

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease"), made this _____ day of _____, 2024, by and between the **CITY OF HAMPTON, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia ("Landlord") and **HAMPTON REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("Tenant").

WITNESSETH:

That for and in consideration of the terms, conditions, covenants, promises and agreements herein made, 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, a portion of the property located at 1 Franklin Street, Hampton, Virginia, 23669 (the "Property"), more particularly described as Suite 603, consisting of approximately 4992 ± square feet (the "Leased Premises"), and known as the Ruppert L. Sargent Building (the "Building").

2. Term.

(a) The term of this Lease shall be for a period of one (1) year, commencing on the 1st day of September, 2024 (the "Commencement Date") and ending at midnight on the 31st day of August, 2025 (the "Initial Term").

(b) Provided all installments of rent due have been paid and all other terms and conditions of this Lease have been fully, completely and strictly complied with, the initial term of this Lease shall automatically extend for four (4) consecutive terms of one (1) year each (each a "Renewal Term"; the Initial Term and Renewal Terms collectively referred to as the "Term"), subject to the rights of Landlord and Tenant to terminate this Lease set forth in Section 16.

3. Rent.

(a) Tenant shall pay as base rent for the Leased Premises ("Rent") the sum of \$15,255.00 for the Initial Term, payable in equal monthly installments of \$1,271.25. After the Initial Term, Rent shall be increased three percent (3%) annually, effective on the first day of each Renewal Term. Rent shall be paid in advance to the Landlord's Finance Office on the seventh Floor of City Hall, 22 Lincoln Street, Hampton, VA, 23669, without demand therefor, and on the first day of each and every calendar month during the Initial Term and any Renewal Term of this Lease.

(b) 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 offices and all uses consistent therewith, and for no other purpose without the prior written consent of Landlord, which shall not be unreasonably withheld. The Leased Premises shall not be used in such a manner as to constitute a public or private nuisance. Tenant shall not accumulate, store, or release hazardous or toxic substances or materials, hazardous wastes or other contaminants or cause any adverse environmental condition which is deemed hazardous to the health or safety of persons entering or occupying the Leased Premises or the Building.

Landlord additionally grants to Tenant, during the Term of this Lease, the right to use, in common with Landlord and other tenants and occupants of the Building, all portions of the Building (if any) designed for the common use of all tenants and occupants of the Building, and all utility lines, pipes, conduits, dumpsters, and other similar facilities on the Property necessary for the use of the Leased Premises. Tenant's use of these common facilities shall be subject to such reasonable rules and regulations as Landlord may adopt.

5. Utilities and Services. Landlord shall provide, at Landlord's expense, all electricity, water, sewer, heating, and air conditioning as conditions require, and janitorial services and interior trash collection. Tenant shall be solely responsible for and promptly pay all charges for telephone service and any other utilities used or consumed by Tenant which are not expressly the responsibility of Landlord. Landlord shall not be liable for any failure to supply all or any of the above utilities and services or any interruption in such utilities and services.

6. Alterations. Tenant shall make no modifications, alterations, or improvements to the Leased Premises without Landlord's prior written consent. Any approved modifications, alterations, or improvements shall be performed only by a contractor and upon plans satisfactory to Landlord in its sole discretion, at Tenant's expense. Upon the termination of this Lease, any modifications, alterations, or improvements shall become the property of Landlord, or if Landlord requests, the same shall be removed, without damage to the Leased Premises, and Tenant shall restore the Leased Premises to as near its original condition as possible, excepting normal wear and tear.

7. Maintenance.

(a) Tenant shall maintain the interior of the Leased Premises, 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, except to the extent liability is waived under Paragraph 12.

(b) Landlord covenants to keep, repair, and maintain, at Landlord's expense, the roof and all structural elements of the Leased Premises including structural walls, floors, and foundations and any common utility lines, pipes, conduits, equipment, and systems that serve more than one tenant of the Building. When and as snow and/or ice removal become necessary, Landlord shall promptly remove all snow and ice from all walkways, loading areas, and common areas. Landlord's obligations are subject to ordinary wear and tear. Further, Landlord shall be entitled to full reimbursement to the extent Tenant is responsible for any damage to the Leased Premises caused by the willful or negligent acts or omissions of Tenant or its agents, contractors, subcontractors, employees, or invitees.

8. Access. Making reasonable efforts not to disrupt Tenant's business, Landlord shall have the right at any time, without prior notice, to enter upon the Leased Premises (a) to service and make repairs, alterations, or improvements to the Leased Premises, (b) to verify Tenant's compliance with the terms of this Lease, and (c) to exhibit the Leased Premises to prospective tenants or for any public purpose. In the case of showing the Leased Premises to prospective tenants, such exhibition shall be made only during the last six (6) months of the Initial Term or any Renewal Term, as applicable.

9. 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.

10. Insurance. Tenant shall procure and maintain in full force and effect, at its sole cost and expense, throughout the entire Term of this Lease insurance covering the risks enumerated below. Landlord acknowledges that Tenant maintains a self-insurance program, and Tenant acknowledges and agrees that its self-insurance program effectuates coverage in form, scope, and substance materially identical to the coverages described in this Section 10.

a. Property. A policy covering damages to its property at or on the Leased Premises. The

amount of coverage shall be sufficient to replace the damaged property, loss of use, and comply with any ordinance or legal requirements.

- b. General Liability. A primary commercial general liability insurance ("CGL") policy covering all claims for bodily injury and property damage, including loss of use thereof, in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance, and contract liability to cover all insurable obligations in this Lease. The policy or policies must be on an "occurrence" basis. The CGL policy shall include contractual liability coverage, and specifically identify Landlord as an additional insured.

Further, without limitation to any additional requirements Landlord may impose, Tenant's insurance policies must contain, or be endorsed to contain, the following provisions:

- i. Landlord, its officers, officials, employees, agents and consultants shall be additional named insureds with respect to liability arising out of the ownership, maintenance or use of the Leased Premises.
- ii. Tenant's insurance coverage shall be primary and non-contributory as to Landlord, its officers, officials, employees, and volunteers. Any insurance maintained by Landlord, its officers, officials, employees, or volunteers shall be in excess of Tenant's insurance and shall not contribute with it.
- iii. Each insurance policy required by this Lease shall be written by insurance companies licensed to conduct the business of insurance in Virginia, acceptable to Landlord, and endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior notice by certified mail, return receipt requested, has been given to Landlord.

All certificates of insurance shall list the City of Hampton, Virginia as the additional named insured for the Leased Premises. The endorsement to the policy would be that which is attached to Tenant's liability policy that acknowledges Landlord as an also insured on all policies Landlord requires to be endorsed. This shall be either a direct endorsement that actually names the City of Hampton, Virginia or a blanket endorsement that the Lease states that the City of Hampton, Virginia will be named as an also insured on the insurance policy.

11. Waiver of Subrogation. Landlord and Tenant agree on behalf of themselves and all others claiming under them, including any insurer, to waive all claims against each other, including rights of subrogation, for loss or damage to their respective property arising from fire and any of the perils normally insured against in an extended coverage insurance policy, including vandalism and malicious mischief endorsements. If either party so requests, the other party shall obtain from its insurer a written waiver of all rights of subrogation that it may have against the other party.

12. Indemnification and Hold Harmless. Landlord understands and acknowledges Tenant is a political subdivision of the Commonwealth of Virginia and Tenant understands and acknowledges that Landlord is a municipal corporation of the Commonwealth of Virginia, and that for each with respect to tort liability for acts or occurrences on or about the Leased Premises, the Tenant and Landlord are either (i) constitutionally immune (or partially immune) from suit, judgment or liability, (ii) insured, or (iii) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable law. Landlord understands and acknowledges that Tenant has not agreed to provide any indemnification or save harmless agreements running to Landlord; and Tenant understands and acknowledges that Landlord has not agreed to provide any indemnification or save harmless agreements running to the Tenant. No provision, covenant or agreement contained in this Lease shall be deemed a waiver of the sovereign immunity of either Landlord or Tenant from tort liability.

13. Damage or Destruction of Leased Premises. If the Leased Premises is damaged by fire or other casualty so as to render same untenable in whole or in substantial part, then Landlord may elect to terminate this Lease effective as of the date of such casualty. In addition, if the Building is destroyed in whole or in substantial part by fire or other casualty (regardless of the extent of damage to the Leased Premises), or such damage occurs during the last year of the Term of this Lease, Landlord may elect to terminate this Lease effective as of the date of such casualty. These elections by Landlord shall be made within 90 days after the occurrence of fire or other casualty, or shall be deemed waived. In the event of such termination, Tenant shall pay the rent apportioned to the date of such casualty and shall immediately surrender the Leased Premises to Landlord who may enter upon and repossess the same and Tenant shall be relieved from further liability.

If this Lease is not so terminated by Landlord, either because the damage does not render the Leased Premises untenable, either in whole or in substantial part, or because Landlord does not elect to terminate this Lease pursuant to the preceding provision, then subject to "Excusable Delay" as defined herein, Landlord shall use reasonable diligence to commence the repair or restoration, and shall thereafter diligently continue the same as to repair and restore the Leased Premises to substantially their original condition (notwithstanding any alterations or improvements made by Tenant). In this event, Rent shall be abated in proportion to the untenable space until the Leased Premises are fully restored. For purposes of this Paragraph 13, a "substantial part" shall be deemed to mean more than 50% of the usable floor area of the Leased Premises. The term "Excusable Delay" shall mean any one or more of the following: labor disputes, fire, damage, or other casualty, unusual delay in transportation, adverse weather conditions, unavailability of labor, materials and equipment, and any other causes beyond Landlord's reasonable control. Tenant, at its own expense, shall promptly replace and/or restore to their prior conditions any alterations and/or leasehold

improvements made in the Leased Premises by Tenant. All insurance proceeds arising from such damage or destruction shall be made available to Landlord, except those proceeds covering any alterations or improvements made by Tenant.

If the damage by any of the above casualties is so slight that Tenant is not disturbed in its possession and enjoyment of the Leased Premises, then Tenant shall repair the same promptly and in each case Landlord and Tenant will determine whether any Rent accrued or accruing shall abate.

14. Default(s). In the event of any failure of Tenant to timely and fully comply with any term of this Lease, except payment of Rent or any other sums payable hereunder when due, Tenant shall be in default. If such default shall continue for more than 30 days after written notice thereof shall have been mailed to Tenant, Landlord shall have all rights and remedies available at law or in equity.

In the event that Rent or other sums payable herein is/are not paid, as and when due, and such failure is not cured within 30 days thereof, 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. Lessee shall immediately surrender possession of the Leased Premises to Landlord. Landlord shall have all rights and remedies as permitted by law.

15. Liability for Damage. Landlord shall not be liable for any damage to any property of Tenant or others, or injury to persons within the Leased Premises, resulting from (i) the electrical, heating, plumbing, sewer, or other mechanical systems of the Leased Premises, (ii) water, snow, or ice being upon or coming through the roof, walls, floors windows, or doors of the Leased Premises, (iii) the acts of negligence of co-tenants or other occupants of the Building, or (iv) any fire or other casualty whatsoever. Landlord shall not be liable for failure to keep the Leased Premises in repair, unless Landlord is expressly obligate to make the repairs under the terms of this Lease and unless notice of the need for the repairs has been given to Landlord or Landlord has actual notice and has failed to make the repairs within a reasonable time after receipt of notice.

16. Right to Terminate. Tenant may terminate this Lease at any time upon thirty (30) days written notice to Landlord. Any Rent paid in advance by Tenant shall be returned by Landlord in an amount prorated according to the actual period of occupancy. The parties acknowledge that Landlord has certain powers, purposes, and responsibilities by virtue of being a municipal corporation. To discharge its powers, purposes or responsibilities, Landlord shall have the right to terminate this Lease at any time by giving written notice to Tenant thirty (30) days in advance, and in the event that the termination hereof is necessary for any public purpose, upon action by City

Council. 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 shall not be arbitrarily or capriciously exercised. In the event of termination by Landlord for a public purpose, Landlord shall assist Tenant with relocating in downtown Hampton.

17. Taxes. Tenant is exempt from the payment of taxes assessed to the Leased Premises, pursuant to § 58.1-3203 of the Code of Virginia, during the Initial Term of this Lease and any Renewal Term.

18. Notice. Any notice required or permitted by this Lease to be given by either party to the other must be in writing unless otherwise provided herein and shall be effective only if delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipt requested. In each case, the notice should be addressed to the addresses set forth below, or at such other addresses as either party may designate by notice given from time to time. Notice shall be deemed given on the day received if by personal service, or on the second business day after being placed in the United States mail as aforesaid.

Landlord's address for notices shall be:

Office of the City Manager

22 Lincoln Street

Hampton, VA 23669

Attention: Brian DeProfio, Deputy City Manager

Tenant's address for notices shall be:

Hampton Redevelopment and Housing Authority

1 Franklin Street, Suite 603

Hampton, VA 23669

Attention: Executive Director

19. 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 partial 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.

20. Surrender. Upon expiration or earlier termination of this Lease, Tenant shall surrender to Landlord the Leased Premises in good condition and repair, excepting ordinary wear and tear.

21. Compliance With All Laws/Governing, Law /Venue.

(a) 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. 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 the performance of its obligations under this Lease.

(b) 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.

(c) 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, Virginia.

22. 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.

23. 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 successors and assigns.

24. 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.

25. Signs. Landlord, at its expense, shall provide building standard signage listing Tenant on the Building directory and at the entrance to Tenant's suite.

26. Entire Agreement. This Lease 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.

27. Paragraph Headings. 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.

28. Quiet Enjoyment. Landlord covenants that it has the full right and authority to make this Lease and that if Tenant pays the rent and performs all of the terms of this Lease, Tenant shall peaceably and quietly enjoy and possess the Premises through the Initial Term and any Renewal Term against the claims of anyone claiming by or through Landlord, subject only to the terms, conditions, covenants and agreements set forth in this Lease.

29. Force Majeure. In the event that Landlord shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strike, lockout, labor trouble, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, acts of terrorism, an act, failure to act or default of the other party, war or other reason beyond Landlord's control, performance of such act shall be excluded for such period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay. In such case rent shall be abated for any period (measured pro rata) that the Leased Premises is uninhabitable due to such force majeure condition.

30. Holdover. If Tenant remains in possession after the end of the Term without the prior written consent of the Landlord, shall be subject to the terms and conditions hereof, including, but not limited to the payment of Rent. Nothing in this Paragraph 30 shall limit Landlord's rights or remedies be deemed as consent to any holdover. In addition, Tenant shall be liable to Landlord for any damages sustained by Landlord during any holdover.

31. Recordation. Neither this Lease or a short form thereof shall be filed or recorded in the public land records by either party.

IN WITNESS WHEREOF, the parties hereto have affixed their seals as of the day and year first above written.

[SIGNATURES ON FOLLOWING PAGES]

CITY OF HAMPTON, VIRGINIA

By: _____
City Manager/Authorized Designee
of the City Manager

COMMONWEALTH OF VIRGINIA
CITY OF HAMPTON, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, 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
Notary Registration # _____

My commission expires: _____

APPROVED AS TO
RISK MANAGEMENT:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Director, Risk Management

Sr. Deputy City Attorney

APPROVED AS TO CONTENT:

City Manager Representative and _____
Director of Finance

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

HAMPTON REDEVELOPMENT
AND HOUSING AUTHORITY

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA
CITY HAMPTON, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by _____, Chair/ Vice-Chair of the Hampton Redevelopment and Housing Authority on its behalf. He/She is personally known to me or has produced _____ as identification.

Notary Public
Notary Registration # _____

My commission expires: _____

APPROVED AS TO CONTENT:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

HRHA

Legal Counsel for HRHA

[END OF SIGNATURES]