

LEASE

REC CENTER

This LEASE (the "Lease"), dated this 10th day of October, 2011 (the "Lease Commencement Date"), is made by and between the Fort Monroe Authority ("Lessor" or "FMA"), a political subdivision of the Commonwealth of Virginia, and The City of Hampton, Virginia, a political subdivision of the Commonwealth of Virginia ("Lessee").

WITNESSETH:

A. Lessor is the owner or lessee of certain real property on "Fort Monroe", located in Hampton, Virginia and more particularly described on Exhibit A (the "Leased Premises"). The Leased Premises includes the building labeled on Exhibit A as Building 221 (the "Building") as well as all of the cross-hatched area surrounding Building 221 (the "Grounds"). The Leased Premises does not include the buildings labeled on Exhibit A as Building 201 or Building 218, or those areas immediately adjacent to those buildings as shown on Exhibit A (collectively, the "Excluded Property").

B. Lessor and Lessee are or will be parties to a certain Memorandum of Agreement for Municipal Services ("MOA"). In the MOA, the parties have or will set forth the Lessee's responsibility to provide certain municipal services (the "Municipal Services"), in keeping with the requirements of Virginia Code Sections 2.2-2336 *et seq.* (the "Act"), including the obligation to provide fire and emergency services. In consideration for the Municipal Services and in lieu of real estate taxes, the Lessor is required by the Act to pay certain fees to the Lessee pursuant to Virginia Code Section 2.2-2342B (the "Municipal Services Fee"). The Lessee desires to lease the Leased Premises to enable the Lessee to provide certain Municipal Services described in the MOA.

C. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, the Leased Premises upon the terms and subject to the conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, for themselves and for their respective successors and assigns, do hereby agree as follows:

1. Definitions. The following terms shall have the following meanings:
 - 1.1. "Additional Rent" has the meaning ascribed to it in Section 5.2.
 - 1.2. "Base Rent" means the following amounts paid during the following periods:

From the first day of the Term until the expiration of the Term, Base Rent shall equal One Dollar (\$1.00) per year.

1.3. "Building 201" means the building identified as Building 201 on Exhibit A.

1.4. "Building 218" means the building identified as Building 218 on Exhibit A

1.5. "Building 221" means the building identified as Building 221 on Exhibit A.

1.6. "Claims and Losses" means any and all demands, claims, actions, causes of action, suits, judgments, awards, damages, fines, penalties, liabilities, obligations, losses, costs and expenses, including reasonable attorneys' fees.

1.7. "Excluded Property" has the meaning set forth in Recital A.

1.8. "Governing Documents" means the Fort Monroe Authority Tenant Handbook; the Fort Monroe Historic Preservation Design Standards; the Programmatic Agreement between the Lessor, the United States Army and others; and the Reuse Plan for Fort Monroe, as amended from time to time. Current copies of the Governing Documents will be on file at the office of the Lessor and will be available to the Lessee for examination on reasonable notice.

1.9. "Governmental Agency" means any Federal, State, County, City, local or other governmental department, bureau, division, agency or other authority.

1.10. "Grounds" has the meaning set forth in Recital A.

1.11. "HPO" mean the Fort Monroe Authority Historic Preservation Officer.

1.12. "Interest Rate" means the "Prime Rate" as published in the "Money Rates" column of the *Wall Street Journal*, or if the publication of such rate ceases, such comparable rate as is specified by Lessor in its sole discretion, plus five percent (5%) per year.

1.13. "Late Fee" has the meaning ascribed to it in Section 5.4.

1.14. "Law" or "Laws" means all applicable Federal, State, County, City and local laws, including statutes, regulations, rules and ordinances, and all applicable requirements and orders of any Governmental Agencies.

1.15. "Lease Commencement Date" means the 10th day of October, 2011.

1.16. "Lease Month" means each calendar month during the Term.

1.17. "Leased Premises" has the meaning ascribed to the Grounds and the Building set forth in Recital A above. The Lessor and Lessee acknowledge and agree that a surveyor has been engaged for the purpose of preparing a compiled plat, showing the Leased Premises by metes and bounds. Upon

completion, the parties agree to amend the Lease to substitute the compiled plat for the current depiction of the Leased Premises on Exhibit A.

1.18. "Lessee" has the meaning ascribed to it above.

1.19. "Lessor" has the meaning ascribed to it above.

1.20. "NSF Charge" has the meaning ascribed to it in Section 5.5.

1.21. "Operating Expenses" has the meaning ascribed to it in Section 5.2.

1.22. "Permitted Use" shall mean the use of Building 221 by Lessee as a fully-staffed and operational City of Hampton recreational facility, consistent with other fully-staffed and operational facilities operated by the Lessee for the benefit of the citizens of the City of Hampton, Virginia.

1.23. "Person" means a natural person, corporation, business trust, estate, trust, partnership, limited liability company, limited liability partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.24. "Pro Rata Share" shall be calculated as a fraction, the numerator of which shall be the net leasable square footage within the Building located within the Leased Premises and the denominator of which shall equal the total net leasable square footage of the improvements located within the Property.

1.25. "Property" shall mean all of the real property within Fort Monroe.

1.26. "Property Manager" shall mean Old Point Comfort Real Estate Services, LLC ("OPCRES"), or such other property management company designated by the Lessor, from time to time.

1.27. "Rent" has the meaning ascribed to it in Sections 5.1 and 5.2.

1.28. "Rider" shall refer to the riders attached to and made a part of this Lease as indicated below:

- X Military Reservation Rider
- X Historical Properties Rider
- X Asbestos Rider
- X Lead Based Paint Disclosure Rider
- X Drugs, Firearms and Harmful Acts Rider

1.29. "Term" has the meaning ascribed to it in Section 4.

1.30. "Triple Net" means that the Lessee is solely responsible for all of the costs relating to the Leased Premises, in addition to the Base Rent.

1.31. "Utility Facility" means any pipe, conduit, cable, wire, transformer or any other mechanism, existing now or in the future, for the generation, conveyance, collection or distribution to, from or within the Leased Premises of drainage, sanitary sewer, water, electricity, gas, telephony, fiber optic or like communications cabling or any other public or private utility service.

2. Grant of Leasehold Interest in Land.

2.1. Demise.

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Leased Premises, for the Term and subject to the conditions and reservations set forth in this Lease. The Leased Premises shall not include any of the Excluded Property.

2.2. Reservations.

The Lessor hereby reserves for itself and the other owners, tenants, occupants or invitees on the Property the non-exclusive right to use those areas currently paved and designated for parking or for vehicular ingress and egress on the Leased Premises. In addition, the Lessor reserves the right to have access to any and all Utility Facilities within the Leased Premises and to install additional Utility Facilities within the Leased Premises, provided that any work associated with the Utility Facilities shall be conducted in a manner that does not interfere unreasonably with the Permitted Use.

2.3. Removal of Grounds.

The Lessor and Lessee acknowledge and agree that the Lessor shall have the unilateral right, upon ninety (90) days' notice, to remove portions of the Grounds from the Leased Premises, provided such removal will not prevent the Lessee from conducting the Permitted Use on the remaining Leased Premises. Any such removal shall not diminish the Lessee's obligations under this Lease, except as such obligations applied to the portion of the Grounds removed from the Leased Premises.

2.4. Leased Premises "As Is".

Lessee hereby represents and warrants to Lessor that Lessee has fully examined and inspected the Leased Premises, and Lessee hereby accepts the Leased Premises in the condition or state in which they now are without representation, covenant, or warranty, express or implied, in fact or in law, by Lessor. Lessor makes no representations or warranties regarding the suitability of the Leased Premises for the Permitted Use by Lessee. LESSOR MAKES NO REPRESENTATION OR

WARRANTY WITH RESPECT TO THE CONDITION OR STATE OF THE LEASED PREMISES.

3. Land Use.

The Leased Premises is located in the City of Hampton, Virginia, on Fort Monroe. Fort Monroe (the "Property") is comprised of approximately 570 acres of land known as the Old Point Comfort Peninsula. Many parts of Fort Monroe are National Historic Landmarks, including 175 historic buildings, 3 historic structures, 9 historic landscape features, 1 historic object and the Stone Fort which is made up of 11 named or numbered segments. Fort Monroe is subject to the Governing Documents entered into among various Federal and State agencies and authorities pursuant to which Fort Monroe is subject to the Fort Monroe Historic Preservation Manual and Design Standards (the "Design Standards"). Lessee should be aware of the enactment of the Design Standards which may be reviewed at the offices of the Lessor. Due to the nature of Fort Monroe, there are limitations expressed in the Design Standards and Rules and Regulations in order to preserve and protect Fort Monroe for the enjoyment of tenants and the general public. Any alterations, improvements or refurbishments of any nature to the interior or exterior of the Leased Premises or common areas shall require the consent of the Lessor and will be subject to the Design Standards.

3.1. Construction, Remediation, Ground Disturbance, Etc.

3.1.1. The Lessee, sublessee or assigns as permitted pursuant to Section 14 herein, shall not take any action which would impair or impede Lessor's or its designee's construction or alterations, additions, or improvements to or installations upon the Leased Premises nor shall Lessee, or sublessee, take any action which would in any way adversely affect the cleanup contemplated by the Governing Documents nor which would adversely affect human health, or the environment. In the event Lessee, sublessee or assigns undertakes any construction, alteration, additions or improvements to or installations upon the Leased Premises after having obtained all requisite consents and authorizations, no such activities may be undertaken without submitting an FMA Project Screening Form, attached as Exhibit B, to the HPO for approval pursuant to the process established in the Programmatic Agreement, which governs land use on the Leased Premises. Such approval may include a requirement to provide the Lessor with a performance and payment bond satisfactory to it in all respects and other requirements deemed necessary to protect the interests of Lessor. Also, in conjunction with construction or remediation projects that the Lessee, sublessee or its designee may undertake on the Leased Premises that may include the removal of hazardous waste from the Leased Premises, the Lessee or its contractor shall submit an FMA Project Screening Form to the HPO for approval prior to the removal of hazardous waste from the Leased Premises and for responding to hazardous waste, fuel and other chemical spills prior to commencement of operations on the Leased Premises. Additionally, the Lessee shall not conduct or permit its sublessees to conduct any subsurface excavation, digging, drilling, or other ground disturbing activity, including subsurface excavation, digging, drilling or other ground disturbing activity to address groundwater issues to a depth greater than six (6) inches, without prior written approval of the HPO, with the exception of emergency

repair of existing utilities. The Lessee will be prohibited from installing any groundwater wells on the Leased Premises or otherwise using groundwater.

3.1.2. The Lessee, or sublessee or assigns as permitted pursuant to Section 14 herein, shall not conduct any ground disturbance activities, including removing any paved/capped surface or removing buried/partially buried natural or manmade objects, without submitting an FMA Project Screening Form to the HPO for approval pursuant to the process established in the Programmatic Agreement, which governs land use on the Leased Premises.

3.2. Environmental Liabilities.

3.2.1. Lessee shall not engage in or allow any activity on the Leased Premises involving: (i) the improper handling of any toxic or hazardous substances, (ii) the discharge of toxic or hazardous substances to the air, soil, surface water or groundwater, (iii) the improper storage, treatment or disposal of any toxic or hazardous substances (for purposes of this Lease, "hazardous substance(s)" shall have the meaning of "hazardous substance" set forth in 42 U.S.C. Section 9601(14), as amended, and of "regulated substance" at 42 U.S.C. Section 6991(2), as amended), or (iv) any other substances which may be the subject of liability pursuant to any environmental law of the United States or the Commonwealth of Virginia.

3.2.2. Lessee shall, to the extent permitted by law without waiving any defenses, including sovereign immunity, be responsible for any and all Claims and Losses resulting or arising from the discovery of any toxic or hazardous substance on the Leased Premises or surrounding property which is a result of any activity of the Lessee, its agents or employees.

3.2.3. The Lessee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs from activities of the Lessee, the Lessee shall be liable to restore the damaged resources. If Lessee introduces any hazardous substances to the Leased Premises in violation of any environmental law, then Lessee shall at its sole cost and expense promptly abate and remediate those hazardous substances in accordance with applicable and/or relevant and appropriate environmental laws. The Lessee shall not disrupt, inflict, damage, obstruct, or impede ongoing environmental restoration work on the Leased Premises or anywhere else on Fort Monroe. The Lessee shall, to the extent permitted by law without waiving any defenses, including sovereign immunity, be responsible for any costs incurred as a result of the conduct or activities of Lessee, its agents or employees.

3.2.4. The Lessee and any sublessee shall be solely responsible for obtaining at its cost and expense any regulatory or environmental permits required for its operations under the Lease, independent of any existing permits. The Lessee or sublessee shall be required to obtain its own EPA Identification Number, if applicable. If Lessee creates or changes an emission or an emission unit, Lessee shall report all such emissions or changes in emissions to the Virginia Department of Environmental Quality Tidewater Regional.

3.3. Rights of Entry.

Lessor hereby grants Lessee and its employees, agents, contractors, and invitees, for the Term of this Lease, a right of entry for ingress to and egress from the Leased Premises, along established routes using the transportation mode appropriate to the particular route. Lessee, its employees, agents, contractors and invitees shall cooperate with Lessor to establish or alter appropriate routes for appropriate purposes.

3.4. Right of Entry by Lessor.

Lessor's representatives, grantees and assigns shall have the right to enter the Leased Premises for the purposes of inspection, subject to reasonable requirements as to security and privacy, and for compliance with environmental, safety, and occupational health Laws, whether or not the government is responsible for enforcing them, provided that (i) Lessor shall be obligated to deliver to Lessee prior notice of each such entry and, at Lessee's option, Lessor's representative must be accompanied by a representative of Lessee; or (ii) in the event of an emergency that appears to threaten the safety of any Person or the destruction of the Leased Premises, and for other purposes, without prior notice to Lessee. Nothing in this Section 3.4 shall impose any obligations on Lessor. During any period of time when any portion of Fort Monroe is occupied by the United States Army or used for military purposes, the Military Police may, in the event of any emergency, or for security purposes, have access to the Leased Premises.

4. Term.

4.1 Initial Term.

The Lease term shall begin on the Lease Commencement Date and shall expire twenty (20) years thereafter, on October 10, 2031, unless previously terminated, renewed or extended as provided in this Lease. The parties acknowledge and agree that the Lessor's fee and/or leasehold title is or will be dependent upon either a reversion of title or a lease from the United States Army. To the extent that reversion does not occur, the Term of this Lease (including any Option Periods set forth below) will be limited by the term of the Lessor's leasehold from the United States Army.

4.2 Option Period.

The Lessee shall have the option to extend the Term of this Lease for three (3) successive periods of ten (10) years each (each an "Option Period") upon the same terms, covenants, conditions and Base Rent as set forth in this Lease, as long as the Lessee is not in Default (as defined below) and subject to the remaining conditions in this Section 4.2. In order to exercise its right to extend the Term for an Option Period, the Lessee shall give written notice to the Lessor of its intention to renew the Lease for the Option Period no later than Ninety (90) days prior to the end of the Term. Thereafter, the Lessor and Lessee shall cooperate and negotiate in good faith to determine if any adjustments should be made to the Additional Rent. Such adjustments, if any, shall be made to assure that this is a Triple Net Lease and that the Lessee is paying its Pro Rata Share of any and all cost associated with the Lessor's ownership, care and maintenance

of the Property, whether incurred directly by Lessor or shared among the owners and/or lessees of portions of the Property. In the event the parties are able to agree, the parties shall sign an amendment to the Lease, extending the Term for the Option Period. In the event the parties are unable to agree on appropriate adjustments before the expiration of the Term, the Lessee's right to renew the Lease for the current Option Period and all future Option Periods shall terminate and the Term of the Lease shall expire.

5. Rent/Consideration.

5.1. Base Rent.

During the period from the first day of the Term until the end of the Term, Lessee shall pay as rental for the Leased Premises, the annual Base Rent of One Dollar (\$1.00), payable in advance on the first day of the Term and on each anniversary thereafter occurring during the Term.

5.2. Additional Rent.

During the Term of this Lease, Lessee shall pay to Lessor as additional rent (i) Lessee's Pro Rata Share of the Service District Charges, (ii) any Taxes, subject to the limitations set forth below, (iii) Operating Expenses and Utility Usage Charges and (v) any other amounts due from Lessee to Lessor under this Lease (collectively, the "Additional Rent"). Additional Rent shall be deemed charges for the use, possession, and enjoyment of the Leased Premises. The Additional Rent shall be calculated, from time to time, based upon one-twelfth (1/12) of the annual budgeted Additional Rent and shall be payable on the first day of each calendar month. Additional Rent for the year in which the Lease is executed is anticipated to be Nine Hundred Forty and No/100 Dollars (\$940.00) per month. Lessor will reconcile its budget for Additional Rent within the first sixty (60) days of each calendar year and, in the event adjustments in Additional Rent are needed, Lessor will give Lessee written notice and will refund or collect any sums to the Lessee during the first ninety (90) days of each calendar year. The term "Rent" as used in this Lease shall include Base Rent and Additional Rent.

5.2.1 Operating Expenses. The term "Operating Expenses" shall mean and include all costs and expenses incurred by the Lessor associated with the operation, maintenance, repair or ownership of the Leased Premises and the Building and other improvements thereon.

5.2.2 Taxes. As long as the Lessee and all of the uses conducted on the Leased Property qualify for full exemption from all federal, state and local taxation, "Taxes", for purposes of determining Lessee's Pro Rata Share, shall include only the amounts due to the City of Hampton from the Lessor as provided in Virginia Code § 2.2-2342B, or any successor statute, that are assessed against the Leased Premises.

In the event the Lessee or the use(s) of the Leased Premises are not fully exempt from taxation, "Taxes" shall include (i) all real estate and ad valorem taxes, assessments, levies and other governmental impositions and charges of every kind and

nature whatsoever, including amounts due to the City of Hampton from the Lessor as provided in Virginia Code § 2.2-2342B, or any successor statute, all extraordinary as well as ordinary, assessed or imposed upon the Property, or any portion thereof, which are not assessed or imposed upon the Leased Premises exclusively; (ii) all personal property taxes, assessments, levies or other similar governmental charges assessed or imposed upon any machinery, equipment or other personal property used in connection with the operation, maintenance or management of the Property; and (iii) all reasonable costs and expenses incurred by Lessor in contesting the amount or validity of any Taxes or the valuation of the Property or any portion thereof, including, without limitation, any fees of tax consultants, accountants, appraisers, experts and other witnesses.

NOTWITHSTANDING THE FOREGOING, THE LESSEE SHALL NOT BE OBLIGATED TO PAY ANY TAXES IF AND TO THE EXTENT THE LEASED PREMISES OR LESSEE IS EXEMPT FROM SUCH TAXES, UNLESS AND ONLY TO THE EXTENT SUCH TAXES OR PAYMENTS IN LIEU OF TAXES ARE LEVIED UPON THE LEASED PREMISES, NOTWITHSTANDING LESSEE'S TAX EXEMPT STATUS.

5.3. Lessee's Duty to Maintain the Leased Premises.

As a material inducement to the Lessor entering into this Lease with Lessee and accepting the Base Rent set forth above, the Lessee covenants and agrees to maintain the Leased Premises, including the Grounds and the Building in accordance with all of the Governing Documents, including the Design Standards and the Rules and Regulations (the "Maintenance Requirements"). The Maintenance Requirements shall include the obligation of Lessee to repair, maintain and replace, if needed, paved areas, landscaping, curb and gutter, sidewalks, the interior and exterior components, both structural and non-structural and all fixtures and systems in the Building located within the Leased Premises at the Lessee's sole cost and expense. In the event the Lessee does not keep the Leased Premises in accordance with the Maintenance Requirements, the Lessor shall have the right, but not the obligation to complete the Maintenance Requirements and the cost incurred by the Lessor in so doing shall be due from Lessee as Additional Rent within thirty (30) days of invoicing.

5.4. Late Fee.

If Rent is not received by the fifth (5th) day of the Lease Month, Lessee will be charged a late fee of ten percent (10%) of the delinquent balance (the "Late Fee").

5.5. Non-Sufficient Funds.

Upon notification of a Base Rent payment returned due to non-sufficient funds ("NSF"), the Lessee will be charged a fee of Fifty Dollars (\$50.00) (the "NSF Charge"), in addition to a late fee if received after the fifth (5th) day of the month. Repayment of the Rent and fees will be due immediately via guaranteed funds.

5.6. Net Lease.

This Lease is Triple Net to Lessor, and no costs or expenses associated with the Leased Premises shall be incurred by Lessor during the term of this Lease, except as expressly provided in this Lease.

5.7. General Rent Provisions.

All payments of Rent, and any other sums payable by Lessee pursuant to this Lease, shall be in lawful money of the United States and payable by check without setoff, prior notice, deduction or demand, to Lessor care of Divaris Property Management Corp., One Columbus Center, Suite 700, Virginia Beach, VA 23462, or at such other address as Lessor may from time to time designate by notice to Lessee. At Lessor's option, after reasonable prior notice to Lessee, payments of Rent pursuant to this Lease shall be payable by wire transfer or other electronic means to such account as Lessor may from time to time designate by notice to Lessee.

6. Use.

The Leased Premises are to be used and occupied by the Lessee for the Permitted Use and for no other purpose. Within ten (10) months after the Lease Commencement Date, Lessee covenants and agrees to commence the Permitted Use and to thereafter continuously operate the Leased Premises for the Permitted Use throughout the Term, except when prevented from so doing by casualty, strike, act of God or other causes beyond Lessee's control. Lessee recognizes that Lessor has demised the Leased Premises on the terms and conditions set forth in this Lease, in part, as consideration for the Lessee's covenant to operate the Permitted Uses within the Leased Premises. The failure of Lessee to continuously operate the Leased Premises for the Permitted Use throughout the Term, except when prevented from so doing by casualty, strike, act of God or other causes beyond Lessee's control, shall constitute a default of this Lease. In the event the Lessee fails to operate Building 221 for the Permitted Use for more than thirty (30) consecutive days, except when prevented from so doing by casualty, strike, act of God or other causes beyond Lessee's control, the Lessor shall have the option (in addition to any other remedy under this Lease) to terminate this Lease.

7. Utilities and Service District Charge.

7.1. Utilities.

Water, sanitary sewer, drainage, natural gas and electric service will be available to the Leased Premises. Notwithstanding the foregoing, the Lessor shall have no liability, nor shall the Lessee's leasehold be subject to termination arising out of any interruption in utility services.

7.2. Utility Usage Charge Assessment.

Lessor will assess usage charges ("Utility Usage Charges") initially as shown on Exhibit C for any utilities not separately metered to Lessee and Lessee shall

pay such charges within thirty (30) business days of invoicing. Notwithstanding the foregoing, the United States Army currently operates all utilities (collectively, the "Utilities") under a privatized agreement. For purposes of this Lease, the term "Utilities" shall include sanitary sewer, water, drainage, natural gas, and electricity. Lessee will be initially billed for Utilities at the pass-through rate, which is based on a per square foot basis, as established by the Army. Upon transfer of control of each Utility to the Lessor from the Army and until such Utility is separately metered as provided for below, the Lessee will be billed for such Utility service by the Lessor, using a formula based on the number of square feet of space within the Buildings on the Leased Premises, relative to the total square footage within the Property. In any case, the amount billed by Lessor to Lessee shall be calculated to pass through all of the costs incurred by the Lessor in connection with establishing, maintaining and providing such Utility service, whether by the Lessor or by any third parties.

Within ninety (90) days of the Lease Commencement Date, Lessee shall install, at Lessee's sole cost and expense, utility meters for electricity, water and natural gas on Building 221. The meters installed at the Leased Premises shall be of the type and quality that would be required by a public utility company to establish a separately metered, regular account in the name of the Lessee.

7.3. Lessee's Responsibility.

If and to the extent the Lessor is able to establish an arrangement by which a public utility provider assumes full responsibility for providing a Utility service to the Leased Premises, Lessee will pay directly and be directly responsible to such provider for any and all charges due and owing to such provider.

7.4. Service District Charge.

7.4.1. Lessor will periodically assess a "Service District Charge" for-common area operations and maintenance, whether directly or under contract, by the Lessor. The Service District Charges for which the Lessee shall be responsible for its Pro-Rata Share shall include only those categories of expense set forth on Exhibit D.

7.4.2. The Service District Charges set forth on Exhibit D are currently estimated since actual figures are not available. Once actual expenses are known and as they change over time, the Service District Charges will be recalculated and Lessor will provide thirty (30) days written notice of the new charge to Lessee prior to assessing the new Service District Charge. The Service District Charge shall be adjusted annually at the end of each calendar year throughout the Term to reflect the actual Service District Charge incurred during the preceding calendar year. Lessor shall bill underpayments or refund overpayments to the Lessee based on actual figures within four (4) months after the end of each calendar year. In addition, Lessor shall adjust the Service District Charge for the following calendar year based on the actual charges for the preceding calendar year. Lessee acknowledges that it shall be liable for its Pro Rata Share of such actual charges after expiration of this Lease subject to receipt of billing as provided herein.

8. Insurance.

Lessee shall procure and maintain, at its cost, throughout the term of this Lease, insurance against or may self insure against claims for bodily injury and/or property damage, arising from or in connection with operations, and use of the Leased Premises with the following coverage:

8.1. Minimum Coverage.

Coverage shall be at least as broad as:

8.1.1. Commercial General Liability coverage (occurrence Form CG 0001 or its equivalent).

8.1.2. Automobile Liability. (If Lessee owns no automobiles, then "non-owned and hired" automobile liability coverage shall be sufficient with respect to this item.)

8.1.3. Workers' Compensation and Employer's Liability Insurance as statutorily required by the Commonwealth of Virginia.

8.1.4. Builder's Risk insurance covering "all risks" of loss on property during the course of construction (to be provided by either Lessee, or by the general contractor or construction manager engaged to construct any Improvements on the Land), if any construction on the Leased Premises is to occur.

8.1.5 Casualty Insurance covering the full replacement cost of the Building and other structures on or within the Leased Premises. The Lessor shall have the right to procure this insurance and charge the Lessee for all premiums associated therewith as Additional Rent. Until the Lessor notifies the Lessee that Lessor has elected to procure such insurance, Lessee shall be responsible for binding and paying for such coverage.

8.2. Minimum Limits of Insurance.

Notwithstanding anything herein to the contrary, Lessee shall maintain limits no less than:

8.2.1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and advertising injury or property damage. If Commercial General Liability insurance or other form with an aggregate limit is used, the General Aggregate and the Products and Completed Operations Aggregate shall be no less than twice the per occurrence limit. The full limits of the insurance shall apply to this or each project and/or location.

8.2.2. Automobile Liability: \$1,000,000 combined single limit for each accident.

8.2.3. Workers' Compensation and Employer's Liability:
Statutory.

8.2.4. Builder's Risk and Course of Construction: Actual cash
value.

8.2.5. Property Insurance: Full replacement cost of all property
covered.

8.3. Other Insurance Provisions.

The general liability and automobile liability policies are to
contain, or be endorsed to contain, the following provisions:

8.3.1. Lessor, its officers, officials, employees, agents and
consultants shall be additional insureds with respect to liability arising out of the
ownership, maintenance or use of that part of the Land or the Improvements thereon.

8.3.2. Lessee's insurance coverage shall be primary as to Lessor,
its officers, officials, employees, and volunteers. Any insurance maintained by Lessor,
its officers, officials, employees, or volunteers shall be excess of Lessee's insurance and
shall not contribute with it.

8.3.3. Each insurance policy required by this Lease shall be
endorsed to state that coverage shall not be canceled by either party, except after thirty
(30) days' prior notice by certified mail, return receipt requested, has been given to
Lessor.

8.3.4 The proceeds of any casualty insurance on the Building
shall be paid directly to the Lessor, without demand or setoff.

8.4. Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best's
rating of no less than A-.

8.5. Verification of Coverage.

Lessee shall furnish Lessor with original certificates and
amendatory endorsements effecting coverage required by this clause. The endorsements
shall be on forms provided by Lessor or on other than Lessor's forms provided that those
endorsements or policies conform to the requirements. The Lessor reserves the right to
require complete, certified copies of all required insurance policies, including
endorsements affecting the coverage required by these specifications at any time.

9. Management, Maintenance and Repair.

9.1. Management and Maintenance.

Lessor shall have no obligation under this Lease to maintain or make alterations to the Leased Premises. Lessee shall, at Lessee's sole expense during the Term, (i) keep and maintain the Leased Premises in good and sanitary order, condition and repair in accordance with the Maintenance Requirements and (ii) keep clean and free from snow, ice, rubbish and obstructions the private roads, streets and alleys, sidewalks, gutters and curbs comprising, in front of or adjacent to, the Leased Premises, within twenty-four (24) hours of accumulation of the debris or obstructions.

9.2. Casualty Damage.

If the Leased Premises are damaged by fire, lightning, windstorm, tornado, earthquake, civil disturbance, flood, or other acts of nature or casualty loss, or by a cause or occurrence that is covered by insurance required by Section 8 and, in reasonable opinion of the Lessor, the Leased Premises are thereby rendered untenable or unusable for the Lessee's purpose, the Lessor has the option to terminate the Lease or to make repairs, replacement, restoration, or renovation as may be required to make the Leased Premises tenable. Lessor has thirty (30) days after the initial date of occurrence to present a written plan of action and/or restoration schedule to the Lessee. If the Lessor determines that the Leased Premises are untenable or unusable and Lessor exercises its option to repair, replace, restore, or renovate, there shall be a proportionate abatement of all Base Rent, or other payments otherwise due to the Lessor under the terms of this Lease, for the period during which the said repairs and restoration are being completed, for that portion of the Leased Premises not substantially useable by the Lessee during such period. If repairs have not been completed within six (6) months or within a reasonable time provided in the restoration schedule and as agreed to in writing by the parties, Lessee may terminate the Lease, provided Lessee gives written notice to Lessor of termination of the Lease within thirty (30) days of the agreed to completion date of repairs.

9.3. Disaster Funding.

To the extent Lessee reasonably incurs expenses in its capacity as a general municipal service provider to remove debris occasioned by or to repair damage to the Leased Premises occasioned by any disaster for which state or federal funding is made available to local governments acting in response to such disaster, and such funding is instead made only available to Lessor under applicable law, Lessor shall take all necessary and reasonable steps to secure such funding from which it shall reimburse Lessee for such expenses for provision of disaster services.

10. Limitations on Liability.

10.1. Lessor Exculpation.

Lessor shall be free from all Claims and Losses relating to the Leased Premises, or any personal property located therein or thereon, including injury or death of any Person or destruction or damage to the Leased Premises or any other property of Lessee or its agents, officers, servants or employees, from whatever cause, except to the extent that any said Claims and Losses arise out of the willful or grossly negligent acts or omissions of Lessor or any of its officers, employees, agents or contractors. Nothing in this Section 10.1 shall be deemed a waiver of the sovereign immunity of Lessor.

10.2. Limitations on Lessee's Liability.

Lessor understands and acknowledges that Lessee, like Lessor, is a political subdivision of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences on or about the Leased Premises, including product liability, the Lessee is either (1) legally immune (or partially immune) from suit, judgment or liability; (2) insured; or (3) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable law.

Lessor understands and acknowledges that Lessee has not agreed to provide any indemnification or save harmless agreements running to Lessor. To the extent permitted by applicable law, Lessee will be responsible in its performance under this Lease for its agents' and employees' acts and omissions within the scope of their duties which cause injury to persons or property. Lessor agrees that to the extent permitted by applicable law it shall be responsible for its agents' and employees' acts and omissions within the scope of their duties which cause injury to persons or property with the understanding, however, that neither party shall be liable for punitive damages assessed against its employees or agents, or for its agents' or employees' criminal conduct. No provision, covenant or agreement contained in this Lease shall be deemed to be a waiver of the sovereign immunity of the Lessor/Commonwealth of Virginia, or Lessee, from tort or other liability, or of any other defense available to Lessor or Lessee. Each party shall provide to the other its certificate of liability coverage or evidence of self-insurance.

Lessee, the City of Hampton, cannot expend funds unless appropriated by the City Council of the City of Hampton and may not obligate a future council. Therefore, notwithstanding any provision in this Lease to the contrary, if Hampton City Council fails to appropriate funds for the continuance of this Lease (or if the funds supporting the Lease were derived from federal grant/federal funding and such funds are no longer available), this Lease and all obligations hereunder shall automatically terminate upon depletion of the then currently appropriated or allocated funds.

11. Rights and Obligations of Lessor and Lessee.

11.1. Estoppel Certificates and Lease Status Reports.

Lessee shall execute, acknowledge and deliver promptly upon request by Lessor but in no event more than ten (10) business days after such request, its certificate certifying (i) that this Lease is unmodified and in full force and effect (or, if there has been any modification, that this Lease is in full force and effect as modified and stating the modification); (ii) the dates, if any, to which the rent has been paid; (iii) that there are no existing offsets or defenses against the enforcement of any term hereof on the part of Lessee to be performed or complied with by Lessee (or, if so, specifying the same); (iv) that the Lessee has no rights or options to purchase the Leased Premises or any interest therein; and (v) that no notice has been given to Lessee of any default by Lessee that has not been cured.

11.2. Brokerage Commissions.

Lessor and Lessee acknowledge that the only broker involved in this transaction is Old Point Comfort Real Estate Services ("OPCRES"), whose compensation is subject to a separate agreement between Lessor and OPCRES. Lessee represents and warrants that there are no real estate brokerage commissions or other such obligations incurred by Lessee arising out of the negotiation or execution of this Lease or any assignment hereof.

12. Condemnation.

Lessor shall give immediate notice to the Lessee of any discussions, offers, negotiations or proceedings, with any party, regarding condemnation or taking of any portion of the Leased Premises. In the event that any portion of the Leased Premises is taken by eminent domain, or sold to the holder of such power pursuant to a threatened taking, this Lease shall terminate effective as of the date of the taking. The date of taking will be the earlier of: (i) the date on which title vests in the condemning entity (the date of deed recordation or the date of filing of Certificate of Take or Certificate of Deposit by the condemning entity) or (ii) the date on which the condemning entity takes possession. In the event of a taking, the Lessee assigns to the Lessor any rights that the Lessee may have in and to any portion of a condemnation award, but such an assignment shall exclude any portion that may be due for, or attributed to, the Lessee's fixtures, moving expenses and allowances.

13. Master Lease or Deed of Trust; Priority of Lease.

This Lease shall be subordinate to the lease made for the Leased Premises between the Secretary of the Army and Lessor (i.e., Department of the Army Lease Number DACA65-1-11-59, "Master Lease"). Lessee is subject to the terms and conditions of the Master Lease. Lessor shall provide Lessee a copy of the Master Lease upon request. Nothing contained herein shall in any way conflict with the Master Lease. If any of the provisions of the Master Lease conflict with those of this Lease, the applicable provisions of the Master Lease will control. This Lease shall be subordinate to

any and all Deeds of Trust that may hereafter be placed against the Leased Premises and the recording of said mortgage or mortgages shall have preference and precedence and shall be a superior lien to this Lease irrespective of the date of recording. Lessee agrees, without any cost or expense to Lessor, to execute any instrument that is necessary or is reasonably requested by Lessor to further subordinate the priority of this Lease.

14. Assignment or Subletting.

Except as may be expressly approved by Lessor, Lessee shall not grant, assign or sublease any of its, his or her rights under this Lease.

15. Binding Effect and Amendments.

The covenants, agreements, and rights contained in this Lease shall bind and inure to the respective heirs, personal representatives, successors and assigns of Lessor and the Lessee. This Lease constitutes the entire agreement between the Lessor and the Lessee regarding the Leased Premises. Neither party, nor any agent of either party, has any authority to alter, amend or modify any of the terms of this Lease, unless the amendment is in writing and executed by all parties to this Lease.

16. Default, Termination and Surrender of Leased Premises.

16.1. Default by Lessee.

The following shall constitute "Events of Default" hereunder: (i) Lessee fails to pay any installment of Rent or any other money due from Lessee to Lessor under this Lease, within thirty (30) days of the date when due, or (ii) Lessee fails to remedy any default with respect to any other provisions, covenants or conditions of this Lease to be kept or performed by Lessee within thirty (30) days after notice thereof, or such additional time as is reasonably required to cure such default, or (iii) Lessee vacates or abandons the Leased Premises, or removes all or substantially all of Lessee's personal property from the Leased Premises, or (iv) the insolvency or voluntary or involuntary bankruptcy of Lessee, unless the involuntary proceeding is dismissed within ninety (90) days following the commencement of the proceeding, or (v) the appointment of a receiver, assignee for creditors, or other liquidating officer with respect to Lessee's business, unless the receiver is removed within ninety (90) days of the appointment thereof, or (vi) any attachment or execution against a substantial part of Lessee's assets, or Lessee's interest in this Lease is taken by legal process in any action against Lessee, or (vii) Lessee's failure to execute an estoppel certificate or lease status report or other documents, as required by Sections 11.1 and 13, within ten (10) days of a request therefor. Upon the occurrence of any of the events described in (i) through (vii) above, Lessor shall have the right to terminate this Lease and Lessee's right to possession of the Leased Premises by delivering notice of such termination to Lessee.

16.2. Remedies of Lessor.

Upon the occurrence of any Event of Default, and in addition to any other rights and remedies under this Lease, at law, or in equity, including but not

limited to distraint, and with or without terminating this Lease, Lessor and its agents and representatives may exercise any or all of the following rights and remedies (and use by Lessor of one or more of the following remedies shall not preclude Lessor from simultaneously or later utilizing any one or more of these remedies):

16.2.1. Lessor shall have the right, at its election, upon the occurrence of an Event of Default, to bring suit for the collection of any amounts for which Lessee may be in default or for the performance of any covenant or agreement required to be performed by Lessee hereunder, or to set off any such amounts against amounts owing from Lessor to Lessee.

16.2.2. Lessor shall have the right, at its election, upon the occurrence of the Event of Default or at any time thereafter, to terminate this Lease, in which event Lessee shall immediately surrender the Leased Premises to Lessor and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in Rent, enter upon and take possession of the Leased Premises and expel or remove Lessee and any other person who may be occupying said Leased Premises or any part thereof, by force, if necessary, without being liable for prosecution or any claim of damages therefor. Lessee hereby agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of such termination, whether through inability to re-let the Leased Premises on satisfactory terms or otherwise.

16.2.3. Lessor shall have the right, at its election, upon the occurrence of an Event of Default, to terminate Lessee's right of possession (but not this Lease) and enter upon and take possession of the Leased Premises and expel or remove Lessee and any other person who may be occupying the Leased Premises or any part thereof, by entry, dispossessory suit or otherwise, without thereby releasing Lessee from any liability hereunder, without terminating this Lease, and without being liable for prosecution or any claim of damages therefore.

16.2.4. In the event of any expiration or termination of this Lease or repossession of the Leased Premises or any part thereof by reason of the occurrence of an Event of Default, Lessee will pay to Lessor the Rent for the period to and including the date of such expiration, termination or repossession, and thereafter until the end of what would have been the term hereof in the absence of such expiration, termination or repossession, and whether or not the Leased Premises or any part thereof shall have been re-let.

16.2.5. No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute. The failure of Lessor to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or relinquishment thereof for the future. The receipt by Lessor of any Rent with knowledge of the breach of any covenant or agreement contained in this

Lease shall not be deemed a waiver of such breach, and no waiver by Lessor of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Lessor. In addition to the other remedies provided in this Lease, Lessor shall be entitled, to the extent permitted by law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this Lease, or to a decree compelling performance of this Lease, or to any other remedy allowed to Lessor at law or in equity.

16.2.6. Lessor may, but shall not be obligated to, cure any default by Lessee after complying with the notice provisions herein set forth, and whenever Lessor so elects, all costs and expenses paid or incurred by Lessor in curing such default shall be deemed to be additional Rent due on demand with interest. Notwithstanding anything to the contrary contained in this Lease, in the event of an emergency, Lessor shall have the immediate right to cure any such breach or default by Lessee prior to the expiration of the applicable notice and cure period if reasonably necessary to protect the Leased Premises or the Property, to prevent injury or damage to persons or property or in the event of any other emergency, and Lessee shall pay to Lessor all amounts expended by Lessor to cure such default within thirty (30) days of written notice to Lessee of such amount.

16.3. Holdover.

If the Lessee shall holdover upon the conclusion of the Term, or any renewal or extension term, such holdover shall be deemed a tenancy from month-to-month at a rate equal to two hundred percent (200%) of the Base Rent and Additional Rent due for the month immediately preceding the Termination Date and on all other terms and conditions as existed immediately prior to the commencement of the holdover. The Lessor shall have the right to regain possession of the Leased Premises in any manner provided by law.

16.4. Surrender of Leased Premises.

Upon the expiration of the term of this Lease, subject to this Section 16.4, Lessee shall quit and surrender the Leased Premises to Lessor without further obligation on the part of either party hereto, free and clear of all liens and encumbrances other than those existing at the commencement of the term of this Lease or created by or with the approval of Lessor. At the expiration of the Term of this Lease, Lessee shall peaceably deliver the Leased Premises in as good condition as when they were formally accepted, normal wear and tear excepted.

17. Signage.

Current signage on the Leased Premises is grandfathered and allowed to remain in its current condition. If Lessee wants to add or modify the existing signage on the Leased Premises, Lessee must obtain the HPO's written approval prior to any addition or modification of signage.

18. Notices.

All notices, waivers, demands, requests or other communications required or permitted by this Lease, to be effective, shall be in writing, properly addressed, and shall be given by (i) personal delivery, (ii) established overnight commercial courier (such as Federal Express) for delivery on the next business day with delivery charges prepaid or duly charged or (iii) by registered or certified mail (return receipt requested, first-class postage prepaid), as follows:

If to Lessor: Glenn Oder, Executive Director
Fort Monroe Authority
Old Quarters #1
151 Bernard Road
Fort Monroe, Virginia 23651

Copies to: Steven O. Owens, Senior Assistant Attorney General
Office of the Attorney General
Real Estate and Land Use Section
900 East Main Street
Richmond, Virginia 23219

If to Lessee: City Manager
City of Hampton
22 Lincoln Street
Hampton, Virginia 23669

Copies to: City Attorney
City of Hampton
22 Lincoln Street
Hampton, Virginia 23669

or to any other address or addressee as any party entitled to receive notice under this Lease shall designate, from time to time, to others in the manner provided for in this section for the service of Notices. Notices shall be deemed to have been given upon actual receipt (or refusal to accept receipt) by an employee of the addressee at the address shown. All courtesy copies of notices sent to the parties listed above as receiving copies shall be given in the same manner as the original notice that was sent but shall not be a prerequisite to the effectiveness of any notice.

[Signatures on the following pages.]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LESSOR:

FORT MONROE AUTHORITY

By: [Signature]

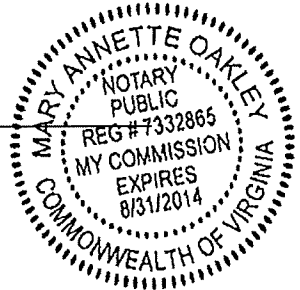
Name: G. Glenn Oder

Title: FMA EXEC. DIRECTOR

COMMONWEALTH OF VIRGINIA
CITY OF HAMPTON, to wit:

The foregoing Deed of Lease was acknowledged before me this 12th day of October, 2011, by Glenn Oder, acting in his capacity as Exec Dir., on behalf of Fort Monroe Authority.

[Signature]
Notary Public



My Commission expires: 8/31/14
Notary Registration No.: 7332865

LESSEE:

THE CITY OF HAMPTON, VIRGINIA

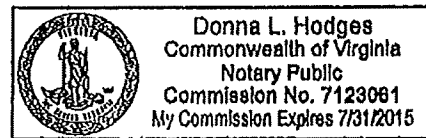
By: Mary B. Bunting
Name: Mary B. Bunting
Title: City Manager

COMMONWEALTH OF VIRGINIA
CITY OF HAMPTON, to wit:

The foregoing Deed of Lease was acknowledged before me this 10th day of October, 2011, by Mary B. Bunting, acting in ^{her} ~~his~~ capacity as City Manager, on behalf of The City of Hampton, Virginia.

Donna L. Hodges
Notary Public

My Commission expires: July 31, 2015
Notary Registration No.: 7123061



OFFICE OF THE ATTORNEY GENERAL
Approved as to form:

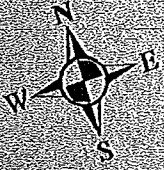
By: _____
Title: Senior Assistant Attorney General

OFFICE OF THE CITY ATTORNEY OF
THE CITY OF HAMPTON, VIRGINIA
Approved as to form and legal sufficiency:

By: C. Hudson
Title: City Attorney

EXHIBIT A

PROPERTY DESCRIPTION



**Auto
Repair
Shop**

Not
Included

**Bowling
Alley**

**Community
Center**

11.55 ac

**Police
Training
Center**

Not
Included

STILLWELL DR

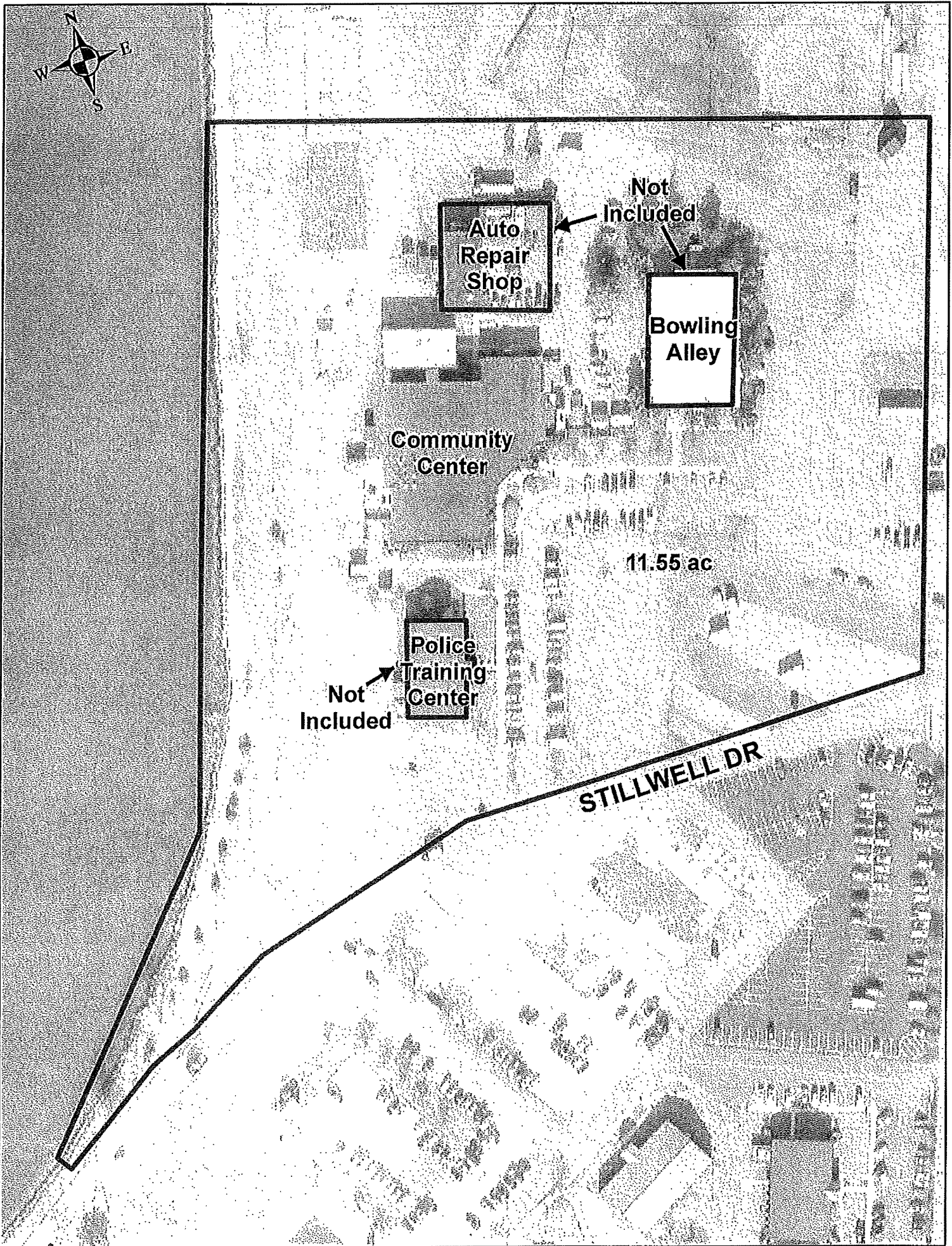


EXHIBIT B

FORT MONROE AUTHORITY PROJECT SCREENING FORM

FMA PROJECT SCREENING FORM

Project Name: _____

Project Location: _____

1. GENERAL

Does the proposed project include any of the following?

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Is the location subject to an environmental cleanup action (hazardous material, munitions and explosives of concern, or oil waste) or adjacent to such a location?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Construction, alteration, expansion, modification, or demolition of any building, pavement or structure? Will it require a building permit?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	C. Any ground disturbance deeper than six inches (land clearing, grading and soil excavation, fill, trenching)? If YES, will there be excess soil for storage or disposal? If YES, will any backfill be needed? What is the source of backfill? Is chemical analytical data available proving the backfill does not contain any hazardous substances over federal or state environmental risk-based action levels? _____ _____ _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	D. Federal funding? If YES, identify: _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	E. State funding? If YES, identify: _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	F. Require a State or Federal permit or license? If YES, identify: _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	G. Is this project related to a larger project or future proposed action? If YES, specify: _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	H. A change in existing use of the property, building or site? If YES, specify: _____

2. HAZARDOUS/REGULATED MATERIALS AND/OR WASTE

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Do you plan on generating hazardous waste or waste petroleum or oil products? If yes, what kind, how much and how will it be handled? For definition of hazardous waste see Title 40--Protection of Environment Chapter 60, Part 261 Identification and Listing of Hazardous Waste (http://www.deq.state.va.us/waste/wasteregs.html) _____ _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Installation, modification, removal or repair of above or underground storage tanks, or any other reservoirs 55 gallons or greater and used for petroleum products or other chemicals/fluids? If YES, specify: _____

FMA PROJECT SCREENING FORM

Project Name: _____

Project Location: _____

2. HAZARDOUS/REGULATED MATERIALS AND/OR WASTE (continued)

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	C. Require acquisition, use, storage, or disposal of any chemicals, including chemical pesticides?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	D. Require use, disturbance, or disposal of Polychlorinated Biphenyls (PCBs) (e.g., older transformers, capacitors, or light ballasts?) or other "universal" hazardous materials from buildings (i.e., switches, emergency signs, etc.) If YES explain:
This project will generate the following waste materials: <i>(check all that apply)</i>	
<input type="checkbox"/> Fluorescent Bulbs <input type="checkbox"/> Paint Filters <input type="checkbox"/> Batteries <input type="checkbox"/> Oil or Oily Debris <input type="checkbox"/> Waste Water <input type="checkbox"/> Asbestos <input type="checkbox"/> Paint Debris <input type="checkbox"/> Sandblast Grit/Debris	
<input type="checkbox"/> Construction waste <input type="checkbox"/> Other: _____	

3. AIR EMISSIONS

Does the proposed project include any of the following?

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Are emissions discharged into air directly (i.e., stack, vent, fume, hood, cooling tower, aerosols) or indirectly (e.g., painting, sandblasting, ozone depleting substances, hazardous air pollutants)? This includes objectionable odors. If YES, specify: _____
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Installation of appliances/equipment containing refrigerant? If YES, specify: _____
This project will involve installation, modification, or removal of: <i>(check all that apply)</i>	
<input type="checkbox"/> Fume Hoods <input type="checkbox"/> Paint Booths <input type="checkbox"/> Industrial Ovens <input type="checkbox"/> Scrubbers <input type="checkbox"/> Dust Collector/Cyclone <input type="checkbox"/> Emergency Generators <input type="checkbox"/> Exhaust Fans/Vents <input type="checkbox"/> Parts Cleaners/Washers <input type="checkbox"/> Abrasive Blast Booth <input type="checkbox"/> Fuel Burning Equipment (Boilers, heaters, etc.)	

4. WATER QUALITY

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Is any type of equipment or process included that will discharge water or waste water (oil/water separator, cooling tower, heating/cooling system, water softener, compressor blowdown)?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Have the potential to inhibit surface water drainage by creating impervious surface area or altering landscape topography leading to increased runoff or erosion? If YES explain:
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	C. Have the potential to degrade surface or ground water quality or substantially alter the type of wastewater generated to the sanitary sewer system or storm drainage? If YES explain:
This project involves the installation, removal, or alteration of the following:	
<input type="checkbox"/> Sewer Lines <input type="checkbox"/> Sewer Connections <input type="checkbox"/> Sumps <input type="checkbox"/> Drains (interior or exterior) <input type="checkbox"/> Stormwater Lines or Management Structures	

FMA PROJECT SCREENING FORM

Project Name: _____

Project Location: _____

5. NATURAL RESOURCES

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Will the project modify the existing landscape? (e.g., clearing trees, modifying drainage swales)
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Will the project modify or impact the shoreline landscape? (e.g., beach, sand dunes, marsh)
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	C. Will the project require dredging, removal or replacement of pilings
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	D. Will the project disturb soil in the drip line of a building?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	E. Will the project substantially alter any ground cover or vegetation and/or diminish habitat?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	F. Does the project have the potential to attract animal or insect pests?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	G. Does the project have the potential to interfere with migratory birds or fish species?
Explain all YES answers:	

6. NOISE

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Will there be any change in noise levels? If YES is the noise level change permanent or temporary?
---	---

7. UTILITIES

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Do you anticipate a change in use of energy/water consumption? How much (increase/decrease) and what is the basis of your estimate.
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. If not already specified above, will this project involve any reusable energy or other green technology? If YES, what technology?

FMA PROJECT SCREENING FORM

Project Name: _____

Project Location: _____

8. SAFETY, TRANSPORTATION AND TRAFFIC SYSTEMS

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Will activities result in new/modified road patterns or parking areas? If YES explain:
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Does the project have the potential to create a fire hazard or increase demands of fire or police services? If YES explain:

9. HISTORIC AND CULTURAL RESOURCES

<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	A. Will project affect a known historic property, archaeologically sensitive area, or cultural landscape feature?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	B. Will project destroy, remove or replace windows or other building material?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	C. Will project introduce, reintroduce or remove non-historic elements (physical, visible, audible, and atmospheric) of an historic property or environment?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	D. Does the project have the potential to cause deterioration of historic fabric, terrain or setting?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	E. Does the project have the potential to impact current or planned visitor services or alter current visitor access to parking, trails, roads, etc?
<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> DON'T KNOW	F. Does the project have the potential to block an existing view or be visually intrusive?
Explain all YES answers:	

EXHIBIT C

UTILITY USAGE CHARGE

EXHIBIT "C"
UTILITIES

Electricity:			Cost PSF		Cost Per		Annual
			Per Month		Month		Cost
Bldg. 221	26,857	\$	0.2900	\$	7,788.53	\$	93,462.36
<hr/>							
Totals	26,857			\$	7,788.53	\$	93,462.36
<hr/>							
Natural Gas:							
Bldg. 221	26,857	\$	0.1000	\$	2,685.70	\$	32,228.40
<hr/>							
Totals	26,857			\$	2,685.70	\$	32,228.40
<hr/>							
Water:							
Bldg. 221	26,857	\$	0.0200	\$	537.14	\$	6,445.68
<hr/>							
Totals	26,857			\$	537.14	\$	6,445.68
<hr/>							
Sewer:							
Bldg. 221	26,857	\$	0.0200	\$	537.14	\$	6,445.68
<hr/>							
Totals	26,857			\$	537.14	\$	6,445.68
<hr/>							
Total Utilities	-			\$	11,548.51	\$	138,582.12

5-Oct-11

EXHIBIT D

INITIAL SERVICE DISTRICT CHARGES

Exhibit "D"
Annual Service District Charges

Payment in Lieu of Taxes:

Property	Estimated Sq. Ft.	Estimated Value PSF	Estimated Assessed Value	PILOT Rate	Estimated Pilot
					\$ -

Totals	-	\$ -	\$ -	\$ -	\$ -
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Other Charges:

	Estimated Sq. Ft.	Cost PSF	SDC COST
Common Area Maintenance	26,857		\$ -
Contribution to FMA Foundation Security	26,857		\$ -
FMA Management Fee	26,857		\$ -
FMA Network Fee (Note 1)	26,857		\$ -
PPEA Fee	26,857	0.31	\$ 8,326
Property Insurance Coverage	26,857	0.11	\$ 2,954
Total Other Charges		\$ 0.42	\$ 11,280

Total All SDC Charges	\$	11,280
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NOTE 1: Lessee will not require any network service connections from FMA
Exhibit D - Youth Activity Center
10.6.11

ASBESTOS RIDER

The Lessee is hereby informed and does acknowledge that the Leased Premises may contain friable and non-friable asbestos or asbestos containing materials ("ACM"). Available information concerning known asbestos and/or ACM, the location of asbestos and/or ACM is contained in the Environmental Condition of Property Report ("ECP"), which Lessor has and is available for review by Lessee.

1. The Lessee agrees that its use and occupancy of the Leased Premises will be in compliance with all applicable laws relating to asbestos; and that during the term of the Lease, Lessor assumes no liability for remediation of asbestos or damages for personal injury, illness, disability, or death, to the Lessee, its successors or assigns, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos or ACM on the Leased Premises, whether the Lessee, its sublessees or assigns have properly warned or failed to properly warn the individual(s) injured. The Lessee agrees to be responsible for any remediation of asbestos found to be necessary on the Leased Premises during the term of the Lease.
2. Unprotected or unregulated exposures to asbestos in product manufacturing, shipyard, building construction workplaces have been associated with asbestos-related diseases. Both the Occupational Safety and Health Administration ("OSHA") and Environmental Protection Agency ("EPA") regulate asbestos because of the potential hazards associated with exposure to airborne asbestos fibers. Both OSHA and EPA have determined that such exposure increases the risk of asbestos-related diseases, which include certain cancers and which can result in disability.
3. The Lessee acknowledges that it has had the opportunity to inspect the Leased Premises as to their asbestos content and condition and assumes all responsibility imposed upon the Lessor under this Section 2.3.4. The failure of the Lessee to inspect, sample or to be fully informed as to the asbestos condition of the Leased Premises, will not constitute grounds for any claim or demand against the Lessor, or any adjustment under this Lease.

MILITARY RESERVATION RIDER

Until September 2011, Fort Monroe will continue to be used as a Military Reservation. Thereafter, the United States (Government) may continue limited operations and removal of its property. During this time, the following additional terms and conditions shall be considered a part of the Lease for all purposes:

1. INSPECTION: The right is hereby reserved to the Government, its representatives, to enter the Leased Premises at any time for the protection of the interests of the Government. Reasonable notice, typically twenty-four (24) hours or more, will be given to Lessee before entry or inspection, except in instances where a bona fide emergency exists which threatens serious loss, damage or injury to persons or property. The opportunity shall be afforded to the Lessee's representative to accompany the representatives of the Government during such entry or inspection. The Lessee shall have no claim of any character on account of any such inspection against the Government or any other officer, agent, or employee thereof.

2. POLICE JURISDICTION: While Fort Monroe is used as a Military Reservation, police jurisdiction is vested in the Military, and Military Police will be authorized, when necessary, to make arrest of civilian occupants and may hold such arrested occupants for delivery without delay, to a civil law enforcement agency such as the United States Marshall. Army representatives, including personnel of Fire, Medical, and Engineer Post Control Sections, may enter any portion of the Leased Premises in performance of their duties.

3. RULES AND REGULATIONS: While Fort Monroe is used as a Military Reservation, the rules and regulations of the Government and the orders of the Post commander shall apply to the Leased Premises and the Lessee's use and occupancy of the Leased Premises. A copy of these rules, regulations and orders will be available for inspection by the Lessee at the office of OPCRES.

4. DAMAGE TO GOVERNMENT PROPERTY: Any property of the Government damaged or destroyed by the Lessee incident to the Lessee's use and occupation of said property shall be promptly repaired or replaced by the Lessee. If required by the Government, the Lessee shall pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of damages to or destruction of Government property.

5. MUNITIONS AND EXPLOSIVES: Lessee is hereby notified that Munitions and Explosives of Concern (MEC) and Munitions Constituents (MC) are potentially present at Fort Monroe. In the event Lessee or any other person encounters or suspects they may have encountered MEC or MC, Lessee shall immediately notify Lessor. Lessee should not handle or disturb any suspect MEC or MC or Munitions Debris. The terms Munitions and Explosives of Concern (MEC), Munitions Constituents (MC) and Munitions Debris are defined as:

Munitions and explosives of concern (MEC) – This term, which distinguishes specific categories of military munitions that may pose unique explosives safety risks and means UXO, as defined in 10 U.S.C. 101(e) (5); DMM, as defined in 10U.S.C. 2710(e)(2); or MC (e.g., explosives), as defined in 10 U.S.C. 2710(e)(3), present in high enough concentrations to pose an explosive hazard. (U.S. Army, 2005)

(1) **Unexploded Ordnance (UXO)**) – Military munitions that:

- (a) Have been primed, fused, armed, or otherwise prepared for action;
- (b) Have been fired, dropped, launched, projected, or placed in such a manner as to constitute a hazard to operations, installations, personnel, or material; and remain unexploded whether by malfunction, design, or any other cause. (10 U.S.C. 101(e)(5))

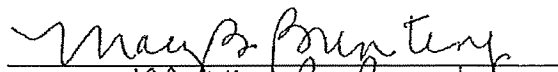
(2) **Discarded military munitions (DMM)** – Military munitions that have been abandoned without proper disposal or removed from storage in a military magazine or other storage area for the purpose of disposal. The term does not include unexploded ordnance, military munitions that are being held for future use or planned disposal, or military munitions that have been properly disposed of consistent with applicable environmental laws and regulations. (10 U.S.C. §2710(e)(2))

(3) **Munitions constituents (MC)** – Any materials originating from UXO, DMM, or other military munitions, including explosive and non-explosive materials, and emission, degradation, or breakdown elements of such ordnance or munitions. (10 U.S.C 2710(e) (3))

(4) **Munitions debris** – Remnants of military munitions (e.g., fragments, penetrators, projectiles, shell casings, links, fins) remaining after munitions use, demilitarization, or disposal.

6. **CLAIMS:** The Government shall not be responsible for damages to any persons or property arising from the Lessee's use of the Leased Premises, and to the extent permitted by applicable law and without waiving its sovereign immunity Lessee shall indemnify and hold the Government harmless from any and all claims for such damages. The provisions of this condition shall not apply to such claims cognizable under the Virginia or Federal Tort Claims Acts, as amended, as those statutes may be applicable.

The Lessee(s) acknowledge receipt of a copy of this Military Reservation Rider.


Name: Mary B Bunting

Date: 10/10/11

Name: _____

Date: _____

DRUGS, FIREARMS AND HARMFUL ACTS RIDER

I CERTIFY THAT:

If I or my authorized visitors or guests engage in or permit drug, firearm or other harmful acts to occur in or around my apartment or on the apartment grounds or vicinity, I shall be deemed to be in material non-compliance with the obligations of my tenancy under the provisions of my Lease and may be served a notice of termination of my tenancy as prescribed by the Lease. A complaint will be filed with the appropriate authorities to terminate my tenancy. Examples of acts which materially affect the health and safety of other tenants or employees are:

- a. Brandishing or discharging firearms or other unlawfully concealed deadly weapons;
- b. Committing assault and/or battery against a tenant, guest or invitee, or a company employee;
- c. Deliberately setting fire to the Leased Premises or property thereon (arson), or to any portion of the Fort Monroe community, property or to another resident's property, or otherwise unlawfully destroying property; and
- d. Use, distribution, or possession of controlled drugs or substances or paraphernalia on Leased Premises without a valid prescription.

SEIZURE BY A LAW ENFORCEMENT OFFICER of illegal drugs, drug paraphernalia, or firearms shall constitute conclusive evidence of material non-compliance but is not required for there to be proper evidence of a violation of this Addendum. Lessor's good faith determination of a violation of this Addendum is final and binding.

DRUGS: shall mean any controlled substance as defined by federal, state, and/or local statute.

FIREARMS: shall mean any weapons illegally possessed as defined by federal and state laws.

INITIAL TENANCY, LEASE RENEWAL, AND RECERTIFICATION REQUIREMENTS:

Upon initial tenancy and each year when I must seek and obtain eligibility for Lease renewal or re-certification of my eligibility for continued residence in my apartment, I CERTIFY THAT:

1. No illegal drug activity is permitted inside the Leased Premises at any time.
2. No illegal drug related activities will be allowed in or around the Leased Premises at any time.
3. No illegal firearm activity is permitted in or around the Leased Premises at any time.

4. No harmful acts to persons or property have been or will be permitted.

Lessee Signature Mary B Bunting Date 10/10/11
Lessee Signature _____ Date _____
Lessor Signature _____ Date _____

LEAD BASED PAINT DISCLOSURE RIDER

The Lessor provides the following disclosures with regard to the presence of Lead Based Paint. These disclosures are based upon the Master Lease and the reports delivered by the Government to the Lessor in connection with the closure of the Military Reservation. The following provisions are hereby adapted and incorporated from the Master Lease:

a. Lessee is hereby informed and does acknowledge that the Leased Premises was constructed or rehabilitated prior to 1978, is presumed to contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. A risk assessment or inspection for possible lead-based paint hazards by the Lessee is recommended prior to lease.

b. Available information concerning known lead-based paint and/or lead-based paint hazards, the location of lead-based paint and/or lead-based paint hazards, and the condition of painted surfaces is contained in the environmental conditions reports provided to client. The reports provided to Lessee by Lessor are the only reports about which the Lessor has actual knowledge concerning the known presence of lead based paint or lead based paint hazards. The Lessee acknowledge receipt of the EPA approved pamphlet on lead hazard information.

c. The Lessor represents that to the extent of its actual knowledge, with regard to lead based paint and lead based paint hazards, the painted surfaces of the Leased Premises were maintained in compliance with the International Property Maintenance Code of the Uniform Statewide Building Code.

d. The Lessor and OPCRES agree that they will deliver any new information which comes into their possession or about which they have actual knowledge concerning the presence of lead based paint or lead based paint hazards in the Leased Premises to the Lessee in writing together with a summary of such information and will make all new reports available for inspection at the offices of OPCRES.

The Lessee(s) acknowledge receipt of a copy of this Lead Based Disclosure Rider.

Mary B Buntley
Name: Mary B Buntley Date: 10/10/11

Name: _____ Date: _____

HISTORICAL PROPERTIES RIDER
(TO BE PROVIDED)