent or Additional Rent or any adjustments to such amounts permitted by this Lease.

4. USE OF PREMISES. The Premises shall be used as

(a) a public recreation center that shall be of a quality, and offer classes and services, consistent with other public recreation centers operated by Tenant; and/or

(b) a health clinic providing routine medical advice, vaccinations, medications for patients (not a commercial pharmacy) and preventive care, but not including any on-site surgical, radiological, hospital or emergent care services;

and for no other purposes without the prior written consent of Landlord, which consent may be withheld at Landlord's absolute discretion. Notwithstanding the foregoing, Landlord shall not unreasonably withhold its consent to additional uses typically associated with a public recreation center. Tenant shall obtain, at its sole cost, all approvals, permits, licenses or authorizations of any nature required in connection with the Tenant's use of the Premises, and Landlord does not represent or warrant that the Property is zoned for any of the above-described uses. The Premises shall not be used as a residence, hotel, boardinghouse, or to provide any overnight accommodations. Tenant shall not do or permit to be done in or about the Premises, the Building or the Property, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereinafter be enacted or promulgated, or which is prohibited by any standard form of fire insurance policy or will in any way increase the existing rate of or affect any fire or other insurance upon the Property or any improvements or personal property located thereon, or cause a cancellation of any insurance policy covering the Property or any improvements or personal property located thereon. Tenant shall not do or permit anything to be done in or about the Property which will in any way obstruct or interfere with the rights of

other tenants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain, or permit any nuisance in, on, or about the Premises or commit or suffer to be committed any waste in, on or about the Premises. Tenant shall be entitled to the reasonable use of the grounds and other accessible common spaces on the Property, in common with the other occupants and users of the Building and subject to such reasonable rules and regulations as Landlord may from time to time provide therefor.

5. SERVICES.

(a) Provided Tenant is not in default hereunder, Landlord shall furnish or cause to be furnished the following services to the Premises during the Term:

(1) From 7:00 a.m. until 10:00 p.m. each day, ventilation and heat or air conditioning at standard temperatures and quantities provided via a central system with individual temperature control for the Premises, with after-hours service available at Tenant's additional cost as provided in the Building Rules and Regulations attached as **EXHIBIT "D-1"**, as such may be amended from time to time, all subject to any governmental requirements or standards relating to, among other things, energy conservation;

(2) Use of a common trash dumpster and recycling service provided by Landlord for disposal of ordinary, non-hazardous waste, provided that Tenant shall place all waste in designated containers, and provided that Tenant shall be solely responsible for the safe and lawful removal and disposal of medical wastes; and

(3) Landlord shall furnish hot and cold water and sanitary sewer, as applicable, to the common area drinking fountains, janitorial closets and lavatories in the Building.

(b) Tenant shall be responsible for contracting with utility providers for electrical, gas, water, sanitary sewer service and such other utilities and services to the Premises as Tenant desires.

Landlord shall not be liable for any damage directly or indirectly resulting from, nor shall any Rent herein set forth be abated by reason of, (i) installation, use, or interruption of use, of any equipment in connection with the furnishing of any of the foregoing services, or (ii) failure to furnish, or delays or interruptions in furnishing, any such services when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord or by the making of necessary repairs or improvements to the Premises or to the Building. The temporary failure to furnish any such services shall neither be construed as an eviction of Tenant nor relieve Tenant from the duty of observing and performing any of the provisions of this Lease.

6. LEASEHOLD IMPROVEMENTS. Tenant agrees to take the Premises "AS IS," except for the Tenant Work that Landlord has agreed to complete pursuant to the Work Letter Agreement attached hereto as **EXHIBIT "E."**

7. REPAIRS AND MAINTENANCE.

(a) Landlord shall, at its own cost and expense, except as may be otherwise expressly provided in this Lease, provide maintenance and cleaning of, and make necessary repairs of damage to, the Property, the Building corridors and lobby (excluding individual tenant spaces) and structural members of the Building (collectively, the "Common Areas"), unless any such damage is caused by the acts, omissions or negligence of Tenant, its agents, customers, employees, or invitees, in which event Tenant shall bear the cost of such repairs. Landlord shall also be responsible for the removal of snow and ice from driveways, parking areas and sidewalks on or immediately adjacent to the Property.

(b) Tenant shall be responsible for providing regular maintenance, repairs and janitorial services to the Premises and all mechanical equipment located in or serving only the Premises including the elevator located within the Premises but excluding any Building-standard heating, ventilation and cooling equipment located in or serving the Premises, as necessary to keep the Premises in operable, clean and sanitary condition. Tenant shall not injure the Premises, but shall maintain the Premises in a clean and safe condition and in good repair. Tenant shall maintain the Premises in accordance with all applicable legal, governmental and quasi-governmental requirements, ordinances and rules. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the same condition in which it existed at the Commencement Date, excepting only ordinary wear and tear and damage not required to be repaired by Tenant.

(c) As further consideration for this Lease, Tenant shall provide, during the Term, grounds maintenance for the entire Property to include management of all turf, trees, shrubs, groundcovers and biofilter plantings on the exterior of the Building and within the interior courtyard of the building (the "Grounds"). Tenant shall not be responsible for the selection, installation or maintenance of any outdoor play equipment or structures or fencing. The Grounds shall be maintained in neat, safe and attractive condition, including timely mowing, seeding, fertilizing, raking and pruning, as well as replacement of dead and dying plantings and damaged or worn-out landscaping materials. Tenant shall not be responsible for the cost of replacing any plantings which die or fail during their warranty period. When replacing dead or failing plants Tenant shall provide prior notice to Landlord of any proposed reasonable adjustments to the landscape designs and specifications, including changes in plant species, that are necessary in Tenant's best professional judgment for proper maintenance of the Grounds. If Tenant's proposed adjustments and changes are not acceptable to Landlord, Landlord shall bear the cost of any plant replacements not proposed by Tenant.

(d) Tenant shall provide, during the Term, parking deck maintenance which shall include routine (once every two weeks) sweeping and trash and debris removal from both levels of the parking structure existing or to be constructed on the property, but shall not include structural maintenance (e.g., sealing, striping, patching, caulking) or repairs.

8. ALTERATIONS AND IMPROVEMENTS. Tenant shall make no material alterations, additions, improvements, installations, repairs or decorations (including application of paint, stain and other finishes) to the Premises without prior written approval of Landlord.

Requests for approval shall be submitted to Landlord in writing well in advance, and shall include a description of the work, copies of any plans or specifications necessary to explain the proposed work and the estimated cost of the work. All material alterations, additions and improvements shall be performed by a Class A contractor or the City of Charlottesville staff. Such approval shall not be unreasonably withheld in the case of alterations, additions or improvements to the interior of the Premises provided that Tenant is not otherwise in default under this Lease and such alterations, additions or improvements (i) are normal and customary for the permitted use of the Premises set forth in paragraph 4 of this Lease, (ii) do not adversely affect the utility of the Premises for future tenants, (iii) do not alter the exterior of the Building, (iv) are not of a structural nature, and (v) are accompanied by prepayment or bond provisions or waivers by the contractor in form satisfactory to Landlord sufficient to protect the Building from claims or liens of any sort. Tenant shall conduct its work in such a manner as not to interfere materially with the operation of the Building and other tenants and shall, prior to the commencement of the work, submit to Landlord copies of all necessary permits. Tenant covenants that all work shall be done in compliance with all applicable laws. All alterations, additions or improvements, whether temporary or permanent in character, made in or upon the Premises, either by Landlord or Tenant, shall be Landlord's property and at the end of the Term shall remain in or upon the Premises without compensation to Tenant. If, however, Landlord shall request in writing, Tenant will, prior to the expiration or earlier termination of this Lease, remove any and all alterations, additions and improvements placed or installed by Tenant in the Premises, and will repair any damage caused by the negligence of Tenant in making such removal. All of Tenant's furniture, movable trade fixtures and equipment not attached to the Building shall be removed by Tenant at the expiration or earlier termination of this Lease. If not removed prior to the expiration or earlier termination of this Lease, such furniture, movable trade fixtures and equipment not attached to the Building shall, at the option of Landlord, become the property of Landlord and may be disposed of without further notice to Tenant. No alteration or improvement shall be made by Tenant to the Premises or Building that jeopardizes the receipt of state or federal historic tax credits or that would require repayment of such credits.

9. TAXES. Landlord shall be liable for and shall pay, prior to their becoming delinquent, any and all taxes and assessments levied against the Building and the Premises with the exception of those taxes and assessments for which Tenant is responsible pursuant to this paragraph 9. Tenant shall be liable for and shall pay, prior to their becoming delinquent, 100% of any and all taxes and assessments levied against any personal property or trade or other fixtures placed by Tenant in or about the Premises, including, without limitation, 100% of any increase in real estate taxes or assessments levied against the Building by reason of any such personal property, equipment or trade or other fixtures placed by Tenant in or about the Premises.

10. SIGNS AND ADVERTISING. Without prior written approval of Landlord, Tenant shall not permit the painting or display of any sign, placard, lettering or advertising material of any kind on or near the exterior of the Premises. Notwithstanding the foregoing, Tenant may, at Tenant's expense and with Landlord's prior written approval, display Tenant's name on or near the entrance of the Premises and in locations visible from the parking area and the road adjacent to the Premises. Signage shall comply with all applicable local zoning and architectural requirements and with the Secretary of the Interior's Standards for Rehabilitation.

At Tenant's request, Landlord shall include Tenant's name in any central Building directory. Tenant shall promptly reimburse Landlord for the cost of any changes made to such listing at Tenant's request.

11. RULES AND REGULATIONS; ARCHITECTURAL GUIDELINES. Tenant shall faithfully observe and comply with the rules and regulations in effect with respect to the Property, a copy of which is attached to this Lease as **EXHIBIT "D-1"**, and all reasonable modifications of and additions thereto from time to time put into effect by Landlord. Tenant shall also faithfully observe and comply with the architectural guidelines in effect with respect to the Property, a copy of which is attached to this Lease as **EXHIBIT "D-2"**, and all modifications of and additions thereto from time to time put into effect by Landlord as necessary to comply with the requirements of the historic tax credit program(s) under which the Building was rehabilitated. The architectural guidelines are designed to insure continued compliance with such requirements; therefore, a failure to comply with the architectural guidelines shall constitute an immediate event of default pursuant to Paragraph 19(m) of this Lease.

12. ACCESS TO PREMISES. Landlord and its authorized agent or agents shall have the right to enter upon the Premises at all reasonable times for the purpose of inspecting the same, preventing waste, making such repairs as Landlord may consider necessary (but without obligation to do so except as may be expressly provided for herein), and showing the Premises to prospective tenants. If, during the last month of the Term, Tenant shall have ceased all use of the Premises and removed all of Tenant's property therefrom, Landlord may immediately enter and alter, renovate and redecorate the Premises without elimination or abatement of Rent or incurring liability to Tenant for any compensation or offsets of Rent and charges owed and such acts shall have no effect upon this Lease.

13. TENANT'S INSURANCE. Tenant, at its own expense, shall maintain in force during the Term: (a) commercial general liability insurance, which shall include coverage for personal injury, bodily injury (including death) and property damage occurring on, in, or about the Premises with coverage per occurrence or claim of not less than \$2,000,000 per occurrence; and (b) special form (all risk) personal property insurance insuring all equipment, trade fixtures, inventory, fixtures and personal property located on or in the Premises with an agreed endorsement in an amount equal to the full replacement cost of such property; (c) workers' compensation insurance coverage for the full statutory liability of Tenant.

All insurance required to be maintained by Tenant shall be on terms and with insurers that are authorized to do business in Virginia and are rated at least A in Best's Financial Strength Ratings or maintain comparable financials and reasonably acceptable to Landlord. Each policy shall be written as primary policy coverage and not contributing with, or in excess of, any coverage carried by Landlord. Landlord and, upon Landlord's request, Landlord's lender, shall be named as additional insured parties in each policy required hereunder except workers' compensation insurance. Landlord hereby waives and releases Tenant, and Tenant hereby waives and releases Landlord, from any and all liabilities, claims and losses for which the released party is or may be held liable to the extent of any insurance proceeds received by the injured party. Each insurance policy obtained pursuant to this Lease shall contain a waiver by the insurer of any rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled and

shall also contain an undertaking by the insurer that no material change adverse to Landlord or Tenant will be made, and the policy will not lapse or be cancelled, except after not less than thirty (30) days' prior written notice to Landlord of the intended change, lapse or cancellation. No policy required hereunder shall contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Premises against the peril involved, whether collectible or not. Tenant will have the right to provide the insurance coverage required under this Lease through a blanket policy, provided such blanket policy expressly affords coverage to the Premises and to Landlord as required by this Lease. Tenant shall furnish to Landlord prior to the Commencement Date, and whenever requested by Landlord, certificates or other acceptable evidence of the insurance maintained by Tenant and the renewal or continuation in force of such insurance. If Tenant fails to maintain the insurance required by this Lease, Landlord may, but will not be obligated to, obtain, and pay the premiums for, such insurance, which premiums shall be charged to Tenant as additional Rent.

14. LANDLORD'S INSURANCE. Landlord, at its own expense, shall at all times during the term of this Lease carry a policy of insurance that insures the Building, including the Premises, against loss or damage by fire or other casualty (namely, the perils protected against under a standard "all risk" casualty insurance policy); provided, however, that Landlord shall not be responsible for, and Tenant shall upon demand promptly indemnify Landlord against, 100% of any increase in insurance attributable to Tenant's use or manner of use of the Premises, to activities conducted on or about the Premises by Tenant or on behalf of Tenant or to any additions, improvements or alterations to the Premises made by or on behalf of Tenant. Such policy shall contain a waiver by the insurer of any rights of subrogation or indemnity or any other claims which the insurer might otherwise be entitled against Tenant.

15. CASUALTY. In the event that the Building is totally destroyed by fire, wind or other casualty, or in the event the Premises or Building is so damaged that rebuilding or repairs cannot be completed within one hundred eighty (180) days after the date of such damage, either Landlord or Tenant may at its option, by written notice to the other given not more than thirty (30) days after the date of such casualty, terminate this Lease. In such event, Rent shall be abated during the unexpired portion of this Lease effective as of the date of such casualty. In the event the Building or the Premises are damaged by casualty covered by Landlord's insurance, but only to such extent that rebuilding or repairs can be completed within one hundred eighty (180) days after the date of such damage, or if the damage should be more serious but neither Landlord or Tenant elects to terminate this Lease, then Landlord shall, subject to the release to Landlord of any insurance proceeds received or held by Landlord's lender and within thirty (30) days after the date on which such insurance proceeds are released to Landlord, commence rebuilding or repairing the Building and/or the Premises and proceed with reasonable diligence to restore the Building and/or the Premises to substantially the same condition in which they were immediately prior to the occurrence of the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of the furniture, equipment, fixtures, and other improvements placed by Tenant or other tenants within the Building or Premises unless such loss is caused by the negligence or willful misconduct of Landlord or Landlord's employees or agents. Landlord shall, unless such damage is the result of the negligence or willful misconduct of Tenant, Tenant's employees or invitees, abate the Rent during the time that Landlord is making any repairs and the Premises is unfit for occupancy and Tenant does not, in fact, occupy the Premises. If all or any

16. CONDEMNATION. If the whole or a material portion of the Building shall be taken for any public or quasi-public use under any statute or by right of eminent domain or private purchase in lieu thereof, then at Landlord's sole discretion, the Term and all rights of Tenant under this Lease shall immediately cease and terminate, and the Rent shall abate as of the date of such termination. Tenant shall be entitled to no part of the award made for such condemnation (or other taking) or the purchase price for any purchase in lieu thereof, except that Tenant may seek a separate award for its leasehold interest. Nevertheless, anything to the contrary notwithstanding, if the Premises is unaffected by such condemnation (or other taking), then at the Landlord's sole and absolute discretion this Lease shall continue in full force and effect.

17. LIABILITIES AND WAIVERS. Landlord and its agents shall not be liable for any liability, fines, suits, claims, demands, losses, damages, expenses and actions (including attorneys' fees) arising from any injury to or death of any person or damage to or loss of property on or about the Premises, the Building or the Property caused by the acts or omissions of Tenant, its employees, subtenants, invitees or by any other person entering the Premises, the Building or the Property under express invitation of Tenant, or arising out of Tenant's use of the Premises. Landlord shall not be liable or responsible for any loss or damage to any property or death or injury to any person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, moratorium, shortage, acts of any governmental body or authority, acts or omissions of other tenants of the Building, or by any other matter beyond the control of Landlord, or for any injury or damage or inconvenience which may arise through repair or alteration of any part of the Building or the Property, or failure to make repairs, or from any cause whatsoever except the affirmative acts of negligence of Landlord or its agents or employees, and then only to the extent not covered by insurance. Landlord shall have no liability for any damage to vehicles parked on the Property or for any loss of property from within such vehicles, or for any injury suffered by Tenant or its employees or invitees, except to the extent such loss, damage or injury is caused solely by Landlord's negligence or willful misconduct. If Tenant or Tenant's employees or invitees park illegally or in areas designated for use by others, or in driveways, fire lanes or areas not striped for general parking or otherwise violate any parking rules and regulations promulgated by Landlord, then Landlord may, at the vehicle owner's sole cost and expense, tow such vehicles away from the Property and/or attach violation notices to such vehicles. Tenant shall not make any claim against Landlord for business interruption or consequential damages, and hereby waives such claims against Landlord. The provisions of this paragraph 17 shall survive the expiration or earlier termination of this Lease.

18. ENVIRONMENTAL MATTERS. Neither Landlord nor Tenant shall cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Building or the Property, provided that Tenant may safely use and store such reasonable quantities of standard cleaning and other materials as are customary and necessary for Tenant to conduct the permitted use described in paragraph 4 of this Lease. At the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord free of Hazardous Materials and in compliance with all Environmental Laws. "Hazardous Materials" as used herein shall mean (A) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable Law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, (B) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (C) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Building or the Property or hazardous to health or the environment. "Environmental Law" as used herein shall mean any present and future law (whether common law, statute, rule, order, regulation or otherwise) and any amendments, permits and other requirements or guidelines of governmental authorities applicable to the Building or the Property and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 33 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the U.S. Environmental Protection Agency, and any similar state and local laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

Notwithstanding the above, Tenant shall not be responsible for any claim, demand, cost, damage, injury, loss, liability or change based on or arising out of the presence of any Hazardous Materials or conditions on or about the Building or the Property not caused by Tenant, its employees or invitees.

Landlord and Tenant acknowledge that the Building is old and, although it will be restored prior to the commencement of this Lease, the Building and the Property may contain residual Hazardous Materials from prior uses including, without limitation, lead-based paint and asbestos. Upon any discovery of any such preexisting Hazardous Materials, Tenant agrees to take reasonable steps to minimize human contact with such materials and immediately notify

Landlord so that Landlord may remove, encapsulate or otherwise remedy such Hazardous Materials as appropriate. Tenant also agrees to comply with (and cause its employees, agents and invitees to comply with) any rules Landlord may promulgate from time to time to minimize risks associated with Hazardous Materials on the Premises.

19. DEFAULT. Landlord, at its election, may exercise any one or more of the options referred to below upon the happening or at any time after the happening of any one or more of the following events, each of which shall be deemed a “default” or “event of default” under this Lease.

(a) Tenant’s failure to pay any installment of Rent or any other sum payable hereunder for a period of ten (10) days after the date on which such payment is due;

(b) Tenant files a petition in bankruptcy pursuant to the Bankruptcy Code or under any similar federal or state law, or is adjudicated a bankrupt or becomes insolvent, or makes any assignment for the benefit of creditors, or commits any act of bankruptcy as defined in any such law, or takes any action in furtherance of any of the foregoing

(c) A receiver, trustee or liquidator (or similar official) being appointed for Tenant or a substantial portion of Tenant’s assets and not discharged within sixty (60) days thereafter, or Tenant consents to or acquiesces in such appointment;

(d) A petition or answer is filed proposing the adjudication of Tenant as a bankrupt pursuant to the Bankruptcy Code or any similar federal or state law, and (i) Tenant consents to the filing thereof, or (ii) such petition or answer is not discharged within sixty (60) days after the filing thereof;

(e) Tenant’s permanent abandonment of the Premises or attempt to mortgage or pledge its interest hereunder;

(f) Tenant’s interest under this Lease being levied on or attached in any proceeding and such process is not vacated or discharged within sixty (60) days after such levy or attachment;

(g) Except in accordance with paragraph 23 of this Lease, Tenant’s interest under this Lease being assigned by operation of law or otherwise or Tenant subletting all or any portion of the Premises;

(h) Any of the goods or chattels of Tenant used in or incident to the operation of Tenant’s business in the Premises being seized, sequestered, or impounded by virtue of, or under authority of, any legal proceedings; and

(i) Tenant fails to discharge any lien within the time period set forth in paragraph 26 of this Lease;

(j) Tenant fails to deliver to Landlord any subordination agreement or estoppel certificate required by this Lease within the time period set forth herein;

(k) Tenant uses or permits the use of the Premises for any purpose other than expressly permitted in this Lease or by Landlord's written authorization;

(l) The dissolution of Tenant;

(m) Tenant fails to comply with the architectural guidelines attached hereto as "**Exhibit D-2**" or otherwise modifies the Property or any portion thereof in a manner that causes, or is likely to cause, the recapture of any state or federal historic tax credits issued as a result of the rehabilitation of the Building; or

(n) Tenant's material or repeated failure to observe, keep or perform any of the other terms, covenants, agreements or conditions of this Lease or the Building rules and regulations, which failure is not addressed by any of the foregoing subparagraphs (a) through (m), for a period of thirty (30) days after notice by Landlord; provided, however, that any such failure that poses a safety risk or nuisance to other tenants or occupants of the Building, or that constitutes any illegal activity, shall constitute an immediate default.

In the event of any of the foregoing events of default, Landlord, at its election, may exercise any one or more of the following options, the exercise of any of which shall not be deemed to preclude the exercise of any others therein listed or otherwise provided by statute or general law at the same time or in subsequent time or action:

(x) Terminate Tenant's right to possession under this Lease and reenter and retake possession of the Premises and relet or attempt to relet the Premises on behalf of Tenant at such Rent and under such terms and conditions as Landlord may deem best under the circumstances. Landlord shall not be deemed to have thereby accepted a surrender of the Premises, and Tenant shall remain liable (subject to Landlord's obligation to mitigate damages) for all Rent and other sums due under this Lease and for all damages suffered by Landlord as a result of Tenant's breach of any of the covenants of this Lease.

(y) Declare this Lease to be terminated, and reenter upon and take possession of the Premises, whereupon all right, title and interest of the Tenant in the Premises shall terminate.

(z) Accelerate and declare the entire remaining unpaid Rent for the balance of this Lease to be immediately due and payable forthwith, and at once, take legal action to recover and collect the same. Landlord shall be under no obligation to relet the Premises, but if Landlord elects to accelerate rent, Landlord agrees to use reasonable efforts to relet the Premises and agrees that Tenant shall be entitled to a credit in the net amount of rent actually received by Landlord in reletting, after deductions of all reasonable expenses incurred in repossession and in reletting the Premises (including, without limitation, repairs, remodeling costs, brokerage fees and the like), and in collecting the rent in connection therewith.

No reentry or retaking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention be given to Tenant; nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of violations of any of the terms, provisions and covenants herein contained. Landlord's acceptance of Rent following any event of default hereunder shall not be construed as Landlord's waiver of such event of default. No forbearance by Landlord of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. Legal actions to recover any loss or damage that Landlord may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expenses of repossession and any repairs or remodeling undertaken by Landlord following repossession.

20. ATTORNEYS' FEES. In the event either party to this Lease initiates any judicial action against the other in order to enforce any term or covenant of this Lease, the non-prevailing party in such action shall reimburse the prevailing party for all expenses, fees and costs including reasonable attorneys' fees actually incurred by the prevailing party in connection with such judicial action.

21. SUBORDINATION, ATTORNMENT AND NONDISTURBANCE. In consideration of the execution of this Lease by Landlord, Tenant accepts this Lease subject to any deeds of trust, collateral assignments, ground leases, master leases, security interests or mortgages, including all renewals, modifications, consolidations, replacements and extensions thereof (collectively, the "Superior Interests"), which might now or hereafter constitute a lien upon the Property, the Building or the Premises. Tenant further agrees to attorn to and recognize the holder of any Superior Interest who comes into possession of the Property through foreclosure or otherwise, or any purchaser at foreclosure or by deed in lieu thereof (each, a "Successor"), as its landlord for the balance of the Term (as it may be extended) upon the terms and conditions set forth in this Lease; provided, however, that such Successor shall neither disturb Tenant's use, possession or enjoyment of the Premises nor impair Tenant's rights under the Lease so long as Tenant is not in default under this Lease. Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination, Tenant shall nevertheless, for the purposes of confirmation, at any time hereafter, within ten (10) days following request by Landlord, execute and deliver a subordination, nondisturbance and attornment agreement in such form as Landlord or any holder of any Superior Interest may request for the purpose of expressly subjecting and subordinating this Lease to the lien of any such Superior Interest. Tenant hereby irrevocably constitutes and appoints Landlord as its attorney-in-fact for the sole purpose of executing and delivering such subordination agreements and documents if Tenant should fail or refuse to do so within ten (10) days following request by Landlord, it being stipulated that such power of attorney is coupled with an interest and is irrevocable. If, in connection with obtaining financing for the Property or refinancing any mortgage encumbering the Property, the prospective lender requests reasonable modifications to this Lease as a condition precedent to such financing or refinancing, then Tenant shall not unreasonably withhold, delay or condition its consent to such modifications, provided that such modifications do not (i) increase the Rent,

(ii) increase the security deposit, (iii) reduce the Term, (iv) affect any termination, extension or expansion options, (v) materially and adversely affect the leasehold interest created by this Lease, or (vi) materially and adversely affect the manner in which Tenant's operations are conducted at the Premises. The provisions of this Lease relating to the Superior Interests are for the benefit of, and enforceable by, any Successors and holders of Superior Interests.

22. ESTOPPEL CERTIFICATES. Upon not less than ten (10) days' prior notice by Landlord, Tenant shall execute and deliver to Landlord a written statement certifying such matters regarding the Lease as Landlord or Landlord's lender shall reasonably request. If Tenant fails to timely execute and deliver an estoppel certificate in accordance with this paragraph 22, Tenant shall be deemed to have irrevocably constituted and appointed Landlord as its attorney-in-fact for the sole purpose of executing and delivering such estoppel certificate, it being stipulated that such power of attorney is coupled with an interest and is irrevocable.

23. ASSIGNMENT AND SUBLETTING. Tenant shall not assign the right of occupancy under this Lease or any other interest therein, or sublet the Premises, or any portion thereof, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, except that Landlord shall have no obligation to consent to an assignment or subtenancy that would (i) constitute a "disqualified lease" under Section 168(h) of the Internal Revenue Code, or (ii) cause the Premises to be used for purposes inconsistent with Landlord's mission to house educational, social, service and recreational activities for the community. If Landlord consents to the assignment or subletting, Tenant agrees to pay, on demand, the reasonable costs incurred by Landlord in connection with any proposed assignment or subtenancy of all or any part of the Premises, including, without limitation, reasonable attorneys' fees, regardless of whether any assignment or sublease is consummated. Notwithstanding anything contained herein to the contrary, Tenant shall have no right of assignment or subletting if it is in default under this Lease. Notwithstanding any assignment of this Lease, or the subletting of the Premises or any portion thereof, Tenant shall continue to be liable for the performance of all of the terms, conditions and covenants of this Lease, including, but not limited to, the payment of Rent. Consent by Landlord to one or more assignments and sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignments and sublettings, including Landlord's consent right. In the event Tenant requests Landlord's consent to any assignment or subletting, Landlord shall have the option, which shall be exercised by providing Tenant with written notice thereof, of terminating Tenant's rights and obligations under this Lease as to the proposed subleased space rather than permitting any assignment or subletting by Tenant. Landlord shall be entitled to assign this Lease in full or in part, and to mortgage or otherwise encumber its interest in the Property, at any time, subject to the nondisturbance provision of Section 21 of this Lease.

By its signature below, Landlord consents, without any payment by Tenant, to Tenant's sublease of a portion of the Premises to Martha Jefferson Hospital for operation of a health clinic and waives its right to terminate the Lease as provided in this paragraph 23 as to such sublease. Tenant shall incorporate the covenants, terms and conditions of this Lease into such sublease including, without limitation, the insurance requirements of Section 13 (except that the sublessee's general liability insurance limits shall be \$4,000,000 in respect to injury or death and \$1,000,000 in respect to any instance of property damage, and the sublessee's policies shall

name Landlord as an additional insured), and shall promptly deliver an executed copy of such sublease and any amendments thereto to Landlord. The provisions of paragraph 27 shall be deemed amended to add the names and addresses of the subtenant as additional recipients of notices to Tenant.

24. QUIET ENJOYMENT. Provided Tenant has performed all of the terms, covenants, agreements, and conditions of this Lease, including the payment of Rent and all other sums due hereunder, Tenant shall peaceably and quietly hold and enjoy the Premises against Landlord and all persons claiming by, through or under Landlord, for the Term, subject to the provisions and conditions of this Lease. Landlord shall not be responsible to Tenant for the nonperformance of any rules and regulations by any other tenant or occupant of the Building except to the extent such nonperformance disrupts Tenant's quiet enjoyment of the Premises.

25. SECURITY DEPOSIT. None.

26. MECHANICS' LIENS. Tenant shall not make any alteration to the Premises except as expressly provided in the Lease. Tenant shall not permit any mechanics' or materialmen's liens to be placed upon the Premises or the Building or any portion thereof caused by or resulting from any work performed, materials furnished or obligations incurred by or at the request of Tenant. In the case of the filing of any such lien (or memorandum thereof), Tenant shall cause the prompt release of same, whether by payment or other settlement. Tenant shall be entitled to dispute such mechanic's lien in good faith provided the same is promptly bonded off at Tenant's expense. In the event that Tenant fails to have such lien released within thirty (30) days of filing, then, without limiting Landlord's other rights, Landlord shall have the right, but not the responsibility, at Landlord's sole option, to pay any or all amounts claimed under any mechanics' or materialmen's lien at any time without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be deemed Additional Rent hereunder.

27. NOTICES. Any notice or document required or permitted to be delivered hereunder shall be in writing and deemed to be delivered or given when (a) actually received or (b) signed for or "refused" as indicated on the postal service or overnight delivery service receipt. Delivery shall be by personal delivery, by nationally recognized overnight delivery service, or by United States Mail, postage prepaid, return receipt requested, addressed to the parties hereto at the respective addresses set out in the Basic Lease Provisions above, or at such other address as they may hereafter specify by written notice delivered in accordance herewith:

28. TIME. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday under the laws of the Commonwealth of Virginia, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5 p.m., local time.

29. FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by a party to this Lease, such party shall not be liable or responsible for, and there

shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions or any other causes of any kind whatsoever which are beyond the control of such party.

30. SEPARABILITY. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

31. HOLDING OVER. The failure of Tenant to surrender the Premises on the date provided herein for expiration of this Lease (or at the time this Lease may be terminated by Landlord), and the subsequent holding over by Tenant, with or without the consent of Landlord, shall result in the creation of a tenancy at will upon the terms and conditions of this Lease at 100% of the Rent payable as of the date provided herein for the expiration of this Lease, subject adjustment as provided in Section 3 and including all Additional Rent that may accrue during any holdover period. This provision does not give Tenant any right to hold over at the expiration of the term of this Lease, and shall not be deemed, to be a renewal of the term of this Lease, either by operation of law or otherwise. Tenant shall, at its sole cost and expense, take all actions required to remove any assignee or subtenant of Tenant, or other party claiming rights to the Premises under or through Tenant upon the expiration or earlier termination of the Term.

32. NO SURRENDER. No act or thing done by Landlord or Landlord's agents during the Term will be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender will be valid unless in writing and signed by Landlord. No employee of Landlord or Landlord's agents will have any authority to accept the keys to the Premises prior to the Termination Date and the delivery of keys to any employee of Landlord or Landlord's agents will not operate as an acceptance of a termination of this Lease or an acceptance of a surrender of the Premises.

33. RENT A SEPARATE COVENANT. Tenant shall not for any reason withhold or reduce Tenant's required payments of Rent and other charges provided in this Lease, it being agreed that the obligations of Tenant under this Lease are independent of the obligations of Landlord.

34. ABSENCE OF OPTION. The submission of this Lease for examination does not constitute a reservation of or option for the Premises and this Lease becomes effective only upon execution and delivery thereof by Landlord.

35. CORPORATE TENANCY. If Tenant is a corporation, the undersigned officer of Tenant hereby warrants and certifies to Landlord that Tenant is a corporation in good standing and is authorized to do business in the Commonwealth of Virginia. The undersigned officer of Tenant hereby further warrants and certifies to Landlord that he or she as such officer, is authorized and empowered to bind the corporation to the terms of this Lease by his or her signature thereto.

36. BROKERAGE COMMISSION. Each of the parties to this Lease represents and warrants to the other party that there are no other claims for broker's commission or finders' fees in connection with its execution of this Lease.

37. AMENDMENTS. This Lease contains the entire agreement between the parties hereto and may not be altered, changed or amended, except by an instrument in writing signed by both parties hereto. No provision of this Lease shall be deemed to have been waived by either party unless such waiver be in writing signed by the waiving party and addressed to the other party, nor shall any custom or practice which may grow up between the parties in the administration of the provisions hereof be construed to waive or lessen the right of either party to insist upon the performance by the other party in strict accordance with the terms hereof. The terms, provisions, covenants, and conditions contained in this lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise expressly provided herein.

38. LANDLORD'S RIGHT TO PERFORM TENANT'S DUTIES. If Tenant fails timely to perform any of its duties under this Lease, Landlord shall have the right (but not the obligation), after the expiration of any grace period expressly provided in this Lease, to perform such duty on behalf of and at the expense of Tenant after ten (10) day's prior written notice to Tenant (which shall run concurrently with the cure period provided in Section 19(n) of this Lease, if applicable, and all sums expended or expenses incurred by Landlord in performing such duty shall be deemed Additional Rent under this Lease and shall be due and payable upon demand by Landlord.

39. LIMITATION OF LANDLORD'S LIABILITY. Anything contained in this Lease to the contrary notwithstanding, Tenant agrees that it shall look solely to the estate and property of the Landlord for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord for any default or breach by Landlord of any of its obligations under this Lease, subject, however, to the prior rights of any lessor or holder of any mortgage covering the Building or Landlord's interest therein. Tenant shall have no recourse against any individual or entity comprising Landlord, including, without limitation, the members, partners, directors, trustees, and officers of Landlord, in connection with this Lease. This provision shall not be deemed, construed or interpreted to be or constitute an agreement, express or implied, between Landlord and Tenant that the Landlord's express or implied interest hereunder and in the Building shall be subject to impressments of an equitable lien or otherwise. Nothing herein contained shall be construed to limit any right of injunction against Landlord, where appropriate.

40. INTENTIONALLY OMITTED.

41. COUNTERPARTS. This Lease may be executed in counterparts, each of which is an original and all of which together constitute one and the same instrument.

42. RECORDING. This Lease shall not be recorded; however, either party shall have the right to record a memorandum thereof, at such party's expense, at any time during the Term, and the other party agrees to join in the execution thereof if requested.

43. RENEWAL OPTION. Subject to the terms and conditions of this paragraph, Landlord hereby grants to Tenant the right to extend the original Term for one (1) period of five (5) years (the “Renewal Period”). If Tenant desires to exercise this renewal option, Tenant shall notify Landlord on or before the date which is six (6) months prior to the expiration of the original Term. If Tenant fails to timely notify Landlord of its election to extend this Lease, Tenant shall be deemed to have waived its right to extend the term of this Lease. If Tenant exercises this renewal option, all of the terms and conditions of this Lease will apply to the Renewal Period, except that the Base Rent for the Renewal Period will be the Base Rent during the last year of the original term of the Lease, escalated for each year of the Renewal Period in accordance with paragraph 3. In connection with any renewal of the Term, Landlord will not be obligated to do any work to the Premises and will not be obligated to contribute to the cost of any work done to the Premises by Tenant. Tenant’s right to exercise the renewal option is expressly subject to the satisfaction of all of the following conditions on both the date Tenant exercises the renewal option and the commencement date of the Renewal Period: (i) Tenant must not be in default of any monetary obligation or any material non-monetary obligation under this Lease; (ii) Tenant (or a permitted subtenant) must be in occupancy of the entire Premises; and (iii) Tenant must not have assigned this Lease. If all of the foregoing conditions are not satisfied on both the date Tenant exercises the renewal option and the commencement date of the Renewal Period, then any notice exercising the renewal option will be automatically null and void.

44. SUBJECT TO APPROPRIATION. Tenant’s payment and performance obligations, beyond the initial year of this Lease, are expressly conditioned upon the availability of and appropriation by Charlottesville City Council of public funds therefor in each subsequent fiscal year. When public funds are not appropriated or are otherwise unavailable to support continuation of performance by Tenant in a subsequent fiscal period, this Lease shall automatically expire at the end of the then-current fiscal year, without liability or penalty to Tenant. Within a reasonable time following City Council’s adoption of a budget, Tenant shall provide the Landlord with written notice of any non-appropriation or unavailability of funds affecting this Agreement. Landlord shall then have the right, within thirty (30) days after receipt of such written notice, to elect at its sole discretion to assume any or all subleases of the Premises then in force or to terminate any or all such subleases. In the event that Landlord elects to assume such subleases, Tenant shall promptly assign and deliver such subleases (and any security deposits thereunder) to Landlord together with one or more estoppel certificates confirming that each such assigned sublease is in full force and effect and there are no defaults thereunder. In the event that Landlord elects to terminate such subleases, Tenant shall deliver possession of the Premises to Landlord in broom clean condition and free of all trash and furniture, movable trade fixtures and equipment not attached to the Building.

45. TENANT’S REMEDIES. In the event of Landlord’s material or repeated failure to perform its obligations under the Lease, Tenant shall give Landlord written notice thereof, after which Landlord shall have thirty (30) days to cure such failure. If Landlord has commenced its cure within such period but such failure is not reasonably curable within such period, then Landlord shall have such additional time to cure such failure as may be reasonably necessary so long as Landlord pursues such cure diligently and in good faith. If such failure is

not cured as provided herein, then Tenant shall be entitled, upon written notice to Landlord, to pursue its available remedies at law or in equity.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO LEASE AGREEMENT.]

IN WITNESS WHEREOF, the undersigned duly authorized officers have executed this Lease as of the date first written above.

TENANT:

CITY OF CHARLOTTESVILLE, VIRGINIA,
a body politic and a body corporate

By: _____
Its: _____

LANDLORD:

JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, L.L.L.P.,
a Virginia limited liability limited partnership

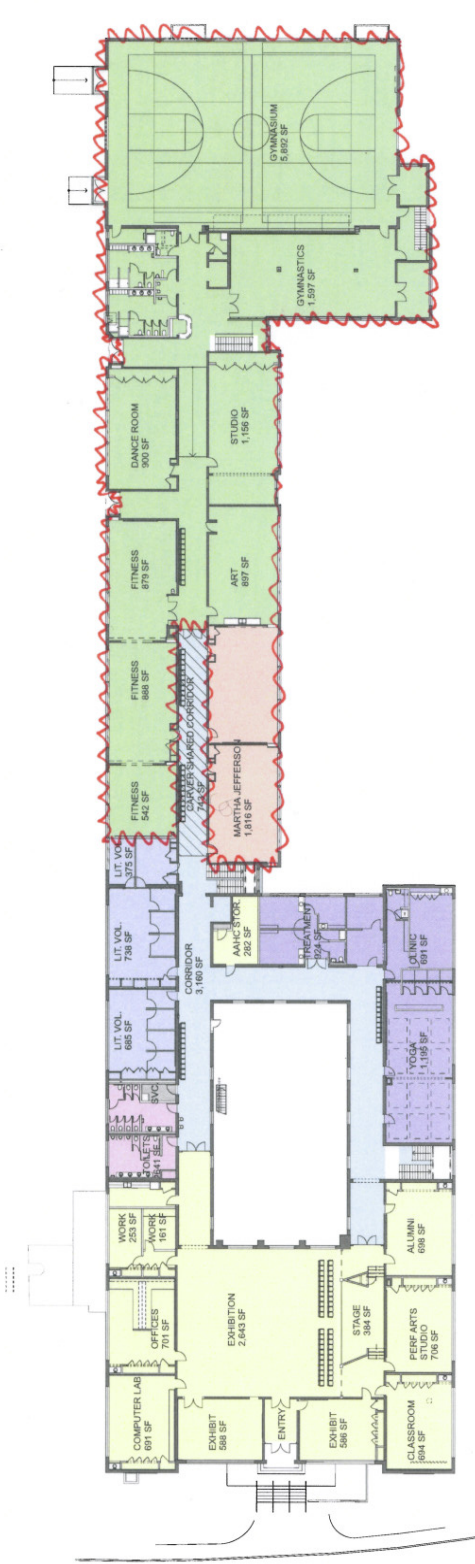
By: Jefferson City Center, Inc., a Virginia corporation,
its managing partner

By: Jefferson School Restoration, Inc., a Virginia corporation,
its Special Manager


By: Martin Burks, III, President

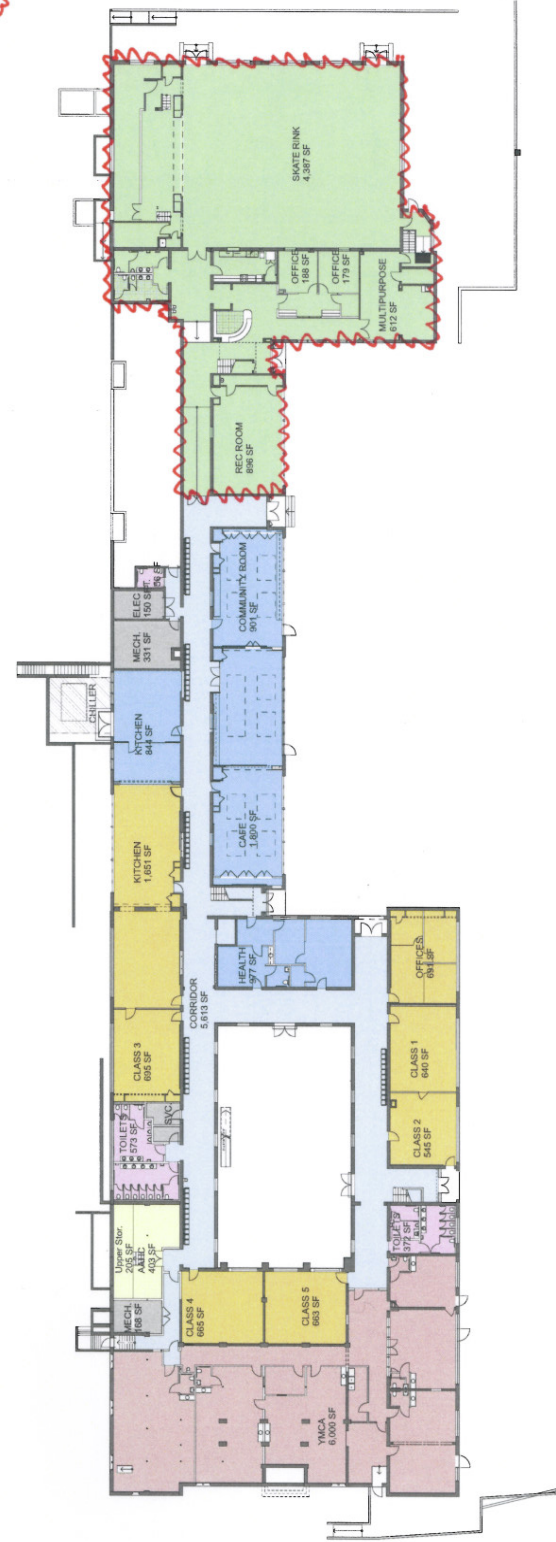
EXHIBIT "A"

PREMISES



UPPER FLOOR PLAN

 = PREMISES



LOWER FLOOR PLAN

TENANT	AREA PROVIDED
AAHC	10,122
CARVER	26,542
COMMON GROUND	2,810
JABA	4,522
LITERACY VOLUNTEERS	1,798
PMCC	5,550
YMCA	6,031
COMMON - CIRCULATION	9,516
COMMON - RESTROOM	1,641
COMMON - SERVICE	841
MARTHA JEFFERSON	1,816
	71,219 sq ft



EXHIBIT "B"

RENT SCHEDULE

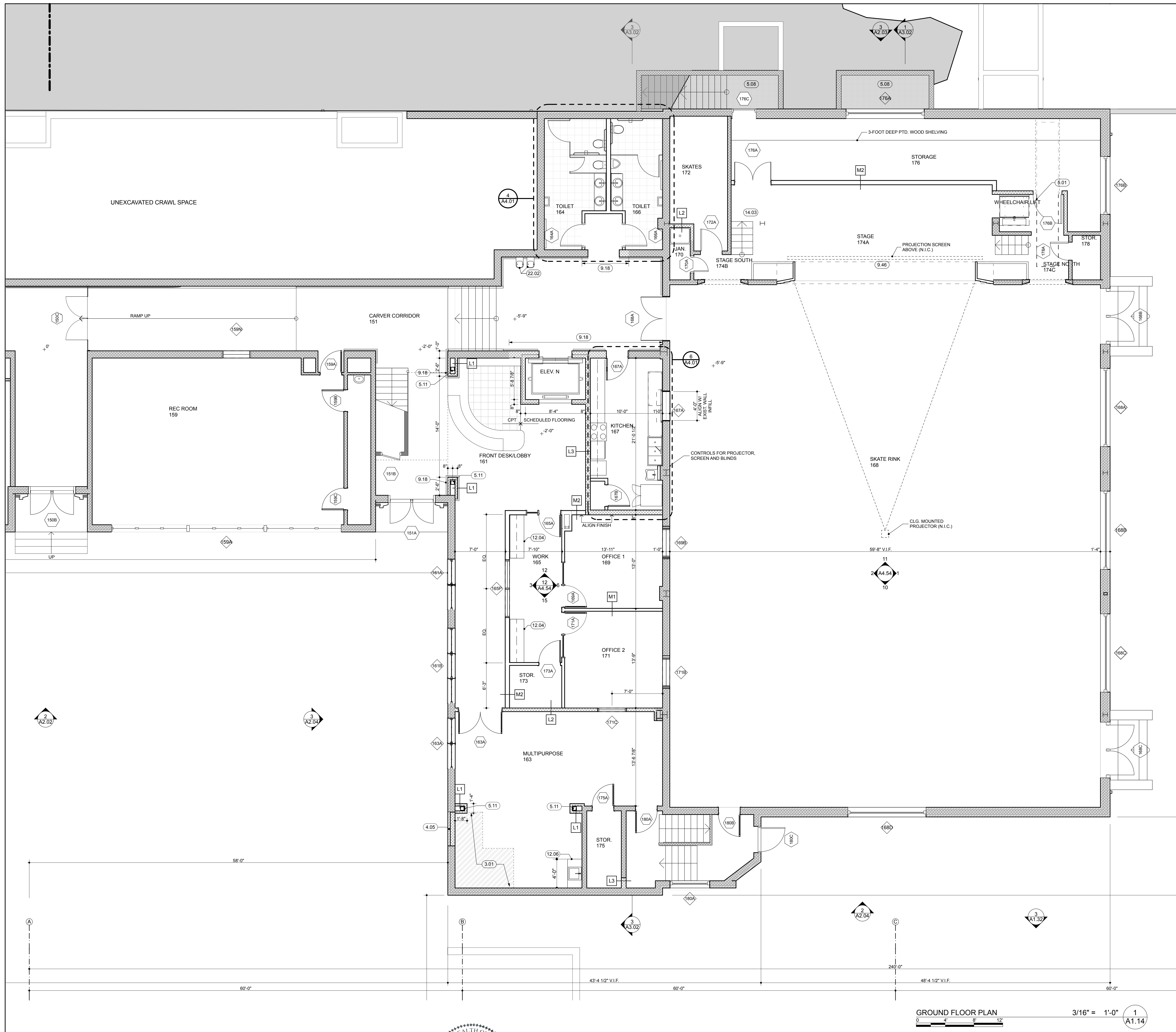
Example only- After Year 1 subject to annual determination pursuant to Section 3 of the Lease.

CARVER RECREATION CENTER

Year	% Escalator	Base Rent per Square Foot	Annual Rent	Monthly Rent
1	0%	\$ 11.75	\$ 395,986.75	\$ 32,998.90
2	3%	\$ 12.10	\$ 407,866.35	\$ 33,988.86
3	3%	\$ 12.47	\$ 420,102.34	\$ 35,008.53
4	3%	\$ 12.84	\$ 432,705.41	\$ 36,058.78
5	3%	\$ 13.22	\$ 445,686.58	\$ 37,140.55
6	3%	\$ 13.62	\$ 459,057.17	\$ 38,254.76
7	3%	\$ 14.03	\$ 472,828.89	\$ 39,402.41
8	3%	\$ 14.45	\$ 487,013.75	\$ 40,584.48
9	3%	\$ 14.88	\$ 501,624.17	\$ 41,802.01
10	3%	\$ 15.33	\$ 516,672.89	\$ 43,056.07
11	3%	\$ 15.79	\$ 532,173.08	\$ 44,347.76
12	3%	\$ 16.26	\$ 548,138.27	\$ 45,678.19
13	3%	\$ 16.75	\$ 564,582.42	\$ 47,048.53
14	3%	\$ 17.26	\$ 581,519.89	\$ 48,459.99
15	3%	\$ 17.77	\$ 598,965.49	\$ 49,913.79

Useable Square Footage	28,358
Allocated Common Area	5,343
TOTAL Leasable Space	33,701

EXHIBIT “C”
SPACE PLAN



- PLAN NOTES**
- 4.05 PRECAST STCL. ALIGN BRICK LAYOUT W/ EXIST.
 - 4.06 MASONRY INFILL. SET FACE OF BRICK BACK 1/2" FROM EXIST. FACE OF WALL. ALIGN W/ EXIST. BRICK COURSING.
 - 5.01 NEW SLIDING ALUMINUM ACCESS RAMP. PROVIDE STORAGE POCKET BELOW FLOORING PER DETAILS.
 - 5.02 NEW GALV. STL. BAR GRATE OVER EXIST. WINDOW/ STAIR WELL.
 - 5.04 NEW STEEL STAIR.
 - 5.07 NEW HANDRAIL PER LANDSCAPE.
 - 5.09 NEW PTD. MTL. GUARDRAIL & STAIR RAIL. REMOVABLE GUARDRAIL.
 - 5.10 EXIST. MTL. RAIL. CLEAN & PAINT PER SPECS.
 - 5.11 NEW STRUCTURE. SEE STRUCTURAL DRAWINGS.
 - 5.12 NEW PLATFORM FRAMING.
 - 5.14 EXIST. STL. STRUCTURE TO BE CLEANED & PAINTED.
 - 7.01 WATERPROOF SUBGRADE WALLS; MASONRY REPAIR REQUIRED.
 - 7.06 EXISTING SLATE ROOF. RETAIN AND REPAIR. CLEAN.
 - 7.07 LOW SLOPE ROOF. NEW EPDM ROOF OVER PROTECTION BOARD. SLOPE AS INDICATED ON PLAN. RETAIN EXISTING PITCH WHERE FEASIBLE. MINIMUM PITCH 1/4" PER FOOT. REMOVE EXISTING ROOF PRIOR TO INSTALLATION. INCREASE PITCH AT PONDING AREAS. INSPECT SHEATHING.
 - 7.08 LOW SLOPE ROOF. NEW EPDM ROOF OVER R-20 RIGID INSULATION. SLOPE AS INDICATED ON PLAN. RETAIN EXISTING PITCH WHERE FEASIBLE. MINIMUM PITCH 1/4" PER FOOT. REMOVE ROOF PRIOR TO INSTALLATION.
 - 7.10 NEW GUTTER.
 - 7.11 NEW DOWNSPOUT.
 - 7.13 BLOW-IN CELLULOSE INSULATION IN ATTIC. R-20.
 - 7.14 3"x3" FLEXIBLE WALKWAY.
 - 8.56 EXISTING SKYLIGHT. RAISE CURB PER DETAIL.
 - 8.57 NEW SKYLIGHT. SEE DETAIL.
 - 8.58 EXISTING ROOF HATCH. RAISE CURB.
 - 8.61 NEW WINDOW. EXPANDED MASONRY OPENING. RETAIN HEAD HEIGHT.
 - 9.01 NEW WALL. TO ALIGN W/ FINISH OF ADJ. WALLS BOTH SIDES.
 - 9.17 GLAZED TILE. REPAIR & CLEAN.
 - 9.18 REUSE SALVAGED WALL TILE. TOOTH INTO EXIST. TILE PER SPECS.
 - 9.46 INSTALL CURTAIN AT END OF CONSTRUCTION.
 - 9.59 WOOD STAGE PROSCENIUM. STABILIZE TRANSPARENT FINISH. RECOAT WITH MATCHING STAIN. ENCAPSULATE.
 - 9.65 NEW WALL. PADS FOR GYMNASTICS. 6" H EXCEPT AT LOW WINDOWS.
 - 9.70 WOOD SCOFFIT FOR BUILDING SERVICES. SEE DETAILS.
 - 10.02 NEW JANITORS CLOSET FIXTURES. NEW MOP SINK. SHELVES & HOOKS. VINYL TILE FLOOR. CLEAN EXISTING MASONRY WALLS. NEW WALLS TO BE OYP. BD. PAINT.
 - 10.03 NEW SOLID SURFACE COUNTERTOP & SINK. 34" H.
 - 10.04 (4) ALUMINUM COAT HOOKS.
 - 10.05 NEW ADJUSTABLE SHELVES. STAINED WOOD.
 - 10.06 METAL LOCKERS. SEE ELEVATION.
 - 10.07 CHALKBOARD. REPAIR SURFACE.
 - 10.09 CHALKBOARD TO BE REPLACED WITH MIRRORS. SEE DETAIL.
 - 10.10 CHALKBOARD SURFACE TO BE REPLACED W/ CORK. SEE DETAIL.
 - 10.11 TENANT MAILBOXES CUT INTO EXIST. MASONRY WALL.
 - 10.12 NEW MIRROR W/ FRAME TO MATCH EXIST. SEE ELEVATION.
 - 10.13 CHALKBOARD TO BE RESURFACED W/ WHITE BOARD.
 - 12.01 NEW BUILT-IN DESK/CABINETS. SEE DETAIL.
 - 12.03 REINSTALL FIRST TWO ROWS OF FIXED SEATING.
 - 12.04 NEW PLASTIC LAMINATE WORK SURFACE.
 - 12.05 NEW BUILT-IN BOOKCASE ON TOP OF DESKTOP. SEE DETAIL.
 - 12.06 NEW CABINET W/ PLAM TOP AND LAV(S) AS SHOWN ON PLAN.
 - 12.07 INSTALL ORIGINAL AUDITORIUM SEATING IN NEW LOCATION; BOLT TO FLOOR.
 - 12.08 NEW KITCHEN CABINET w/ PLAM COUNTER.
 - 12.09 REINSTALL MIRROR SALVAGED FROM SAME LOCATION.
 - 12.10 EXIST. CABINETS TO REMAIN; PAINT & REPAIR.
 - 22.01 NEW FIXTURE. SEE PLUMBING.
 - 22.02 NEW WATER FOUNTAIN.
 - 22.03 EXIST. WATER FOUNTAIN. DISCONNECT PLUMBING; PAINT & REPAIR SUPROUND.
 - 23.01 NEW MECHANICAL. SEE MEP.
 - 32.01 NEW PLANTING BEDS PER LANDSCAPE.

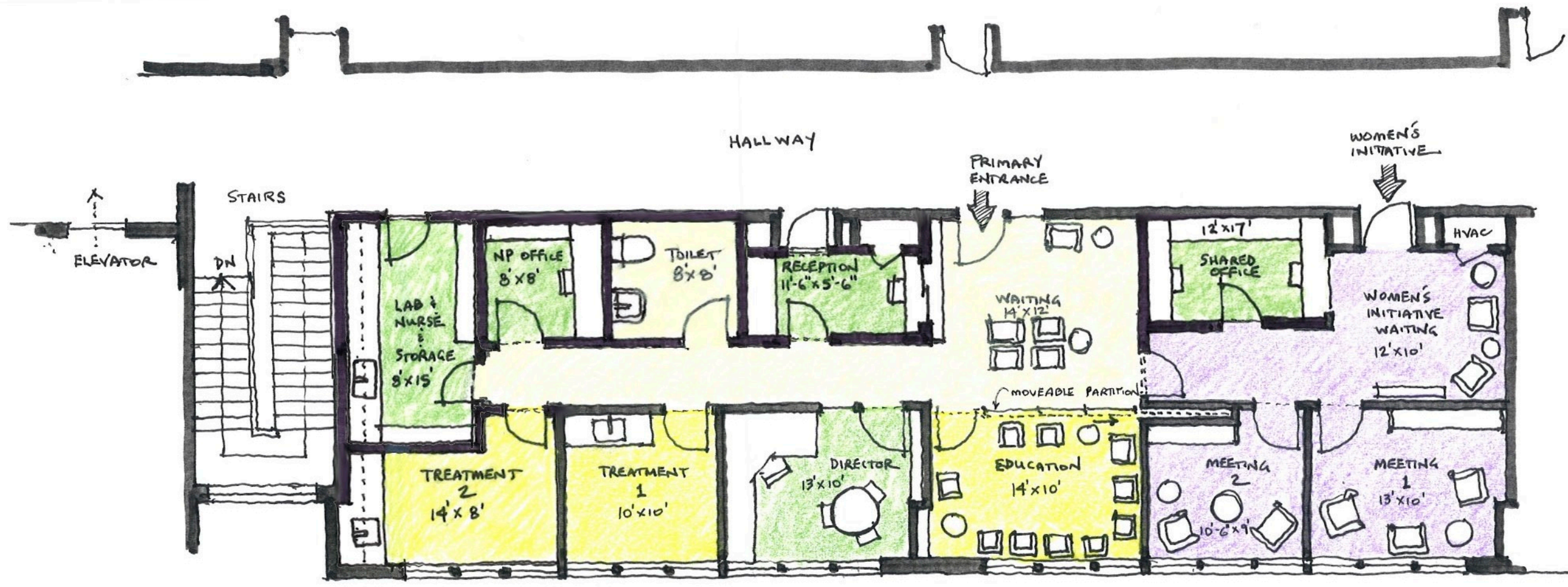
LEGEND

AS INDICATED BY BACKGROUND SHADE:
 [Hatched Box] EXISTING WALL TO REMAIN
 [Solid Grey Box] NEW WALL

GENERAL PLAN NOTES

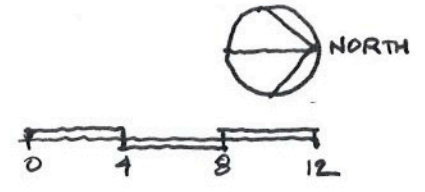
1. ALL WORK TO BE PERFORMED TO THE SECRETARY OF INTERIORS STANDARDS FOR REHABILITATION.
2. THIS BUILDING CONTAINS ASBESTOS TO BE ABATED. REPORT ANY MATERIAL SUSPECTED OF CONTAINING ASBESTOS TO THE CONTRACTOR AND OWNER. MATERIALS CONTAINING ASBESTOS TO BE HANDLED BY QUALIFIED PERSONNEL ONLY.
3. PAINT METHOD SHALL ENCAPSULATE LEAD PAINT AND TRANSPARENT FINISHES AS RECOMMENDED BY THE OWNERS QUALIFIED CONSULTANT ON HAZARDOUS MATERIALS.
4. ALL EXISTING CONDITIONS AND DIMENSIONS TO BE VERIFIED IN FIELD (V.I.F.)

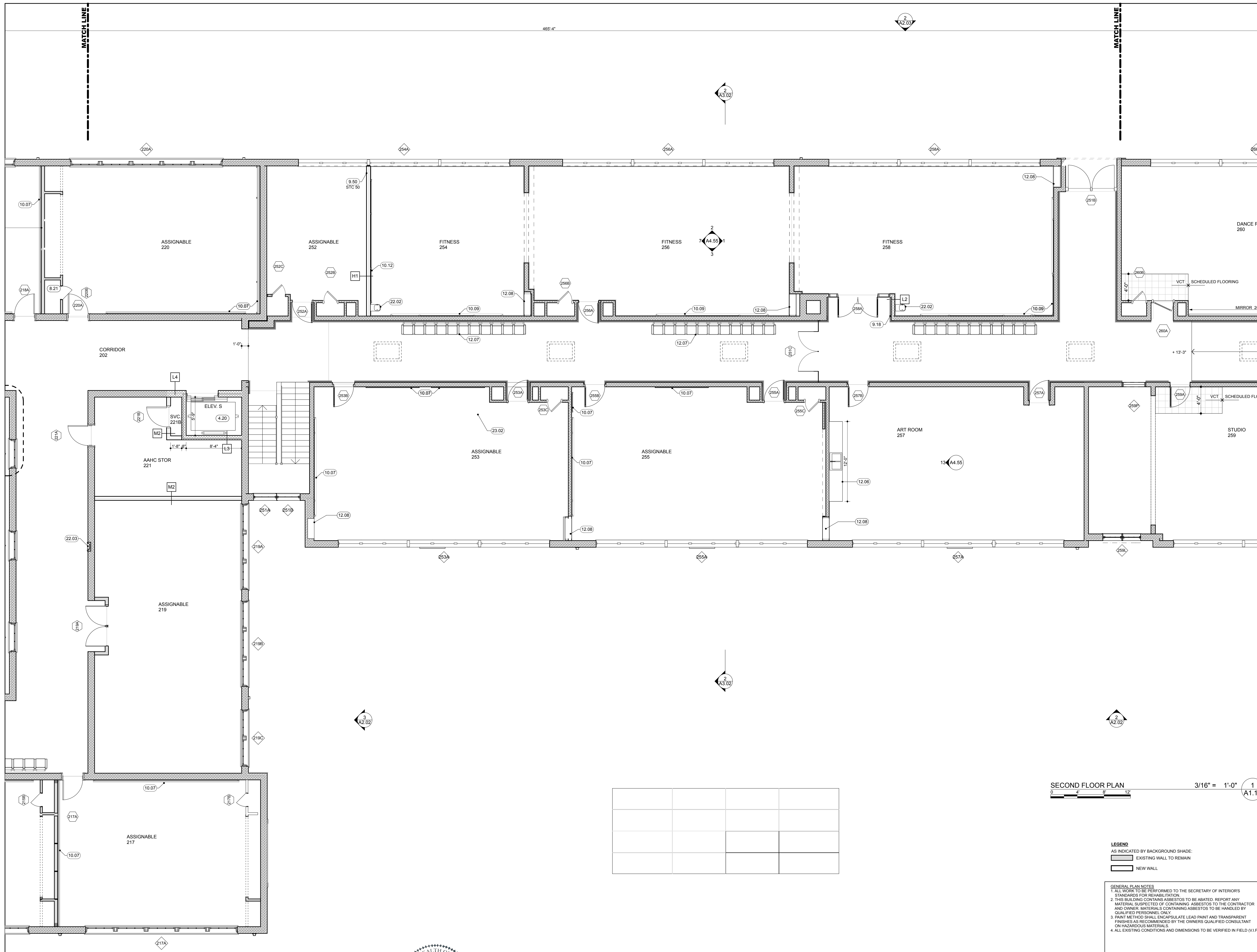
NOTE: NOTES w/o LEADERS APPLY GENERALLY TO A SPACE



TOTAL AREA ~ 1,771 SF.

MARTHA JEFFERSON HOSPITAL · COMMUNITY OUTREACH PROGRAMS
 1.31.11 · JEFFERSON SCHOOL





- PLAN NOTES**
1. PRECAST SLAB, ALIGN BRICK LAMPPOST W/ EXIST.
 - 4.05 MASONRY INFILL, SET FACE OF BRICK BACK 1/2" FROM EXIST. FACE OF WALL, ALIGN W/ EXIST. BRICK COURSING
 - 5.01 NEW SLIDING ALUMINUM ACCESS RAMP, PROVIDE STORAGE POCKET BELOW FLOORING PER DETAILS
 - 5.02 NEW GALV. STL. BAR GRATE OVER EXIST. WINDOW/ STAIR WELL
 - 5.04 NEW STEEL STAIR
 - 5.07 NEW HANDRAIL PER LANDSCAPE
 - 5.09 NEW FTD. MTL. GUARDRAIL & STAIR RAIL, REMOVABLE GUARDRAIL
 - 5.10 EXIST. MTL. RAIL, CLEAN & PAINT PER SPECS
 - 5.11 NEW STRUCTURE, SEE STRUCTURAL DRAWINGS
 - 5.12 NEW PLATFORM FRAMING
 - 5.14 EXIST. STL. STRUCTURE TO BE CLEANED & PAINTED
 - 7.01 WATERPROOF SUBGRADE WALLS, MASONRY REPAIR REQUIRED
 - 7.06 EXISTING SLATE ROOF, RETAIN AND REPAIR, CLEAN
 - 7.07 LOW SLOPED ROOF, NEW EPDM ROOF OVER PROTECTION BOARD, SLOPE AS INDICATED ON PLAN, RETAIN EXISTING PITCH WHERE FEASIBLE, MINIMUM PITCH 1/4" PER FOOT, REMOVE EXISTING ROOF PRIOR TO INSTALLATION, INCREASE PITCH AT PONDING AREAS, INSPECT SHEATHING
 - 7.08 LOW SLOPED ROOF, NEW EPDM ROOF OVER R-20 RIGID INSULATION, SLOPE AS INDICATED ON PLAN, RETAIN EXISTING PITCH WHERE FEASIBLE, MINIMUM PITCH 1/4" PER FOOT, REMOVE ROOF PRIOR TO INSTALLATION
 - 7.10 NEW GUTTER
 - 7.11 NEW DOWNSPOUT
 - 7.13 BLOW-IN CELLULOSE INSULATION IN ATTIC, R-20
 - 7.14 3"x3" FLEXIBLE WALKWAY
 - 8.56 EXISTING SKYLIGHT, RAISE CURB PER DETAIL
 - 8.57 NEW SKYLIGHT, SEE DETAIL
 - 8.58 EXISTING ROOF HATCH, RAISE CURB
 - 8.61 NEW WINDOW, EXPANDED MASONRY OPENING, RETAIN HEAD HEIGHT
 - 9.01 NEW WALL TO ALIGN W/ FINISH OF ADJ. WALLS BOTH SIDES
 - 9.17 GLAZED TILE, REPAIR & CLEAN
 - 9.18 REUSE SALVAGED WALL TILE, TOOTH INTO EXIST. TILE PER SPECS
 - 9.46 INSTALL CURTAIN AT END OF CONSTRUCTION
 - 9.59 WOOD STAGE PROSCENIUM, STABILIZE TRANSPARENT FINISH, RECOAT WITH MATCHING STAIN, ENCAPSULATE
 - 9.65 NEW WALL PADS FOR GYMNASIUMS, 6" H EXCEPT AT LOW WINDOWS
 - 9.70 NEW SCOFFIT FOR BUILDING SERVICES, SEE DETAILS
 - 10.02 NEW JANITORS CLOSET FIXTURES, NEW MOP SINK, SHELVES & HOOKS, VINYL TILE FLOOR, CLEAN EXISTING MASONRY WALLS, NEW WALLS TO BE OYP. RD. PAINT.
 - 10.03 NEW SOLID SURFACE COUNTERTOP & SINK, 3/4" (40) ALUMINUM COAT HOOKS
 - 10.04 (40) ALUMINUM COAT HOOKS
 - 10.05 NEW ADJUSTABLE SHELVES, STAINED WOOD
 - 10.06 METAL LOCKERS, SEE ELEVATION
 - 10.07 CHALKBOARD, REPAIR SURFACE
 - 10.09 CHALKBOARD TO BE REPLACED WITH MIRRORS, SEE DETAIL
 - 10.10 CHALKBOARD SURFACE TO BE REPLACED W/ CORK, SEE DETAIL
 - 10.11 TENANT MAILBOXES CUT INTO EXIST. MASONRY WALL
 - 10.12 NEW MIRROR W/ FRAME TO MATCH EXIST, SEE ELEVATION
 - 10.13 CHALKBOARD TO BE RESURFACED W/ WHITE BOARD
 - 12.01 NEW BUILT-IN DESK/CABINETS, SEE DETAIL
 - 12.03 REINSTALL FIRST TWO ROWS OF FIXED SEATING
 - 12.04 NEW PLASTIC LAMINATE WORK SURFACE
 - 12.05 NEW BUILT-IN BOOKCASE ON TOP OF DESKTOP, SEE DETAIL
 - 12.06 NEW CABINET w/ PLAM TOP AND LAV(S) AS SHOWN ON PLAN
 - 12.07 INSTALL ORIGINAL AUDITORIUM SEATING IN NEW LOCATION; BOLT TO FLOOR
 - 12.08 NEW KITCHEN CABINET w/ PLAM COUNTER
 - 12.09 REINSTALL MIRROR SALVAGED FROM SAME LOCATION
 - 12.10 EXIST. CABINETRY TO REMAIN; PAINT & REPAIR
 - 22.01 NEW FIXTURE, SEE PLUMBING
 - 22.02 NEW WATER FOUNTAIN
 - 22.03 EXIST. WATER FOUNTAIN; DISCONNECT PLUMBING; PAINT & REPAIR SURROUND
 - 23.01 NEW MECHANICAL, SEE MEP
 - 32.01 NEW PLANTING BEDS PER LANDSCAPE

SECOND FLOOR PLAN 3/16" = 1'-0" 1 A1.16

LEGEND
 AS INDICATED BY BACKGROUND SHADE:
 [Shaded Box] EXISTING WALL TO REMAIN
 [Unshaded Box] NEW WALL

GENERAL PLAN NOTES
 1. ALL WORK TO BE PERFORMED TO THE SECRETARY OF INTERIORS STANDARDS FOR REHABILITATION
 2. THIS BUILDING CONTAINS ASBESTOS TO BE ABATED, REPORT ANY MATERIAL SUSPECTED OF CONTAINING ASBESTOS TO THE CONTRACTOR AND OWNER. MATERIALS CONTAINING ASBESTOS TO BE HANDLED BY QUALIFIED PERSONNEL ONLY.
 3. PAINT METHOD SHALL ENCAPSULATE LEAD PAINT AND TRANSPARENT FINISHES AS RECOMMENDED BY THE OWNER'S QUALIFIED CONSULTANT ON HAZARDOUS MATERIALS.
 4. ALL EXISTING CONDITIONS AND DIMENSIONS TO BE VERIFIED IN FIELD (V.I.F.)

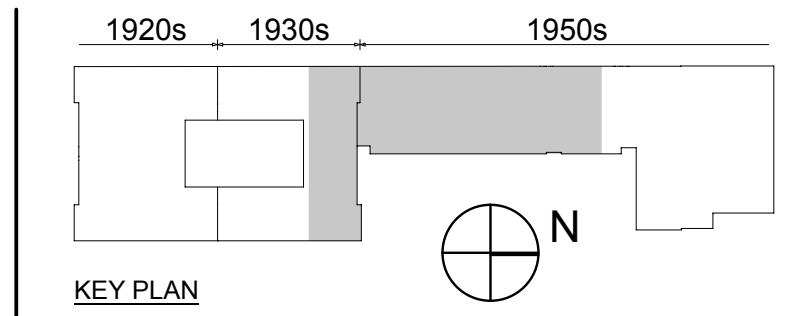
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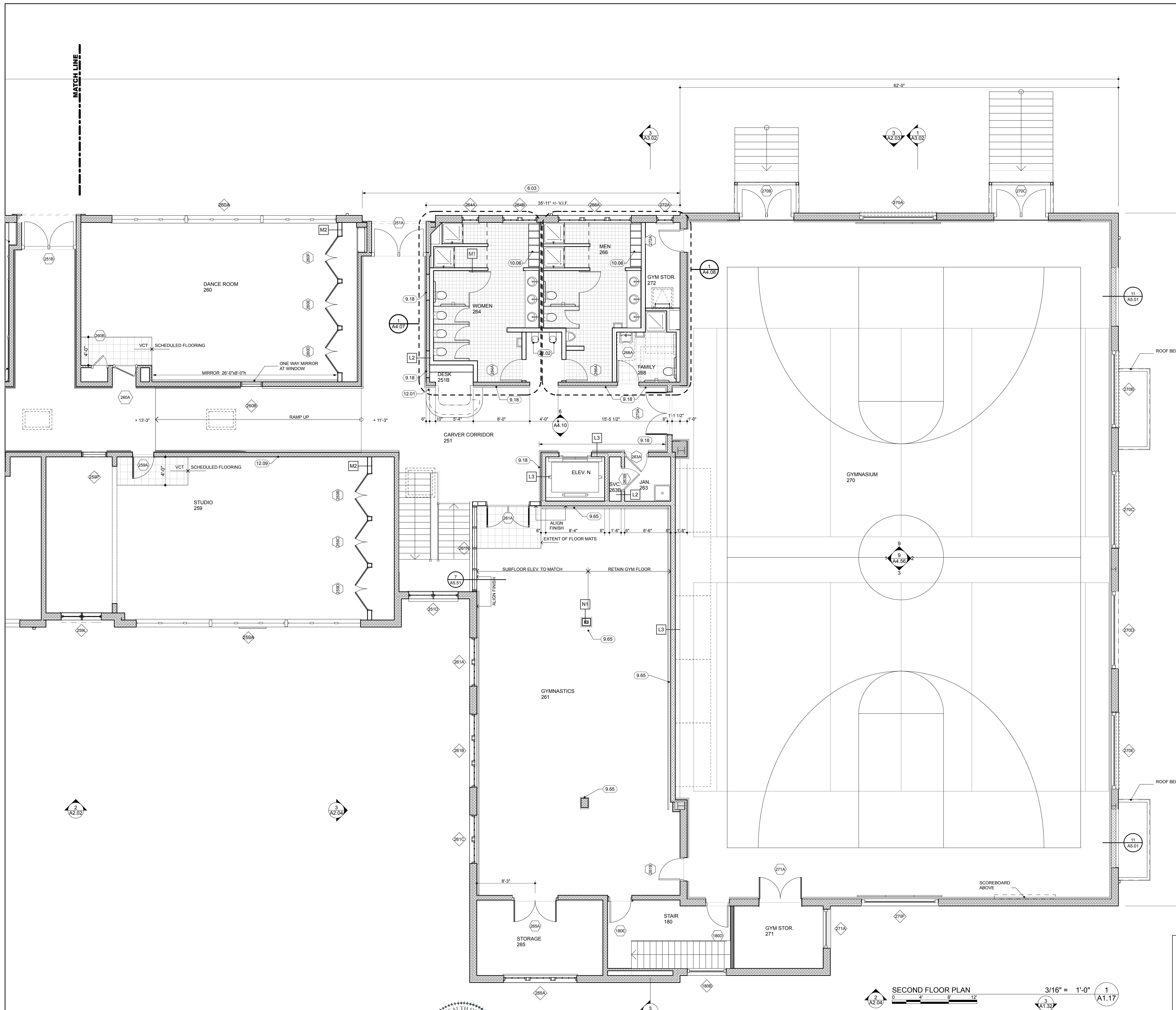


BUSHMAN DREYFUS ARCHITECTS PLC
 820 EAST HIGH ST
 CHARLOTTEVILLE VA 22902



JEFFERSON SCHOOL RENOVATION
 233 4TH STREET, CHARLOTTEVILLE, VA 22903
 JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, 08061





- PLAN NOTES**
- 3.01 NEW CONCRETE SLAB
 - 3.02 NEW CONCRETE RETAINING WALL
 - 3.03 PRECAST CONCRETE COPING. REMOVE, REPAIR. NEW FLASHING & SEALING. REINSTALL.
 - 3.04 IMPROVE CONCRETE STAIRS
 - 3.05 NEW CONC. RAMP w/ NEW DRAIN AT TOP OF LANDING. TIE NEW DRAIN INTO EXISTING
 - 3.07 NEW CONC. SLAB PER LANDSCAPE
 - 4.01 NEW MASONRY OPENING
 - 4.02 EXTERIOR BRICK WALL. MORTAR REPAIR & REPOINTING
 - 4.03 INTERIOR BRICK WALL EXPOSED; STRIP PAINT. MORTAR REPAIR & REPOINTING
 - 4.04 MASONRY INFILL INTO EXISTING MASONRY OPENING
 - 4.05 NEW CMU WALL
 - 4.06 NEW CASED OPENING IN EXISTING WALL
 - 5.01 NEW SLOPED ALUMINUM ACCESS RAMP
 - 5.02 RAISE FLOOR TO ELEVATION OF ADJACENT CORRIDOR; FINISH AS TYPICAL FOR SPACE
 - 5.03 REINFORCE GIRDERS. ADD MEMBERS TO EXISTING
 - 5.04 NEW GALVANIZED STEEL STAIR. SLIP RESISTANT SURFACE. CABLE GUARDS w/ 1" STEEL TUBE HAND RAIL. PAINT
 - 5.05 NEW GALVANIZED STEEL TRUSS. 3"x3" GALVANIZED STEEL PIPE FRAME. GALVANIZED WELDED WIRE MESH. PAINT
 - 6.01 REPAIR EXISTING WOOD CASEWORK
 - 6.02 REINFORCE EXISTING BEAM PER STRUCTURAL
 - 6.03 REINFORCE BAR JOISTS FRAMING ROOF
 - 6.13 NEW WOOD STAIR
 - 7.01 WATERPROOF SUBGRADE WALLS. MASONRY REPAIR REQUIRED
 - 7.06 EXISTING SLATE ROOF. RETAIN AND REPAIR. CLEAN
 - 7.07 LOW SLOPED ROOF. NEW EPDM ROOF OVER PROTECTION BOARD. SLOPE AS INDICATED ON PLAN. RETAIN EXISTING PITCH WHERE FEASIBLE. MINIMUM PITCH 1/4" PER FOOT. REMOVE EXISTING ROOF PRIOR TO INSTALLATION
 - 7.08 LOW SLOPED ROOF. NEW EPDM ROOF OVER R-20 RIGID INSULATION. SLOPE AS INDICATED ON PLAN. RETAIN EXISTING PITCH WHERE FEASIBLE. MINIMUM PITCH 1/4" PER FOOT. REMOVE ROOF PRIOR TO INSTALLATION
 - 7.10 NEW GUTTER
 - 7.11 NEW DOWNSPOUT
 - 7.13 BLOW-IN CELLULOSE INSULATION IN ATTIC. R-20
 - 8.01 NEW EXTERIOR DOOR. MATCH EXISTING PANEL LITE & FINISH HARDWARE
 - 8.02 NEW INTERIOR DOOR. MATCH EXISTING PANEL LITE & FINISH HARDWARE
 - 8.03 NEW INTERIOR DOOR IN NEW MASONRY OPENING
 - 8.04 NEW FIXED WINDOW IN NEW MASONRY OPENING. IMPACT RESISTANT
 - 8.05 NEW ROLLING WINDOW IN NEW MASONRY OPENING
 - 8.06 NEW INTERIOR ALUMINUM STOREFRONT. DOORS & WINDOWS AS INDICATED ON PLAN
 - 8.07 EXISTING WOOD DOOR & TRANSOM. REPAIR AND RESTORE
 - 8.08 EXISTING WOOD DOOR. REPAIR AND RESTORE
 - 8.09 EXISTING EXTERIOR WOOD DOOR w/ LITES. REPAIR AND RESTORE
 - 8.10 REVERSE DOOR SWING AS SHOWN ON PLAN
 - 8.11 DOUBLE HUNG WOOD WINDOW. REPAIR, RESTORE. PAINT. REFLASH. REPLACE CONC. SILL AS REQUIRED. SILL AS REQD. INSTALL NEW OPERABLE STORM WINDOW ON INTERIOR
 - 8.12 EXIST. STEEL WINDOW. STACKED AWNING & DOUBLE HUNG. REPAIR, RESTORE. PAINT. REFLASH. REPLACE CONC. SILL AS REQD. INSTALL NEW INTERIOR OPERABLE STORM WINDOW ON INTERIOR
 - 8.13 WOOD HOPPER WINDOW. REPAIR, RESTORE. PAINT. REFLASH. INSTALL NEW OPERABLE STORM WINDOW ON INTERIOR
 - 8.20 DOOR. REPLACE TRANSOM CLEAN. REPAIR AS REQUIRED
 - 8.21 WARDROBE DOORS. RESTORE EXISTING
 - 8.22 WARDROBE DOORS. DAMAGED. REPAIR AND REINSTALL
 - 8.23 EXISTING CASED OPENING REPAIR. RESTORE EXISTING FINISH
 - 8.24 NEW WOOD DOOR. FINISH & PANELS SIMILAR TO ADJACENT
 - 8.25 NEW WINDOWS. RESTORATION OF MASONRY AND WINDOW BAND TO REPLICATED ORIGINAL CONDITION
 - 8.26 EXPAND MASONRY OPENING FROM WINDOW TO DOOR OPENING. RETAIN WINDOW AND REUSE AS REPLACEMENT PARTS
 - 8.27 NEW MASONRY OPENING FOR NEW EXTERIOR DOOR
 - 8.56 EXISTING SKYLIGHT. RAISE CURB
 - 8.57 NEW SKYLIGHT
 - 8.58 EXISTING ROOF HATCH. RAISE CURB
 - 8.60 NEW SUN CONTROL WINDOW FILM ON ALL WINDOW GLAZING. 3M PRESTIGE SERIES P700
 - 8.62 FLUSH ACCESS DOOR WITH CONCEALED FLANGES
 - 8.63 NEW STORE FRONT DOOR
 - 9.01 PLASTER FINISH WALLS. PEELING PAINT. STRIP. CLEAN. PAINT
 - 9.02 PLASTER FINISH. BUBBLED & PEELING PAINT. SEVERE DAMAGE TO FINISH. REPAIR AS REQUIRED. PAINT
 - 9.03 BRICK WALL EXPOSED. REPAIR. STRIP. CLEAN. PAINT
 - 9.05 CONC. WALL EXPOSED. CLEAN. REPAIR
 - 9.06 BLOCK WALL EXPOSED. CLEAN. REPAIR
 - 9.07 BRICK WALL EXPOSED. CLEAN. REPAIR
 - 9.08 NEW CEILING AFTER INSTALLATION OF NEW STRUCTURAL MEMBERS AT ROOF. GYP. BD. LEVEL 5 FINISH
 - 9.09 REPAIR PLASTER CEILING AFTER REMOVAL OF EXISTING CEILING TILES AND GUE PLUGS ATTACHED TO ORIGINAL PARTS
 - 9.10 REPLACE SUSPENDED CEILING w/ NEW ACOUSTIC CEILING TILE & GRID
 - 9.11 PAINT EXISTING CEILING. PREP & REPAIR AS REQUIRED
 - 9.12 NEW VINYL TILE FLOOR AFTER ASBESTOS ABATEMENT
 - 9.13 REPLACE EXISTING TILE FLOOR WITH NEW
 - 9.14 PLASTER CEILING. CLEAN & REPAIR. REPAIR AS REQUIRED
 - 9.15 PLASTER CEILING. REPAIR, CLEAN & REPAIR AFTER REMOVAL OF SUSPENDED CEILING TILE BELOW
 - 9.16 BLOCK WALL & GLAZED TILE WAINSCOTTING. CLEAN. REPAIR BLOCK. REPAIR TILE AS REQUIRED
 - 9.17 GLAZED TILE. REPAIR & CLEAN
 - 9.34 REPLACE EXISTING TILE WITH NEW
 - 9.41 PAINT EXPOSED STRUCTURE
 - 9.42 FULL BATHROOM UPFIT: NEW TILE FLOOR & WAINSCOTTING. PATCH AND REPAIR PLASTER WALLS. STRIP PEELING PAINT AS REQD. CLEAN. REPAIR. NEW GYP. BD. LEVEL 5 FINISH AS REQUIRED
 - 9.43 NEW BATHROOM. TILE OVER NEW CONC. SLAB. PAINT NEW CMU WALLS. NEW GYP. BD. CEILING LEVEL 5 FINISH. ALL NEW FINISHES
 - 9.45 NEW JANITORS CLOSET. REPAIR AND CLEAN AND WALLS. REPAIR. NEW FINISHES. SHEET VINYL FLOOR. GYP. BD. LEVEL 5 FINISH
 - 9.46 INSTALL STAGE CURTAIN AT END OF CONSTRUCTION
 - 9.47 NEW 5/8" GYP. BD. WALL LEVEL 5 FINISH
 - 9.48 MANUAL ROLLING WINDOW SHADES AT WINDOW. MECHO-SHADE OR APPROVED EQUAL
 - 9.57 NEW FLOORING & GYP. BD. CLADDING OVER STRUCTURE
 - 9.58 MINI-BLINDS
 - 9.59 WOOD STAGE PROSCENIUM. STABILIZE TRANSPARENT FINISH. RECOAT WITH MATCHING STAIN. ENCAPSULATE.
 - 9.60 REPAIR & REFINISH REMAINING EXISTING WOOD FLOOR AFTER ASBESTOS ABATEMENT
 - 9.61 REPAIR & REFINISH EXISTING WOOD FLOOR
 - 9.62 NEW WOOD FLOOR
 - 9.64 NEW RESILIENT ATHLETIC & SPORTS FLOOR AS NOTED
 - 9.65 NEW WALL PADS FOR GYMNASIUMS. 6" H EXCEPT AT LOW WINDOWS
 - 9.66 NEW SUSPENDED CEILING. (2) LAYERS 5/8" GYP. BD ON RESILIENT CHANNELS. ACOUSTIC SEALANT. LEVEL 5 FINISH. PAINT
 - 9.67 NEW SUSPENDED CEILING. ACOUSTIC CEILING TILE. RATED STC 55. SOUND ATTENUATION BLANKET
 - 9.68 NEW GYP. BD. CEILING LEVEL 5 FINISH
 - 9.69 ACOUSTIC WALL PANEL
 - 9.70 NEW GYP. SOFFIT LEVEL 5 FINISH. CUT EXISTING AND CEILING AS REQUIRED TO LET IN NEW MECHANICAL AND SOFFIT TRIMMING. MTL FRAMING. 5/8" GYP. BD. RESILIENT CHANNELS. ACOUSTIC SEALANT
 - 9.71 EXPOSED DUCT WORK SEE MEP
 - 9.72 CARPET. MODERATE TRAFFIC
 - 9.73 CARPET. HEAVY TRAFFIC
 - 9.74 CARPET. SEVERE
 - 9.75 1/8" DUR-A-QUARTZ FLOORING SYSTEM BY DUR-A-FLEX, INC. (800.293.2626). INSTALL FLOORING ON 1/4" PLYWOOD AT OP EXISTING WOOD FLOOR
 - 9.77 REMOVE PAINT FROM BRICK
 - 10.01 NEW TOILET FIXTURES: TOILETS, URINALS, LAVS. SOLID POLYMER PARTITIONS. SOLID SURFACE COUNTER. GRAB BARS. SHOWERS. LOCKERS. NEW SOAP PAPER TOWEL DISPENSERS. NEW TASH RECEPTACLE. HAND DRYER. MIRRORS
 - 10.02 NEW JANITORS CLOSET FIXTURES. NEW MOP SINK. SHELVES & HOOKS. VINYL TILE FLOOR. CLEAN EXISTING MASONRY WALLS. NEW WALLS TO BE GYP. BD. PAINT.
 - 10.03 NEW COUNTERTOP & SINK. BASE CABINET BELOW. 3/4"
 - 10.04 (40) ALUMINUM COAT HOOKS
 - 10.05 NEW ADJUSTABLE SHELVES. PAINTED WOOD
 - 10.06 (12) METAL LOCKERS
 - 11.01 CARVER REG NEW RESIDENTIAL APPLIANCES: REFRIGERATOR, ELECTRIC RANGE, DISHWASHER, MICROWAVE
 - 12.01 NEW BUILT-IN DESK CABINETS w/ SOLID SURFACE TOP
 - 12.02 NEW BUILT-IN COUNTER w/ SOLID SURFACE TOP
 - 12.03 RETRINSTALL FIRST TWO ROWS OF FIXED SEATING
 - 12.04 NEW PLASTIC LAMINATE WORK SURFACE @ 30" A.F.F.
 - 12.05 NEW BUILT-IN BOOKCASE ON TOP OF DESKTOP. PAINTED WOOD
 - 12.06 NEW CABINET w/ SOLID SURFACE TOP AND LAV(S) AS SHOWN ON PLAN
 - 14.01 NEW 2-STOP ELEVATOR. KONE ECOSPACE MACHINE-ROOMLESS
 - 14.02 NEW 3-STOP ELEVATOR. KONE ECOSPACE MACHINE-ROOMLESS
 - 14.03 NEW 2-STOP WHEELCHAIR LIFT. KONE
 - 22.01 NEW FIXTURE. SEE PLUMBING
 - 22.02 HI-LO DRINK FOUNTAIN
 - 23.01 NEW MECHANICAL. SEE MEP
 - 23.02 NEW EXPOSED DUCT w/ DIFFUSERS. SEE MEP.
 - 26.02 NEW LIGHTING
 - 32.01 NEW PLANTING BEDS PER LANDSCAPE
- LEGEND**
- AS INDICATED BY BACKGROUND SHADE
 - EXISTING WALL TO REMAIN
 - NEW WALL
- GENERAL PLAN NOTES**
1. ALL WORK TO BE PERFORMED TO THE SECRETARY OF INTERIORS STANDARDS FOR REHABILITATION
 2. THIS BUILDING CONTAINS ASBESTOS TO BE ABATED. REPORT ANY MATERIAL SUSPECTED OF CONTAINING ASBESTOS TO THE CONTRACTOR AND OWNER. MATERIALS CONTAINING ASBESTOS TO BE HANDLED BY QUALIFIED PERSONNEL ONLY
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 4. ALL EXISTING CONDITIONS AND DIMENSIONS TO BE VERIFIED IN FIELD (V.I.F.)
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EXHIBIT "D-1"

BUILDING RULES AND REGULATIONS

The following Building Rules and Regulations have been adopted by the Landlord for the care, protection and benefit of the Premises and the Building and for the general comfort and welfare of all tenants.

1. The sidewalks, entrances, passages, halls, elevator and stairways shall not be obstructed by Tenant or used by Tenant for any purpose other than for ingress and egress to and from the Building and Tenant's Premises.

2. Restroom facilities, water fountains, and other water apparatus shall not be used for any purpose other than those for which they were constructed.

3. Landlord reserves the right to designate the time when freight, furniture, goods, merchandise and other deliveries (not including normal office deliveries such as mail, overnight mail and UPS) may be brought into, moved or taken from Tenant's Premises or the Building.

4. Tenant shall not put additional locks or latches upon any door without the prior written consent of Landlord. Unless other arrangements are agreed-to by Landlord and Tenant, any and all locks so added on any door shall be compatible with the building master key and shall remain for the benefit of Landlord upon the expiration or the earlier termination of Tenant's Lease.

5. Driveways, entrances, and exits upon, into and from parking areas on the Property shall not be obstructed by Tenant, Tenant's employees, agents, guests, or invitees; provided, however, Landlord shall not be responsible or liable for failure of any person to observe this rule.

6. No wires of any kind or type (including but not limited to television and radio antennae) shall be attached to the outside of the Building and no wires shall be run or installed in any part of the Building without Landlord's prior written consent.

7. If the Premises is furnished with carpeting, Tenant shall provide a plexiglass or comparable carpet protection mat for each desk chair customarily used by Tenant.

8. Landlord shall furnish a reasonable number of door keys to Tenant's Premises and/or Building which shall be surrendered at the expiration or earlier termination of Tenant's Lease. Tenant shall agree not to have duplicate keys made from any outside source. Additional keys and/or lock changes must be purchased directly from landlord.

Landlord shall provide heating, ventilation and air conditioning seven days a week from 7:00 a.m. to 10:00 p.m., except holidays. The cost for HVAC use after hours will be \$30.00 per hour with a two hour minimum set up charge. Cost for this service will be billed to Tenant by Landlord on a monthly basis and will constitute Additional Rent under the Lease.

EXHIBIT “D-2”

ARCHITECTURAL GUIDELINES

- (1) A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
- (2) The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
- (3) Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
- (4) Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
- (5) Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.
- (6) Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
- (7) Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
- (8) Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
- (9) New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
- (10) New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

EXHIBIT “E”
WORK LETTER AGREEMENT

WORK LETTER AGREEMENT

This Work Letter Agreement (this "Work Letter") is attached to and made a part of that certain Lease Agreement dated _____, 2011 (the "Lease"), between **JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, L.L.P.**, a Virginia limited liability limited partnership, ("Landlord"), and **CITY OF CHARLOTTESVILLE, VIRGINIA**, a body politic and a body corporate, ("Tenant"). The terms used in this Work Letter that are defined in the Lease shall have the same meanings as provided in the Lease.

1. General.

1.1 Purpose. This Work Letter sets forth the terms and conditions governing the design, permitting and construction of the tenant improvements (the "Tenant Work") to be installed in the Premises pursuant to this Work Letter. The Tenant Work includes the improvements to the portion of the Premises to be used by Tenant in the operation of its space as a recreation center (the "Carver Upfit") and the improvements to the portion of the Premises to be used by Tenant's sublessee, Martha Jefferson Hospital, for operation of a health clinic (the "MJH Upfit").

1.2 Tenant's Representative. Tenant acknowledges that Tenant has appointed Brian Daly as its authorized representative ("Tenant's Representative") with full power and authority to bind Tenant for all actions taken with regard to the Tenant Work. Landlord shall not be obligated to respond to or act upon any plan, drawing, change order or approval or other matter relating to the Tenant Work until it has been executed by Tenant's Representative or a senior officer of Tenant. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's general contractor with respect to the Tenant Work unless otherwise agreed to in writing by Landlord. If Landlord's general contractor performs any such work under the direction of Tenant or Tenant's Representative, then Landlord shall have no liability for the cost of such work, the cost of corrective work required as a result of such work, any delay that may result from such work, or any other problem in connection with such work. Tenant may replace its representative at any time by written notice to Landlord.

2. Tenant Work. Subject to the provisions of this Work Letter, Landlord shall construct the Tenant Work in the Premises substantially in accordance with the space plan attached to the Lease as EXHIBIT "C" (the "Space Plan"), the scope of work attached hereto and made a part hereof as Exhibit F-1 (the "Scope of Work"), and construction drawings and specifications (the "Construction Drawings and Specifications") to be provided pursuant to Section 3.1 below.

3. Design; Cost Estimate; Schedule.

3.1 Design Services Provided by Landlord. To the extent they are not available upon the execution of the Lease, Landlord shall prepare and provide Tenant with the Construction Drawings and Specifications drafted by Bushman-Dreyfus Architects ("Landlord's Architect") required for the Tenant Work (together with the Space Plan and the Scope of Work, collectively, the "Tenant Plans"). The Construction Drawings and Specifications may include construction working drawings, mechanical, electrical and other technical specifications, and the finishing details, including wall finishes and colors detailing installation of the Tenant Work. Furnishing and installing Tenant's or

any subtenant's furniture, fixtures and equipment shall not be part of the Tenant Work.

3.2 Design Schedule. In connection with the preparation of the Tenant Plans, Landlord and Tenant shall comply with the following schedule:

(a) By the date of the Lease, Tenant shall furnish all necessary information to Landlord's Architect to enable Landlord's Architect to prepare the proposed Construction Drawings and Specifications. The parties acknowledge that this information has been provided.

(b) Within ten (10) days after Tenant's receipt of the proposed Construction Drawings and Specifications, Tenant shall review and, if acceptable, give Landlord its approval of the Construction Drawings and Specifications by signing and dating the Construction Drawings and Specifications; or, if not acceptable, Tenant shall provide Landlord written comments describing what revisions are necessary to make the Construction Drawings and Specifications acceptable. If the Construction Drawings and Specifications require revisions, Landlord and Tenant shall coordinate such revisions within ten (10) days after Landlord's receipt of Tenant's comments. Tenant's approval shall not be unreasonably withheld, conditioned or delayed.

(c) Within fifteen (15) days after approval of the Construction Drawings and Specifications, Landlord shall provide Tenant with: (i) the schedule for installation of the Tenant Work (the "Work Schedule"); and (ii) an estimate of all amounts to be charged by Landlord's contractor for the Tenant Work, including materials, labor, Landlord's general contractor's general conditions, soft costs, overhead and profit (the "Cost Estimate").

(d) Within fifteen (15) business days after its receipt of the Cost Estimate and the Work Schedule, as applicable, Tenant shall give Landlord its approval of the Cost Estimate and the Work Schedule or provide written comments detailing what revisions are necessary to make the Cost Estimate and Work Schedule approvable. If the Cost Estimate or the Work Schedule requires revisions, Landlord and Tenant shall coordinate such revisions within fifteen (15) business days after Landlord's receipt of Tenant's comments. Tenant's approval shall not be unreasonably withheld, conditioned or delayed.

3.3 Approvals by Landlord. All Tenant Plans shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld, except that Landlord shall have complete discretion with regard to granting or withholding approval of the Tenant Plans to the extent they impact the Building's structure or shared systems (including, without limitation, plumbing, electrical, mechanical, HVAC and data), would be visible from the exterior of the Building or any of the Common Areas, or would not comply with the architectural guidelines attached to the Lease as EXHIBIT "D-2" or any requirements associated with the historic tax credit program(s) under which the Building was rehabilitated. Any changes, additions or modifications Tenant desires to make to the Tenant Plans also shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld except for the reasons set forth hereinabove.

4. Responsibility and Payment of Costs.

4.1 Payment by Landlord for Carver Upfit. The costs of preparing the Space Plan and the

Construction Drawings and Specifications, and the hard costs of performing all portions of the Tenant Work associated with the Carver Upfit (specifically excluding furniture, fixtures and equipment), are included in the calculation of Base Rent in the Lease.

4.2 Payments by Tenant for MJH Upfit. Tenant shall be responsible for prompt payment of the costs of preparing the Space Plan and the Construction Drawings and Specifications, and the hard costs of performing all portions of the Tenant Work associated with the MJH Upfit (specifically excluding furniture, fixtures and equipment), but only to the extent that said costs associated with the MJH Upfit exceed the costs that Landlord would have incurred if the MJH space was to be delivered in white box condition. Landlord shall invoice Tenant for all costs incurred under this Section 4.2 and Tenant shall pay the same within thirty (30) days after receipt of Landlord's invoice therefor.

Tenant shall be solely responsible for paying for any improvements to the Premises outside the scope of the Tenant Work within the time necessary to avoid the filing of any mechanics' or materialmen's liens against the Property or any portion thereof. Time shall be of the essence of this paragraph 4.2.

5. Construction.

5.1 Responsibility for Construction. After approval of the Construction Drawings and Specifications and the Cost Estimate, as applicable, Landlord shall administer the construction of the Tenant Work in accordance with the approved Construction Drawings and Specifications and any Change Orders approved pursuant to this Work Letter. All Tenant Work shall be constructed by Landlord's general contractor. Tenant's contractor or vendor shall have access to the Premises after completion of the Tenant Work to install telephone equipment, specialized office equipment wiring, City Fiber network, security systems and perform any associated work.

5.2 Change Orders. If Tenant requests any change or addition to the work or materials to be provided by Landlord pursuant to the Space Plan or Scope of Work, or after Tenant's and Landlord's approval of the Construction Drawings and Specifications, Landlord shall respond to Tenant's written request for consent as soon as practicable, but in no event later than ten (10) days after receipt of such request. If Landlord approves such request (a "Change Order"), Landlord shall as soon as practicable after such approval notify Tenant of: (i) an estimate (the "Cost Estimate") of the Change Order Cost; and (ii) the delay in Substantial Completion, if any, due to the Change Order, including any changes in the Work Schedule to allow for the Change Order (a "Delay Causing Change Order"). All Change Orders shall be signed by Tenant after Tenant's review and acceptance of the Cost Estimate. No Change Order requested by Tenant shall be implemented until Tenant has reviewed and accepted Landlord's Cost Estimate. The "Change Order Cost" means the cost to be charged by Landlord for a Change Order, including but not limited to with respect to any plan preparation and revisions, permitting and/or re-permitting and any work, materials and other services, which cost shall include materials, labor, Landlord's general contractor's general conditions, soft costs, overhead and profit, plus a ten percent (10%) overhead and administration fee to Landlord.

6. Substantial Completion.

6.1 General. Landlord shall Substantially Complete (as defined below) the Tenant Work in accordance with the Work Schedule (subject to extension as a result of a Change Order or a Tenant Delay (as defined below)), but neither the validity of the Lease nor the obligations of Tenant under the Lease shall be affected by a failure to Substantially Complete the Premises by such date.

6.2 Substantial Completion. “Substantial Completion” of the Tenant Work shall be conclusively deemed to have occurred, and Landlord shall be conclusively deemed to have “Substantially Completed” the Tenant Work, upon the earlier to occur of (i) the issuance of a temporary certificate of occupancy or similar approval by the proper governmental entity for the Building (or the portion of the Building containing the Premises) plus a list of items required to obtain a permanent certificate of occupancy, or (ii) the issuance of a final certificate of occupancy or similar approval by the proper governmental entity for the Building (or the portion of the Building containing the Premises). Notwithstanding the above, the Premises shall be considered Substantially Complete and ready to be utilized for their intended purpose even though: (i) there remain to be completed in the Premises punch list items reasonably acceptable to Landlord and Tenant, including but not limited to minor or insubstantial details of construction, decoration or mechanical adjustment, the lack of completion of which will not materially interfere with Tenant’s permitted use of the Premises; and/or (ii) there is a delay in Substantial Completion due to a Tenant Delay (as defined below).

6.3 Tenant Delay. A “Tenant Delay” occurs when there is a delay in the Tenant Work caused exclusively by any one or more of the following: (i) Tenant’s failure to comply with any of the deadlines specified in this Work Letter, unless such deadlines are modified by the mutual agreement of Landlord and Tenant; (ii) Tenant’s request for changes or additions to the Tenant Work subsequent to Tenant’s initial approval of the Construction Drawings and Specifications, including without limitation Change Orders; (iii) Tenant’s failure to pay when due any amounts required pursuant to this Work Letter; (iv) Tenant’s request for materials, finishes or installations that are not available as needed to meet the general contractor’s schedule for Substantial Completion; (v) Tenant’s or Tenant’s agent’s, including Tenant’s contractors’, vendors’, employees’ and representatives’ interference with the general contractor’s schedule; (vi) the performance or completion of any work, labor or services by a party employed by Tenant; or (vii) any other Tenant-caused delay. In the event of a Tenant Delay, the Commencement Date of the Lease and the payment of Rent under the Lease shall be accelerated by the number of days of such delay and notwithstanding anything to the contrary stated in the Lease, the Term shall commence on the date Substantial Completion would have occurred but for Tenant Delays.

6.4 Punch List. Prior to delivery of possession of the Premises to Tenant, Landlord or Landlord’s Architect shall prepare a preliminary punch list in writing for Landlord’s and Tenant’s review, and Landlord and Tenant shall examine the Premises and shall agree on a final punch list that shall specify the items of work that require correction, repair or replacement. Tenant shall approve such punch list in writing within five (5) business days of the walk-through. Landlord shall correct and complete the items outlined in the punch list as soon as practicable, but in no event later than thirty (30) days following Tenant’s approval of the punch list.

7. Possession by Tenant. The taking of possession of the Premises by Tenant shall constitute

an acknowledgment by Tenant that the Premises are in good condition and that all work and materials provided by Landlord are satisfactory except as to any latent defects discovered within the first twelve (12) months of the Term or items contained in the punch list prepared as provided in Section 6.4 above.

8. Removal of Specialized Tenant Work. Specialized Tenant Work, as reasonably determined by Landlord (*i.e.* Tenant wiring, gymnasium, skating rink, etc.), shall, at the election of Tenant, either be removed by Tenant at its expense before the end of the Term or shall remain upon the Premises and be surrendered therewith at the end of the Term as the property of Landlord without disturbance, molestation or injury; provided, however, that no Tenant Work shall be removed that would result in a recapture of any historic tax credits. No later than thirty (30) days prior to the expiration date of the Term, or as soon as practicable in the event of earlier termination, Tenant shall advise Landlord of any specialized Tenant Work it desires to remove, or whether same shall remain in the Premises. Landlord and Tenant shall then negotiate in good faith a plan for removal of such items as do not jeopardize the historic tax credits. Tenant, at its expense, shall repair any damage to the Premises or the Building caused by such removal.

9. Access by Tenant. Tenant shall have reasonable access to the Premises during construction of the Tenant Work at any time and location, provided such access is scheduled in advance with Landlord ("Early Access") to monitor and inspect the Tenant Work and to coordinate installation of Tenant's furniture, fixtures and equipment, provided such access shall not interfere with or delay the Tenant Work. All insurance provisions of the Lease shall be in full force and effect during Early Access. Tenant shall ensure that its phone/data, security and other vendors comply with all applicable Laws and pull their permits and perform their work in conjunction with the Tenant Work so as not to delay the Tenant Work and any and all inspections therefor. Any delay resulting from Early Access, including without limitation due to a Tenant vendor's work delaying Landlord's ability to obtain its permits, shall be deemed a Tenant Delay.

10. Coordination with Martha Jefferson Hospital. Tenant shall be solely responsible for coordinating any and all reviews, consents and approvals of plans, specifications, budget, schedule and other matters relating to the MJH Upfit with Martha Jefferson Hospital. Landlord shall have no duties to Martha Jefferson Hospital under this Work Letter Agreement, and Martha Jefferson Hospital shall have no authority to enforce the terms of this Work Letter Agreement.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO WORK LETTER AGREEMENT.]

IN WITNESS WHEREOF, the undersigned duly authorized officers have executed this Work Letter Agreement as of the date first written above.

CITY OF CHARLOTTESVILLE, VIRGINIA
a body politic and a body corporate

By: _____
Its: _____

LANDLORD:

JEFFERSON SCHOOL COMMUNITY PARTNERSHIP, L.L.L.P.
a Virginia limited liability limited partnership

By: Jefferson City Center, Inc., a Virginia corporation,
its managing partner

By: Jefferson School Restoration, Inc., a Virginia corporation,
its Special Manager

By: Martin Burks, III, President

EXHIBIT F-1

SCOPE OF WORK

As detailed in the Construction Documents and Project Manual by Bushman Dreyfus Architects PLC dated 11/19/10, as amended by addenda dated 12/1/2010, 12/2/2010, 12/7/2010, 12/10/2010 and 12/17/2010