

INTRODUCED: July 6, 2026

AN ORDINANCE No. 2026-170

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, ECG Rady, LP, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 2811 Rady Street, and to repeal Ord. No. 2025-008, adopted Jan. 27, 2025.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUL 27 2026 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, ECG Rady, LP, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable residential development located at 2811 Rady Street. The Grant Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. That Ordinance No. 2025-008, adopted January 27, 2025, be and is hereby repealed.

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

§ 3. This ordinance shall be in force and effect upon adoption.

CITY OF RICHMOND

O&R REQUEST

DATE: April 1, 2026 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald, Chief Administrative Officer

THROUGH: Tanikia Jackson, DCAO – Finance & Administration

THROUGH: Letitia Shelton, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Sharon Ebert, DCAO – Planning & Economic Development Portfolio

THROUGH: Angie Rodgers, Director of Economic Development

FROM: Merrick Malone, Director of Housing and Community Development

RE: Approval of a Performance Grant for an Affordable Housing Development Project

ORD. OR RES. No. _____

PURPOSE: To authorize the Chief Administrative Officer (“CAO”) to execute for and on behalf of the City of Richmond (“City”), the Grant Agreements attached hereto by and between the City, the Economic Development Authority (“EDA”), and ECG Rady, LP to undertake the project for the purpose of facilitating the construction of an affordable housing development.

The development is located in the 6th District and will be comprised of no less than 288 affordable housing units with 288 units at an average of 60% AMI of the Richmond, VA Metro Fair Market Area, as defined by the US Department of Housing and Urban Development. The developer for the project is Elmington Capital Group, LLC.

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch. 49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities “to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth.”

These Grant Agreements will induce the Recipients to construct and operate development projects (the “Project”) that will result in significant investment and economic development on the sites located at the identified addresses in Attachment A and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to incremental real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients’ completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. See Attachment A.

COMMUNITY ENGAGEMENT: Land Use Administration staff notified area residents and property owners of the SUP application and did not receive any letters of support, nor opposition, from nearby residents as of February 18, 2025.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: This legislation helps to advance the MAP Pillar Two: Thriving Neighborhoods Goal (A) by creating new housing units and Goal (B) KPI 2-B-2: by creating new affordable housing. The development also complies with the Equitable Affordable Housing Plan. The SUP for this development was approved on February 24, 2025.

FISCAL IMPACT: The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and thus undervalues the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

CITY OF RICHMOND

The real estate tax revenue today, based on 2026 assessed value, would be \$9,180.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be \$882,131.04. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, would be \$872,951.04. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: July 6, 2026

CITY COUNCIL PUBLIC HEARING DATE: July 27, 2028

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2025-008, Ord. No. 2025-024

ATTACHMENTS: ECG Rady, LP - Grant Agreement

STAFF: Rachel Hightman, Policy and Special Projects Manager
Merrick Malone, Director of Housing and Community Development

GRANT AGREEMENT

This **GRANT AGREEMENT** (the “Agreement”) is made and entered this ____ day of _____, _____ (the “Effective Date”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation and political subdivision of the Commonwealth of Virginia (the “City”), ECG Rady, LP, a Virginia limited partnership, or its assigns or successors (the “Recipient”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the “Authority”).

RECITALS

- A. The Recipient plans to develop and operate the Project on the Site (each as defined below).
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the “Grant”) by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient’s completion of Project construction and continued maintenance, operation and improvement of the Project, as provided herein, and the funds comprising payments of the Grant will be equivalent to a portion of the real estate tax revenues for the Project, all as more particularly set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws. The Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia, and other laws to perform the activities contemplated in this Agreement, including, without limitation, to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations, the Authority’s obligations, and the incentives offered by the City through the Authority.
- G. In support of the foregoing, the City Council of the City of Richmond (the “City Council”) approved this Agreement pursuant to Ordinance No. _____ adopted on _____, and the Authority’s Board of Directors approved this Agreement by resolution adopted on _____.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

Section 1. Preliminary Provisions

1.1 Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

1.2 Definitions. For the purposes of this Agreement, the following terms shall have the following definitions:

“AMI” means area median gross income for the Richmond, VA Metro Fair Market Area, as defined by the US Department of Housing and Urban Development, for each applicable year of the Grant Period.

“Base Real Estate Tax Revenue” means \$9,180.00 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

“Capital Improvements” means permanent upgrades or structural changes to the Project which add value, extend the useful life or adapt to new uses, including but not limited to systems and structures expenses which include the replacement or repair of heating, ventilation and air conditioning, electrical, roofing, plumbing, windows, doors, elevators, and appliances. Specific improvements not listed may be approved at the reasonable discretion of the City upon written request of the Recipient.

“Grant” means the grant funds to be paid to the Recipient, or its assigns, affiliates or successors, by the Authority pursuant to this Agreement.

“Grant Payment” means, for each real estate tax year during the Grant Period, an amount equal to one hundred percent (100%) of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual Total Real Estate Tax Levy is and may in the future be billed, paid, either or both, in installments (currently twice a year); therefore, as used herein “Grant Payment” shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

“Grant Payment Request” means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (subject to the cure rights in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof as defined by the Incremental Real Estate Tax Revenue.

“Grant Period” means that certain period commencing upon January 1st of the first real estate tax year following Recipient’s completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy (“Grant Commencement Date”) and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date (“Grant Expiration Date”), subject to the provisions of Section 2.6 below. The parties acknowledge that the “Real Estate Tax Levy” for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy, and such obligations shall survive the expiration of the Grant Period.

“Incremental Real Estate Tax Revenue” means, for each applicable real estate tax year during the Grant Period, the amount by which the Total Real Estate Tax Levy exceeds the Base Real Estate Tax Revenue. In no event shall the Incremental Real Estate Tax Revenue (or the corresponding Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment.

“Project” means a development on the Site containing not less than 288 affordable residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

“Site” means, collectively, approximately 22.865 acres currently owned by 2811 Rady, LLC, a Virginia limited liability company, to be purchased by Recipient, as evidenced by that certain Purchase and Sale Agreement with an effective date of February 19, 2024 (Exhibit B), as assigned to Recipient by that certain Assignment and Assumption of Purchase and Sale Agreement dated June 26, 2025 (Exhibit C), located at 2811 Rady Street and currently referred to in the records of the City Assessor as Parcel No(s). N0000720017; provided, however, and notwithstanding anything to the contrary contained herein, the Authority and the City acknowledge and agree that the CAO and the Chairman of the Authority shall have the ability to add or subtract real property from the foregoing as appropriate for the Project in their reasonable discretion, and any such addition or subtraction may be memorialized in an amendment to this Agreement processed administratively by such party.

“Site Plan” means a proposal for a development of real property that is intended to assure compliance of the proposed development with the requirements of Chapters 25 and 30 of City Code, and with other duly adopted statutes, ordinances, regulations, and policies that may apply to the development as shown in the proposal, by description of the use, location, and bulk of buildings; density of development; common open space; any public facilities; any covenants, grants, easements, and other conditions required by law; and such other information as required by Chapter 30, Division 4 of City Code.

“State Housing Finance Agency” means Virginia Housing (formerly known as Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

“Total Real Estate Tax Levy” means the amount of real estate taxes levied by the City on the Site (including both the fee interest (or leasehold interest, if applicable)) and once constructed, the Project improvements (i.e., including land or leasehold, as applicable, and all improvements), for any given real estate tax year during the Grant Period, as applicable, pursuant to Chapter 26 of the Code of the City of Richmond (2020), as amended (“City Code”).

Section 2. Recipient’s Obligations

2.1 Grant Management Fee. The Recipient shall pay one percent (1%) of the Grant Payment to the Authority annually for the duration of the Grant Period. The Authority will invoice the Recipient for such amount on or before October 1 of each year during the Grant Period, and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction: Timeline.

2.2.1 Site Plan. Recipient shall submit a Site Plan or similar submission for the Project to the City’s Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Site Plan or similar submission shall comply with the relevant provisions of the City Code and shall contain all elements of the Project as defined herein.

2.2.2 Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months after the Effective Date (the date of such commencement, the “Construction Commencement Date”). Prior to the Construction Commencement Date, the Recipient shall have secured the issuance of all permits necessary for the commencement of construction of the Project.

2.2.3 Completion of Project Construction. The Recipient shall complete the Project within three (3) years of the Construction Commencement Date, which construction completion shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.

2.2.4 Failure to Comply. If the Recipient fails to timely comply with any of the provisions of this Section 2.2, then the City’s Chief Administrative Officer or their designee (“CAO”), in their sole discretion, may either: (a) extend the time by which the Recipient must comply with the corresponding requirement or (b) provide written notice of the City’s termination of this Agreement. If the CAO elects the foregoing subsection (b), and the Recipient fails to cure its failure to comply within sixty (60) days after the date of such written termination notice, then this Agreement shall terminate automatically upon the expiration of such thirty (30) day period, and none of the parties hereto shall have any further rights or obligations under this Agreement, except those expressly stated to survive. For the avoidance of doubt, upon such termination, the Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

2.3.1 Continued Ownership of the Project by Recipient. Throughout the Grant Period, the Recipient shall continue to own, lease, or otherwise control, as applicable, the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement, and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the Recipient may transfer the ownership of the Site and the Project to a third party (“Transferee”), by assigning this Agreement, including the rights and obligations herein to such Transferee at the time it transfers ownership of the Site and the Project, provided that such Transferee assumes the rights and obligations of the Recipient under this Agreement from and after the date of such conveyance pursuant to documentation reasonably acceptable to the City and the Authority as to form and substance. In the event that the Recipient desires to so assign this Agreement, the Recipient shall provide the City and Authority at least thirty (30) days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be

assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term "Recipient" as used herein shall mean the Transferee.

2.3.2 Continued Maintenance and Operation of the Project. Following the Recipient's completion of Project construction as set forth in Section 2.2.3 of this Agreement, the Recipient shall continue to maintain and operate the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient's obligation to maintain and operate the Project includes the Recipient's ongoing compliance with the provisions set forth in Section 2.5 and Section 2.6 of this Agreement.

2.4 MBE Participation.

2.4.1 Goal. The Recipient agrees to make good faith efforts to work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, thirty percent (30%) of all expenditures for construction costs of the Project that will be paid to third-party contractors or subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the construction of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all contractors and subcontractors who will be constructing any portion of the Project.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient and its contractors and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report commencing on or before the first (1st) of each calendar month after the Effective Date and continuing thereafter on a quarterly basis through completion of construction of the Project detailing all Project construction expenditures by the Recipient, its contractors, and subcontractors, showing, at a minimum: (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with such business and (v) the percentage of total monthly expenditures spent with such business. The Recipient shall submit these reports on forms prescribed by the City from time to time in its reasonable discretion; provided, however, that it shall be deemed unreasonable for Recipient to be required to provide evidence of a minority preference that Recipient deems to be prohibited by governing law. The City may use these reports in evaluating the good faith efforts with minority business enterprise and emerging small business participation efforts, as such terms are defined in Section 21-4 of the City Code, of the Recipient and its contractors and subcontractors for purpose of compliance with this Section 2.4.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency. Annual compliance monitoring and approvals by the State Housing Finance Agency, shall serve as evidence of the Recipient's compliance or non-compliance with this Section 2.5. Alternatively, if compliance monitoring by the State Housing Finance Agency is not available, the City may conduct ongoing compliance monitoring pursuant to a "Rent and Occupancy Report" in form supplied by the City, in its reasonable discretion, from time to time, to be submitted by the Recipient annually; and such submission shall serve as evidence of the Recipient's compliance or non-compliance with this Section 2.5. For the avoidance of doubt, any compliance monitoring conducted by the City shall be according to the same standards promulgated by the State Housing Finance Agency.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment in the Project to the benefit of its tenants, notwithstanding anything to the contrary contained in this Agreement, the obligation to pay any and all Grant Payments after those attributable to the initial fifteen (15) years of the Grant Period shall be contingent upon timely receipt of written evidence reasonably satisfactory to the City and the Authority that the Recipient has made Capital Improvements to the Project in an aggregate amount of no less than Two Million Eight Hundred Eighty Thousand (\$2,880,000) since the Grant Commencement Date. On the fifth (5th) anniversary of the Grant Commencement Date and on each fifth (5th) anniversary of the Grant Commencement Date thereafter throughout the Grant Period, the Recipient shall submit a written report of Capital Improvements made to the Project since the Grant Commencement Date.

Section 3. Disbursement of Grant.

3.1. Grant. During the Grant Period, the City shall pay to Recipient, through the Authority, the Grant Payment for each real estate tax year, subject to the provisions of this Section 3.

3.2. Grant Payment Requests. Annually throughout the Grant Period the Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.

3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not cause the Authority to make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment; provided, however, that if the Recipient (i) makes full payment within sixty (60) days after the date such payment was due to the City and (ii) pays any and all penalties and interest for such late payment in accordance with any applicable provisions of the City Code), then the City shall cause the Authority to make the applicable Grant Payment; and further provided, however, and notwithstanding the foregoing, that in no event shall the City cause the Authority to make any Grant Payment if the Recipient is then delinquent in payment of any other taxes levied by the City for the Project. Within

thirty (30) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City conditionally denies the request and will not make a Grant Payment for the failure to meet ongoing compliance with the provisions set forth in Section 2.5 and Exhibit A of this Agreement, if Recipient fails to cure its failure to comply within sixty (60) days of such written notice, the City denies the request and will not make a Grant Payment, (3) the City approves the request and intends to make a Grant Payment in the amount requested, or (4) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within thirty (30) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within thirty (30) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient, within thirty (30) business days of receipt of the funds from the City.

3.4 Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement without justification, the Recipient may seek relief in accordance with Section 9.2 of this Agreement; provided, however, and notwithstanding anything to the contrary contained in this Agreement, that the Recipient's sole remedy for any such unjustified failure shall be to receive late payment for any Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing Grant Payment funding on a timely basis; provided, however, the City's obligation to provide such Grant Payment funding is subject to appropriation by the City Council and availability of funds.

4.3 Upon written request, the Authority agrees to provide the CAO with copies of all documents related to this Agreement and will keep the CAO fully and timely informed of all matters related to this Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant Payments shall be deposited by the Authority within a "Project Fund", to be used by the Authority only to satisfy the obligations contained in this Agreement related to the Grant.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant in accordance with the terms and conditions of this Agreement. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney for the City and CAO.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City's Auditor or their designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City's Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.

4.7 The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety as to this Agreement.

Section 5. Representations of the Recipient

5.1 The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

5.2 Any and all actions and approvals necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.

5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.

5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

6.1 Events of Default. Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:

6.1.1 Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient or taking of another debtor protection measure, the appointment of a receiver for the Project or the Recipient's acknowledgement in writing of an inability to pay its debts.

6.1.2 The failure of Recipient to comply with Section 2 of this Agreement; and

6.1.3 The failure of Recipient to pay annual Real Estate Tax Levy.

6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City’s option, terminate ninety (90) days after the City’s notice to Recipient and Recipient’s lender(s) (to the extent Recipient has provided written notice of the same and contact information), unless Recipient cures the Event of Default to the City’s satisfaction within such ninety (90) days; upon such termination, neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any unpaid Grant Payments hereunder. Notwithstanding the foregoing, Recipient’s obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient’s expense, detailed updates and verification reasonably satisfactory to the City and the Authority of the Recipient’s progress regarding the completion of Project construction in compliance with the provisions set forth in Section 2.2 and Section 2.4 and, following Project construction, of Recipient’s continued compliance with Section 2.3, Section 2.5, and Section 2.6 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

ECG Rady, LP
1030 16th Ave S, Suite 500
Nashville, TN 37212
Attention: C. Hunter Nelson

with a copy to:

Williams Mullen
200 South 10th Street, Suite 1600
Richmond, Virginia 23219
Attention: T. Preston Lloyd, Jr., Esq.

if to the City, to

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, 14th Floor
Richmond, VA 23219

with a copy to:

Department of Economic Development
City of Richmond, Virginia
1500 East Main Street
Richmond, VA 23219

if to the Authority, to

Economic Development Authority
of Richmond VA
1500 East Main Street

with a copy to:

City Attorney’s Office
City of Richmond, Virginia
900 East Broad Street Suite 400

Section 9. General Terms and Conditions.

91 Entire Agreement; Amendments; Assignments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective assigns, affiliates, or successors (as permitted pursuant to the terms and conditions of this Agreement), including, without limitation, a lender or its designee upon a foreclosure or deed-in-lieu of foreclosure of the Site, the Project, either or both; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other parties, which consent no party shall be obligated to give. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign this Agreement and transfer and convey its interests in the Site and Project to any prospective purchaser provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and transfer and conveyance and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, conditioned or delayed, in which event the assignor shall be released from all obligations and liabilities under this Agreement arising or accruing from and after the date of such assignment, conveyance and transfer if and only if such prospective purchaser assumes the terms and conditions of this Agreement arising from and after the date of such assignment, conveyance and transfer; and (b) Recipient shall have the right to grant to a lender security interest in, and assignment of, Recipient's rights hereunder as collateral for a loan to be provided by such lender for the development, operation, or refinancing of the Project, and any action taken by such lender to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, conditioned or delayed. Neither the City's nor Authority's consent shall be required to the exercise by lender or any assignee of lender of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that lender shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise. For the avoidance of doubt, no transfer by foreclosure or deed-in-lieu of foreclosure pursuant to a lender and no transfer of interests in Recipient or the exercise by any Recipient investor(s) of rights to remove the general partner or managing member of Recipient shall require the approval of the City or Authority; provided, however, that the City and the Authority shall be promptly notified of any such action.

92 Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. All disputes, claims, and causes of action arising out of or in connection with this Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Agreement.

93 Counterparts; Signatures. This Agreement may be executed in one or more

counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. Signatures to this Agreement transmitted by electronic means, such as .pdf, and electronic signatures to this Agreement, such as DocuSign, shall be treated as originals in all respects.

94 Severability. If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

95 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board of Directors approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

96 Public Disclosure.

96.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-91.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-3715, and thus are subject to the records retention and public disclosure requirements set forth in those statutes and otherwise as required by law.

96.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

97 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default unless such waiver shall be in writing signed the City, the Authority, either or both, as applicable.

98 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties, following approval by the City Council and by the Authority's Board of Directors.

99 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any

circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE(S) TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement effective as of the date first written above.

CITY:

CITY OF RICHMOND, VIRGINIA,
a municipal corporation and political subdivision of
the Commonwealth of Virginia

By: _____

Name: Odie Donald

Title: Chief Administrative Officer

Date: _____

Authorized by Ordinance No. _____

Approved as to Form:

By:  _____
City Attorney's Office

RECIPIENT:

ECG Rady, LP, a Virginia limited partnership

By: _____

Name: C. Hunter Nelson

Title: Managing Member

Date: _____

AUTHORITY:

**ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF RICHMOND, VIRGINIA,**
a political subdivision of the Commonwealth of Virginia

Title: Chairperson

By: _____

Name: _____

Date: _____

Approved as to Form:

By: _____
Name: _____
General Counsel to the Authority

EXHIBIT A

AFFORDABLE HOUSING SCHEDULE

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI for not less than two hundred eighty-eight (288) of the applicable units, according to standards promulgated by the State Housing Finance Agency, Virginia Housing Development Authority, for a minimum of thirty (30) years.

Exhibit B

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made and entered into as of the Effective Date (as hereinafter defined), by and between **2811 RADY, LLC**, a Virginia limited liability company ("Seller") and **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company ("Purchaser").

WHEREAS, Seller is the owner of approximately 22.87 acres of unimproved real property located at 2811 Rady Street, Richmond VA 23222 and bearing City of Richmond, Virginia (the "City") Parcel ID No. **N0000720017** (the "Property").

WHEREAS, Seller desires to sell, and Purchaser desires to purchase, the Property upon the terms, covenants and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and provisions herein contained, the payment of the Earnest Money hereinafter specified, and other good and valuable consideration, the parties hereto agree as follows:

1. **Sale of Property.** Seller hereby agrees to sell and convey, and Purchaser agrees to purchase, all of Seller's right, title and interest to the Property together with all improvements therein and thereon and all tenements, hereditaments, easements, appurtenances, rights, privileges and immunities belonging or related thereto.
2. **Purchase Price.** [Intentionally Omitted]
3. **Earnest Money.**
 - (a) **[Intentionally Omitted]**
 - (b) **[Intentionally Omitted]**

4. **Closing.** The closing of the purchase and the delivery of the title to and possession of the Property to Purchaser (the "Closing") shall occur in escrow through Escrow Agent on or before the earlier of (i) sixty (60) days following the expiration of the Inspection Period or (ii) sixty (60) days following the SUP Approval as defined in Section 5(d) (the "Closing Date"); provided that Purchaser may extend the Closing Date for two (2) successive periods of forty-five (45) days (each, a "Closing Extension") by delivering to Seller written notice of its exercise of such extension prior to the then-scheduled Closing Date, and delivering to Escrow Agent [Intentionally Omitted]

5. **Inspection Period.**

(a) **Inspection Period.** Purchaser shall have until the earlier of (i) one hundred fifty (150) days after the Effective Date or (ii) thirty (30) days after the SUP Approval (as hereinafter defined) to conduct a due diligence investigation (the "Inspection Period"). Within ten (10) days following the Effective Date, Seller shall provide to Purchaser copies of all contracts, leases (if applicable), tax statements, engineering reports and studies, environmental reports, surveys, zoning approvals, utility letters, and all other plans, reports or studies of any nature whatsoever regarding the Property which are in Seller's possession or control of Seller. Seller makes no representations or warranties as to the truthfulness or accuracy of the due diligence materials. If Purchaser desires to rely on any of the due diligence materials, Purchaser shall be responsible for obtaining from the person or company that prepared such due diligence materials confirmation of Purchaser's right to rely thereon. Notwithstanding anything in this Agreement to the contrary, if Purchaser determines, for any reason or no reason, in Purchaser's sole discretion, that the Property is not acceptable to Purchaser, Purchaser may terminate this Agreement upon written notice to Seller at any time prior to the expiration of the Inspection Period, in which event the Initial Earnest Money shall be promptly refunded to Purchaser, subject to the provisions of Section 3, above. As additional consideration for the right to terminate granted herein, Purchaser agrees that, in the event Purchaser so terminates this Agreement, Purchaser shall

promptly deliver to Seller, without representation or warranty of any kind, copies of all third-party created and non-proprietary studies, reports, surveys and due diligence materials obtained by Purchaser in connection with its examination and inspection of the Property (but not to include any internally generated reports, proformas, projections, construction plans or drawings, or other proprietary materials).

(b) Access. During the period between the Effective Date and the Closing Date, Purchaser and its agents shall have the right to conduct investigations and studies upon the Property and to enter upon the Property upon reasonable notice and subject to the rights of tenants thereon (if applicable) for such purposes ("Purchaser Studies"); provided, however that if Purchaser desires to perform invasive testing of the Property, it shall first obtain the prior written approval of Seller, which approval shall not be unreasonably withheld. Purchaser agrees that all inspections and investigations of the Property by Purchaser shall be performed in compliance with all applicable laws. Purchaser, its contractors, subcontractors, consultants and agents may enter the Property to conduct the studies and shall do so at its own risk and shall be responsible for the acts and omission of and injuries to its agents, employees, representatives and consultants. Prior to gaining access to the Property, Purchaser, for itself and for its agents, employees, representatives contractors, and consultants, shall provide Seller satisfactory evidence of general liability and "all risk" insurance from an insurance carrier reasonably acceptable to Seller, with at least \$2,000,000 single limit "per occurrence" coverage. Purchaser shall keep the Property free and clear of any liens. If any of Purchaser's Studies disturb the Property and Closing does not occur hereunder, for any reason, Purchaser shall restore the Property to the same condition as existed prior to any such studies. Purchaser shall indemnify and hold harmless Seller from and against all loss and expense paid or incurred by Seller if, and to the extent, the same result from or arise out of or in connection with Purchaser's Studies, or any actions incident thereto, including any liens or other encumbrances filed against the Property in connection with any work performed as part of Purchaser's Studies. Notwithstanding any contrary provisions contained in this Agreement, in no event shall Purchaser be liable for any diminution in value of the Property resulting from its discovery of any existing condition affecting the Property.

(c) Entitlements. Seller shall cooperate, at no out-of-pocket cost to Seller, with all reasonable requests of Purchaser in connection with Purchaser's pursuit of all zoning and land use approvals and other entitlements from applicable governmental authorities in connection with Purchaser's proposed development on the Property, including without limitation the execution and recording of plats of subdivision.

(d) Special Use Permit. Seller hereby acknowledges that Purchaser intends to use the Property as a multifamily apartment complex (the "Intended Use"), which will require Purchaser to obtain the unconditional approval of certain permits for the development of the Intended Use, including, zoning approvals, site plan approvals, construction plan approvals, site grading and land disturbance permits, building permits, wetlands permits, curb cut approvals, and other Federal, State, and City approvals and permits that Purchaser deems, in its discretion, necessary or desirable for the development of the Intended Use (collectively, the "Special Use Permit"). Purchaser, at its sole expense,

shall diligently and in good faith apply for the Special Use Permit. Seller shall cooperate with Purchaser's efforts to obtain the Special Use Permit. Within five (5) business days after Seller receives written request from Purchaser, Seller shall execute any and all plans, plats, applications, and all similar documents reasonably required by the appropriate governmental authority for the Special Use Permit. Notwithstanding the foregoing, Seller shall have no obligation to sign or deliver to Purchaser any such applications, permits, or related documents the effect of which would be to impair, harm or denigrate the value of the Property, or obligate Seller to perform certain work or pay additional costs or expenses for the ownership of the Property. Seller shall not be required to pay for any costs in connection with such documents. Purchaser shall pay all increases in real estate taxes assessed against the Property due to this Special Use Permit if any. Notwithstanding anything to the contrary in this Agreement, Purchaser's obligation to close the transaction contemplated herein shall be conditioned on Purchaser first obtaining Special Use Permit approval from the appropriate governmental authorities for the Intended Use prior to the expiration of the Inspection Period (the "SUP Approval"). For the purposes of this Agreement, SUP Approval shall be satisfied if such approval is granted without condition, or if such approvals are subject to any condition, Purchaser determines in Purchaser's sole discretion that such conditions are acceptable.

6. Expenses.

(a) Prorations at Closing. Seller and Purchaser are not aware of any items of income or expense related to the Property, other than property taxes. If and to the extent that there exist any items of income or expense related to the Property, Purchaser and Seller agree that all items of income and expense related to the Property shall be apportioned and prorated by Escrow Agent as between the Seller and the Purchaser to the date of Closing and assumed by Purchaser.

(b) Closing Costs.

(i) Seller shall pay the following costs and expenses in connection with the Closing: Seller's costs of preparing the Deed and the grantor's tax thereon, Seller's attorney's fees, and all recording costs and transfer taxes charged by the office recording any releases to be recorded for any mortgages, deeds of trust, or other liens recorded against the Property;

(ii) Purchaser shall pay the following costs and expenses in connection with the Closing: title search and examination fees; Purchaser's costs associated with its due diligence of the Property, including Purchaser's Studies, the cost of the Survey; all recording costs, transfer taxes, and indebtedness taxes charged by the City's Clerk's Office recording the Deed, any deed of trust, and any other documents to be recorded relating to the transfer of the property or Purchaser's financing, if any; the premium costs payable for the owner's policy of title insurance in an amount equal to the Purchase Price from the Title Company; and Purchaser's costs of document preparation and attorney's fees.

(c) Real Estate Taxes. Real estate taxes for the year of Closing shall be

apportioned and prorated by Escrow Agent as between the Seller and the Purchaser to the date of Closing and payment thereof assumed by Purchaser. If the amount of the said property taxes is not yet known, they shall be apportioned based upon the assessment and rate for the previous year. The prorations of real estate taxes at Closing shall be final and not subject to readjustment after Closing.

7. **Title to be Conveyed.**

(a) Title to the Property shall be conveyed by special warranty deed conveying good and marketable title, free of all interests, liens, and encumbrances, except (i) current real estate taxes which are a lien but not yet payable; and (ii) any Permitted Exceptions (as defined below).

(b) Title to the Property shall be good and marketable and shall be insurable at regular rates by the Title Company, free and clear of any and all monetary liens and encumbrances except for (i) those matters approved or deemed approved by Purchaser pursuant to subsection 7.c. below, and (ii) the lien of real estate taxes subsequent to the time of the Closing not yet due and payable.

(c) Purchaser shall have until sixty (60) days following the Effective Date to report to Seller in writing any survey or title defects regarding the Property that are disclosed by Purchaser's examinations which, in Purchaser's sole discretion, are not acceptable to Purchaser. Seller shall have the right, but not the duty, to cure any such survey or title objections reported by Purchaser. Within seven (7) days after receipt of notice of any survey or title objections (the "Purchaser's Notice"), Seller shall notify Purchaser whether Seller will cure such objections. If Seller notifies Purchaser that Seller is unable or unwilling to cure such objections to Purchaser's satisfaction prior to Closing or fails to respond to Purchaser's Notice within seven (7) days, then, notwithstanding anything herein to the contrary, Purchaser shall, at its option, by notice given no later than seven (7) days after Seller notifies Purchaser that it will not cure Purchaser's objections, or if Seller fails to respond to Purchaser's Notice within seven (7) days after the deadline for such response, either (a) terminate this Agreement, in which event Escrow Agent shall promptly return the Initial Earnest Money to Purchaser, and thereafter Seller and Purchaser shall have no further rights, obligations, or liabilities to each other under this Agreement, except as otherwise expressly set forth in this Agreement; or (b) waive such defects and proceed to Closing, with no reduction in the Purchase Price; provided, however, that all mortgages, deeds of trusts, and other monetary liens must be paid by Seller at Closing, and the parties hereby authorize application of the Purchase Price proceeds to effect the same. Any matters of title or survey not timely objected to by Purchaser shall be deemed waived.

8. **Representations, Warranties and Covenants.** Seller hereby represents, warrants and covenants to Purchaser as follows, which shall be true as of the date of this Agreement and as of the Closing Date and shall survive Closing for a period of six (6) months:

(a) Authority of Seller. Seller has the right and authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions hereof

(b) Environmental Matters. Seller has received no written notice from any governmental body or agency of any violation or alleged violation of any applicable law with respect to any hazardous materials on, under or adjacent to the Property.

(c) Management Agreements, Leases, and Service Contracts. There are no existing leases, real estate management agreements, maintenance agreements, security contracts, service contracts, or other agreements affecting the Property that will affect the Property or be binding on Purchaser after the Closing that cannot be terminated without premium or penalty on thirty (30) days' notice. No parties are in possession of the Property or have the right to possession thereof under any verbal or written agreement.

(d) Condemnation. There are no condemnation or eminent domain proceedings pending against the Property, and Seller has received no written notice and has no knowledge of any such proposed condemnation or eminent domain proceeding.

(e) Litigation. There is no litigation pending against or involving the Property or Seller, and Seller has received no written notice of any threat of such litigation.

(f) No Known Violations. Seller has received no notices of a violation relating to the Property of any law, rule, regulation, ordinance or other requirement from any governmental or regulatory authority. Seller has no knowledge of any uncured violations of federal, state or municipal laws, ordinances, orders, regulations or requirements affecting any portion of the Property. Seller shall give to Purchaser prompt notice of the institution of any such matter or proceeding prior to Closing, including, without limitation, any environmental or land use law, rule, ordinance or regulation applicable to the Property.

(g) Operation of the Property. Between the Effective Date and the Closing, Seller shall not, without the prior written consent of Purchaser, (i) enter into any leases or tenancies with respect to the Property, (ii) enter into any service or maintenance agreements that are not terminable without premium or penalty upon thirty (30) days written notice, (iii) modify or release any warranties or guaranties with respect to the Property, or (iv) grant any encumbrances on the Property or contract for any construction or service for the Property which may impose any mechanics or materialmen's liens on the Property.

Except for the foregoing representations and as otherwise provided herein, Seller makes no representations or warranties with respect to the Property and Purchaser acknowledges and agrees that the Property is being sold "**AS IS, WHERE IS,**" and that Purchaser is relying on its own inspections, consultants and inquiries with respect to the Property and all related matters.

The Purchaser represents and warrants as of the Effective Date and shall be deemed to represent and warrant as of Closing that (i) there is no agreement to which Purchaser is a party or, to Purchaser's knowledge, is binding on Purchaser, which adversely affects Purchaser's ability to perform its obligations under this Agreement; and (ii) that Purchaser is (a) (i) not currently identified on the Specially Designated Nationals and Blocked

Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Purchaser constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person, and (c) no Embargoed Person has any interest of any nature whatsoever in Seller (whether directly or indirectly). Purchaser's representations and warranties herein shall survive Closing for a period of six (6) months.

9. **Delivery of Documents by Seller.** At or before the Closing, Seller shall, at Seller's expense, execute, acknowledge and deliver to Purchaser, or its designated nominee or assigns, the following:

(a) A special warranty deed (the "Deed") in recordable form conveying title in accordance with the terms of Section 7, subject only to the Permitted Exceptions.

(b) An assignment of all warranties, permits, licenses and intangible personal property, if any;

(c) a certificate given under penalty of perjury and on a form approved under temporary regulations promulgated under Section 1445 of the Internal Revenue Code of 1986, as amended, that Seller is not a foreign person;

(d) possession of the Property free of the rights and claims of others;

(e) such other documents and papers that may be reasonably necessary to the consummation of the transaction described in this Agreement or may be reasonably requested by Purchaser or Purchaser's counsel; and

(t) An owner's affidavit regarding liens and leases in form reasonably satisfactory to the Title Company sufficient to permit the Title Company to issue its standard ALTA owner's coverage policy of title insurance without exception for (i) unpaid laborers' and materialmen's liens resulting from expenses; (ii) parties in possession; (iii) unrecorded easements; and (iv) any matters arising during the "gap" between the date of the Title Commitment and Closing.

10. **Delivery of Documents by Purchaser.** At or before the Closing, Purchaser shall, at Purchaser's expense, execute, acknowledge and deliver to Seller, the following:

(a) Any documents reasonably requested by the Title Company; and

(b) The Purchase Price.

11. **Default and Remedies.** In the event that either party deems the other party to be in default, the non-defaulting party shall provide to the other party a written notice of default and 10-

day opportunity to cure, unless the claimed default is a failure to deliver closing documents or Purchase Price at Closing, in which case the applicable cure period shall be two (2) days, before proceeding to exercise its remedies hereunder. In the event of a default by Purchaser, not cured within the applicable cure period, Seller may, as its sole and exclusive remedy, terminate this Agreement, in which event Seller may retain the Deposits as fixed, agreed and liquidated damages. If Seller defaults hereunder and fails to cure such default within the applicable cure period, Purchaser as its sole and exclusive remedies shall elect to either (i) terminate this Agreement, in which event the Deposits shall be promptly refunded to Purchaser, and recover from Seller the out-of-pocket costs expended by Purchaser in connection with this Agreement and the transactions contemplated hereby in an amount not to exceed Seventy-Five Thousand Dollars (\$75,000.00) or (ii) to seek specific performance of this Agreement by appropriate pleading filed in the Circuit Court of the City within 90 days after such default (and deduct from the Purchase Price all reasonable costs, including reasonable attorneys' fees and costs actually incurred by Purchaser in connection with such action to enforce specific performance of this Agreement), or (iii) waive such default and proceed to Closing. Purchaser shall not have any claim for damages of any kind other than as provided for by the exclusive remedies set forth above, and specifically excluding consequential damages or lost profits.

12. **Commission.** Both parties represent to each other that no brokers have been involved in this transaction other than Dennis Shubert of NAI Dominion ("**Seller's Broker**"). Seller shall be responsible to pay at Closing, if Closing occurs, the commission due to Seller's Broker on the sale of the Property per a separate agreement. Each party agrees to indemnify the other from any other claims for commissions or similar fees for brokers or others claiming through such party. The provisions of this Section 12 shall survive the Closing.
13. **Casualty or Condemnation.** If, prior to the Closing Date, any material portion of the Property is destroyed or damaged by casualty or taken or appropriated by eminent domain or similar proceedings, then Purchaser shall have the option to terminate this Agreement by giving written notice thereof to Seller within ten (10) days of Seller's written notice to Purchaser of such condemnation and Purchaser shall receive a refund of the Deposits and thereafter the parties shall have no further liability to one another. If Purchaser does not elect to terminate the Agreement, or if an immaterial portion of the Property is taken or destroyed, Seller shall assign and turn over to Purchaser the right to the condemnation award and/or insurance proceeds, if any, and the parties shall proceed to close without abatement of the Purchase Price.
14. **Notice.** Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if delivered by hand by messenger at the address of the intended recipient, sent prepaid by guaranteed overnight delivery service, or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed as follows:

Notice to the Seller shall be addressed to:

2811 Rady, LLC

c/o John Payne
10411 Hall Industrial Drive
Fredericksburg, VA 22408
jpayne@paynetrucking.com

with copy to:

Hirschler Fleischer
725 Jackson Street, Suite 200
Fredericksburg, VA 22401
Attention: John F. McManus, Esquire
jmcmanus@hirschlerlaw.com

Notice to the Purchaser shall be addressed to:

ECG Acquisitions, LLC
1030 1 Avenue South, Suite 500
Nashville, TN 37212
Attention: Mark McCord
Email: mmccord@elmingtoncapital.com

With a copy to:

Reno & Cavanaugh, PLLC
424 Church Street, Suite 2910
Nashville, Tennessee 37219
Attention: Dwayne Barrett
Email: dbarrett@renocavanaugh.com

Notice may also be given by e-mail, provided notice is also sent subsequently by one of the methods specified above. All such notices, demands, requests and other communications shall be deemed to have been given upon being personally delivered to the appropriate address specified above, one day after being deposited with such overnight courier, 3 days after being deposited in the U.S. mail or upon confirmed e-mail transmission to the party named therein at the e-mail address above. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, demand, request or other communication. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Any notice required under this Agreement may be given on behalf of a party by its legal counsel.

15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. Copies of this Agreement or signature pages bearing original signatures, and executed documents or signature pages delivered by a party by e-mail transmission of an Adobe® file format document (also known as a PDF file)

shall, in each such instance, be deemed to be, and shall constitute and be treated as, an original signed document or counterpart, as applicable. Any party delivering an executed counterpart of this Agreement by e-mail transmission of an Adobe® file format document also shall deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

16. **Tax-Free Exchange.** The parties acknowledge that Purchaser and/or Seller may wish to close this transaction as part of a tax-free exchange. The parties shall cooperate with the other and take any reasonable actions necessary, including the execution of appropriate documents, to assist the other so to acquire or sell the Property as part of a 1031 deferred exchange provided that: (a) neither party shall be required to incur any liability or expense in connection with the other's exchange; and (b) the exchange does not delay Closing.
17. **Time of Essence.** Seller and Purchaser agree that time is of the essence with regard to this Agreement. All time periods shall be computed in calendar days, unless expressly stated otherwise. If any date set forth for the performance of any obligation hereunder or for delivery of any instrument or notice shall be on a Saturday, Sunday or legal holiday, the compliance with such obligation or delivery shall be deemed acceptable on the next business day following same. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the Commonwealth of Virginia for observance thereof. As used herein, the term "business day" means any day other than a Saturday, Sunday or legal holiday.
18. **Severability.** In the event any one or more of the provisions contained in this Agreement are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.
19. **Assignment.** This Agreement shall not be assignable by Purchaser without Seller's prior written consent. Notwithstanding the foregoing, this Agreement is assignable by Purchaser without Seller's prior written consent to an entity, including a limited liability company, owned or controlled by Purchaser, to a parent, wholly owned subsidiary or affiliated entity of Purchaser. No assignment by Purchaser shall relieve it of its obligations and liabilities hereunder. Purchaser shall identify the exact name, place of organizations and interest of any assignee of Purchaser at least five (5) days prior to Closing. Seller shall not assign this Agreement, except in exercising its rights under Section 16.
20. **Attorneys' Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this Agreement, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred in connection therewith.

21. **Waiver of Jury Trial.** PURCHASER AND SELLER EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY DISPUTE ARISING OUT OF THIS AGREEMENT.
22. **Effective Date.** The "Effective Date" of this Agreement shall be the date upon which this Agreement is signed by the last of either Purchaser or Seller.
23. **Choice of Law.** It is the intention of the parties that this Contract be construed and governed in accordance with the provisions of Virginia law. This Contract shall not be more strictly construed against one party than against the other by virtue of the fact that it may have been physically prepared by one party or by its attorneys, both parties and their respective attorneys having participated in the negotiation, drafting and preparation of this Contract. The terms "hereby," "hereof," "hereto," "hereunder" and any similar terms refer to this Contract in its entirety and not solely to the particular section or paragraph in which the term is used.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the as of the dates set forth below.

SELLER:

2811 RADY, LLC,
a Virginia limited liability company

By: 

Name: John Payne

Title: Manager

Date: 2/19/2024

PURCHASER:

ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

By: 

Name: C. Hunter Nelson

Title: Secretary

Date: 2/16/2024

ESCROW AGENT

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

By: _____

Name: _____

Its: _____

Date: _____

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Exhibit C

ASSIGNMENT AND ASSUMPTION OF PURCHASE AND SALE AGREEMENT

This Assignment and Assumption of Purchase and Sale Agreement (this “Agreement”) is entered into effective as of June 26, 2025 (the “Effective Date”), by and between **ECG ACQUISITIONS, LLC**, a Tennessee limited liability company, hereinafter referred to as “Assignor”, and **ECG RADY, LP**, a Tennessee limited partnership, hereinafter referred to as “Assignee”.

WHEREAS, Assignor is a party to that certain Purchase and Sale Agreement, executed by Assignor as “Purchaser” and 2811 Rady, LLC, a Virginia limited liability company, as “Seller”, dated effective February 19, 2024 (the “Contract”), under which Seller agreed to sell and Purchaser agreed to purchase certain improved real property located in Richmond, Virginia, at 2811 Rady Street, Richmond, VA 23222 and bearing Parcel ID No. **N0000720017** (the “Property”), as more fully described therein; and

WHEREAS, Assignor desires to assign its interest in the Contract to Assignee, with Assignee assuming the rights to purchase the Property; and

WHEREAS, Assignee desires to assume all of Assignor’s right, title, obligations and interest in, under, and to the Contract as “Purchaser”; and

WHEREAS, pursuant to Section 19 of the Contract, Assignor has the right to assign to Assignee all of Assignor’s right, title, obligations and interest in, under, and to the Contract as “Purchaser” without the consent or permission of Seller.

NOW THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Assignment and Assumption of Contract.** Assignor does hereby assign, transfer and convey unto Assignee, and Assignee’s successors and assigns, all of Assignor’s rights, title, duties, obligations, and interests in, under, and to the Contract. Assignee hereby accepts the assignment of the Contract, and does hereby assume and undertake to abide by the Contract and all liabilities and obligations of Purchaser thereunder, including any indemnities, according to the terms and conditions thereof.
2. **Assignee Indemnification.** Assignee further agrees to hold Assignor harmless and to fully indemnify Assignor from and against any and all liability under the Contract as “Purchaser”, and any and all claims, suits, payments, settlements, awards, damages, judgments, losses, expenses, court costs and attorneys’ fees incurred by or assessed against Assignor in connection with the Contract.
3. **Assignor to Remain Fully Liable.** Notwithstanding anything to the contrary contained herein, Assignor shall remain fully liable for all obligations of “Purchaser” under the Contract.

4. **Miscellaneous.** Except as specifically set forth in this Agreement the Contract remains unchanged and in full force and effect. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Contract. This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute a single instrument; provided however, that this Agreement shall not be effective until signed by both Assignor and Assignee. Facsimile or other electronic signatures shall be deemed originals.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

ASSIGNOR:

ECG ACQUISITIONS, LLC,
a Tennessee limited liability company

By: 
C. Hunter Nelson, Secretary

ASSIGNEE:

ECG RADY, LP, a Virginia limited partnership

By: ECG Rady GP, LLC,
a Tennessee limited liability company

By: 
C. Hunter Nelson, Managing Member