

**EXHIBIT "A"**  
**OCCUPANCY AGREEMENT**

**THIS OCCUPANCY AGREEMENT** ("Lease"), entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2007 between the **City of Hampton**, Virginia, a municipal corporation of the Commonwealth of Virginia, ("Landlord") and **Arnold J. Lorea and Katherine M. Lorea**, husband and wife, (individually and collectively "Tenant").

**RECITALS**

A. Landlord purchased the parcel of real property known as 1509 N. Armistead Avenue located in the City of Hampton, Virginia (the "Property") pursuant to that certain Agreement of Sale dated May 9, 2007 by and between Landlord as Purchaser and Tenant as Seller (the "Agreement"), a copy of which is attached hereto and made a part hereof.

B. Pursuant to the Agreement, title to the Property transfers to Landlord at Settlement. However, only as an accommodation, Landlord had agreed to allow Tenant to retain possession of the Property to give Tenant additional time for finding replacement housing.

C. Tenant will retain possession of the Property, in accordance with the terms of this Lease which Tenant has covenanted and agreed to execute.

**AGREEMENT**

**WITNESSETH:** That for and inconsideration of the terms, conditions, covenants, promises and agreements herein made and other valuable consideration, the parties to this Lease hereby agree as follows:

1. Leased Premises. Landlord leases and demises to Tenant and Tenant takes and leases from Landlord, the property located at 1509 N. Armistead Avenue, Hampton, Virginia 23666 (the "Leased Premises").

2. Term.

(a) The term of this Lease shall be for a period of ninety (90) days, commencing on the Settlement Date as set forth in the Agreement (the "Commencement Date") and ending at midnight on the on the ninetieth (90<sup>th</sup>) day, unless sooner terminated by Landlord in accordance with this Lease (the "Term").

(b) If Tenant shall continue to occupy the Leased Premises after the termination or expiration of the Term of this Lease (including a termination by notice under the terms of this Lease) any holding over by Tenant after expiration of the Term of this Lease shall constitute a tenancy from month to month. Rent for any month of said holding over shall be at a rate equal to one and one-half (1 ½) times the monthly

rent payable for the last month of the Term. Notwithstanding the foregoing, if Tenant shall hold over after the expiration or termination of this Lease and Landlord shall desire to regain possession of the Leased Premises, then Landlord may forthwith re-enter and take possession of the Leased Premises without process, or by any legal process in force in the Commonwealth of Virginia. Tenant shall indemnify Landlord against all liabilities and damages sustained by Landlord by reason of such retention of possession.

3. Rent. As an accommodation to Tenant's fixed and limited income, Tenant shall pay monthly rent in the sum of Seven-Hundred-Dollars and No/100 Dollars (\$700.00) ("Rent") which sum shall be payable, in advance, without demand therefor, to Landlord, c/o City of Hampton, Karl Daughtrey – Director or Finance, Finance Department, 7<sup>th</sup> floor of City Hall, 22 Lincoln Street, Hampton, VA 23669, beginning on the Commencement Date and thereafter on the first day of each and every calendar month during the Term of this Lease. Rent shall be prorated at the Commencement Date on a per diem basis.

If Tenant fails to pay any installment of Rent as required herein within ten (10) days after the same becomes due, Tenant shall pay Landlord a late charge of five percent (5%) of the overdue amount. This provision shall not be construed to adjust, alter or modify any due date hereunder, nor shall the payment of any late charge required by this Paragraph 3 be deemed to cure or excuse any default by Tenant under this Lease.

4. Permitted Use. The Leased Premises shall be used for a residence and all uses consistent therewith, and for no other purpose without the prior written consent of Landlord. The Leased Premises shall not be used in such a manner as to constitute a public or private nuisance.

5. Quiet Enjoyment. Provided Tenant is not in default of any of the terms of this Lease, Tenant shall be entitled to exclusive use and occupancy of the Leased Premises during the Term of the Lease.

6. Utilities. Tenant agrees that Landlord shall have no duty to provide any electrical, plumbing, heating or air conditioning systems or equipment, which may be required by Tenant for the purpose of its use of the Leased Premises. Tenant agrees to be responsible for the payment of electricity, gas or other heating fuel and all other utilities used by Tenant in relation to the Leased Premises, and shall indemnify and hold harmless Landlord for any such costs and payments.

7. Maintenance/Alterations. Tenant acknowledges and agrees that it accepts the Leased Premises in its current condition "as is", "where is". Tenant shall maintain the interior, exterior and grounds of the Leased Premises, in good condition free of trash and debris, at Tenant's expense. Tenant shall repair, replace or restore all damage to the Leased Premises caused by the willful or negligent acts or omissions of Tenant or its agents, contractors, subcontractors, employees or invitees, or by a breach by Tenant of its obligations under this Lease. It is expressly understood and agreed by

the parties hereto that Landlord shall neither be responsible or liable to make any repairs to the Leased Premises whatsoever including but not limited to equipment, fixtures, and appliances located therein.

Tenant shall not make any structural alterations to the Leased Premises.

8. Compliance With All Laws/Governing, Law/Venue. Tenant shall comply with all federal, state and local statutes, ordinances, and regulations now in effect or hereafter adopted, in the performance of its obligations under this Lease.

This Lease shall be construed to be a Virginia contract and shall be governed by the applicable laws of the Commonwealth of Virginia as to all matters, whether of validity, interpretation, obligations, performance or otherwise.

Venue for any suit brought to enforce the terms of this Lease or arising from the rights, liabilities or obligations set forth herein shall be filed in the appropriate court of competent jurisdiction in the City of Hampton.

9. Access/Entry. Landlord or its agent shall have the right to enter the Leased Premises any time, with or without notice to Tenant, during business hours for the purpose of making inspection of the Leased Premises for compliance with this Lease and all state, federal and local laws, provided that no such inspection by Landlord will unreasonably interfere with the Tenant's use of the Leased Premises.

10. No Landlord Liability/Indemnity/Hold Harmless. Landlord shall not be liable for any damage to any property of Tenant or others, or injury to persons within or about the Leased Premises as a result of the condition of the Leased Premises or the use thereof by the Tenant and guests.

Tenant unconditionally agrees to indemnify and hold harmless Landlord, its employees, agents, volunteers, and officials against all causes of action, costs, expenses, liabilities, losses, damages, fines, penalties, claims, suits, demands, reasonable attorney's fees, expenses of litigation, expert witness fees, investigations, judgments, administrative proceedings and other incidental expenses (collectively called "claims"), resulting from injury or death of any person or damage to property occurring on or about the Leased Premises or arising in conjunction with the use and occupancy of the Leased Premises by Tenant or others claiming under Tenant, unless the death, injury or damage was sustained as a result of the gross negligence or willful misconduct of Landlord. Tenant's indemnity includes, but is not limited to, any claims as defined in this Paragraph, resulting from the accumulation, storage, or release of hazardous or toxic substances or materials, hazardous wastes or other contaminants or any adverse environmental condition which is deemed hazardous to the health or safety of persons entering or occupying the Leased Premises or other violations of applicable environmental laws occurring during the Term of this Lease. This hold harmless and indemnity provision shall survive and remain in effect notwithstanding any termination, cancellation or expiration of this Lease or Tenant's tenancy.

11. Notices. The notices required to be given hereunder by Landlord to Tenant shall be sufficient if mailed by registered or certified mail to the Tenant; Arnold J. Lorea and Katherine M. Lorea, 1509 N. Armistead Avneue, Hampton Virginia 23666, and the notices required to be given by Tenant to Landlord shall be sufficient if mailed by registered or certified mail to the Landlord at c/o City of Hampton, City Attorney's Office, 8th floor of City Hall, 22 Lincoln Street, Hampton, VA 23666. Either party shall notify the other party in writing of any changes in the aforesaid address.

12. Insurance. Tenant agrees to maintain in full force and effect during the entire Term of this Lease, Commercial General Liability Insurance with an A-rated insurance company, in an amount not less than \$1,000,000 combined single limits (CSL). Such insurance shall name Landlord as an additional insured. Tenant shall provide a certificate of insurance to Landlord's closing attorney at Settlement.

The policy of insurance required herein shall be written by an insurance company licensed to conduct the business of insurance in Virginia, and be acceptable to Landlord, and shall carry the provision, that the insurance will not be cancelled or materially modified without thirty (30) days prior written notice to Landlord.

13. Damage/Destruction of Leased Premises. Notwithstanding anything to the contrary contained herein, in the event that any of the improvements located on the Leased Premises are damaged or destroyed by fire, casualty, or other cause, whether such damage or destruction is covered by insurance or not, neither Tenant nor Landlord shall have the obligation to rebuild, repair, and restore improvements. Tenant and Landlord further agree that (i) Landlord shall not be required to provide Tenant with replacement housing for any dwelling or improvement affected as aforesaid; and (ii) Tenant shall not be required to demolish, remove, or take any other action with respect to the improvements on the Leased Premises.

14. Assignment and Sublease. Tenant shall not assign this Lease in whole or in part or sublease all or any part of the Leased Premises without Landlord's prior written consent. Any such sublease or assignment without consent shall be void, and shall, at the option of Landlord, terminate this Lease. No assignment of this Lease or subletting of the Leased Premises, with or without the consent of Landlord, shall be deemed to release Tenant from any of its obligations under this Lease, nor shall any assignment or subletting be construed as permitting any further assignment or subletting except in accordance with this provision.

15. Default(s). In the event of any failure of Tenant to timely and fully comply with any term of this Lease including payment of Rent or any other sums payable hereunder when due, Tenant shall be in default. If such default shall continue for more than fourteen (14) days after written notice thereof shall have been mailed to Tenant, Landlord may, with written notice to Tenant, terminate Tenant's right to possession of the Leased Premises by any lawful means, reenter the Leased Premises, recover possession, and this Lease shall then terminate. Tenant shall immediately surrender

possession of the Leased Premises to Landlord. Landlord shall have all rights and remedies as permitted by law and shall be entitled to reasonable attorney's fees, costs and expenses plus interest on said costs incurred in enforcing this provision.

16. Termination/Special Right to Terminate. Tenant may terminate this Lease at any time during the Term of the Lease by giving Landlord written notice. Partial month rent shall be prorated using actual calendar days to date of vacancy.

The parties acknowledge and agree that Landlord has certain powers, purposes and responsibilities by virtue of being a municipality. To discharge its powers, purposes or responsibilities, Landlord shall have the right to terminate this Lease prior to the expiration of the Term thereof by giving written notice to Tenant thirty (30) days in advance. Any Rent paid in advance by Tenant shall be returned by Landlord in an amount prorated according to the actual period of occupancy. It is agreed that the power of Landlord to terminate or interrupt Tenant's use of the Leased Premises during the Term of this Lease shall not be arbitrarily or capriciously exercised.

17. Surrender. Upon expiration or earlier termination of this Lease, Tenant shall surrender to Landlord the Leased Premises in broom clean condition and repair, excepting ordinary wear and tear, fire and other casualty. Tenant shall remove all personal property upon vacating the Leased Premises.

18. Waiver. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any term of this Lease shall be deemed a waiver of a breach of any other term of this Lease or a consent to any subsequent breach of the same or any other term. No acceptance by Landlord of any partial payment shall constitute an accord or satisfaction but shall only be deemed a part payment on account. Landlord may accept rent, or other sums payable or other benefits pursuant to this Lease and acceptance of same shall not be deemed to be a waiver of any prior default.

19. Covenant Against Liens. If, because of any act or omission of Tenant, or others claiming by or through Tenant, any mechanic's liens or any other lien, charge or order for the payment of money shall be filed against Landlord or any portion of the Leased Premises, Tenant shall, at its own cost and expense, cause the same to be paid, discharged of record or bonded off within thirty (30) days after written notice from Landlord or Tenant of the filing thereof. This provision shall survive the expiration or termination of this Lease.

20. Paragraph Headings/Interpretation. Headings to the paragraphs are mere catchwords and are illustrative only; they do not form a part of this Lease nor are they intended to be used in construing same. Whenever used herein, the singular shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

21. Severability. If any section, paragraph, subparagraph, sentence, clause or phrase of this Lease shall be declared or judged invalid or unconstitutional, such

adjudication shall not affect the other sections, paragraphs, subparagraphs, sentences, clauses or phrases of this Lease.

22. Successors and Assigns. The terms, conditions, covenants and agreements in this Lease to be kept and performed by Landlord and Tenant shall bind and inure to the benefit of their respective heirs, personal representatives, successors and assigns.

23. Entire Agreement. This Lease together with Exhibits N/A, and N/A, constitutes the entire, full and complete understanding and agreement of the parties, and may not be modified orally or in any other manner than by agreement in writing signed by the parties to this Lease, or their respective successors in interest.

**WITNESS** the following signatures made as of the date first herein written.

LANDLORD:

Attest:

City of Hampton, Virginia

By: \_\_\_\_\_  
City Manager/Authorized Designee

\_\_\_\_\_  
Clerk of Council

TENANT:

\_\_\_\_\_  
Arnold J. Lorea

\_\_\_\_\_  
Katherine M. Lorea

Approved as to Legal Sufficiency:

Approved as to content:

\_\_\_\_\_  
Deputy City Attorney

\_\_\_\_\_  
Real Estate Manager

STATE OF VIRGINIA  
CITY OF HAMPTON, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_, City Manager/Authorized Designee of the City Manager, on behalf of the City of Hampton, Virginia. He/She is personally known to me.

Notary Public \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF VIRGINIA  
CITY OF HAMPTON, to wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Katherine Glass, Clerk of Council, on behalf of the City of Hampton, Virginia. She is personally known to me.

Notary Public \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF VIRGINIA  
CITY OF HAMPTON, to wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by Arnold J. and Katherine M. Lorea. They being personally known to me or having produced \_\_\_\_\_ as identification.

Notary Public \_\_\_\_\_

My commission expires: \_\_\_\_\_