

INTRODUCED: November 12, 2024

AN ORDINANCE No. 2024-293

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Lease Agreement between the City of Richmond, as landlord, and the Richmond Redevelopment and Housing Authority, as tenant, for the purpose of leasing office space and a computer laboratory located at 436 Calhoun Street, commonly known as the “Calhoun Family Investment Center.” (3rd District)

Patrons – Mayor Stoney and Vice President Lambert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 9 2024 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 Lease Agreement between the City of Richmond, as landlord, and the Richmond Redevelopment and Housing Authority, as tenant, for the purpose of leasing office space and a computer laboratory located at 436 Calhoun Street, commonly known as the “Calhoun Family Investment Center.” The Lease 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.

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

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

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE



City of Richmond

900 East Broad Street
 2nd Floor of City Hall
 Richmond, VA 23219
 www.rva.gov

Master

File Number: Admin-2024-1329

File ID: Admin-2024-1329	Type: Request for Ordinance or Resolution	Status: Regular Agenda
Version: 1	Reference:	In Control: City Clerk Waiting Room
Department:	Cost:	File Created: 10/15/2024
Subject:	Final Action:	
<p>Title: To Authorize the Chief Administrative Officer to enter into a lease agreement by and between the City of Richmond and Richmond Redevelopment and Housing Authority at 436 Calhoun Street.</p>		

Internal Notes:

Code Sections:

Agenda Date: 10/28/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2024-1329 RRHA Calhoun Lease w Exhibit - 4.24.24, Admin-2024-1329 WD - RRHA Calhoun Lease AATF

Enactment Number:

Contact:

Introduction Date:

Drafter: Wanda.Marable@richmondgov.com

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	10/16/2024	Chris Frelke	Approve	10/18/2024
1	2	10/17/2024	Traci DeShazor	Approve	10/18/2024
1	3	10/17/2024	Meghan Brown	Approve	10/21/2024
1	4	10/17/2024	Sheila White	Approve	10/21/2024
1	5	10/17/2024	Sabrina Joy-Hogg	Approve	10/21/2024
1	6	10/22/2024	Jeff Gray	Approve	10/21/2024
1	7	10/23/2024	Lincoln Saunders	Approve	10/24/2024
1	8	10/23/2024	Mayor Stoney	Approve	10/25/2024

History of Legislative File

Master Continued (Admin-2024-1329)

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2024-1329

Title

To Authorize the Chief Administrative Officer to enter into a lease agreement by and between the City of Richmond and Richmond Redevelopment and Housing Authority at 436 Calhoun Street.

Body

O&R REQUEST

DATE: October 15, 2024

EDITION: 2

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Senior Deputy Chief Administrative Officer for Finance and Administration

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Traci Deshazor, Deputy Chief Administrative Officer for Human Services

FROM: Christopher E. Frelke, Director of Parks and Recreation & Community Facilities

RE: To Authorize the Chief Administrative Officer to enter into a lease agreement by and between the City of Richmond and Richmond Redevelopment and Housing Authority at 436 Calhoun Street.

PURPOSE: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Lease Agreement between the City of Richmond, as landlord, and the Richmond Redevelopment and Housing Authority, as tenant, for the purpose of leasing office space and a computer laboratory located at 436 Calhoun Street, commonly known as the “Calhoun Family Investment Center.”

BACKGROUND: The City acquired the Calhoun Center through a transfer of real property Parcel No. N0000251009 (436 Calhoun Street) in early 2024 from Richmond Redevelopment and Housing Authority (RRHA) to be utilized as a key recreational and community asset of the Gilpin Court

Community.

As the property owner/landlord, the City of Richmond wishes to lease space to Richmond Redevelopment and Housing Authority subject to the terms and conditions of the lease.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: N/A

FISCAL IMPACT: There shall be no base rent owed by the tenant to the landlord under this Lease Agreement as long as the space is used for the permitted use in accordance with the terms and conditions of the Agreement.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: October 28, 2024

CITY COUNCIL PUBLIC HEARING DATE: November 12, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: City Planning Commission (November 4, 2024)

AFFECTED AGENCIES: Department of Parks, Recreation and Community Facilities

RELATIONSHIP TO EXISTING ORD. OR RES.: None.

ATTACHMENTS: Attachment A: Proposed Lease

STAFF: Christopher Frelke - Director of Parks, Recreation & Community Facilities 646-1128
Daniel Hazlett - Parks, Recreation & Community Facilities 646-7506

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Agreement**”) is made as of the Effective Date (as defined below) by and between **CITY OF RICHMOND, VIRGINIA**, a municipal corporation and political subdivision of the Commonwealth of Virginia (“**Landlord**”), and **RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**Tenant**”). Landlord and Tenant are at times collectively referred to hereinafter as the “**Parties**” or individually as a “**Party**”.

RECITALS

A. Landlord owns that certain real property with building improvements commonly known as the Calhoun Family Investment Center, located at 436 Calhoun Street, Richmond, Virginia, and shown on the tax map for the City of Richmond, Virginia as Tax Parcel No. N0000251009 (the building improvements being hereinafter referred to as the “**Building**”) (the Building and such real property, together with all other improvements thereon and appurtenances thereto, being hereinafter collectively referred to the “**Property**”).

B. Landlord acquired the Property from Tenant as of the Effective Date. Notwithstanding Landlord’s acquisition of the Property from Tenant, the Parties desire for Tenant to continue certain uses at the Property for the benefit of the residents of Gilpin Court, a public housing community owned and operated by Tenant in the City of Richmond, Virginia (“**Gilpin Court**”), as more particularly provided in this Agreement.

C. Therefore, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, the Leased Premises (as defined below), subject to the terms and conditions of this Agreement. As of the Effective Date and subject to the terms and conditions of this Lease, it is the intention of the Parties that the term of this Lease continue and be extended for all of the renewals set forth below for a total of forty (40) years.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, Landlord and Tenant agree as follows:

1. Recitals. The foregoing Recitals are true and correct and are incorporated herein by reference.

2. Definitions.

a. CAO. “CAO” means the then-current Chief Administrative Officer of the City of Richmond, Virginia, or their designee.

b. Effective Date. “Effective Date” means the last date by which both Parties have signed this Agreement.

c. Hazardous Substances and Wastes. "Hazardous Substances and Wastes" means those hazardous substances and hazardous wastes as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §§9601 et seq., respectively, and in any regulations promulgated thereto.

d. Improvements. "Improvements" means any renovations, alterations, additions, or structural or non-structural improvements made to the Leased Premises by Tenant in accordance with this Agreement, and shall include any and all furniture, fixtures and equipment permanently affixed to the Leased Premises.

e. Laws. "Laws" means i) all applicable laws, rules, regulations, ordinances, directives, covenants, easements, and zoning and land use regulations; and ii) all restrictions of record, permits, and building codes, now in effect or which may hereafter come into effect.

f. Leased Premises. "Leased Premises" means those portions of the Building depicted on "**Exhibit A**" attached hereto and incorporated herein, consisting of offices, and related space such as hallways, bathrooms, storage, copy rooms and conference rooms, on the first (1st) and second (2nd) floors of the Building, and the computer laboratory located on the first (1st) floor of the Building (the "**Lab Space**").

g. Permitted Use. "Permitted Use" means the following uses for the Leased Premises: (1) as to the office space, for the provision of services to the residents of Gilpin Court, the operation of a housing voucher program, and other general office uses, and (2) as to the Lab Space, for the operation of a computer laboratory, all in accordance with the other terms and conditions of this Agreement.

h. Renovations. "Renovations" means renovations of, alterations to, additions to, improvements to, and routine and deferred maintenance of, the Property.

3. Lease. Commencing on the Effective Date, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises, of which Tenant shall have sole and exclusive use and possession during the Term (as defined below), subject to the terms and conditions of this Agreement.

4. Term. The "**Initial Term**" of this Agreement will be five (5) years, to commence on the Effective Date and to expire at 12:00 a.m. on the date that is the fifth (5th) anniversary of the Effective Date, unless sooner terminated in accordance with the terms and conditions of this Agreement. Provided no Tenant Default (as defined below) then exists hereunder, subject to the conditions set forth in this Section 4, Landlord and Tenant may mutually agree to extend this Agreement for up to seven (7) additional five (5) year periods (each, a "**Renewal Term**") on the same terms and conditions as set forth in this Agreement.

If Tenant desires to extend this Agreement for an available Renewal Term, Tenant must notify Landlord in writing of Tenant's desire to so extend this Agreement for the applicable Renewal Term at least six (6) months in advance of the expiration of the Initial Term or the then current Renewal Term. Notwithstanding the foregoing, Tenant acknowledges and agrees that this Agreement may not be extended for any Renewal Term unless the City Council for the City of Richmond, Virginia ("**Council**") shall have approved the extension of this Agreement for that Renewal Term prior to its commencement. The Initial Term, and if exercised and approved by Council, any Renewal Term(s), shall be referred to collectively in this Agreement as the "**Term**". Notwithstanding anything to the contrary contained in this Agreement, (x) Tenant may elect, at any time during the Term, to terminate this Agreement upon thirty (30) days' prior written notice to Landlord, and (y) in the event that Tenant shall permanently cease operation of Gilpin Court, or any replacement public housing project that may be developed on the site of Gilpin Court, this Agreement shall terminate effective thirty (30) days after such cessation of operations, and, in either such case, the Parties shall have no further obligations under this Agreement, other than those stated to survive termination or expiration.

5. Rent. There shall be no base rent owed by Tenant to Landlord under this Agreement. The Parties acknowledge and agree that the consideration for Landlord leasing the Leased Premises to Tenant shall be Tenant's operation of the Leased Premises for the Permitted Use in accordance with terms and conditions of this Agreement.

6. Landlord's Renovations. Landlord and Tenant acknowledge and agree that Landlord intends to perform certain Renovations during the Term. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, Landlord shall be under no obligation to perform any Renovations to the Leased Premises. As part of the Renovations, Landlord, at Landlord's sole cost and expense, may install and equip a new computer laboratory within the Building (the "**New Lab**"), which Tenant and the Tenant Parties (as defined below) may use in accordance with Section 7(c) below. If Landlord elects to perform Renovations impacting the Leased Premises, Landlord shall have the right, upon thirty (30) days prior written notice to Tenant, to: (i) relocate the Leased Premises within the Building to a reasonably suitable alternative location or locations mutually agreed upon by the Parties in their reasonable discretion; (ii) reconfigure the Leased Premises upon consultation with Tenant and in light of Tenant's then current usage and needs for the Leased Premises, provided any such reconfiguration of the Leased Premises shall be subject to Tenant's reasonable approval; and (iii) relocate the Leased Premises to reasonably similar space in another building owned or leased by Landlord in the City of Richmond, Virginia. Landlord, in Landlord's sole and absolute discretion, shall have the right to relocate the Leased Premises to other comparable office space within the Building following completion of the Renovations; in such event, Landlord and Tenant shall amend this Agreement to update this Agreement to reflect the new description and location of the Leased Premises.

7. Tenant's Use.

a. Permitted Use. Tenant shall only use the Leased Premises for the

Permitted Use, unless Landlord provides prior written approval for another use, in Landlord's sole and absolute discretion. Tenant may open the Leased Premises to the public during regular business hours from 8:30 a.m. to 5:30 p.m. ET Monday through Friday, excluding any day which is observed as a holiday by Landlord ("**Regular Business Hours**").

b. Access, Common Areas & Parking. Tenant's lease of the Leased Premises shall be together with the non-exclusive right of access to the Leased Premises on behalf Tenant and its agents, contractors, employees, invitees, and guests (collectively, the "**Tenant Parties**") through those portions of the Property not included within the Leased Premises, such as drive aisles and sidewalks, and lobbies and interior corridors. Tenant shall have the non-exclusive right to use the public bathrooms in the Building, along with any other areas Landlord may designate as "common areas" from time to time. Tenant, and the Tenant Parties shall have the non-exclusive right to park vehicles in designated parking areas of the Property; provided, however, that no such vehicles shall be parked overnight at the Property.

c. Reservation of Building Spaces; Tenant Events. During Regular Business Hours, and subject to programming and events coordinated by, through or under Landlord, Tenant shall have the non-exclusive right, in common with other tenants and occupants of the Building, at no charge to Tenant, to reserve space in the Building outside of the Leased Premises, such as the gymnasium or conference rooms, or if constructed, the New Lab, on a first-come, first serve basis, for use by Tenant and the Tenant Parties, subject to compliance with Landlord's procedures for reserving the use of such space. Additionally, subject to programming and events coordinated by, through or under Landlord, Tenant shall have the non-exclusive right, in common with other tenants and occupants of the Building, at no charge to Tenant, to reserve space in the Building outside of the Leased Premises, such as the gymnasium or conference rooms, or if constructed, the New Lab, on a first-come, first serve basis, for programming and events which benefit Gilpin Court and the surrounding community (each, a "**Program**" or an "**Event**"), subject to compliance with Landlord's procedures for reserving the use of such space. Any Program or Event shall be coordinated with Landlord to minimize the impact of such Program or Event on the other tenants and occupants of the Building. Notwithstanding anything contained herein to the contrary, Tenant shall provide at least thirty (30) days' prior written notice for any Program or Event which (1) is anticipated to require all or the substantial majority of the available Property parking, (2) is outside of Regular Business Hours, or (3) requires a Special Event application to be submitted by Tenant to the Department of Parks & Recreation of the City of Richmond, Virginia.

d. Signage. Tenant, at Tenant's sole cost and expense, shall have the right to install interior signage on, above or around the entry doors to the Leased Premises, as well as exterior signage identifying Tenant's presence within the Building. Any such Tenant signage shall subject to Landlord's prior written approval, in its reasonable discretion, and, at Landlord's option, shall compliment other Property signage. Additionally, Tenant shall have the right, without Landlord's prior written approval, to install such signage on the interior of the Leased Premises as Tenant desires, in its reasonable discretion. Upon the expiration or earlier termination of this Lease, Tenant, at Tenant's sole cost and expense, shall remove any and all signage installed by Tenant pursuant to this Section 7(d) and shall repair and restore any damage caused by such

removal.

e. Damage. Tenant shall be financially responsible for any portion of the Property, including, without limitation, the Leased Premises, damaged by Tenant or the Tenant Parties, and Tenant shall remit payment to Landlord for the costs to repair such damage within thirty (30) days of written invoice therefor accompanied by reasonable supporting documentation for such costs. Alternatively, at Tenant's sole option and at Tenant's sole cost and expense, Tenant may repair such damage such that the portion of the Property damaged by Tenant or the Tenant Parties is returned to the condition existing prior to the occurrence of such damage, as reasonably determined by Landlord.

8. Utilities and Services; Maintenance; Taxes & Fees. Landlord, at Landlord's sole cost and expense, agrees to pay for the following utilities which are furnished to the Leased Premises: water, gas, electricity, sanitary sewer, any stormwater fees and trash removal. Tenant, at its sole cost and expense, shall obtain and shall pay for regular and customary janitorial service for the Leased Premises to keep the Leased Premises clean. Tenant shall empty trash bins daily during the week, excluding holidays observed by Tenant. Tenant, at its sole cost and expense, shall have the right to obtain telephone, data, cable, internet and WIFI services for the Leased Premises. Except for damage caused by Tenant or the Tenant Parties, Landlord, at Landlord's sole cost and expense, shall be responsible to perform regular maintenance of the Building, including the Leased Premises and any "common areas" of the Building, during the Term of this Agreement. Tenant shall be responsible for any and all business license fees and other taxes relating to Tenant's use of the Leased Premises. Landlord, at Landlord's sole cost and expense, shall pay, prior to or when due, all ad valorem real estate taxes, assessments, levies and other impositions and fees imposed on Landlord in its capacity as the owner of the Property, to the extent not exempt.

9. Tenant Improvements. Subject to Landlord's prior written approval, in Landlord's sole and absolute discretion, Tenant may make non-structural, interior Improvements to the Leased Premises. Any such Improvements performed by Tenant shall be constructed using new, first-class materials and shall be performed in a workman-like manner, using commercially reasonable efforts not to disturb Landlord's use and enjoyment of the Property. Performance and maintenance of any and all such Improvements shall be at Tenant's sole cost and expense. At the expiration or earlier termination of this Lease, any such Improvements shall remain and become the property of Landlord. Tenant shall ensure that any party it invites onto the Property to perform any Improvements meets or exceeds the insurance coverage requirements described in Section 15 of this Agreement, and Tenant shall provide Landlord proof of such coverage upon written request.

10. No Holdover. Tenant shall not hold over upon termination or expiration of this Agreement. If Tenant fails to vacate the Leased Premises upon such termination or expiration, such failure shall not confer to Tenant any rights to occupy the Leased Premises or further tenancy, regardless of the acts or omissions of Landlord or any of Landlord's employees or

agents, including but not limited to Landlord's failure to evict Tenant from the Leased Premises. If Tenant holds over in violation of this Section, Tenant shall be deemed to be a month-to-month tenant. The provisions of this Section shall survive termination or expiration of this Agreement.

11. Removal at End of Term. Upon termination or expiration of this Agreement, Tenant shall (i) peacefully surrender possession of the Leased Premises to Landlord, (ii) have removed all of its personal property, and (iii) have restored the Leased Premises to substantially the same condition as existed on the Effective Date, reasonable wear and tear and casualty excepted; provided, however, if any Improvements were made to the Leased Premises during the Term pursuant to Section 9, Tenant shall have no obligation to remove such Improvements. If Tenant does not so remove its personal property from the Leased Premises, in Landlord's sole and absolute discretion, Landlord may either: (i) do so at Tenant's cost and expense and without incurring liability to Tenant for damages that may directly or indirectly result therefrom; or (ii) allow such property to remain on the Leased Premises, in which case title to such personal property shall vest in Landlord. The provisions of this Section 11 shall survive termination of this Agreement.

12. Right of Entry. Upon reasonable prior written notice (except in case of emergency), at any time during Regular Business Hours during the Term, Landlord shall have the right to enter the Leased Premises to inspect the Leased Premises to ensure compliance with the terms of this Agreement, to make repairs or alterations to the Leased Premises, and for any other lawful reason; provided, however, that Tenant shall have the right to have a representative present during any such access and that Landlord shall use reasonable efforts not to interfere with or disturb Tenant's use and enjoyment of the Leased Premises. Tenant shall provide Landlord with a current set of keys or entry codes for the Leased Premises.

13. "AS-IS". Except as otherwise as provided in this Agreement, Tenant accepts the Leased Premises in "as is, where is, with all faults" condition as of the Effective Date. Landlord makes no representations as to the condition of the Leased Premises or the Property. This Section 13 shall survive the expiration or earlier termination of this Agreement.

14. Environmental. Tenant shall not, either with or without negligence, cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances and Wastes within, over or under the Leased Premises or the Property in any manner not sanctioned by the Laws.

15. Insurance. Throughout the Term, Tenant shall, at its own expense, maintain the following liability insurance policies, in a form reasonably acceptable to Landlord, covering Tenant's use of the Leased Premises and Tenant's use of other space in the Building per Section 7(c), including use of such space for any Program or Event:

a. Commercial General Liability insurance policy with limits of not less than one million dollars (\$1,000,000) combined single limit for each occurrence for bodily injury and

property damage;

b. Business Automobile Liability insurance, to include Auto Physical Damage coverage, in the amount of one million dollars (\$1,000,000) combined single limit covering all owned, non-owned borrowed, leased or rented motor vehicles operated by Tenant or any Tenant Parties. In addition, all motorized equipment, both licensed and not licensed for road use, operated or used by Tenant or any Tenant Parties within the Property will be insured under either a standard Automobile Liability policy or a Comprehensive General Liability policy;

c. To the extent required by the Code of Virginia and other applicable Virginia laws and regulations, Workers' Compensation insurance in an amount no less than one hundred-thousand dollars (\$100,000), or in amounts not less than the minimum required by the Virginia Code and other applicable law, rules, and regulations;

d. Employer's Liability insurance with limits of not less than one million dollars (\$1,000,000) each accident/disease /policy limit; and

e. Umbrella Liability insurance maintained above the primary Commercial General Liability, Business Automobile Liability and Employer's Liability policies required herein. The limit of such Umbrella Liability insurance shall not be less than two million dollars (\$2,000,000) each occurrence and aggregate.

All such policies shall be issued by companies duly authorized or permitted to conduct business in the Commonwealth of Virginia and having a Best's Key Rating of at least A: VI. On or before the Effective Date, prior to the expiration date of any such policy throughout the Term, and anytime upon written request of Landlord, Tenant shall provide a certificate(s) of insurance demonstrating that Tenant is maintaining the insurance coverages required pursuant to this Section 15. All policies maintained by Tenant hereunder shall provide, by endorsement or otherwise, that written notice shall be given to Landlord before such policy may be cancelled, non-renewed or changed to reduce the insurance coverage provided thereby.

16. Casualty & Condemnation. If the whole or any substantial part of the Leased Premises or the Property, or material access thereto or parking therefor, is condemned or sold under threat of condemnation, or damaged by fire or other casualty, either Party may terminate this Agreement upon written notice to the other given within thirty (30) days of the occurrence of such condemnation or casualty, and, in the case of a termination resulting from a condemnation, Tenant shall have no claim against Landlord or the condemning authority to any portion of the award in condemnation for the value of any unexpired term of this Agreement or otherwise. If the Leased Premises are so damaged and neither Party elects to terminate this Agreement, Landlord shall, to the extent practical, promptly restore the Leased Premises to substantially the same condition as existed prior to such condemnation or casualty, provided Landlord shall not be required to incur costs in excess of the condemnation award or insurance proceeds received by Landlord in making such repairs; provided, however,

that if Tenant or any invitee, agent, representative, contractor, guest or licensee of Tenant shall have caused such casualty, Tenant's insurance shall be primary and Landlord, at Tenant's sole cost and expense, shall promptly restore the Leased Premises to substantially the same condition as existed prior to the casualty.

17. Compliance with Laws; Permits.

a. Tenant shall, at Tenant's sole cost and expense, (i) comply with all applicable Laws relating to Tenant's use of the Leased Premises, and (ii) obtain and maintain all permits, approvals and licenses required to conduct the Permitted Use at the Leased Premises.

b. Landlord shall, at Landlord sole cost and expense, operate and maintain the Building, including the "common areas" thereof, in compliance with all applicable Laws; provided, however, and notwithstanding the foregoing, that Landlord shall not be obligated to undertake any construction or perform any alterations to the Building or the Property to comply with Laws enacted prior to the Effective Date; and further provided, however, that the Renovations shall comply with all applicable Laws.

18. Liens. Tenant shall not encumber the Leased Premises with any materialmen's or mechanic's lien, nor shall Tenant suffer or permit any such lien to exist. Should any such lien hereafter be filed as a result of Tenant's actions or failure to act, Tenant shall, at its sole cost, within thirty (30) days after Tenant receives written notice of the filing of such lien, discharge such lien or post a bond in the amount of such lien. This Section will survive the expiration or earlier termination of this Agreement.

19. Tenant Default & Landlord Remedies.

a. The occurrence of any of the following events shall constitute a default by Tenant under this Agreement (each, a "**Tenant Default**"):

i. Tenant shall fail to pay when or before due any sum of money becoming owing to Landlord under this Agreement, and such failure shall continue for a period of ten business (10) days after written notice thereof to Tenant; or

ii. Tenant shall fail to comply with any term, provision or covenant of this Agreement, or breach any representation hereunder, other than by failing to pay when or before due any sum of money, and shall not cure such failure or breach within thirty (30) days after written notice thereof to Tenant, or if such failure or breach is not susceptible to cure within such thirty (30) day period, then Tenant shall have such longer period as is reasonably necessary to cure not to exceed ninety (90) days so long as Tenant has commenced to cure within the initial thirty (30) day period and thereafter diligently pursues such cure to completion.

b. In the event of a Tenant Default or in the event of a failure of Tenant to

comply with any term, provision or covenant of this Agreement that threatens life or property (an “**Emergency Condition**”), Landlord may, at its option but without obligation to do so, perform Tenant's duty or obligation on Tenant's behalf (and, in the case of an Emergency Condition, prior to the expiration of any applicable notice and cure period to which Tenant may be entitled under this Agreement), and the costs and expenses of any such performance by Landlord shall be due and payable by Tenant within thirty (30) days after receipt of a written invoice therefor from Landlord, together with reasonable supporting documentation for such costs and expenses included in such invoice. This paragraph will survive termination of this Agreement. Upon the occurrence of any Tenant Default by Tenant, Landlord may sue for injunctive relief or to recover damages for any loss resulting from the Tenant Default, and Landlord, without limiting the foregoing, may terminate this Agreement upon written notice to Tenant. For the avoidance of doubt, Landlord acknowledges and agrees that, in the event of a Tenant Default by Tenant under this Agreement, Landlord shall have no right to pursue a claim for consequential or punitive damages, or both, against Tenant.

20. Landlord Default & Tenant Remedies. It shall be a default of Landlord under this Agreement (a “**Landlord Default**”) if any representation is breached, or any covenant or obligation required to be performed or observed by Landlord under this Agreement is breached or is not so performed or observed for a period of thirty (30) days after written notice thereof from Tenant; provided, however, that if the breach or failure is of such a nature that the same cannot reasonably be performed within said thirty (30) day period, such Landlord Default shall be deemed to have been cured if Landlord commences cure within said initial thirty (30) day period and thereafter diligently pursues such cure to completion within a reasonable period of time not to exceed ninety (90) days. Upon the occurrence of any Landlord Default, Tenant may sue for injunctive relief or to recover damages for any loss resulting from the Landlord Default, and Tenant, without limiting the foregoing, may terminate this Lease upon written notice to Landlord. For the avoidance of doubt, Tenant acknowledges and agrees that, in the event of a Landlord Default under this Agreement, Tenant shall have no right to pursue a claim for consequential or punitive damages, or both, against Landlord.

21. Miscellaneous.

a. Force Majeure. Except for payment of any sums due under this Lease, whenever the performance of a Party is delayed by reason of an act of God, including, but not limited to, wind, lightning, rain, ice, earthquake, floods, or rising water, or by aircraft or vehicle damage, or by other reason out of the reasonable control of such Party, such delay in performance shall toll any cure period for a Default under this Agreement.

b. Limitation of Liability. Neither Party shall be liable to the other, or any of their respective agents, representatives, or employees, for any of the following: lost revenue; lost profits; loss of technology, rights or services; incidental, punitive, indirect, special or consequential damages; loss of data, and; interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including

negligence), strict liability or otherwise. This Section 21(b) shall survive the expiration or earlier termination of this Agreement.

c. Entire Agreement. This Agreement contains the entire understanding between the Parties with respect to the leasing of the Leased Premises by Landlord to Tenant and supersedes any prior understandings and written or oral agreements between them respecting this subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement.

d. Amendments. This Agreement may be amended, modified and supplemented only by the written consent of both Parties preceded by all formalities required as prerequisites to the signature by each Party to this Agreement.

e. No Waiver. The failure of either of the Parties to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon strict performance of such provision or of any other provision of this Agreement at any time. Waiver of any breach of this Agreement shall not constitute waiver of a subsequent breach.

f. Severability. In the event any provision of this Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement.

g. Governing Law. All issues and questions concerning the construction, enforcement, interpretation and validity of this Agreement, or the rights and obligations of the Parties in connection with this Agreement, 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.

h. Forum Choice. Any and 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.

i. Assignment; Sublease; Binding Effect. Tenant may neither sell, assign, sublease, license, nor otherwise transfer this Agreement or any interest herein without the prior written consent of Landlord, not to be unreasonably withheld, conditioned or delayed. The provisions of this Agreement shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and assigns (but this Agreement shall only inure to the benefit of such successors and assignees of Tenant has Landlord has expressly approved as required by the terms of this Agreement).

j. Notices. Each party shall give any notice required or permitted to be given under this Agreement in writing and such notice shall be delivered by certified mail, postage prepaid, return receipt requested; or by a commercial overnight carrier that provides next day delivery and provides a receipt. Such notice shall be addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LANDLORD:

City of Richmond
c/o Department of Parks & Recreation
1209 Admiral Street
Richmond, Virginia 23220
Attn: Christopher Frelke, Director

With a copy to:

Office of the City Attorney, City of Richmond
900 E. Broad Street, Room 400
Richmond, Virginia 23219
Attn: Lindsey D. Chase, Esq.

TENANT:

Richmond Redevelopment and Housing Authority
600 E. Broad Street, 4th Floor
Richmond, Virginia 23219
Attn: Steven B. Nesmith, CEO

With a copy to:

McGuireWoods LLP
Gateway Plaza
800 E. Canal Street
Richmond, Virginia 23219
Attn: Edmund S. Pittman, Esq.

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

k. Captions. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of this Agreement. They shall not affect or

be utilized in the construction or interpretation of this Agreement.

l. Survival. Any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall survive such termination.

m. Partial Invalidity. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement.

n. Authority. Each of the Parties hereto warrants to the other that the person executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

o. Availability of Funds. Any payments and other performance by Landlord under this Agreement are subject to annual appropriations by Council and to the availability of funds; consequently, this Agreement shall bind Landlord only to the extent that Landlord possesses sufficient funds to perform its obligations hereunder and under no circumstances shall Landlord's total liability under this Agreement exceed the total amount of funds appropriated by Council for any payments or performance of Tenant hereunder.

p. Authority to Act. Unless otherwise provided herein, the CAO is authorized to act on behalf of Landlord under this Agreement including, but not limited to, providing any notice, approval or authorizations contemplated by this Agreement on behalf of Tenant.

q. Sovereign Immunity. Nothing in this Agreement may be construed as a waiver of the sovereign immunity granted to either Party by the Commonwealth of Virginia, statutes, and applicable case law, nor may anything in this Lease be construed as an agreement by either Party to indemnify the other.

r. Limitation of Liability. No director, officer, employee, contractor, deputy, agent or representative of either Party shall be personally liable to another party to this Agreement or any successor in interest under this Agreement or on any obligation incurred under the terms of this Agreement. This Section 21(r) shall survive the expiration or earlier termination of this Agreement.

s. Brokers. Each of the Parties hereby represents and warrants to the other that it has not dealt with any broker or finder in connection with this Agreement. This Section 21(s) shall survive the expiration or earlier termination of this Agreement.

t. Certifications. At any time and from time to time, within thirty (30) days after written request therefore, each Party agrees to execute, acknowledge and deliver to the other

a certificate (i) certifying that this Agreement is unmodified and in full effect (or if there have been modifications, stating such modifications); (ii) stating the dates through which any sums due under this Agreement have been paid; (iii) stating whether the requesting Party is in default beyond applicable notice and cure periods; and (iv) certifying as to any other matters as the requesting Party may reasonably request.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES ON FOLLOWING PAGE(S).)

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be executed by their duly authorized representative effective as of the Effective Date.

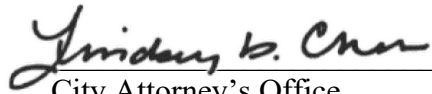
LANDLORD:

City of Richmond, Virginia a municipal corporation of the Commonwealth of Virginia

By: _____
J.E. Lincoln Saunders
Chief Administrative Officer

Date: _____

APPROVED AS TO FORM



City Attorney's Office

TENANT:

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia

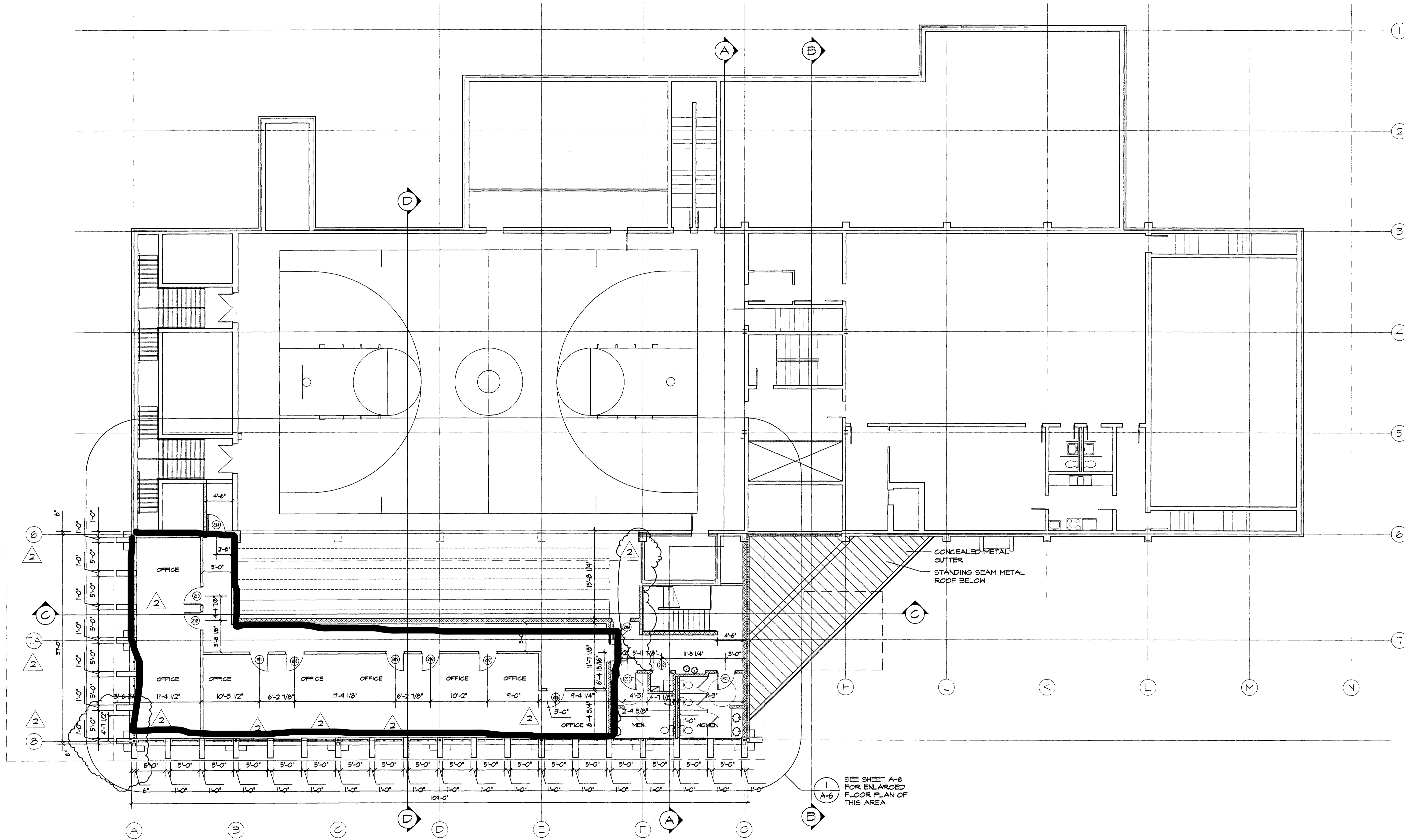
By: _____
Steven B. Nesmith
Chief Executive Officer

Date: _____

EXHIBIT A

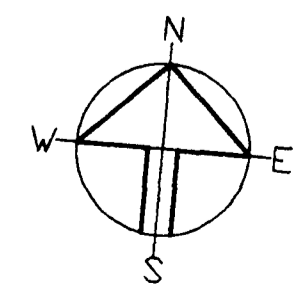
Leased Premises

See attached.



SECOND LEVEL FLOOR PLAN

SCALE: 1/8" = 1'-0"



KELSO & EASTER
 ARCHITECTURE, INTERIORS, URBAN DESIGN
 101 WEST BROAD STREET, SUITE 201-A • RICHMOND, VIRGINIA 23201
 (804) 788-0368



SECOND LEVEL FLOOR PLAN

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THE CALHOUN CENTER
 436 CALHOUN STREET
 RICHMOND, VIRGINIA 23220

ADDITION TO:	
BY REVISION APP'D	
DATE	RE.
2 8-14-97	GD PARTITIONS
FILE: 9509	
DATE: 08/16/96	
SHEET: 4	
A-4	
DF: A-25	