



Regular Council Meeting

A G E N D A

May 10, 2022

7:00 p.m.

Administrative

Approval of Minutes
Report of Town Manager
Appearances before Council
Council Comments
Report of Council Committees
Revisions to Agenda

Public Hearings

1-FIN-2-41-5-10 Proposed Budget for Fiscal Year 2022-2023

Consent Agenda (roll call)

Old Business

New Business

2-CC-15-1-5-10 Presentation – Bedford Area Chamber of Commerce
3-CC-15-1-5-10 Resolution – Business Appreciation Month 2022 (roll call)
4-PD-1-3-5-10 Ordinance - Readopting and Reenacting Code Provisions Dealing with Traffic Laws (roll call)
5-CC-15-1-5-10 New Police Department Facility (roll call)
6-ELEC-1-1-5-10 Amending the Price Cost Adjustment (PCA) (roll call)
7-CC-15-1-5-10 Chamber of Commerce Building Lease (roll call)

Citizens may watch the meeting in real time via the Town of Bedford Live Stream website: <https://www.bedfordva.gov/1356/Live-Stream>



NOTICE
SYNOPSIS OF BUDGET FOR FISCAL YEAR JULY 1, 2022 TO JUNE 30, 2023
TOWN OF BEDFORD, VIRGINIA

NOTICE IS HEREBY GIVEN THAT A PUBLIC HEARING WILL BE HELD BY THE TOWN COUNCIL TUESDAY, MAY 10TH AT 7:00 PM IN THE COUNCIL CHAMBERS OF THE TOWN MUNICIPAL BUILDING IN RELATION TO THE BUDGET FOR THE TOWN OF BEDFORD FOR FISCAL YEAR 2022-23 AT WHICH TIME ANY CITIZEN OF THE TOWN SHALL HAVE THE RIGHT TO ATTEND AND STATE HIS OR HER VIEWS. DETAILED COPIES OF THE PROPOSED BUDGET ARE AVAILABLE FOR INSPECTION DURING NORMAL OFFICE HOURS IN THE OFFICE OF THE TOWN MANAGER AND THE OFFICE OF THE CLERK OF COUNCIL.

REVENUE		EXPENDITURES	
GENERAL FUND		GENERAL FUND	
Use of Prior Year Fund Balance	813,233	Legislative department	71,408
General property taxes	1,843,737	General & Financial Administration	1,220,387
Other local taxes	2,386,500	Judicial Administration	4,200
Permits & regulatory licenses	35,825	Public Safety	2,886,629
Fines & forfeitures	46,500	Public Works	4,014,734
Revenue from use of money & property	203,175	Education	0
Charges for services	500	Parks, Recreation & Cultural	33,050
Miscellaneous revenue	1,303,274	Community Development	1,272,063
Recovered costs	266,310	Non-departmental	6,850
State non-categorical	806,959	Debt Service	848,031
State categorical aid	2,375,157	Transfer to other funds	847,110
Non-revenue receipts	5,000	Contingency	0
Transfer from Electric Fund	1,118,292		
TOTAL GENERAL FUND	11,204,462	TOTAL GENERAL FUND	11,204,462
SOLID WASTE FUND		SOLID WASTE FUND	
Refuse collection charges	800,000	General administration	238,371
Refuse disposal charges	200,000	Refuse collection	91,703
Revenue from use of money & property	3,000	Refuse disposal	654,262
Other revenue	0	Debt service	95,304
Non-revenue receipts	406,640	Transfer to other funds	330,000
Transfer from General Fund	0	Contingency	0
TOTAL SOLID WASTE FUND	1,409,640	TOTAL SOLID WASTE FUND	1,409,640
ELECTRIC FUND		ELECTRIC FUND	
Use of Prior Year Reserves	0	Supervision & Engineering	1,932,024
Revenue from use of money & property	95,925	Power generation	315,615
Sale of electricity	18,664,862	Purchased Power	14,567,679
Electricity Sales - Open Market	750,000	Transmission & Distribution	1,513,038
Power cost adjustment	2,391,673	Maintenance - Street Lights	42,500
Gross receipts tax	204,000	Maintenance - Meters	34,000
Other non-revenue receipts	225,320	Transmission & Substations	80,000
Recoveries & Rebates	130,000	Meter Reading	66,604
		Right of Way Crew	339,829
		Distribution Transformers	42,500
		Other Expenses	4,000
		Debt Service	1,455,052
		Transfer to Other Funds	1,733,292
		Contingency	335,647
TOTAL ELECTRIC FUND	22,461,780	TOTAL ELECTRIC FUND	22,461,780
GENERAL CAPITAL PROJECTS FUND		GENERAL CAPITAL PROJECTS FUND	
Transfer from General Fund	697,110	Capital Outlay	697,110
TOTAL GENERAL CAP PROJ FUND	697,110	TOTAL GENERAL CAP PROJ FUND	697,110
SOLID WASTE CAPITAL PROJECTS FUND		SOLID WASTE CAPITAL PROJECTS FUND	
Transfer from Solid Waste Fund	330,000	Capital Outlay	330,000
TOTAL GENERAL CAP PROJ FUND	330,000	TOTAL GENERAL CAP PROJ FUND	330,000
ELECTRIC CAPITAL PROJECTS FUND		ELECTRIC CAPITAL PROJECTS FUND	
Transfer from Electric Fund	615,000	Capital Outlay	615,000
TOTAL ELECTRIC CAP PROJ FUND	615,000	TOTAL ELECTRIC CAP PROJ FUND	615,000

**TOWN OF BEDFORD, VIRGINIA
TOWN COUNCIL
ACTION FORM**

ITEM: Resolution – Business Appreciation Month 2022

DATE OF COUNCIL MEETING: May 10, 2022

DATE: May 2, 2022

PRESENTATION:

The month of May 2022 has been designated as Business Appreciation Month in Virginia in recognition of the many benefits to Virginia communities derived from their businesses. In appreciation of our industries, small businesses and entrepreneurs, Council is asked to adopt a Resolution declaring May to be Business Appreciation Month in the Town.

ACTION REQUESTED:

Town Council is requested to adopt a Resolution in support of Business Appreciation Month.

		YES	NO	OTHER	<u>ROUTING</u>	
DATE: _____	BLACK	()	()	()	TOWN ATTY. ()	I.T. ()
	CARSON	()	()	()	COMM. DEV. ()	POLICE ()
APPROVED ()	HAILEY	()	()	()	ELECTRIC ()	PUBLIC SERV. ()
DENIED ()	HARTWICK	()	()	()	ENGINEERING ()	OTHER _____ ()
DEFERRED TO:	JOHANNESSEN	()	()	()	FINANCE ()	
_____	SHOEN	()	()	()	FIRE DEPT. ()	
	STANLEY	()	()	()	H.R. ()	

BUSINESS APPRECIATION MONTH 2022

WHEREAS, the month of May 2022 is recognized as **BUSINESS APPRECIATION MONTH** in the **COMMONWEALTH OF VIRGINIA**; and,

WHEREAS, the Town of Bedford supports its businesses and their spirit of entrepreneurship to create a vibrant and sustaining community, recognizing the struggles and resilience of the business owners, especially recovering from the devastating pandemic; and

WHEREAS, the citizens of the Town of Bedford benefit from the positive business climate, economic growth, and job opportunities that result from the contributions of businesses; and

WHEREAS, Bedford has joined the Commonwealth in creating long-term economic revitalization by embracing diversity in its business community, fully integrating technology into business practices, and providing opportunities that support the economic well-being and ensuring safety for its citizens; and

WHEREAS, businesses in the Town of Bedford are integral in moving Bedford forward by contributing their presence and energy to our robust economy; and

WHEREAS, Business Appreciation Month increases public awareness of the valuable contributions that businesses make in our community.

NOW, THEREFORE, the Town Council of the Town of Bedford does hereby recognize the month of May 2022, as **BUSINESS APPRECIATION MONTH** in the Town of Bedford, and call this observance to the attention of all our citizens.

**TOWN OF BEDFORD, VIRGINIA
TOWN COUNCIL
ACTION FORM**

ITEM: Ordinance - Readopting and Reenacting Code Provisions Dealing with Traffic Laws

DATE OF COUNCIL MEETING: May 10, 2022

DATE: May 4, 2022

PRESENTATION:

Attached is an ordinance which readopts and reenacts §34-2 of the Town Code, incorporating by reference current provisions of the Code of Virginia dealing with traffic laws and motor vehicle operation. Failure to adopt this ordinance would mean that offenders would have to be charged under the State law rather than the Town law. Any fines collected would then be payable to the State rather than to the Town. The ordinance has been posted in three locations in the Town, in accordance with §2-54 of the Town Code.

ACTION REQUESTED:

Town Council is requested to adopt the ordinance readopting and reenacting code provisions dealing with traffic laws.

		YES	NO	OTHER	<u>ROUTING</u>	
DATE: _____	BLACK	()	()	()	TOWN ATTY. ()	I.T. ()
	CARSON	()	()	()	COMM. DEV. ()	POLICE ()
APPROVED ()	HAILEY	()	()	()	ELECTRIC ()	PUBLIC SERV. ()
DENIED ()	HARTWICK	()	()	()	ENGINEERING ()	OTHER _____ ()
DEFERRED TO:	JOHANNESSEN	()	()	()	FINANCE ()	
_____	SHOEN	()	()	()	FIRE DEPT. ()	
	STANLEY	()	()	()	H.R. ()	

ORDINANCE NO. 22-

AN ORDINANCE TO READOPT AND REENACT SECTION 34-2 OF THE TOWN CODE INCORPORATING BY REFERENCE CURRENT PROVISIONS OF THE CODE OF VIRGINIA DEALING WITH TRAFFIC LAWS AND MOTOR VEHICLE OPERATION

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF BEDFORD, VIRGINIA:

Section 1. Sec. 34-2 of the Town Code is hereby readopted and re-enacted as follows:

Pursuant to the authority of Section 46.2-1313 of the Code of Virginia, the provisions and requirements of the laws of the Commonwealth of Virginia contained in Title 46.2 in Article 9 (Sec. 16.1-278 et seq) of Chapter 11 of Title 16.1, and in Article 2 (Sec. 18.2-266 et seq) of Chapter 7 of Title 18.2, of the Code of Virginia, except those provisions and requirements the violation of which constitute a felony, and except those provisions and requirements which by their very nature can have no application to or within the Town, are hereby adopted and incorporated herein by reference and made applicable within the Town. References to "Highways of the State" contained in such provisions and requirements hereby adopted, shall be deemed to refer to streets, highways and other public ways within the Town. Such provisions and requirements are hereby adopted, mutatis mutandis, and made a part of this Chapter as fully as those set forth at length herein, and it shall be unlawful for any person, within the Town, to violate or fail, neglect or refuse to comply with any provision of Title 46.2 or of Article 9 of Chapter 11 of Title 16.1 or of Article 2 of Chapter 7 of Title 18.2 of the Code of Virginia, which are adopted by this Section; provided, that in no event shall the penalty imposed for the violation of any provision or requirement hereby adopted exceed the penalty imposed for a similar offense under such titles of the Code of Virginia.

Section 2. This Ordinance shall become effective on July 1, 2022, upon publication one time, immediately following its passage, in some newspaper published in the Town or upon posting at three or more public places in the Town for one week, as required by Section 19 of the Town Charter.

**TOWN OF BEDFORD, VIRGINIA
TOWN COUNCIL
ACTION FORM**

ITEM: New Police Department Facility

DATE OF COUNCIL MEETING: May 10, 2022

DATE: May 5, 2022

At its regular meeting on April 26, 2022, Council discussed pursuing construction of a new Police Department facility through a process involving the following administrative steps:

1. Design of a new police building. Wiley/Wilson is currently engaged under an existing contract to provide this service and have agreed to serve as the architectural and engineering firm of record for the project.
2. Determination of cost and sources of funding. Final budgeted costs will be determined as part of the design process. In the meantime, staff are working to identify sources of revenue. Our current thoughts are that revenue can be obtained from some combination of debt service, existing fund balance, and the possible use of funds from the American Rescue Plan Act of 2021 (ARPA).
3. Obtain the services of a Municipal Financial Adviser (MFA). Two firms providing this service have expressed interest in assisting the Town. Staff's current thought is to issue a Request for Proposals (RFP) from qualified providers.
4. Obtain the services of bond counsel to assist with matters of certifying the validity of any debt that may be forthcoming. Christopher G. Kulp, who has assisted the Town in matters related to several previous issues, has agreed to serve in this role for this project as well.
5. Obtain appropriate financing for the project. This can be accomplished in several ways. Examples include issuance of an RFP for bank financing; a public offering through an underwriter; or participation in pools offered by the Virginia Resources Authority or Virginia Municipal League.
6. Prepare and advertise bid package for construction of the new facility. This would presumably occur concurrently with a bond issue and is anticipated to occur within the FY22-23 budget cycle.

The consensus of Council was to give this some thought and revisit the issue at the regular meeting on May 10, 2022.

ACTION REQUESTED:

Town Council is requested to approve construction of a new Police Department facility under the process outlined above, to authorize Wiley/Wilson to commence with the design of the proposed new building, and to appoint Christopher G. Kulp to serve as bond counsel in conjunction with the project.

		YES	NO	OTHER	ROUTING	
DATE: _____	BLACK	()	()	()	TOWN ATTY. ()	I.T. ()
	CARSON	()	()	()	COMM. DEV. ()	POLICE ()
APPROVED ()	HAILEY	()	()	()	ELECTRIC ()	PUBLIC SERV. ()
DENIED ()	HARTWICK	()	()	()	ENGINEERING ()	OTHER _____ ()
DEFERRED TO:	JOHANNESSEN	()	()	()	FINANCE ()	
_____	SHOEN	()	()	()	FIRE DEPT. ()	
	STANLEY	()	()	()	H.R. ()	

**TOWN OF BEDFORD, VIRGINIA
TOWN COUNCIL
ACTION FORM**

ITEM: Amending the Price Cost Adjustment (PCA)

DATE OF COUNCIL MEETING: May 10, 2022

DATE: May 5, 2022

PRESENTATION:

The Price Cost Adjustment (PCA) applied to all utility bills was scheduled to be amended automatically effective May 1, 2020. One of the variables involved in the calculation corresponds to the Town's recovery of purchase power costs. The Electric Committee and Finance Committee met jointly on April 26, 2022, to discuss this matter. Out of concern over the impacts upon customers, the Committees recommended that the variable within the PCA capturing this cost be amended to reflect 50% of the associated under recovery with the remaining costs to be borne by fund balance. The adjusted PCA which would take effect immediately upon approval by Council would be .02815.

ACTION REQUESTED:

Town Council is requested to approve the recommendation of the Electric and Finance committees to amend the applicable Price Cost Adjustment (PCA) to a rate of .02815 with an effective date of May 10, 2022.

		YES	NO	OTHER	ROUTING	
DATE: _____	BLACK	()	()	()	TOWN ATTY. ()	I.T. ()
	CARSON	()	()	()	COMM. DEV. ()	POLICE ()
APPROVED ()	HAILEY	()	()	()	ELECTRIC ()	PUBLIC SERV. ()
DENIED ()	HARTWICK	()	()	()	ENGINEERING ()	OTHER _____ ()
DEFERRED TO:	JOHANNESSEN	()	()	()	FINANCE ()	
_____	SHOEN	()	()	()	FIRE DEPT. ()	
	STANLEY	()	()	()	H.R. ()	

**TOWN OF BEDFORD, VIRGINIA
TOWN COUNCIL
ACTION FORM**

ITEM: Chamber of Commerce Building Lease

DATE OF COUNCIL MEETING: May 10, 2022

DATE: May 5, 2022

PRESENTATION:

The Bedford Chamber of Commerce has occupied the building on property owned by the Town located at 305 East Main Street for several years. The use of the building has been governed by a series of leases during the time period. The most recent lease expired June 30, 2019, and the Chamber has occupied that building since that time on a "month-to-month" basis.

Since that time, the Town has attempted to negotiate a new lease agreement with the Chamber. On April 28, 2022, the Town Attorney received a lease proposal from the attorney representing the Chamber, which is attached for consideration by Town Council.

ACTION REQUESTED:

Town Council is requested to consider approval of the attached lease proposal from the Bedford Area Chamber of Commerce.

		YES	NO	OTHER	ROUTING	
DATE: _____	BLACK	()	()	()	TOWN ATTY.	() I.T. ()
	CARSON	()	()	()	COMM. DEV.	() POLICE ()
APPROVED ()	HAILEY	()	()	()	ELECTRIC	() PUBLIC SERV. ()
DENIED ()	HARTWICK	()	()	()	ENGINEERING	() OTHER _____ ()
DEFERRED TO:	JOHANNESSEN	()	()	()	FINANCE	()
_____	SHOEN	()	()	()	FIRE DEPT.	()
	STANLEY	()	()	()	H.R.	()



Emily Rowe Sitzler, PC
ROWE & SITZLER, LLP
A Partnership of Corporations

April 28, 2022

Michael Lockaby, Esq.
Guynn, Waddell, Carroll & Lockaby, P.C.
415 S College Ave.
Salem, VA 24153
Facsimile No: (540) 389-2350
By Facsimile & By US Mail

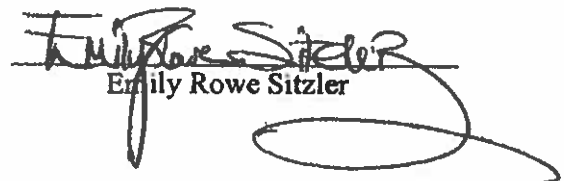
Re: Lease Agreement between the Town of Bedford and Bedford Area Chamber of Commerce

Dear Mr. Lockaby:

I have been directed to forward you the enclosed draft of a lease agreement between the Town of Bedford and the Bedford Area Chamber of Commerce. Please review this proposed lease with your client. Please advise my office of your client's position at your earliest convenience. In the meantime, should you have any questions or concerns, please do not hesitate to contact me.

With kindest regards, I remain

Yours truly,


Emily Rowe Sitzler

ERS | jkg
Enclosure

cc: Wende Henley, Bedford Area Chamber of Commerce, by Email Only

108 East Main Street, Bedford, VA 24523

Telephone: (540) 586-3000
Facsimile: (540) 586-4392
Email: emily@roweandsitzlerlaw.com

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this ____ day of _____, 2022, by and between the TOWN OF BEDFORD, VIRGINIA, party of the first part (hereinafter referred to as "Town" and "Lessor"); and the BEDFORD AREA CHAMBER OF COMMERCE, INC., as Virginia Corporation (hereinafter referred to as "Chamber" or "Lessee").

WITNESSETH

That for and in consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

(1) PROPERTY LEASED:

The Lessor hereby leases to the Chamber and the Chamber hereby leases from the Lessor all that certain lot or parcel of land, located within the Town of Bedford, Virginia, at 305 East Main Street, more particularly described on a drawing entitled "Plat for Lease Agreement Between City of Bedford and Bedford Chamber of Commerce", hereinafter the "demised premises", dated September 23, 2005, a copy of which is attached hereto. The Lessor and Lessee acknowledge and agree that the building that is situated upon said real parcel is the property of the Lessee. The Town reserves the right to use of the driveway as access to the public lots north of the demised premises.

(2) CONSIDERATION:

The consideration for the lease shall be \$250.00 per month in rent and the agreement by the Chamber to maintain its headquarters and Central Office on the demised premises in the Town of Bedford.

(3) TERM, RENEWAL, AND HOLD-OVER:

- a. This lease shall be for the term (hereinafter referred to as the "term") of five (5) years commencing on _____, 2022 and terminating on _____ at 11:59 p.m. Lessee may terminate this Lease at any time during the term by providing the Town with no less than sixty (60) days written notice in advance of the proposed termination date.
- b. Lessee has used the demised premises over a number of years pursuant to agreements and leases and during the term of prior leases and agreements and extensions, Lessee has constructed improvements and made repairs at its own expense. The parties contemplate the continuation of this arrangement, thus assuring the presence of the Chamber of Commerce in the downtown area, by execution of a renewal lease at the termination of the five (5) year term of this Lease. However, if the Chamber does not continue to lease the demised and is not otherwise in default, the Town, in consideration of such investments by the Chamber, desires to provide for payment to the Lessee as set forth hereinbelow in order to provide seed money for acquisitions of another location for the Chamber headquarters.
- c. If Lessee is not in default and requests, in writing to the Town, a renewal lease at least six (6) months prior to the termination of this Lease and the Town, within sixty (60) days of receipt of

- such notice, fails and refuses to grant a renewal lease, having a term of at least five (5) additional years, then upon expiration of the lease and vacation of the premises, the town shall pay the Lessee the sum of \$25,000.
- d. If the Lessee is not in default and either elects to terminate the lease prior to the expiration of the five (5) year term or does not request a renewal lease in writing at least six (6) months prior to the termination of this Lease, then the Town shall pay the Lessee \$12,500.00 upon termination of this lease and vacation of the demised premises by Lessee.
 - e. In the event that the Lessee shall not immediately surrender the demised premises to the Town on the expiration date or earlier termination of this Lease, the Lessee shall be deemed to be a month-to-month Lessee upon all the terms and provisions of this Lease, except for the provisions of paragraph 3c and 3d, herein relating to payments to the Lessee. Such month-to-month term shall continue until either party hereto notifies the other in writing, by at least sixty (60) days' notice before the first day of any calendar-month, that the a party giving such sixty (60) days in which events tenancy shall so terminate. If the Lessee shall continue to occupy the demised premises after the expiration or earlier termination of the term or any written renewal or extension of the lease, such occupancy shall be deemed to be under a month-to-month tenancy. Such month-to-month term shall continue until either party hereto notifies the other in writing, by at least sixty (60) days before the first day of any calendar-month, that the party giving such sixty (60) days' notice elects to terminate such tenancy at the end of the sixty (60) days, in which event such tenancy shall so terminate. Any such month-to-month tenancy shall be upon the same terms and subject to the same conditions as those set forth in the provisions of this Lease, provided, that the Town gives the Chamber, by at least sixty (60) days before the end of any calendar-month during such month-to-month tenancy, written notice that such terms and conditions (including any there relating to the amount in payment of rent) shall, after such month, be modified in any manner specified in such notice, then such tenancy shall, after such month, be upon the terms and subject to the same conditions, as are modified.
 - f. The payments provided for in paragraph c and d herein are subject to appropriation of the required payment by the Town Council in the year of such payment.

(4) REPAIRS

Lessee represents that Lessee has inspected and examined the demised premises and accepts them in their present condition, except as specifically provided for otherwise herein. The Lessee agrees and the Lessor accepts that the Lessor shall make the following improvements/repairs to the demised premises:

- A. Lessor agrees to arrange for the electrical system in the building to be evaluated by the Town of Building Building Code Enforcement Officer and further agrees that Lessor will pay for the costs of any improvements that are necessary to bring the electrical system to comply with the applicable building code.
- B. Lessor further agrees to pay for mold remediation for the demised premises.
- C. Lessor agrees to pay for all costs and repairs to the following:
 - i. Maintenance of the structure of the building.
 - ii. Maintenance and repair of HVAC/Heating/Cooling Systems
 - iii. Maintenance and repair of landscaping and snow removal

- iv. Maintenance and repair of electrical wiring and plumbing system
- D. Lessee agrees to make all other improvements and repairs, not otherwise provided for herein, at Lessee's sole cost and expense, and agrees to keep the premises safe and in good order and condition at all times during the term, and upon expiration of this Lease, or at any sooner termination, the Lessee will quit and surrender possession of the premises peaceably and in as good order and condition as the premises were at the commencement of the term, reasonable wear, tear and damage by the elements excepted; Lessee further agrees to leave the premises free from all nuisance and dangerous and defective conditions.

(5) ALTERATIONS, RENOVATIONS, AND REMODELING:

Lessor reserves the right to enter the demised premises for inspection. Lessee shall make no alterations to the building on the demised premises or construct any building or make other improvements on the demised premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Written consent may be given by the Town Manager as agent for Lessor. All alterations, changes, and improvements built, constructed, or placed without damage to the premises and movable personal property, shall, unless otherwise provided by written agreement between Lessor and Lessee, be the property of Lessor and remain on the demised premises at the expiration or sooner termination of this Lease. All such work shall be done subject to the rules, regulations and laws of the appropriate departments or agencies of the Town of Bedford, Virginia.

(6) UTILITIES:

Chambers shall be responsible for any and all utility services furnished to said building.

(7) RESTRICTIONS ON USE:

Said building shall only be used for headquarters of the Chamber of Commerce and related purposes. No use shall be permitted that shall result in the waste of the premises or cause a public or private nuisance.

(8) LIABILITY OF LESSOR:

Lessee shall not hold Lessor liable for any damage from any cause whatsoever. Lessee hereby assumes all risks of every kind, whether to property or persons, in connection with the Lessee's occupancy or possession of the leased premises, whether the same arises from defects latent or patent in connection with the building or any part of the leased premises and whether or not the same were known by the Lessor at the time of the making of this Lease and were not disclosed by the Lessor at the time or any subsequent time. It is further covenanted and agreed that the Lessor shall not be liable to the Lessee for negligence, default, or misfeasance of other Lessees, if any, or employees of said building. The Chamber shall indemnify Lessor on account of any damage or injury to any person, or to the goods of any person arising from the use of the premises by the Chamber, or arising from the failure of the Chamber to keep the premises in good condition as provided herein.

(9) INSURANCE:

- a. *Lessee to obtain public liability insurance.* Lessee, at its own expense, at all times during the term of this Lease Agreement shall maintain in force a policy or policies of insurance

written by one or more responsible insurance carriers approved by Lessor, which will insure Lessor and Lessee against liability for injury or death of person or loss or damage of property occurring in or about the demised premises. The liability coverage under such policies shall include a minimum of combined single limit coverage in the amount of not less than \$1,000,000 per occurrence and general aggregate coverage of \$2,000,000.

- b. *Lessor to obtain fire insurance on demised premises.* Lessor shall maintain in force at all times during the terms of this Lease Agreement a policy or policies of fire insurance to the extent of at least 100% of the insurable value of the demised premises. If permitted without additional charge, Lessor shall cause to be endorsed on its fire insurance and any extended coverage policy or policies a waiver of the right of subrogation.
- c. *Lessee's waiver of causality insurance proceeds.* In the event the demised premises shall be damaged or destroyed by fire or other casualty so insured against, Lessee shall claim no interest in any insurance settlement arising out of any such loss if the insurance premiums were paid by Lessor or if the Lessor was named as the sole beneficiary. Lessee shall execute all documents required by Lessor or the insurance company or companies which may be necessary for use in connection with the settlement of any such loss.
- d. *Lessee's failure to insure.* Should Lessee fail to keep in effect and pay for such insurance as it is required to maintain in this section, Lessor may do so, in which event the Lessee immediately shall reimburse the insurance premiums paid by Lessor, and failure of the Lessee to pay such amount on demand shall constitute a breach for this Lease Agreement.
- e. *Lessee's Property.* Lessee shall obtain and maintain any other insurance that Lessee desires on the demised premises or on the personal property of the Lessee on the demised premises at the expense of the Lessee. Any additional insurance desired by the Lessee may be written by any carrier selected by Lessee.

(10) DAMAGE OR DESTRUCTION:

- a. In the event the demised premises are damaged by fire or other causes, Lessor, at its sole cost and expense as soon as reasonably possible thereafter, shall commence repair, restoration, and reconstruction of the demised premises and prosecuted diligently until completion. In the event the damage to the demised premises or the building in which the demised premises are located is of a nature that cannot be repaired, restored, or reconstructed within ninety (90) days of the date of damage, or such longer period as may be mutually agreed by the parties, and subject in any event to *force majeure*, either party may cancel and terminate this Lease Agreement by giving the other party notice in writing of intention to cancel no later than thirty (30) days after determination that the repair will require more than ninety (90) days to complete, whereupon the term of this Lease Agreement shall terminate upon the thirty (30) days after such notice is given.
- b. If the lease premises are damaged due to fire or other casualty, Lessee at its own cost and expense, must remove its furniture and collections and other belongings from the lease premises as required by Lessor in order to repair and restore the lease premises.
- c. Lessor is the sole judge as to the extent of the untenability of the leased premises and of the time required for the repair and restoration of the leased premises.

- d. Lessor and Lessee each release the other from any liability resulting from damage by fire or other peril covered by extended coverage insurance with waiver of subrogation normally available in the Commonwealth of Virginia irrespective of the cause of loss.
- e. Upon any termination of this Lease Agreement under any provisions of this section, the parties shall be released without further obligation to the other as of the termination date.

(11) DEFAULTS AND REMEDIES:

- a. **Events of Default.** Any one or more of the following events shall constitute a material default and breach of this Lease Agreement by Lessee:
 1. Lessee shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of the Lessee or of all or a substantial part of its assets, or (ii) file a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due, or (iii) make a general assignment for the benefit of creditors, or (iv) file a petition or any answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or (v) or file an answer admitting the material allegation of a petition filed against the Lessee in any bankruptcy, reorganization or insolvency proceedings, or (vi) an order, judgement or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating the Lessee as bankrupt or insolvent or approving a petition seeking reorganization of the Lessee or appointing a receiver, trustee, or liquidator of the Lessee or of all or a substantial part of its assets, and that order, judgment or decree shall continue unstaying and in effect for any period of fifteen (15) consecutive days; or
 2. The Lessee shall for any reason, vacate or abandon the demised premises. Vacation and abandonment includes, but is not limited to, any absence of Lessee from the demised premises or failure to maintain Lessee's headquarters and administrative office in the demised premises for a period of thirty (30) days or more. Termination of this Lease by Lessee under paragraph 3 shall not constitute vacation or abandonment.
 3. Lessee shall fail to perform, keep or fulfill any of the covenants, obligations or conditions of this Lease to be performed, kept or fulfilled by Lessee and any default shall continue for a period of fifteen (15) days after notice of it by Lessor to Lessee specifying the general nature of the default (or, if the default is of such a nature that it cannot be completely cured within such period, Lessee does not commence to cure the default within fifteen (15) days and thereafter proceed with reasonable diligence and in good faith to cure such default.
- b. **Notice of Termination.** In the case of any event of default upon expiration of the applicable periods of grace above mentioned, the Lessor may give to the Lessee a notice of intention to terminate a lease after the expiration of ten (10) days from the date of giving any notice, and on the date set forth in the notice the term of this Lease and all right, title and interest of the Lessee under it shall expire as fully as if that day were the date specifically set as the expiration of the term of this Lease, and Lessee will then quit and surrender the leased premises to Lessor. If, upon receipt of the ten (10) day notice, Lessee proceeds promptly and with all due diligence to cure the default and then to prosecute the curing of the default with all due diligence within the ten day period, the time for Lessee to cure the default shall be extended for that period necessary to cure it with all due diligence, and the notice shall be of no force and the rights of the parties shall be the same as existed prior to giving of the notice.

- c. Lessor's rights of entry upon default. In the case of the happening of an event of default which is not cured within the time specified and upon expiration of the ten day notice of intention to terminate the ease, the Lessor and the Lessor's agents and servants may immediately or any time afterwards re-enter the leased premises and remove all persons and all or any property, either by any suitable action or proceeding at law or by force or otherwise, and the Lessor shall repossess and enjoy the leased premises together with all additions, alterations and improvements.

(12) NOTICES:

All notices under this Lease shall be in writing and shall be effective when mailed by certified mail, return receipt requested, or when delivered personally to both Lessor and to Lessee at the following addresses, or such other address as may have been designed by written notice hereunder. The present addresses are as follows:

To Lessor:

The Town of Bedford
ATTN: Town Manager
215 E. Main Street
Bedford, Virginia 24523

To Lessee:

Bedford Chamber of Commerce, Inc.
ATTN: Wende Henley
305 E. Main Street
Bedford, Virginia 24523

(13) REPRESENTATION ON BOARD DURING THE TERM OF THIS LEASE:

Lessee agrees that the Town of Bedford shall designate the Town Manager to serve as an ex-officio member of the Chamber Board. Such representation shall be at the pleasure of the Town Council. Such board member shall have full voting rights except as to matters involving the extension of this Lease Agreement.

WITNESS THE FOLLOWING SIGNATURES

THE TOWN OF BEDFORD

Its Town Manager

Approved as to form:

Town Attorney

BEDFORD AREA CHAMBER OF COMMERCE, INC.

Its Executive Director