

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 22ND DAY OF JULY NINETEEN HUNDRED EIGHTY-FIVE AT 4:45 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

**A. ROLL CALL**

William F. Brown, Chairman  
 Perry M. DePue, Vice-Chairman  
 Thomas D. Mahone  
 Jack D. Edwards  
 Stewart U. Taylor

John E. McDonald, Treasurer  
 Frank M. Morton, III, County Attorney  
 Wayland N. Bass, Consulting Engineer

**B. MINUTES - July 8, 1985 - Regular Meeting**

Mr. Edwards made a motion to approve the minutes as presented.

The motion passed by a unanimous voice vote.

**C. BOARD CONSIDERATIONS**

**1. Formal Acceptance of Water and Sewer Systems**

Mr. Wayland Bass stated this matter is a yearly process for bookkeeping purposes.

Mr. Brown made a motion to approve the resolution.

The motion passed by a unanimous voice vote.

**R E S O L U T I O N**

**ACCEPTANCE OF FORMALLY DEDICATED WATER AND SEWER SYSTEMS**

WHEREAS, certain water and sewer systems have been constructed and dedicated to the James City Service Authority; and

WHEREAS, these water and sewer systems have been constructed in accordance with technical requirements of the James City Service Authority.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority does formally accept the dedication of water and sewer systems listed below, as of June 30, 1985:

SEWER BOND ACCOUNT

Windsor Forest, Section 3B	\$ 59,000
Season's Trace, Section 8B	\$ 72,000
Chisel Run, Section 3A	\$ 12,500
St. George's Hundred, Section 3, Block B1	\$ 41,500
St. George's Hundred, Castle Lane Extended	\$ 7,750
Powhatan Plantation Resort, Phase 1	\$195,000
Ford's Colony, Section 1	\$650,000
Shellbank Woods, Section 2	\$ 57,500
Drummonds Field, Section 1	\$ 70,000
The Meadows, Section 1	\$133,375
Neck-O-Land Acres	\$ 10,000
Raleigh Square Townhouses	\$ 27,500
Governor's Square	\$ 45,750
James Square, Section 1	\$ 17,500
Williamsburg Landing	\$340,000
Hunters Creek, Section 1	\$ 37,500
Williamsburg Office Park, Section 1 and 2	\$ 4,750

GENERAL FUND WATER

Chisel Run, Section 3A	\$ 11,750
St. George's Hundred, Section 3, Block B1	\$ 35,000
St. George's Hundred, Castle Lane Extended	\$ 3,000
Powhatan Plantation, Phase 1	\$145,500
Shellbank Woods, Section 2	\$ 57,500
Drummonds Field, Section 1	\$190,000
The Meadows, Section 1	\$ 99,000
Neck-O-Land Acres	\$ 8,000
Governor's Square	\$ 22,000
James Square, Section 1	\$ 11,400
Williamsburg Landing	\$172,000
Hunters Creek, Section 1	\$ 55,000
Williamsburg Office Park, Section 1 and 2	\$ 11,500

PROJECT AREA NO. 4, SEWER

Fairfax Woods and Burwell Glen, Section 1	\$415,000
Padgett's Ordinary, Phase II	\$ 3,900
Littletown Quarter, Phase V	\$ 12,000

LONGHILL ROAD WATER

Windsor Forest, Section 3B	\$ 10,000
Season's Trace, Section 8B	\$ 10,000
Ford's Colony, Section 1	\$200,000

SANITARY DISTRICT NO. 2, SEWER

Brookside Townhouses, Phase 1	\$ 29,750
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2. Sewer Construction Project Audits

Mr. John McDonald informed the Board of the process involved in the EPA audit. Mr. McDonald stated the only option available to the Authority would be appeal to the Washington Office of EPA which could take about 1½ years and he felt the same results would be achieved.

Mr. Edwards made a motion to approve the resolution.

The motion passed by a unanimous voice vote.

R E S O L U T I O NSEWER CONSTRUCTION PROJECT AUDITS

WHEREAS, the Environmental Protection Agency (EPA) has completed the audit of the Sanitary District No. 3 and Toano Sewer Projects; and

WHEREAS, the final EPA findings show an overpayment of \$23,505 for the two projects; and

WHEREAS, upon review, the calculation of the overpayment by EPA appears to be reasonable and justified.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorize the return to EPA of funds overpaid on grants for the Sanitary District No. 3 and Toano Sewer Construction Programs from the Sewer Bond Fund Balance in an amount not to exceed \$23,505.

3. WMSBGRR Subdivision - Extension of 12-inch Water Transmission Main on Richmond Road

Mr. DePue made a motion to approve the resolution.

The motion passed by a unanimous voice vote.

RESOLUTION

WMSBGRR SUBDIVISION WATER EXTENSION AGREEMENT

WHEREAS, the Board of Directors of the James City Service Authority desires to extend water mains as recommended in the Master Water Plan within the primary service area; and

WHEREAS, the developer of WMSBGRR Subdivision has agreed to construct a 12-inch water main from the Pottery, approximately 815 feet southward along the east side of Richmond Road.

NOW, THEREFORE, BE IT RESOLVED that the Chairman and Secretary to the Board of Directors are hereby authorized and directed to execute an agreement with the developer of said subdivision.

BE IT FURTHER RESOLVED that the Board of Directors hereby appropriates \$6,930 from the Utility Capital Contingency Account to the WMSBGRR Subdivision Water Extension Capital Project Fund for increasing the diameter of said water main from 8-inch to 12-inch.

BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes and directs the Secretary to the Board to execute all contracts necessary to construct said water main.

4. Lease of Office Space by James City Service Authority

Mr. Brown stated he felt the proposed lease was one-sided and in favor of the Landlord.

Mr. Frank Morton advised the Board not to sign the lease until the Certificate of Occupancy was received indicating the building was ready for occupancy. Mr. Morton further stated his objection to the damage deposit required by the Lease.

Mr. DePue inquired when the building would be ready for occupancy.

Mr. Woodrow Sirois, President of Development Concepts, responded next Monday.

Mr. Taylor stated all details should be obtained in advance for all future contracts.

Mr. Edwards made a motion to approve the resolution and to sign the Lease after the Certificate of Occupancy was received.

The motion passed by a unanimous voice vote.

RESOLUTIONA RESOLUTION TO AUTHORIZE THE EXECUTION OF THE LEASE  
FOR OFFICE SPACE FOR THE JAMES CITY SERVICE AUTHORITY

WHEREAS, on June 10, 1985, the Board of Directors selected the Williamsburg Office Park as the site for office space for the operation of the Authority; and

WHEREAS, it is necessary to execute a Lease with Development Concepts setting forth the terms and conditions for the leasing of that office space, and

WHEREAS, the Board of Directors have agreed upon what terms and conditions are acceptable.

NOW, THEREFORE, BE IT RESOLVED that the Chairman of the James City Service Authority is authorized to execute a Lease, containing the terms and conditions approved by the Board of Directors, with Development Concepts for the leasing of office space in the Williamsburg Office Park.

5. Set Public Hearing Date of August 12, 1985 for - Utility Policy Changes

Mr. Brown made a motion to approve setting of the public hearing.

The motion passed by a unanimous voice vote.

D. **BOARD REQUESTS AND DIRECTIVES**

Mr. Brown made a motion to go into Executive Session to discuss a personnel matter pursuant to Section 2.1-344(a)(1) of the Code of Virginia, 1950 as amended.

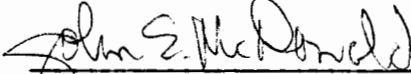
The motion passed by a unanimous voice vote.

The meeting convened into Executive Session at 5:10 p.m. and reconvened into public session at 5:37 p.m.

Mr. Brown made a motion to adjourn.

The motion passed by a unanimous voice vote.

The Service Authority adjourned at 5:37 p.m.

  
\_\_\_\_\_  
John E. McDonald  
Treasurer

## AGREEMENT

WMSBGRR ASSOCIATES/JAMES CITY SERVICE AUTHORITYWATER LINE EXTENSION ON RICHMOND ROAD

WHEREAS, WMSBGRR ASSOCIATES, a Virginia Limited Partnership (Developer) by Stuart D. Spirm, Attorney in Fact, and the JAMES CITY SERVICE AUTHORITY (Authority) are desirous of reaching agreement on the provision of Authority water to that certain parcel of land located on Richmond Road containing four (4) lots and referred to as WMSBGRR Subdivision, which parcel is situated in the primary service area of the County; and

WHEREAS, the Authority water line currently terminates at the Pottery on the east side of Richmond Road; and

WHEREAS, it is the desire of the Developer to extend on-site the Authority's water line from its current terminus at the Pottery on Richmond Road; and

WHEREAS, it is the desire of Authority to increase the on-site water main to 12 inches in diameter,

NOW THEREFORE THIS AGREEMENT WITNESSETH that for and in consideration of the mutual promises hereinafter made and the payment of the sum of TEN DOLLARS (\$10.00) from Developer to Authority, the Authority and Developer agree as follows with respect to the on-site extension of the Authority's water line:

1. Developer agrees to pay for installing of the water line from the Pottery along Richmond Road approximately 815 feet to a point 45' ± south of the northern boundary of Lot 4.
2. Authority agrees to pay SIX THOUSAND NINE HUNDRED THIRTY DOLLARS (\$6,930) when installation and dedication is completed by Developer.
3. Developer agrees to donate or acquire and donate all right-of way for said water main.
4. Developer shall build or cause to be built a 12-inch on-site water main from its current terminus at the Pottery, along Richmond Road to a point 45' ± south of the northern border of Lot 4.

5. Engineering design, working drawings and specifications shall be subject to the review and approval of Authority and shall be in accordance with the standards, specifications and regulations of the Authority.
6. Developer shall be entitled to refunds under terms and conditions set forth in Section 28 of Regulations Governing Utility Service.
7. Developer shall satisfactorily complete said 12-inch water main and dedicate same along with the necessary right-of-way or easements to the Authority by March 31, 1986, or this agreement shall expire and all obligations set forth herein shall be null and void.

## W I T N E S S E T H:

That Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the following described premises in an office building in Williamsburg, Virginia, known by street address as 1321 Jamestown Road, Williamsburg, Virginia, namely:

- (a) Suite(s) 103 & 104 on the 1st floor of said building, as attached hereto, which drawing has been initialed for identification by Landlord and Tenant.

TO HAVE AND TO HOLD the premises hereby leased unto Tenant for a term of 3 years beginning on the 22nd day of July, 1985, and ending on the 21st day of July, 1988, for the rents and upon the terms, covenants, and conditions hereinafter provided.

The parties further covenant and agree as follows:

1. Landlord agrees to complete the construction of the space herein demised to Tenant and partition the same in accordance with the attached plans, in a good and workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations of the Building Inspection Department.

2. Tenant covenants and agrees to take and hold said demised premises as Tenant of Landlord, for the term hereinabove set forth and agrees to pay to Landlord at its office in Williamsburg, Virginia, as rental therefor the sum of Twenty Thousand Five Hundred Sixty-two and 50/100 Dollars (\$20,562.50) per year, payable at such place as from time-to-time may be designated by Landlord in monthly installments of One Thousand Seven Hundred Thirteen and 54/100 Dollars (\$1,713.54) in advance on the first day of each month during the term hereof, except that rent for the fractional part of the month at the beginning of the term and for the fractional part of the month at the end of the term shall be prorated.

The parties hereto acknowledge respectively the receipt of and payment of herewith, the sum of Three Thousand Four Hundred Twenty-Seven and 08/100 Dollars (\$3,427.08) representing the first month's payment and one month Security Deposit.

3. Landlord agrees that during the term of this lease it will furnish to Tenant, at the cost of Landlord the following services, namely:



(a) Ventilating, heating, and air conditioning.\*

(b) Hot and cold water.

(c) Normal and usual repairs to the demised premises, provided that the necessity therefor is not occasioned by the fault or negligence of Tenant, its agents, employees and guests, invitees and permittees.

(d) Reasonably frequent exterior window cleaning service.

(e) All electric bulbs and fluorescent tubes in public areas shall be furnished by Landlord at his sole cost and expense. Tenant shall pay on a monthly billing for any replacement bulbs or fluorescent tubes for their respective suites, said replacement shall be done by Landlord's agent.

It is expressly agreed that Landlord shall not be liable to Tenant nor shall this lease be impaired or affected in the event of temporary lack of air cooling, heat or any of the other services called for herein due to strikes, act of God, the elements, breakdown of any of the building machinery or equipment, or due to any other cause beyond the control of Landlord, provided Landlord in good faith and with due diligence takes necessary action to, and does, restore the services so interrupted.

4. Tenant agrees that it will not carry on any activity in the demised premises or do so permit anything to be done therein which is contrary to any law, ordinance or regulation of James City County, Virginia, and that no act or thing shall be done by Tenant in the demised premises which will make void or voidable any insurance on the demised premises or the building beyond that risk for which the premises are hereby demised to Tenant hereunder.

5. Tenant shall have the right to place or install in said leased premises such furniture, fixtures and equipment as it shall deem desirable for the conduct of business therein, with prior consent of Landlord. Tenant shall have the right to remove any such furniture, fixtures and equipment, provided that any damage or injury to the premises caused by Tenant's installation or removal of Tenant's property shall be repaired by Tenant at its own expense. Any alterations made by the Landlord, by his direction, or with his consent, at the request of the Tenant and paid for by the Tenant at the beginning of the term, or during the term, in the nature of permanent fixtures such as plumbing fixtures, built-in cabinets, wall-to-wall carpeting, light fixtures, etc., shall become the property of the Landlord at the expiration of the term or any renewal thereof.

6. It is expressly agreed that Landlord shall not be liable for any damage or injury that may be sustained by any person or persons while in the demised premises on account of any damage or injury to his or their goods and chattels located in said demised premises by reason of any leakage, obstruction or other defect of the water pipes, soil pipes or lines, explosion or leakage of the air conditioning system, heating plant, defects in the electric wiring or from any other cause whatsoever unless the same be caused through the fault of Landlord. All injury to the demised premises or the building of which they are a part, caused by moving the property of Tenant into, or out of, the said building and all breakage done by Tenant, or the agents, servants, employees and visitors of Tenant, as well as any other damage due to the negligence of Tenant, or the agents, servants, employees and visitors of Tenant, shall be repaired by Landlord, at the expense of the Tenant. Any such charge shall become additional rent, payable with the installment of rent next becoming due, after the rendition of a bill therefor by Landlord. No claim will be made by Tenant, nor will any compensation be allowed, or paid, by Landlord, by reason of inconvenience, annoyance, or

\*Tenant shall pay electric bills separately to electric company.

injury to business, arising from the necessity of repairing the demised premises or any portion of the building of which they are a part, however the necessity may occur.

7. Landlord reserves the right to enter upon the demised premises during reasonable and usual business hours to view and inspect the same, to make any repairs required by the terms hereof to be made by Landlord, or for the protection and preservation of the building of which the demised premises are a part; and in the case of an emergency, Landlord may enter upon the demised premises at any time to protect and preserve the demised premises or the building in which said premises are located.

8. It is expressly agreed that upon the expiration of the term of this lease or any extension thereof, Tenant shall surrender and deliver up the demised premises to Landlord in reasonably good condition and repair, usual wear and tear excepted.

9. Tenant shall give Landlord at least Ninety (90) days' notice in writing prior to the expiration of this lease of his intention to vacate the premises, and allow Landlord to exhibit the demised premises to prospective tenants during said notice period.

10. Tenant shall not sublet the demised premises or any part thereof, including desk space, or transfer possession or occupancy thereof to any person, firm or corporation, or transfer or assign this lease, without the prior written consent of Landlord, nor shall any assignment hereof be effected by operation of law or otherwise without the prior written consent of Landlord; any assignment or conveyance of Tenant's rights hereunder without Landlord's consent shall be totally void and without effect.

11. The demised premises shall be used for office purposes and shall not be used for any other purpose whatsoever without the prior written consent of the Landlord. Tenant shall not make any changes or alterations in the demised premises without Landlord's prior written consent. Tenant will keep the demised premises clean and in good order.

12. In the event of damage or destruction of the demised premises by fire or any other casualty, Landlord shall have the exclusive option to terminate this lease in which event rent shall abate on a pro rata basis; or alternatively Landlord may elect not to terminate this lease, in which case the premises shall be promptly and fully repaired and restored, as the case may be, by Landlord at its own cost and expense. In the event Landlord elects to repair and restore said premises, work shall be commenced within Ninety (90) days from the date of such damage or destruction. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from governmental restrictions, and controls on construction, if any, and for strikes, national emergencies and other conditions beyond the control of Landlord. The building and improvements on the demised premises shall be rebuilt or reconstructed in such manner that the same shall be in all respects substantially equal to the premises damaged or destroyed, and the frontage, area, character and appearance thereof, shall be substantially the same as immediately prior to the happening of any such contingency. It is agreed that in any of the aforesaid events this lease shall continue in full force and effect, but if the condition is such as to make the entire premises unstable for Tenant's business, then the rental which Tenant is obligated to pay hereunder shall abate as of the date of such occurrence until the premises have been fully and completely restored by Landlord. Any unpaid or prepaid rent for the month in which said condition occurs shall be prorated. If the premises are partially damaged or destroyed and if Tenant can reasonably continue to operate the remaining portions thereof for its business, then the rental which Tenant is obligated to pay hereunder shall be reduced in proportion to the rental value of the space which Tenant is unable to use

until the demised premises shall have been fully repaired, restored, or reconstructed by Landlord. In the event of such partial destruction or damage to the demised premises, the question of whether or not the remaining portion of the premises can reasonably be used shall be determined by agreement between Landlord and Tenant.

13. If the demised premises shall be taken or condemned by any competent authority for any public or quasi-public use or purpose by the exercise of the power of eminent domain, then the term of this lease shall cease and terminate from the date of such taking and without apportionment of the award. The current rental, however, shall in any such case be abated as of the effective date of such taking.

14. If at any time during the term hereby demised Tenant shall be adjudicated bankrupt, or if Tenant shall make an assignment for the benefit of its creditors, or if a receiver be appointed for Tenant's property and such receivership is not discharged within Thirty (30) days from the date of such appointment then immediately upon the happening of any such event, and without any entry or other act by Landlord, this lease, at Landlord's option, shall cease and come to an end with the same force and effect as if the date of the happening of any such event were the date herein fixed for the expiration of the term of this lease.

15. In case Tenant shall fail to pay the rent herein provided when and as the same is due and payable, and such default shall continue for a period of Five (5) days after such rent was due and payable, then and in such event, Landlord shall have the right and option to terminate this lease without any further notice, any statutory notice to quit being hereby expressly waived by Tenant; and from thenceforth it shall be lawful for Landlord to re-enter into or upon the demised premises without or with legal process and repossess the same as of the former estate of Landlord or on behalf of Tenant, and expel Tenant and those claiming under and through it, and remove its effects without being deemed guilty of any manner of trespass or damage and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant or any other remedy available under applicable law; and Tenant hereby agrees that no waiver of any breach of covenant herein contained shall be construed to waive or in any manner affect the covenants of this lease. In the event Tenant shall fail to comply with any other condition, provision or agreement of this lease on its part to be kept and performed, and such default is not corrected by Tenant within Thirty (30) days after written notice from Landlord, Landlord shall have the right to terminate this lease without further notice.

Notwithstanding the foregoing, in case the default complained of shall be of such nature that same cannot be rectified within the period of time above provided, then Landlord will not exercise its right to terminate this lease if Tenant shall have commenced the compliance of the provisions hereof breached by it within Ten (10) days after the giving of the written notice thereof, and shall with all diligence prosecute the work until there shall have been full compliance.

And it is further agreed that if, under the provisions of this lease, a Five (5) day notice to quit or other applicable summary proceedings shall be served and compromise of settlement shall be made thereunder, it shall not constitute a waiver of any covenant herein contained.

16. Landlord covenants and agrees that Tenant, upon paying the rental herein reserved and performing the covenants on its part herein required to be performed shall and may peaceably and quietly have, hold and enjoy the demised premises for the term aforesaid.

17. The failure of either party to insist upon strict performance of any of the covenants or conditions of this lease shall not be construed as

a waiver or relinquishment for the future of any such covenants or conditions but the same shall be and remain in full force and effect; and it is further agreed that the acceptance by Landlord of rent from Tenant, with knowledge of the existence of a breach of this lease by Tenant, shall not constitute a waiver by Landlord of such breach, nor a waiver of Landlord's right to insist upon Tenant's curing such breach or default of this lease.

18. This lease is subject and subordinate to all present or future mortgages and/or deeds of trust which may now or hereafter affect the real estate of which the demised premises form a part, and to all renewals and extensions thereof, provided, however, that in the event of any foreclosure under any such mortgage or deed of trust, or the giving of any deed to the mortgagee or beneficiary of a deed of trust in lieu of foreclosure. Tenant's estate hereunder shall, at the option of the then owner, continue under the terms and conditions hereof, and Tenant shall attorn to the then owner.

In confirmation of such subordination, Tenant shall execute promptly any certificate the Landlord may request. Tenant hereby constitutes and appoints Landlord as Tenant's attorney-in-fact to execute any such certificate or certificates for or on behalf of Tenant.

19. Tenant covenants that the following rules and regulations being in Landlord's judgment needful for the general well-being, safety, care and cleanliness of the demised premises and the building of which they are a part, shall be faithfully kept, observed and performed by Tenant, and by the agents, servants, and employees of Tenant, unless waived in writing by Landlord:

(a) The sidewalks, entries, and staircases shall not be obstructed or used for any purpose other than ingress and egress.

(b) Tenant will not do or permit to be done anything in the demised premises, or the building of which they form a part, or bring, or keep anything therein which shall, in any way, increase the rate of fire insurance on said building.

(c) The Tenant will not overload the floors of the demised premises. All damage done to the building by Tenant, its agents or employees, by taking furniture, fixtures, or materials in or out shall be repaired at the expense of Tenant.

(d) No animals, birds or pets of any kind shall be kept in or about the demised premises.

(e) Tenant shall not install or permit the installation of any awnings or shades other than those provided by Landlord.

(f) No additional locks shall be placed upon any doors of the demised premises other than those furnished and installed by Landlord.

(g) Tenant shall not construct, maintain, use or operate within said demised premises or on the outside of said building any electrical device or apparatus in connection with a loud-speaker system that will transmit sound outside of the premises herein demised.

(h) Tenant will not make any alterations in or additions to the demised premises nor install or operate in the premises any electrically operated equipment or other machinery, other than normal office equipment, without first obtaining the consent in writing of Landlord, who may condition such consent upon the payment by Tenant of additional rent in compensation

for such excess consumption of water and/or electricity or wiring as may be occasioned by the operation of said equipment or machinery. If any such alterations or additions are made, Landlord may correct or remove them and Tenant shall be liable for any and all expense incurred by Landlord in the performance of this work.

(1) Tenant shall not erect nor paint any sign or signs on the exterior of the building, nor on any exterior window of the demised premises without the approval of the Landlord.

(j) Landlord shall have the right to prohibit any advertisement of any Tenant which in its opinion tends to impair the reputation of the building or its desirability as a building for offices or for financial, insurance or other institutions and businesses of like nature, and upon written notice from Landlord, Tenant shall refrain from and discontinue such advertisement.

20. All notices hereunder shall be deemed to have been duly given if mailed in any Post Office, enclosed in a certified or registered post-paid envelope addressed to Landlord and Tenant, respectively, at the following addresses, namely:

Landlord, c/o the place where rent is payable: P. O. Box 425  
Williamsburg, Virginia 23187  
Tenant: James City County Service Authority, P. O. Box JC, Williamsburg,  
Virginia 23187, provided, however, that until Tenant moves into demised premises, notices to Tenant shall be addressed to: \_\_\_\_\_

Either party may from time-to-time change the address to which notice is to be given by certified or registered mail prepaid to the other party.

21. No change, waiver or modification of the terms hereof shall be binding unless in writing and signed by the parties hereto.

22. The plural number shall be substituted for the singular number in any place or places herein in which the context may require such substitution or substitutions. The masculine and/or feminine gender shall be substituted in any place or places herein in which the context may require such substitution or substitutions.

23. The obligations of this agreement are to inure to the benefit of and be binding upon the parties hereto, their respective heirs, administrators, successors and assigns.

24. Tenant agrees to purchase and maintain liability insurance protection in amounts of not less than \$100,000 per person, \$300,000 per occurrence for bodily injury, and \$25,000 for Service Authority property damage. Tenant assumes full liability for any breakage, defacing, marring, scratching, etc., of all building glass (except windows in exterior walls) situated within the space of the premises so rented.

25. Landlord will furnish unassigned parking as required by the Code of James City County, Virginia.

26. A six percent ( 6 %) increase in the rental payment will occur at the end of the first year and each year thereafter.

27. Commencing with each anniversary of the Tenant's occupancy (and on each anniversary thereafter including renewals, if any) there shall be added to or subtract from the amount of the annual rental a sum equal to 100 percent of the whole amount of any increase or decrease of real estate taxes and whole

amount of any increase or decrease of owners association fees for the office building sustained by the Landlord over the 12-month period immediately preceding.

28. Tenant at its option may extend this lease for 1 additional terms of 3 year(s) upon the same terms and conditions, by giving written notice to Landlord at least ninety (90) days before expiration of the existing lease term at a rental to be agreed upon between the parties.

29. In the event any monthly installment shall remain unpaid for a period in excess of seven (7) days, a "late charge" of five cents (\$0.05) for each dollar so unpaid may be charged by the Landlord for the purpose of defraying the expense incidental to such delinquency. This "late charge" shall be in addition to and not in lieu of any other rights and remedies available to Landlord under the terms hereof.

30. Notwithstanding any other term or condition of this Lease, it is understood and agreed that this Lease and any resulting Lease shall be subject to annual appropriations by the governing body of the Tenant. Should said governing body fail to appropriate funds for the Lease, this Lease shall be terminated when existing funding is exhausted.