

LEASE AGREEMENT

This LEASE AGREEMENT (“Lease”) is made this ____ day of _____, 2023 (the “Effective Date”), by and between the CITY OF ALEXANDRIA, a municipal corporation of the Commonwealth of Virginia (“Landlord” and/or the “City”) and SHEIKH MOHAMMED ARSHAD, owner of the Strand Parking Company, 1045 Palmer Place, Alexandria, Virginia 22304 (“Tenant”).

WITNESSETH:

That for and in consideration of the mutual benefits to be derived hereby, Landlord and Tenant hereinafter covenant and agree as follows:

1. PREMISES

The premises to be leased is one parcel of real property currently owned by Landlord and consists of approximately Sixteen Thousand, Five Hundred and Forty-seven (16,547) square feet of real property, located at 206 Strand Street, Alexandria, Virginia 22314, and having City Tax Map No. 075.03-03-20 (the “Premises”). Any riparian rights appertaining to the above parcel of real property is specifically excluded from the Premises, and Tenant shall have no rights in and to any such riparian rights during the Lease Term. The Premises are leased to the Tenant in an “AS-IS condition.”

2. TERM

The term of this Lease shall begin at midnight on July 1, 2023 (the “Lease Commencement Date”) and, unless terminated sooner pursuant to the terms of this Lease, shall end at 11:59 p.m. on June 30, 2024 (the “Lease Expiration Date”). The period from the Lease Commencement Date to and including the Lease Expiration date may hereinafter be referred to as the “Lease Term”. If no such notice is given, the lease shall continue on a month-to-month basis terminable by either party with thirty (30) days prior written notice, and all terms contained herein shall remain in full force and effect for the monthly term.

At no time shall this Lease Agreement extend beyond 11:59 p.m. on June 30, 2027. The parties may consider a renewal or reconsideration of the Lease Agreement at any time after the Lease Expiration Date.

3. RENT; PAYMENT ADDRESS

A. Tenant covenants and agrees to pay to Landlord monthly rent (“Base Rent”) commencing on the Lease Commencement Date, or in advance of the Lease Commencement Date, without demand, deduction, set-off or counterclaim, the sum of Seven Thousand Dollars (\$7,000.00), which sum shall constitute the Base Rent. Base Rent and any additional sums due under the Lease (“Additional Rent”) may hereinafter be referred together as “Rent”. Rent shall be paid on or before the first of each month for the Lease Term. If a 30-day notice of termination is given resulting in a termination date that is within a month for which Rent has already been paid, the Rent payment will be prorated for the portion of the month the Lease was effective and the remaining balance will be returned to the Tenant.

B. Landlord and Tenant agree that any revenues realized by the Tenant from the operation of the Premises as a commercial surface parking lot per Section 4(A) and 4(B), shall be retained by the Tenant.

C. All payments of Rent shall be by check, or other form of payment in U.S. funds, made payable to CITY OF ALEXANDRIA, and delivered or mailed to Department of General Services-Leases, 421 King Street, Suite 220, Alexandria, Virginia 22314, or to such other party or address as Landlord may from time to time designate by written notice to Tenant.

D. If the Tenant fails to pay any installment by the fifth day of each month, the Tenant shall be liable for a penalty, equal to ten percent (10%) of said installment, plus interest, based upon the amount unpaid and a rate of ten percent (10%) per annum (compounded annually), from the due date. Any such penalty and interest shall be due at the next installment due date.

4. AGREEMENTS AND COVENANTS OF TENANT

Tenant hereby agrees and covenants as follows:

A. Tenant shall use the Premises for the continued operation of a commercial surface parking lot, and activities incidental thereto, and for no other purpose without the express prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall not use the Premises for any unlawful purpose, and Tenant shall use the Premises only in accordance with all applicable local, state, and federal ordinances, statutes, and regulations. Tenant agrees to obtain (if necessary) and maintain, at Tenant's own expense, all permits, licenses, and similar permissions required to permit Tenant to utilize the Premises as it desires.

B. Any renovations, alterations, replacements, changes, or improvements in the Premises ("Improvements") made by Tenant will be at the sole cost and expense of Tenant and will require prior written approval of Landlord; such approval to be in the sole and absolute discretion of Landlord (although Tenant shall not be required to obtain approval from Landlord for previous improvements already made to the Premises). Tenant has no authority to incur any debt or to make any charge against Landlord or to create any lien upon the Premises for any work or materials furnished to the Premises or for any other purpose. Tenant shall promptly obtain the release of any mechanic's lien or other lien or claims in connection with the making of such Improvements on the Premises (or for any reason), and failure by Tenant to remove or cause to be removed such lien or claim within thirty (30) calendar days of such lien or claim shall constitute a material default under this Lease. Tenant shall make any permitted Improvements in the Premises in a good and workmanlike manner. Upon the expiration or earlier termination of this Lease, any permanent Improvements shall become the property of Landlord without cost, or shall be removed at the option of Landlord, if a request for removal is made, in writing, at the time the Improvements are approved by Landlord. Non-permanent fixtures put in place by Tenant shall be removed at Tenant's expense.

C. (i) Tenant agrees to keep the Premises in good order and condition and to surrender the same at the expiration of this Lease in a comparable condition in which such Premises are received. Normal wear and tear, and permitted additions and removals, excepted. Tenant agrees to maintain the Premises in good, secure and substantial condition and repair, including removal of litter, leaves, weeds, snow and ice. Landlord will not, under any circumstances, be responsible for the maintenance of any Improvements.

(ii) In the event that Tenant shall fail to maintain the Premises or to make necessary repairs as required by this section, Landlord shall have the right to notify Tenant of such repairs and maintenance as in its reasonable judgment are necessary, and if Tenant shall fail to diligently and reasonably commence or prosecute to completion such repairs and maintenance, Landlord may, but shall not be obligated to, make the same, and the expense(s) incurred by Landlord will constitute Additional Rent, payable on demand by Tenant within ten (10) days of such demand.

(iii) Tenant will not cause or permit any Release of any Hazardous Materials at, on, under, or in the Premises except as incidental to the operation of a commercial surface parking lot at the Premises for short-term parking of licensed, operating vehicles. Tenant shall comply with all Environmental Laws applicable to the Premises. "Hazardous Materials" means (a) any petrochemical or petroleum products, oil or coal ash, radioactive materials, radon gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid which may contain levels of polychlorinated biphenyls; (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants" or "pollutants" or words of similar meaning and regulatory effect; or (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law. "Environmental Laws" means all federal, state and local laws, regulations, rules, ordinances, codes, common law decrees, judgments, directives, or judicial or administrative orders relating to pollution or protection of the environment, natural resources or human health and safety, including laws relating to Releases or threatened Releases of Hazardous Materials (including to air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, arrangement for disposal, Release, transport or handling of Hazardous Materials, laws relating to record keeping, notification, disclosure and reporting requirements respecting Hazardous Materials, and laws relating to the management, use, restoration, or compensation for use of or damage to natural resources. "Release" means any release, spill, emission, migration, pumping, injection, deposit, disposal or discharge of any Hazardous Materials into the environment. The City acknowledges that this property has previously been used as a commercial parking lot prior to the Effective Date of this lease and that nothing in this paragraph shall make Tenant responsible for conditions that exist at or prior to November 16, 2015.

D. Tenant shall assume the risk of damage or loss to the Premises and to the Improvements, fixtures, equipment, and all personal property located thereon. Tenant shall obtain and maintain in full force at all times during the term of this Lease general liability insurance naming Tenant and Landlord as insureds, with limits of at least One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) general aggregate limit, with an insurance company approved by Landlord, such approval not to be unreasonably withheld, and shall deliver to Landlord a copy or certificate of said policy showing the same to be in full force and effect. The certificate is subject to review and approval by Landlord's Risk Manager. In the event Tenant shall

fail to maintain such policy of insurance, then Landlord may obtain such a policy and pay the premiums thereon, and the amounts so paid will constitute Additional Rent, payable on demand by Tenant within ten (10) days of such demand.

E. Tenant shall allow Landlord or its agents, upon reasonable prior notice to Tenant (except in the event of an emergency) to have access to the Premises during normal operating hours for the purpose of inspection.

F. Tenant assumes the responsibility for any and all claims for liability, fines, claims, damages and actions, including attorneys' fees, relating to the Premises or arising out of any act of neglect of Tenant or of any of its employees, agents, customers, guests, or invitees during the Lease Term, or from any condition of the Premises or anything thereon during the Lease Term, or from any occurrence whatever, in, on, or about the Premises during the Lease Term, including all of Landlord's costs, expenses, court costs and attorneys' fees in connection with any such claim.

G. Tenant shall be permitted to set parking rates and hours of operation for public use of the Premises as a commercial surface parking lot.

5. AGREEMENTS AND COVENANTS OF LANDLORD

Landlord hereby agrees and covenants as follows:

A. To permit Tenant quiet and peaceable enjoyment of the Premises during the Lease Term or for so long as Tenant shall pay the Rent and carry out all of its other obligations under this Lease.

B. Landlord makes no warranty concerning the Premises and any equipment or facilities therein at the time of the Lease Commencement Date. Except as otherwise provided herein, the Premises are being leased to Tenant in "Where is-As is" condition.

6. SUBLETTING AND ASSIGNMENT

Tenant shall not sublet the Premises or any part thereof, or assign this Lease in whole or in part, and any sublease and/or assignment, or other transfer of Tenant's rights, made in violation of this Section 6 shall be void and of no effect. Notwithstanding the foregoing, Tenant shall have the right, with prior written notice to Landlord, to sublease or license the Premises to an entity established for the express purpose of conducting the permitted parking use at and on the Premises. Any such sublease or license shall be in a form acceptable to Landlord, and under no circumstances shall the term of such sublease or license extend beyond the Lease Term. Further, any such sublease or license shall provide that such sublease or license shall terminate immediately upon the termination of the Lease.

7. DESTRUCTION OF PREMISES

In the event of the total destruction of the Premises, or any part thereof, Tenant at its expense and without abatement of Rent will promptly, as soon as practicable after such destruction, repair and restore the Premises to the condition they were in prior to such damage or, alternatively, Tenant may terminate this Lease. The proceeds of insurance required hereinabove shall be applied first toward the expense of such repair under such terms and conditions as may be satisfactory to Landlord.

8. CONDEMNATION

If the whole or any part of the Premises shall be taken or condemned by any government or quasi-governmental authority pursuant to the power of eminent domain, Tenant and Landlord agree that Tenant shall have no claim against Landlord or the condemning authority for any portion of the amount that may be awarded as damages as a result of such taking or condemnation or for the value of any unexpired portion of the Lease Term. Tenant, however, shall be entitled to claim, prove, and receive such awards as may be allowed for fixtures and other equipment installed by it which shall not, under the terms of this Lease be or become the property of Landlord at the termination hereof, provided that such payment shall not reduce the amount to which Landlord would otherwise be entitled. This Lease shall terminate when title to any portion of the Premises is taken by the condemning authority, and Rent shall be adjusted to such date.

9. BANKRUPTCY OR INSOLVENCY

If at any time during the Lease Term a petition shall be filed either by or against Tenant (for the purposes of this Section 9, the term "Tenant" shall refer to each of the individuals constituting Tenant under this Lease) and a final court adjudication of bankruptcy is made, or with the exception of Wage Earner Plan, Chapter 11, or other reorganization plan, chapter or statute, in any court or pursuant to any statute either of the United States or of the State or District where said Premises are located, whether in bankruptcy, insolvency, or if there is an appointment of a receiver of Tenant's property, or because of any general assignment made by Tenant of Tenant's property for the benefit of Tenant's creditors, Tenant shall be deemed in default herein at the sole discretion of Landlord, and Landlord may terminate this Lease.

10. DEFAULT, LANDLORD'S REMEDIES

A. If Tenant fails to perform any term, condition, or covenant of this Lease, and such failure to perform shall continue for more than ten (10) calendar days after written notice, in the case of any monetary obligation (such as the payment of Rent), or thirty (30) calendar days after written notice of such failure (in the event of any other obligation under this Lease) shall have been received by Tenant, unless the cure of such failure requires more than thirty (30) calendar days and Tenant is diligently pursuing such cure, Landlord shall then have the right to pursue any right or remedy to which Landlord is entitled, under applicable law or this Lease, for such failure, which shall be deemed a default for all purposes hereunder.

B. Should Tenant fail to cure the aforementioned default, then, at the option of Landlord or its successors and assigns, Tenant's right of possession shall cease and Landlord, its successors or assigns, shall be entitled to the possession of the Premises and to re-enter the same without the demand of rent or demand of possession of said Premises, and may forthwith proceed to recover possession of the said Premises by process of law, any notice to quit or of intention to re-enter the same being hereby expressly waived by Tenant. And in event of such reentry by process of law, Tenant nevertheless agrees to remain answerable for all damage, and for reasonable attorneys' fees incurred by Landlord.

C. It is further provided that if under the provisions hereof a five (5) day notice or other applicable summary process shall be served and a compromise or settlement thereof shall be made, it shall not be constituted as a waiver of any covenant herein contained; and that no waiver of any breach or covenant, condition, or agreement herein contained shall operate as a waiver of the covenant, condition, or agreement itself or any subsequent breach thereof.

11. TENANT HOLDING OVER

In the event that Tenant shall not immediately surrender the Premises following the expiration or earlier termination of the Lease Term, without obtaining the Landlord's written consent thereto, Tenant shall become a Tenant from month to month at double the Monthly Base Rent in effect during the last month of the Term; as a monthly Tenant, Tenant shall be bound by all other provisions of the Term hereof. Provided however, at any time after the expiration of the Term or earlier termination of the Lease, but prior to Landlord's acceptance of rent from Tenant as a monthly Tenant hereunder, Landlord, at its option, may re-enter and take possession of the Premises without process, or by any legal process permitted under the provisions of this Lease or applicable law on account of the Tenant's occupancy of the Premises without consent of Landlord. If Tenant holds over following notice from Landlord that it desires to regain possession of the Premises, Tenant shall be liable for all consequential damages suffered by Landlord, including, but not limited to, loss of revenue.

12. MISCELLANEOUS

A. This Lease contains the entire agreement of the parties in regard to the Premises. There are no oral agreements existing between Landlord and Tenant.

B. This Lease may be executed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one instrument, enforceable pursuant to its terms.

C. This Lease shall be construed and governed by the laws of the Commonwealth of Virginia. Should any provision(s) of the Lease or its conditions be illegal or not enforceable under the laws of the Commonwealth of Virginia, as determined by a court of competent jurisdiction, it or they shall be considered severable and the Lease and its conditions shall remain in force and be binding upon the parties as though the said provisions had never been included.

D. If legal proceedings are instituted by Landlord for the collection of delinquent Rent, the enforcement of any other terms or provisions of this Lease or any other matter arising out of this Lease, court costs and reasonable attorneys' fees incurred by Landlord shall be paid by Tenant.

E. No waiver of any breach of any covenant, condition, or agreement herein contained shall operate as a waiver of the covenant, condition, or agreement itself, or for any subsequent breach thereof.

13. AMENDMENT

This Lease, including any exhibits hereto, shall not be amended, except in writing signed by the parties. Any amendment or addendum to this Lease shall expressly refer to this Lease.

14. NOTICES

All notices under the terms of this Lease must be in writing and shall be deemed properly served if such notice is hand delivered or sent by certified or registered mail, return receipt required, or sent by an established overnight commercial courier for delivery on the next business day with delivery charged prepaid, addressed to the other party at the following addresses, or such other address as either party may, from time to time, designate in writing:

LANDLORD:

City of Alexandria
Department of General Services
421 King Street, Suite 220
Alexandria, VA 22314
Attn: Director of General Services

With a copy to:

City of Alexandria
Office of City Attorney
301 King Street, Suite 1300
Alexandria, VA 22314
Attn: City Attorney

TENANT:

Sheikh Mohammad Arshad
Strand Parking Company
1045 Palmer Place
Alexandria, VA 22304

With a copy to:

The Euille Group
620 N. Fayette Street, Suite 101
Alexandria, VA 22314
Attn: William Euille

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Lease has been duly executed by the parties hereto on the day and year first hereinabove written.

LANDLORD:

THE CITY OF ALEXANDRIA, VIRGINIA, a
municipal corporation of the Commonwealth of
Virginia

By: _____
James F. Parajon
City Manager

TENANT:

SHEIKH MOHAMMAD ARSHAD
STRAND PARKING COMPANY

By: _____
Sheikh Mohammad Arshad