

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease”), made this ___ day of March, 2017 by and among the **CITY OF HAMPTON**, a municipal corporation of the Commonwealth of Virginia (the “City”), **HAMPTON WATERSPORTS LLC** and **VIRGINIA BEACH WATERSPORTS LLC** Virginia limited liability companies, (individually and collectively “**Tenant**”), having a principal place of business at 909 Harvest Trail, Chesapeake, Virginia 23322. The City and Tenant shall be collectively referred to as the “Parties”

WITNESSETH:

In consideration of the terms, conditions, covenants, promises and agreements herein made, the Parties agree as follows:

The City leases to Tenant the following described premises located at Buckroe Beach. Specifically:

- 40,200 square feet variable width on the public beach - (the “**Beach**”)-Exhibit A;
- 1,500 square feet (30’ x50’), LRSN: 12007407- (the “**Concession Facility**”)-Exhibit B;
- and
- 500 square feet (10’ x 50’), LRSN: 12006702 – (the “**Storage Area**”)

Being all those spaces as shown on Exhibits A, B and C attached hereto and made a part hereof.

The Beach, the Concession Facility, and the Storage Area may be collectively referred to as the “**Demised Premises**” or the “**Premises**”.

1. **USE OF DEMISED PREMISES.**

(a) The Demised Premises shall be used for offering water sports opportunities and for purposes related, such as rental of jet-skis, paddleboards, kayaks, offering water sport lessons, providing for retail sale of items such as food, beverages, sunscreen, water and beach towels and other related beach sundries in the Concession Facility and storing necessary equipment in the Storage Area. The Beach shall be used as an access point to launch jet-skis, kayaks, paddleboards and canoes, as applicable; however, it shall not be used for sale of any concessions or beach sundries or storage of equipment. Tenant shall not use the Demised Premises for any purposes other than as specifically mentioned herein, and the Tenant shall not use the Demised Premises for any unlawful purpose.

(b) Tenant shall not sell, serve or allow alcoholic beverages at the Demised Premises.

2. **TERM OF LEASE.** The term of this Lease shall commence at 12:01 a.m., on March 24, 2017 and shall continue for one (1) year ending at 12:00 p.m. March 24, 2018 (the “**Initial Term**”), unless sooner terminated as provided in this Lease.

3. **RENEWAL TERMS.** Provided Tenant is not in material default, Tenant shall have the right to four (4) one (1) year extensions of the term of this Lease (“**Renewal Term**”) under the same terms and conditions in this Lease with the exception of the annual fees to be increased as set forth in Paragraph 4 of this Lease. Tenant shall notify the City in writing of its intention to exercise its right to extend the Lease at least 90 days prior to termination date of term or any Renewal Term of this Lease. In the event, Tenant fails to give the required 90 days prior written notice, the City shall have the right to either renew the Lease with Tenant, or to re-advertise and seek proposals from the general public.

The extension provisions stated herein are conditioned and limited against both parties to the extent that the cumulative term of this Lease plus all Renewal Terms shall not extend beyond **March 24, 2021**. In the event the City seeks proposals, Tenant shall have the right to submit a new proposal and be evaluated on an equal basis with any other party or parties submitting proposals.

4. **ANNUAL FEES.**

(a) Tenant agrees to pay the City an annual fee for the Demised Premises and use a guaranteed minimum annual fee (“**Annual Fee**”) as follows:

- Three percent (3%) of gross sales year-one 2017 not to exceed \$10,000
- Four percent (4%) of gross sales year-two 2018 not to exceed \$15,000
- Five percent (5%) of gross sales year –three 2019 not to exceed \$20,000
- Six percent 6% of gross sales year-four 2020 not to exceed \$25,000
- Seven percent (7%) of gross sales year-five 2021 not to exceed \$30,000

(b) Each such Annual Fee shall be payable in arrears upon the first day of November of the Initial Term and every Renewal Term made payable by check to the City of Hampton, Virginia.

(c) In the event of Tenant's failure to pay the full amount of any Annual Fee when due, Tenant shall be required to pay a late charge in an amount equal to 5% of the unpaid balance thereof, together with interest at the rate of 10% per annum, until the full amount of accrued Annual Fee and interest has been paid. No payment of any amount of Annual Fee, or any acceptance thereof by the City, shall be construed as a waiver of the City's rights to collect the balance of any Annual Fee due or as a waiver of the Lease.

(d) The term "**gross sales**," as used in this Lease, shall mean the actual gross receipts, whether wholly or partly for cash or on credit, but excluding monies collected for taxes, received by or for the benefit of Tenant from all sales or other business conducted on or upon the Demised Premises or in connection with the business of Tenant at the Demised Premises. Notwithstanding the foregoing, gross sales shall be determined after deducting the following: (i)

all sales, use, excise, occupational and other taxes which may now or hereafter be payable by Tenant in connection with such sales, and (ii) any refunds, credits, allowances and adjustments made by Tenant.

(e) The Annual Fee shall be payable at the City Hall, Parks and Recreation Department, 5th Floor, 22 Lincoln Street, Hampton Virginia 23669.

5. BUSINESS RECORDS.

(a) Tenant shall keep on the Demised Premises, or at a location made known to the City by Tenant, for a period of at least one (1) year following the end of each year during the Term or any Renewal Term of this Lease, a complete and accurate record of all gross sales of merchandise and services and all other revenue derived from business conducted at, in, from and upon the Demised Premises during such lease year. Tenant further agrees to keep for at least one (1) year after the expiration of each preceding lease year an electronic record of all original sales records, sales slips, sales checks and other original sales records and provide a copy of such records to the Director of Parks, Recreation & Leisure Services (the “**Director**”).

(b) Accurate non-resettable cash registers or an alternative form or other modern system shall be furnished, installed, kept and used by Tenant within the Demised Premises, which register or system shall record and preserve, in complete detail, all items comprising gross sales. All such items, including sales tax reports, business and occupation tax reports, and all other records and books kept by Tenant in relation to its business conducted at the Demised Premises, shall be open to the inspection and audit by the City and its agents at a time mutually agreed upon by the Tenant. Such records shall be kept separately and apart from any records maintained by Tenant in connection with any other business enterprise. The receipt by the City of any certified audit statement of Tenant's gross sales or the failure of the City to make an audit for any period shall not be binding upon the City as to the correctness of such statement or payment or bar the City from collecting at any time up to one year following the end of each lease year the correct Annual Fee due for said period.

6. HOURS OF OPERATION.

The Demised Premises shall be open for business from May 27 through and including September 4, Monday through Sunday at specified hours not to exceed 9:00 a.m. to 8 p.m. with no rental of equipment past 7 pm, and the weekends of May 13-14, 20-21, September 9-10, 16-17, 23-24, and September 29 – October 1 with hours not to exceed 9:00 a.m. to 6:00 p.m. with the exception of inclement weather days or as otherwise approved by the Director.

7. SERVICE.

(a) It will be the direct responsibility of Tenant to manage the Demised Premises in accordance with such policies, standards, and procedures as may be established by the City and administered by the Director.

(b) Tenant shall serve pre-prepared food and beverages at the Concession Facility together with beach sundries.

(c) Jet-ski rentals at the Beach will operate on an hourly basis and shall require a chase ski to monitor guests. The chase ski will sit in a designated area and will be in contact with Tenant's staff on the Beach. Designated areas for jet-ski use shall be marked off either with land marks or buoys but all as permitted by the Virginia Marine Resources Commission. All jet-skis shall have a small 4x6" laminated card attached to the handle bars showing the designated area. Jet-skis shall remain 200 yards off the Beach unless using an access lane to come in and out. r. All guests will be required to go through a 10 minute course on boater safety regulations and must sign that they understand the rules. Each guest shall be given a demonstration on how to operate the jet-ski and well as how to wear the mandatory life vest. Guests shall be issued a one (1) time use license to operate the jet-ski. Per the Coast Guard and the Department of Game and Inland Fisheries, the skis will be designated with the letters "RB" which stands for "rental boat" so the jet-ski can be easily identified by Tenant's staff and law enforcement officials. Boater safety regulation training shall also be given to guests renting kayaks, paddle boats and canoes, as applicable.

(d) During the Term of this Lease and any Renewal Term, Tenant shall have the exclusive rights to operate the watersports activities on the Demised Premises.

8. PERSONNEL.

(a) Tenant shall employ full-time, on-site Managers, acceptable to the City, responsible for watersports activities at the Demised Premises and sufficient staff to operate the Concessions Facility.

(b) Tenant will recruit, train, supervise, direct, discipline, and if necessary, discharge any and all of its personnel working in the Demised Premises.

(c) Tenant shall require employees to comply with all instructions, regulations, and codes of conduct as specified by the City.

(d) Tenant shall require all employees to meet the appropriate health and safety standards prescribed by municipal, state and federal laws and regulations.

(e) Employees of Tenant whose duties require direct contact with customers must be able to effectively communicate regarding safety instructions and all matters involving customer service.

(f) At the expense of Tenant, employees of Tenant shall be appropriately attired and easily recognized when performing their work assignments at the Demised Premises. The term "appropriate attire" is interpreted to include all apparel, name tags, hats, etc. Attire will be distinctive such as a uniform so as to clearly identify Tenant's personnel. All uniforms shall be of the same type and style and shall be clean, unstained, well-fitting, and repaired and shall comply with the established standards for Tenant's staff dress code.

(g) Tenant shall ensure that the Manager or an immediate assistant will be in the Demised Premises during all hours of operation and will be available to customers during peak hours.

(h) Tenant shall bear financial responsibility for any vandalism or loss due to dishonest acts on the part of Tenant's employees.

(i) Tenant shall notify the Director of impending labor, employee, vendor disputes, or any other circumstances that could adversely affect the operation of the watersports activities or concessions operations.

9. **GOODS AND FOODSTUFFS.** All goods or foods served or sold by Tenant shall be of good quality and shall meet or exceed all applicable federal, state and local regulations and standards. Tenant shall be responsible for providing quality prepared foods and beverages at a reasonable price.

10. **PREMISES "AS IS" "WHERE IS".** Tenant accepts the Demised Premises "as is"/"where is".

11. **SANITATION AND SAFETY.** Tenant shall maintain, at all times, the Demised Premises in a clean and sanitary manner in accordance with all federal, state, and municipal laws, codes, and regulations. Tenant shall train all employees to follow a "clean as you go" policy.

12. **PERFORMANCE STANDARDS.** In addition to the requirements specified in this Lease, the following performance standards are required of Tenant.

(a) Current rental fees, retail items and food pricing shall be posted at all times.

(b) A qualified cashier shall be available at all times.

13. **REFUSE.** Landlord shall arrange for the regular pick up of trash and garbage, provided such refuse be placed in proper and adequate containers to be provided by Tenant.

14. **UTILITIES/SERVICES.**

(a) The City shall provide the electricity and running water at a nearby location for the Premises.

(b) The City shall not guarantee the uninterrupted provision of the above utilities and service except to insure that all reasonable and diligent efforts will be pursued in restoring any interrupted service. The City shall not be liable for product or revenue loss which may result from interruptions or failure of the above services.

15. DEMISED PREMISES UNTENABLE. In the event the Demised Premises become untenable by reason of environmental problems, condemnation, fire or other causes not within the control of Tenant, Tenant shall vacate the Demised Premises; and the payment of the Annual Fee shall terminate upon the day such vacation occurs. Any prepaid Annual Fee shall be prorated and refunded by the City and Tenant shall have no legal or equitable claim for damages against the City. Tenant releases the City from any liability whatsoever and covenants not to file any suit or claim therefor.

16. EQUIPMENT AND MAINTENANCE.

(a) Tenant shall be responsible for repairing or replacing of its equipment, and for maintaining all equipment in workable order.

(b) Tenant is responsible for the repair or replacement of any city property located within the Demised Premises that has been accidentally or willfully damaged, stained or misappropriated by Tenant or its customers, but excluding ordinary wear and tear as would normally occur over extended use.

17. ASSIGNMENT OR SUBLETTING. Tenant shall not assign this Lease or sublet or mortgage or encumber the Demised Premises or any portion thereof, or permit the Demised Premises or any portion thereof to be used by any person or entity other than Tenant or its patrons without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed.

18. ALTERATIONS AND ADDITIONS.

(a) Tenant shall not make, or cause or allow to be made, any alterations, additions or improvements to the Demised Premises without the prior written consent of the Director.

(b) Tenant shall not place, or cause or allow to be placed, any sign or other advertising display or device upon or about the Demised Premises, without the prior written consent of the Director.

19. FIRE AND OTHER EMERGENCIES. Tenant shall immediately call the City of Hampton Fire Department and notify the Director in the event of fire or other emergency. All employees shall be trained by Tenant and shall comply with respect to fire, civil defense, bomb threat, and other emergency procedures established by the City.

20. SECURITY. Tenant's security perimeter includes the Concessions Facility and Storage Area previously described and identified. The areas under Tenant's jurisdiction shall be its responsibility relative to security at all times. Designated employees of Tenant shall have the responsibility to secure the areas following normal operating hours; designated employees of Tenant shall have the responsibility for determining that all appropriate equipment and lights have been turned off, and appropriate doors locked as necessary when facilities are closed. A complete set of keys (excluding those used for cash control) for the Demised Premises shall be supplied to the Director.

21. LIENS AGAINST DEMISED PREMISES. Tenant agrees to do or permit no act which will cause a lien of any nature to be placed upon the Demised Premises, and further agrees to indemnify the City for any and all liabilities incurred by Tenant, or its agents or employees, claimed or charged against the Demised Premises. This provision shall survive the expiration or the termination of this Lease.

22. INDEMNITY AND HOLD HARMLESS. It is understood and agreed that Tenant hereby assumes the entire responsibility and liability for any and all injury or damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Tenant, its subcontractors, agents or employees under or in connection with this Lease or the performance or failure to perform any work required by this Lease. Tenant shall save harmless and indemnify the City and its agents, volunteers, servants, employees and officers from and against any and all claims, losses or expenses, including but not limited to attorney's fees, which any indemnified party, may pay or incur as the result of claims or suits due to, arising out of or in connection with any and all such damage, real or alleged, and Tenant shall, upon written demand by the City assume and defend at Tenant's sole expense any and all such suits or defense of claims. It is acknowledged and agreed to by the parties hereto that Tenant neither shall be responsible nor liable for any and all claims, losses or expenses caused by the gross negligence or any willful act or omission of the City. This indemnification provision shall survive the expiration or termination of this Lease. Any costs or expenses associated with environmentally related violations of the law, the creation or maintenance of a nuisance, or releases of hazardous substances, including, but not limited to, the costs of any clean-up activities, removals, remediations, responses, damages, fines, administrative or civil penalties or charges imposed on the City, whether because of actions or suits by any governmental or regulatory agency or by any private party, as a result of the storage, accumulation, or release of any hazardous substances, or any noncompliance with or failure to meet any federal, state or local standards, requirements, laws, statutes, regulations or the law of nuisance by Tenant (or by its agents, officers, employees, subcontractors, consultants, or any other persons, corporations or legal entities employed, utilized, or retained by Tenant) in the performance of this Lease or related activities, shall be paid by Tenant. This paragraph shall survive the termination, cancellation or expiration of this Lease.

23. INSURANCE. Tenant agrees to secure and maintain in full force and effect at all times during the period this Lease is in effect, the following policies of insurance:

(a) Workers' Compensation Insurance as required under Va. Code Title 65.2.

(b) Comprehensive General Liability Insurance, including contractual liability and products and completed operations liability coverages, in an amount not less than one million dollars (\$1,000,000) Tenant said this amount might be cost prohibitive. Combined single limits (CSL) with two million dollar (\$2,000,000) aggregate. Such insurance shall name the City of Hampton as an additional insured.

(c) TENANT SHALL SUBMIT TO THE CITY CONTRACT ADMINISTRATOR CERTIFICATES OF INSURANCE WITH ENDORSEMENT TO THE POLICY ATTACHED, PRIOR TO BEGINNING ACTIVITIES UNDER THIS LEASE.

(d) ALL POLICIES OF INSURANCE REQUIRED HEREIN SHALL BE WRITTEN BY INSURANCE COMPANIES LICENSED TO CONDUCT THE BUSINESS OF INSURANCE IN VIRGINIA, AND ACCEPTABLE TO THE CITY, AND SHALL CARRY THE PROVISION THAT THE INSURANCE WILL NOT BE CANCELLED OR MATERIALLY MODIFIED BY TENANT WITHOUT THIRTY DAYS (30) PRIOR WRITTEN NOTICE TO THE CITY. IT IS THE RESPONSIBILITY OF TENANT TO IMMEDIATELY NOTIFY THE CITY SHOULD ANY POLICY BE CANCELLED. FAILURE TO NOTIFY THE CITY SHALL CONSTITUTE A MATERIAL BREACH OF THIS LEASE.

(e) THE CERTIFICATES OF INSURANCE SHALL LIST THE CITY OF HAMPTON, 22 LINCOLN STREET, HAMPTON, VIRGINIA 23669, AS THE ADDITIONAL INSURED FOR THE SPECIFIED PROJECT. THE ENDORSEMENT TO THE POLICY WOULD BE THAT WHICH IS ATTACHED TO TENANT'S LIABILITY POLICY THAT ACKNOWLEDGES THE CITY AS AN ALSO INSURED ON ALL POLICIES THE CITY REQUIRES TO BE ENDORSED. THIS SHALL BE EITHER A DIRECT ENDORSEMENT THAT ACTUALLY NAMES THE CITY OR A BLANKET ENDORSEMENT THAT CONTRACT STATES THAT THE CITY WILL BE NAMED AS AN ALSO INSURED ON THE INSURANCE POLICY.

24. INSPECTION AND ACCESS.

(a) The City shall have the right to enter the Demised Premises at any reasonable time, upon reasonable advance notice to Tenant, for the purpose of inspecting the same or to make such alterations, repairs or improvements as the City may deem necessary or desirable.

(b) The City shall have the right to enter the Demised Premises at any time, with or without notice to Tenant, in cases of emergency.

(c) The Demised Premises shall be subject to inspection by health, fire and property maintenance and zoning code officials at any time with notice to Tenant.

25. FORCE MAJEURE. Neither party shall be obligated to perform hereunder and neither shall be in default if performance is prevented by fire, earthquake, flood, act of God, failure of utilities, riot, civil commotion or other occurrences of like nature, and law, ordinance, rule, regulation, or order of any public or military authority. Tenant shall not be deemed to be in default to the extent that its performance is prevented by strikes or labor disputes other than strikes and labor disputes between Tenant and its own employees and, provided further, that this provision shall not excuse performance where any alternate supply of products, labor or services is available.

26. **BANKRUPTCY OR INSOLVENCY.** In the event Tenant shall make any assignment for the benefit of creditors, or in the event Tenant's leasehold interest in the Demised Premises shall be subjected to execution or legal process, or in the event Tenant shall go into receivership, the City shall have the right to terminate this Lease immediately, irrespective of whether Tenant is in default of any of the terms of this Lease.

27. **BREACH OF LEASE.** In the event either party (a **"Defaulting Party"**) shall breach any of the provisions of this Lease and such breach is not cured by the Defaulting Party within 30 days of delivery or mailing to it of written notice of breach, the other party (a **"Non-Defaulting Party"**) shall have the right to terminate this Lease. Such termination shall be effective upon the mailing or delivery to the Defaulting Party of notice of termination. Termination of the Lease by Tenant as provided herein shall in no way relieve Tenant's obligation to pay any and all Annual Fees due and owing to the City under Paragraph 4 of this Lease or Tenant's obligations under Paragraph 20 of this Lease. In the event the City terminates this Lease upon default by Tenant, the City shall have the right to reenter and relet the Demised Premises and shall have the right to exercise any of its rights and remedies under applicable law.

28. **NOTIFICATION.** Any notifications required by this Lease shall be delivered in person to, or mailed, certified mail, to:

City:
City of Hampton
22 Lincoln Street, Fifth Floor
Hampton, Virginia 23669
Attn: Kevin Myers, Director

With Copy to:
City of Hampton
City Attorney's Office
22 Lincoln Street
Hampton, Virginia 23669
Attn: City Attorney

Tenant:

Jeremy Churchill, Managing Member
909 Harvest Trail
Chesapeake, Virginia 23322

Mike Walsh, Managing Member
3400 Hidden River View Road
Annapolis, Maryland 21403

29. **SURRENDER OF PREMISES.**

(a) Upon the expiration or sooner termination of this Lease, Tenant shall surrender the Demised Premises to the City in as good condition and repair as at the commencement of the term of this Lease, reasonable wear and tear excepted.

(b) Tenant's equipment shall be removed from the Demised Premises within forty-eight (48) hours following the expiration of the Initial Term or any Renewal Term of this Lease or the sooner termination thereof. Should Tenant vacate the Demised Premises, for any reason, Tenant has the right to remove at its expense all business fixtures and personal property which have been placed or installed on the Demised Premises by Tenant and shall deliver the Demised Premises to the City. Any damage to the Demised Premises resulting from the removal of such items shall be promptly repaired by Tenant at its sole expense.

30. NO LIABILITY. The City shall not be liable to Tenant or any other person for any damage or injury caused to any person or property irrespective of the cause thereof nor shall the City be liable or responsible for any repairs, improvements or maintenance of the Demised Premises.

31. NO PARTNERSHIP OR JOINT VENTURE.

(a) It is understood and agreed by the parties hereto that they do not stand in the relationship of partners or joint ventures in connection with the operation of the restaurant establishment and concession services contemplated by this Lease. It is further understood and agreed by the Parties that neither party shall be held responsible for the debts or obligations of the other.

(b) Tenant hereby acknowledges and agrees that its employees and agents are those of Tenant and not of the City and nothing in this Lease shall be deemed or construed to create or imply any employment or agency relation between the City and any of Tenant's employees or agents.

32. APPLICABLE LAW. This Lease shall be deemed to be a Virginia contract and shall be governed as to all matters whether of validity, interpretation, obligation, performance or otherwise exclusively by the laws of the Commonwealth of Virginia, and all questions arising with respect thereto shall be determined in accordance with such laws. Regardless of where actually delivered and accepted, this Lease shall be deemed to have been delivered and accepted by the parties in the Commonwealth of Virginia.

33. COMPLIANCE WITH ALL LAWS. Tenant shall comply with all federal, state and local statutes, ordinances, and regulations now in effect or hereafter adopted in the operation of the food services and in the performance of obligations herewith set forth. Tenant represents that it possesses all necessary licenses and permits required to conduct its business and will acquire any additional licenses and permits necessary for performance of this Lease prior to the opening for business to the public. Tenant further represents that it is a limited liability in good standing in the Commonwealth of Virginia and will remain in good standing throughout the term of the Lease. Tenant shall at all times observe all health and safety measures and precautions necessary for the sanitary and safe performance of Tenant's obligations herewith.

34. VENUE. Any and all suits for any claims or for any and every breach or dispute arising out of this Lease shall be maintained in the appropriate court of competent jurisdiction in the City of Hampton, Virginia.

35. SEVERABILITY. In the event any of the provisions of this Lease shall be declared invalid or unenforceable, the remainder of this Lease shall remain in full force and effect.

36. SPECIAL RIGHT TO TERMINATE. The parties acknowledge that City has certain powers, purposes and responsibilities by virtue of being a municipality. To discharge its powers, purposes or responsibilities, City shall have the right to terminate this Lease by giving written notice to Tenant 30 days in advance, in the event that the termination is necessary for any public purpose, upon action by City Council. Any Annual Fee paid in advance by Tenant shall be returned by City in an amount prorated according to the actual period of occupancy. It is agreed that the power of City to terminate or interrupt Tenant's use of the Demised Premises shall not be arbitrarily or capriciously exercised.

37. MISCELLANEOUS.

(a) This Lease and Exhibits A and B constitute the final, complete, and exclusive written expression of the intentions of the parties, and shall supersede all previous communications, representations, agreements, promises or statements, whether oral or written, by any party or between the Parties.

(b) The terms, conditions, covenants and agreements in this Lease to be kept and performed by City and Tenant shall bind and inure to the benefit of their respective heirs, personal representatives, successors, and approved assigns.

(c) No modification of any of the terms and conditions of this Lease shall be effective unless contained in a writing signed by both Parties.

(d) The headings used herein have been inserted for convenience only and do not constitute matters to be considered in interpreting this Lease.

(e) No waiver of any breach of any of the terms of this Lease shall be construed, taken or held to be a waiver of any other breach or waiver, acquiescence in or consent to any further or succeeding breach of the same term. To be effective, any such waiver must be in writing signed by the party whose right is waived and received by the party in breach.

(f) Neither this Lease nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by City or Tenant or by anyone acting through, under, or on behalf of the City or Tenant. The recording thereof in violation of this provision shall make this Lease null and void at the election of the non-recording party.

(g) The undersigned are duly authorized to execute this Lease for the City and Hampton Watersports LLC.

[Signatures appear on the following page.]

CITY OF HAMPTON

By: _____
Mary B. Bunting, City Manager

HAMPTON WATERSPORTS LLC

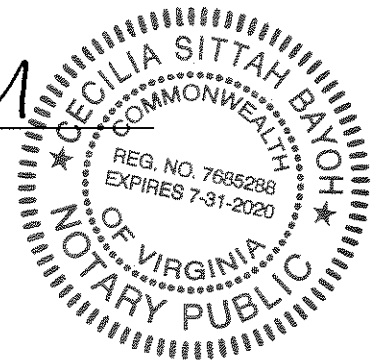
By: _____
Jeremy Churchill, Managing Member

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Chesapeake, to-wit:

I, the undersigned, Notary Public in and for the City/County and State aforesaid, do hereby certify that Jeremy Churchill, Managing Member of Hampton Watersports LLC, has acknowledged the same before me in my City and State aforesaid and is either personally known to me or has produced Drivers License as identification.

GIVEN under my hand this 23 day of February, 2017.

Cecilia Sittah Bayoh
NOTARY PUBLIC



My commission expires: 7/31/2020

Registration No. 7685288

VIRGINIA BEACH WATERSPORTS LLC

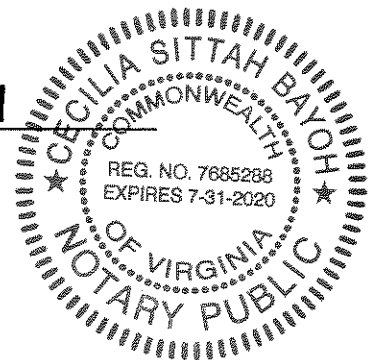
By: [Signature]
Jeremy Churchill, Managing Member

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Chesapeake, to-wit:

I, the undersigned, Notary Public in and for the City/County and State aforesaid, do hereby certify that Jeremy Churchill, Managing Member of Virginia Beach Watersports LLC, has acknowledged the same before me in my City and State aforesaid and is either personally known to me or has produced Driver's License as identification.

GIVEN under my hand this 23 day of February, 2017.

[Signature]
NOTARY PUBLIC



My commission expires: 7/31/2020

Registration No. 7685288

APPROVED AS TO CONTENT:

[Signature]
Dept. of Parks, Recreation &
Leisure Services

**APPROVED AS TO FORM &
LEGAL SUFFICIENCY:**

[Signature]
City Attorney