


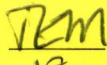



CITY OF SUFFOLK

P.O. BOX 1858, SUFFOLK, VA 23439



ROUTING COVER SHEET

To:	Date:
 Tealen Hansen, Director of Finance	<u>8/10/23</u>
 Thomas E Mueller, Deputy City Attorney	<u>8/17/23</u>
 <i>Azecz Feider for</i> Albert S. Moor, II, P.E., City Manager	<u>8/17/2023</u>

Please return to Nicole Porter, City Manager's Office, after all signatures are obtained.

Thank you.

August 9, 2023

RE: Professional Building Lease – Suffolk Public School Admin. Office

Attached please find the Second Lease Amendment for the Suffolk Public School Administration Building at 100 N. Main Street for your review.

Please sign and route accordingly.

Enclosure



SECOND LEASE AMENDMENT

THIS SECOND AMENDMENT TO THAT CERTAIN LEASE AGREEMENT (“Second Lease Amendment”), which Lease is dated March 14, 2014 (“Lease”), is made as of this 1st day of August, 2023, between **100 NORTH MAIN, L.L.C.**, a Virginia limited liability company (“Landlord”), and the **CITY OF SUFFOLK**, a Virginia municipal corporation (“Tenant”).

WITNESSETH:

WHEREAS, Landlord is the agent/owner of all those certain lots, pieces or parcels of land, together with the improvements thereon, situate at 100 North Main Street and 120-122 East Washington Street in the City of Suffolk, Virginia; and

WHEREAS, the parties entered into a Lease agreement dated March 14, 2014 (“Lease”), in which the Landlord leased the property (defined in the Lease as “Leased Premises”) to the Tenant; which was extended by Lease Amendment dated October 16, 2018; and

WHEREAS, the parties wish to amend the Lease by increasing the square footage to occupy the entirety of the properties and extend the term for an additional five (5) years.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth in the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the following amendments:

1. The Lease is hereby amended as follows:

a. 1.2 **Leased Premises.** The term “Leased Premises” shall mean approximately 27,260 square feet, which is the entirety of the properties located at 100 North Main Street and 120-122 East Washington Street.

b. 1.5 **Expiration Date.** “Expiration Date” shall mean December 31, 2028, 11:59 p.m., Eastern Standard Time.

c. 1.6 **Rent for Original 23,360 Square Foot Space (part of floors one and two and all of floors three through seven).**

Lease Year	Annual Rent	Monthly Rent
01.01.2024 – 12.31.2024	\$456,268.40	\$38,022.37
01.01.2025 – 12.31.2025	\$469,956.45	\$39,163.04
01.01.2026 – 12.31.2026	\$484,055.15	\$40,337.93
01.01.2027 – 12.31.2027	\$498,576.80	\$41,548.07
01.01.2028 – 12.31.2028	\$513,534.10	\$42,794.51

d. 1.6(a) **Rent for 3,900 Square Foot Expansion Space (remainder of floors one and two).** Landlord shall grant possession of the expansion space to Tenant immediately upon the full execution of this Second Lease Amendment.

Lease Year	Annual Rent	Monthly Rent
01.01.2024 – 12.31.2024	\$27,300.00	\$2,275.00
01.01.2025 – 12.31.2025	\$28,119.00	\$2,343.25
01.01.2026 – 12.31.2026	\$28,962.57	\$2,413.55
01.01.2027 – 12.31.2027	\$29,831.45	\$2,485.95
01.01.2028 – 12.31.2028	\$30,726.39	\$2,560.53

e. 1.6(b) **Total Rent for Entire Properties.** Tenant shall pay Landlord, without notice or demand, in lawful money of the United States, Rent as follows (“Basic Monthly Rent”):

Lease Year	Annual Rent	Monthly Rent
01.01.2024 – 12.31.2024	\$483,568.40	\$40,297.37
01.01.2025 – 12.31.2025	\$498,075.45	\$41,506.29
01.01.2026 – 12.31.2026	\$513,017.72	\$42,751.48
01.01.2027 – 12.31.2027	\$528,408.25	\$44,034.02
01.01.2028 – 12.31.2028	\$544,260.49	\$45,355.04

2. Landlord agrees to replace the carpet per the scope of work attached as Exhibit A at a cost not to exceed \$42,000.00 per the bid attached hereto as Exhibit B by January 1, 2025. Tenant, at its sole cost and expense, shall be responsible for moving all furniture prior to carpet installation.


3. Tenant shall transfer and be responsible for all utilities throughout the building immediately upon execution of this Second Lease Amendment.

4. Except as modified by this Second Lease Amendment, the remaining terms and conditions of the Lease shall remain unmodified and in full force and effect and is hereby ratified by the parties hereto. In the event of a conflict between this Second Lease Amendment and the Lease, the terms of this Second Lease Amendment shall control. Capitalized terms not defined herein shall have the meanings ascribed to them in the Lease.


5. This Second Lease Amendment may be executed in counterparts, each of which (or any combination of which) when signed by all of the parties shall be deemed an original, but all of which when taken together shall constitute one agreement.

IN WITNESS WHEREOF each corporate party hereto has caused this Second Lease Amendment to be executed in its name and behalf by its duly authorized office or agent.

LANDLORD: **100 NORTH MAIN, L.L.C., a Virginia Limited Liability Company**

By: 
Name: Michael P. Zarpas
Title: Member
Date: 08.08.2023

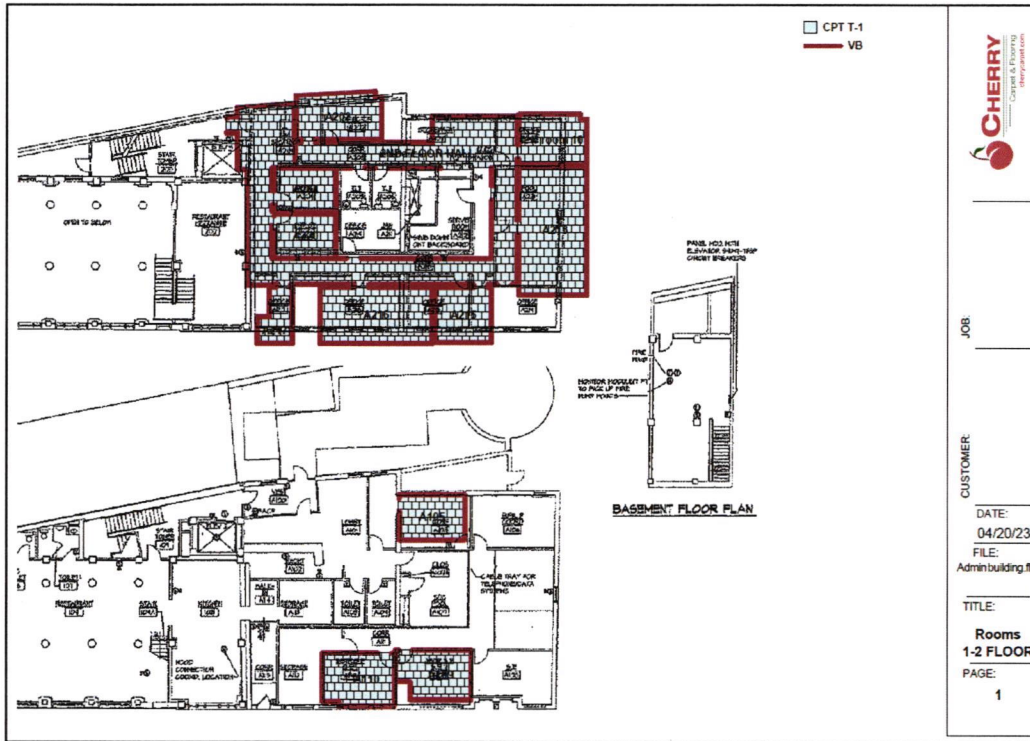
TENANT: **CITY OF SUFFOLK, a Virginia Municipal Corporation**

By: 
Name: Azeez Felder on behalf of Albert J. Moor II,
Title: City Manager
Date: 8/17/2023

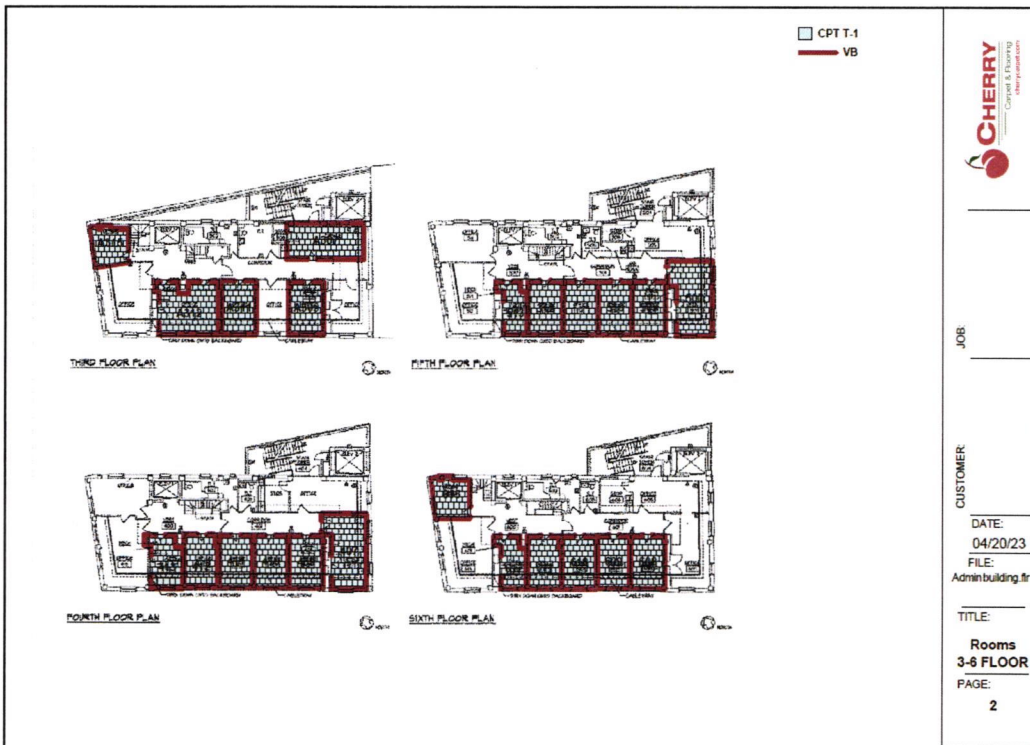
Approved as to Form:


Deputy City Attorney

EXHIBIT A



	JOB:
	CUSTOMER:
DATE:	04/20/23
FILE:	Admin building fir
TITLE:	Rooms 1-2 FLOOR
PAGE:	1



	JOB:
	CUSTOMER:
DATE:	04/20/23
FILE:	Admin building fir
TITLE:	Rooms 3-6 FLOOR
PAGE:	2

EXHIBIT A (continued)

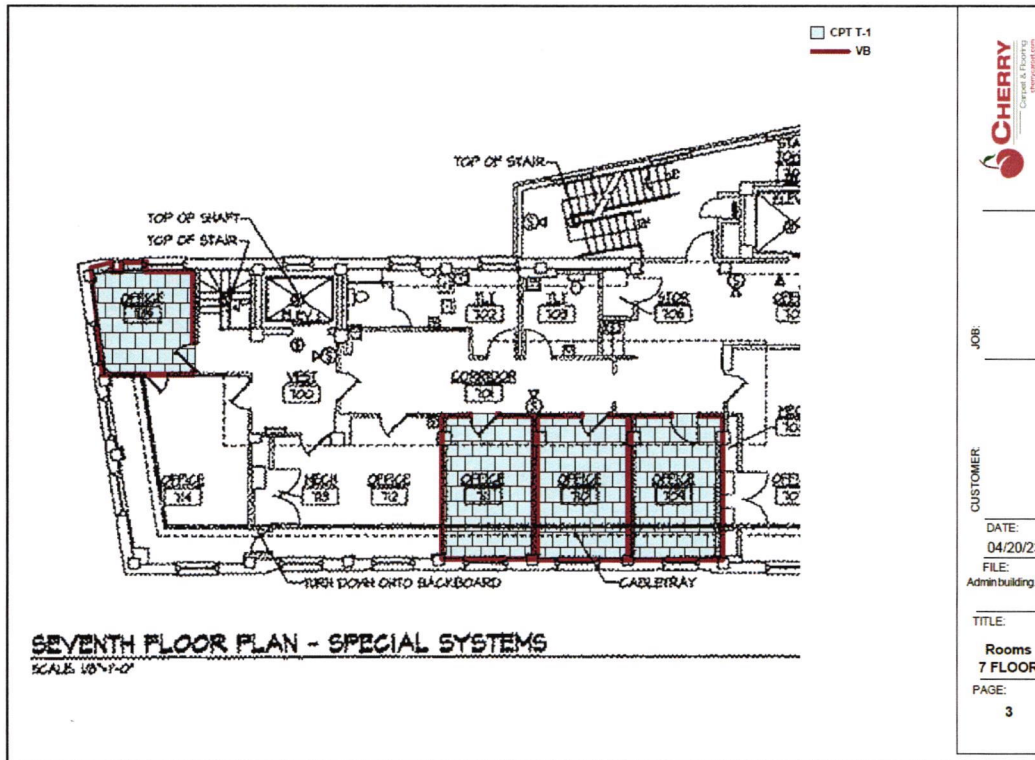


EXHIBIT B

Quote



p. 757.397.5611
 f. 757.397.6307
 2915 London Boulevard
 Portsmouth, VA 23707
 www.cherrycarpet.com

Quote #
 65231
 Customer PO
 Contract #
 Date
 4/19/2023
 Sales Person1
 Courtney Welch
 Sales Person 2

Acct # 13007
 For: Fax

Job Site:

Global Real Estate Investment, Inc.
P.O. Box 65041
Virginia Beach, VA 23467

Suffolk PS Admin Building
100 N Main Street
Suffolk, VA
Contact: Ted Zarpas 757 777-9355

Quantity	General Information / Description	Unit Cost	Total
1		\$15,989.27	\$15,989.27

EA

Thank you for allowing us to quote your renovation project at 100 N Main Street. I have priced this for after hours installation.

In this quote, I have priced the most aggressively priced carpet tile you can find. I will send over another quote for a second carpet tile option so you can see the difference in cost.

This is the cost for Interface *Specials* carpet tile. This is carpet tile that you can purchase at a steep discount. However, this carpet option comes without a warranty. This carpet is not damaged. They are second hand goods that come from over runs from previous orders or canceled material orders that have already been made.

I've included the link to their web site where you can view the available collections. We'll want to pick something with a "Glasbac" backing on it. I can order samples for you if you'd like. These materials are first come first served.
<http://specials.interface.com/>

*Adhesive and freight is included in this price.

1		\$3,749.19	\$3,749.19
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EA

This is the cost for new wall base.
 *Adhesive and freight is included in this price.

1		\$13,422.21	\$13,422.21
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EA

This is the cost to demo the existing carpet and wall base in the areas listed on the scope of work. We will then remove residual adhesives to prep the floor to receive new carpet tile materials.

1		\$8,791.88	\$8,791.88
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EA

This is the cost to install new carpet tile and wall base in all areas listed on the attached scope. This includes delivery of materials to the jobsite prior to installation.

EXCLUDES: Moving Furniture, Major Floor Prep.

EXHIBIT B (continued)

Continuation For: **Global Real Estate Investment, Inc., Quote # 65231**

Quantity	General Information / Description	Unit Cost	Total
<i>Total</i>			
Grand Total		\$41,952.55	
Date		Ck #	
Deposit			

*We are a SWAM Certified Company - # 655751 and have Virginia Class A Contractor License # 2701012897.
 *Quotes are good for 14 days unless effected by a tariff. As we cannot control tariffs as they are put in place by the government, any product subject to a tariff will increase in price at the same rate of the tariff unless able to be ordered prior to the tariff increase.
 *Standard Cherry Carpet and Flooring warranties apply.
 *All quotes exclude any repair to sub floor conditions, excessive floor preparation [standard control joints, minimal divots (4" round by 1/4 deep (+or -), light scraping or sanding (12 Grit or 20 Grit pads) over new light troweled finished concrete is included] cleaning, waxing, polishing, protection, demolition of existing material, asbestos /lead abatement, moisture reduction systems and removal of curing compounds, sealant, residues, etc. from substrate to meet installation specification of products unless otherwise stated in "Information" or notes above.
 *All furniture removal/replacement is based on Cherry Carpet Inc. "Furniture Removal/Replacement and Lift Guidelines" which is agreed to as part of this quote if included in pricing.
 *All quotes based on normal working business hours; Mon. - Fri. 8:00 am to 5:00 pm unless otherwise stated in "Information" or notes above.
 *Materials left for more than 30 days after written notification of being available for pick up or delivery per contract, will be considered abandoned material and will become property of Cherry Carpet & Flooring.
 *Terms are Paid Prior to Delivery (PPD) without credit approval, once credit is approved standard terms are Net 30 unless otherwise stated. Credit Approved by: _____ *PAST DUE ACCOUNTS WILL INCUR A MONTHLY FINANCE CHARGE AT 1 1/2%.(ANNUAL PERCENTAGE RATE 18%)

UNIFORM COMMERCIAL CODE SECURITY AGREEMENT

(1) The Buyer warrants and agrees that the property is sought for use for or in (check one):
 _____ Personal, family or household purpose and the Buyer's residence is that shown on the front of this contract unless a different residence is shown in the following space: _____
 _____ Business use and the Buyer's place of business is that shown at the beginning of this contract unless a different address is shown in the following space: _____

(2) The Buyer agrees that upon the occurrence of any of the events of default set forth in Paragraph 4, the full amount remaining unpaid hereunder shall, at the option of the Seller hereof and without notice or demand, be and become due and payable forthwith, and the Seller shall then have the rights, options, duties and remedies of a secured party under, and the buyer shall have the right and duties of a debtor under the Uniform Commercial Code of Virginia including, without limitation, the right of the Seller hereof to take possession of the property. Buyer further agrees in any such case to deliver the property to the Seller at a place to be designated by Seller.

(3) Buyer agrees that Buyer will not sell or make an attempt to sell the property until account is paid for and will not create or permit to exist any security interest upon the property other than the security interest provided for and agreed to herein.

(4) Any of the following shall constitute a default by Buyer: (a) Default in the payment in full of any installment when due; (b) Default by the Buyer in the performance or observance of any covenant or agreement required to be performed or observed by Buyer hereunder; (c) Loss, theft or damage or destruction of the property or the making of any levy, seizure or attachment thereof or thereon; (d) Death or incompetence of the Buyer; (e) The commencement of any bankruptcy or insolvency proceedings by or against the Buyer, (f) If the Seller hereof shall for reasonable cause fear the diminution, waste or removal of the property.

(5) The Buyer herein agrees to pay Cherry Carpet, Inc. or the holder hereof all cost of collection, including attorney's fees of 33 1/3% of balance referred to attorney for collection and all collection costs should payments not be made in accordance with the terms hereunder.

(6) The parties agree that in the event an order placed for goods, not in stock, are unavailable to Seller from the wholesaler or supplier from which Seller receives said goods, Seller shall be relieved from the performance of this contract, the parties agreeing that said circumstances constitute an impossibility of performance by Seller. Any payments made by Buyer shall be refunded immediately by Seller.

(7) The Buyer waives the benefit of any Homestead Exemption. Buyer has read the foregoing agreement and knows and understands the contents thereof, and has no understanding, agreement or arrangement, oral or written, regarding this transaction other than as recited in this agreement. Buyer acknowledges that he is making this purchase after and in complete reliance upon his full and entire inspection of the goods to be sold hereunder, and not by reason of any representation made by or on behalf of Seller as to the merchantability, specific attributes or fitness of said goods. **NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTY FOR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE HAVE BEEN MADE EXCEPT SUCH WARRANTIES, IF ANY, AS THE MANUFACTURER HAS AUTHORIZED THE SELLER TO MAKE ON THEIR BEHALF.**

(8) The liability of the Seller for any defect in the property sold under this agreement, which the Seller may be responsible for, shall be limited to repairing or replacing the property as the Seller shall elect. The Seller shall not be liable for special, indirect or consequential damage.

(9) THIS CONTRACT INCLUDES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO ORAL UNDERSTANDING OR MODIFICATION IN VARIANCE OF THIS CONTRACT IS ENFORCEABLE UNLESS IT HAS BEEN REDUCED TO WRITING.