INTRODUCED: September 28, 2015

AN ORDINANCE No. 2015-212-201

To authorize the Chief Administrative Officer to execute a Deed of Ground Lease between the Commonwealth of Virginia, Virginia Commonwealth University, as lessor, and the City of Richmond, Virginia, as lessee, for the purpose of enabling the City to use the property located at 1400 Oliver Hill Way to provide various services to citizens.

Patron – Ms. Robertson

Approved as to form and legality by the City Attorney

PUBLIC HEARING: OCT 12 2015 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, is hereby authorized to execute a Deed of Ground Lease between the Commonwealth of Virginia, Virginia Commonwealth University, as lessor, and the City of Richmond, Virginia, as lessee, for the purpose of enabling the City to use the property located at 1400 Oliver Hill Way to provide various services to citizens. The Deed of Ground Lease 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. This ordinance shall be in force and effect upon adoption.

AYES:	9	NOES:	0	ABSTAIN:	
ADOPTED:	OCT 12 2015	REJECTED:		STRICKEN:	

Lou Brown All Council Chief of Staff

Office of the Council Chief of Staff

Council Ordinance/Resolution Request

то	Allen L. Jackson, Richmond City Attorney		
THROUGH	Lou Brown All, Council Chief of Staff Use RECEIVE		
FROM	Joyce L. Davis, Council Policy Analyst Office of the Council Object (2): 6		
СОРУ	Ellen Robertson, 6th District Council member Haskell Brown, Deputy City Attorney Vincent Jones, Deputy Council Chief of Staff V. Jones Jennifer Jackson, Senior Legal Secretary		
DATE	September 17, 2015		
PAGE/s	1 of 2		
TITLE: Ordinance to Authorize the Chief Administrative Officer to Execute the Deed of Ground Lease			
This is a reque	est for the drafting of an/a Ordinance 🛛 Resolution 🗌		
REQUESTING (COUNCILMEMBER/PATRON SUGGESTED STANDING COMMITTEE		
Council member Ellen Robertson Education and Human Services			

ORDINANCE/RESOLUTION SUMMARY

This Ordinance is to authorize the Chief Administrative Officer (CAO) to execute the Deed of Ground Lease Agreement between the Commonwealth of Virginia, Virginia Commonwealth University (Lessor) and the City of Richmond (Lessee) which will permit the City to possess and manage the land and Improvements for the property located at 1400 Oliver Hill Parkway.

BACKGROUND

In April of 2013 Freedom House and the services they provided at The Conrad Center ended.

This Ordinance request is to authorize the CAO to enter into the Deed of Ground Lease Agreement between the Commonwealth of Virginia, Virginia Commonwealth University (VCU) and the City of Richmond (Lessee) which will permit the City to utilize the improvements and land owned by VCU located at

Currently, BB&T holds a lien affecting the Improvements and is the legal holder of the note secured by Deed of Trust. The Lessee negotiated terms to satisfy the remaining BB&T mortgage on the Improvements located at 1400 Oliver Hill Parkway and desires to transfer title to the Improvements to the City. The City and VCU desire for the City to acquire the Improvements located on a portion of the Property. VCU as lessor will enter into a ground lease agreement. The City (Lessee) upon remittance of the sum of \$40.00 will lease the property for the term of forty years.

This paper accompanies both a budget amendment and agreement to accept existing improvements that have been previously made to the property.

FISCAL IMPACT STATEMENT

Fiscal Impact A budget amendment is required to for improvements (\$300,000) and the	Yes 🛭 execut Ground	e the Agreement
Budget Amendment Required	Yes 🏻	No 🗌
Attachment/s Yes ⊠ No ☐		

Deed of Ground Lease

Richmond City Council Ordinance/Resolution Request Form/updated 12:22:08/srs

DEED OF GROUND LEASE

This DEED OF GROUND LEASE (the "Lease"), is dated this __day of _____2015, by and between the COMMONWEALTH OF VIRGINIA, VIRGINIA COMMONWEALTH UNIVERSITY (the "Lessor") and the CITY OF RICHMOND, VIRGINIA, a municipal corporation and political subdivision of the Commonwealth of Virginia (the "Lessee").

RECITALS

WHEREAS, by Deed of Ground Lease dated November 12, 2004, Lessor formerly leased the Premises described hereinafter to Freedom House, a Virginia nonprofit organization, for purposes of constructing a building and parking facility (the "Improvements") that were to be used for activities related to the provision of services for Richmond's homeless and at risk poor such as a free meals program, culinary training program, health screening, job fairs, meal storage and transfer and civic community group meeting space; and

WHEREAS, Freedom House secured financing from Branch Banking and Trust (BB&T) for the construction of the Improvements; and

WHEREAS, Freedom House ceased to operate the program in April 2013, and discontinued the required mortgage payments to BB&T; and

WHEREAS, Freedom House and Lessor have terminated the Deed of Ground Lease dated November 12, 2004; and

WHEREAS, by terminating the Deed of Ground Lease dated November 12, 2004, Lessor became the owner of the Improvements contemplated therein; and,

WHEREAS, the Lessee negotiated terms to satisfy the remaining BB&T mortgage on the Improvements; and

WHEREAS, Lessor desires to transfer title to the Improvements to Lessee; and

WHEREAS, Lessor and Lessee desire to enter into a ground lease to permit Lessee to possess and manage the land and Improvements.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to the terms of this Lease as follows:

WITNESSETH

For and in consideration of the terms, conditions, covenants, promises and agreements herein made, Lessor leases to Lessee the following property or premises (the "Premises"), together with full rights of ingress and egress, in the City of Richmond, Virginia. the following described real property and all rights pertaining thereto, subject however to all easements, restrictions and covenants of record to the extent the same lawfully affect such real property (the "Premises"). The Premises are more particularly described as:

All that certain lot, piece or parcel of land located at 1400 Oliver Hill Parkway belonging, lying and being in the City of Richmond, Virginia being a portion of Tax Parcel # E0000452072 and containing 1.205 acres, more or less, as shown on a plat by Draper Aden Associates dated March 14, 2014, identified as Reconfigured Parcel 1A, plat entitled "Updated Boundary Survey of 1400 Oliver Hill Way & Compiled Property Line Adjustment with 1070 Oliver Hill Way, Richmond, Virginia", an original of which is attached hereto as Exhibit B.

1. **DEED OF IMPROVEMENTS:**

Simultaneous with or prior to executing this Lease, Lessor and Lessee shall execute the Deed for Improvements, a copy of which is attached hereto as Exhibit A, so that Lessee owns the improvements described therein. This Lease shall not take effect until the Deed for Improvements is duly executed. For the purposes of this Lease, the term Improvements shall refer to the Improvements deeded to Lessee by the Deed for Improvements as well as any improvements made in accordance with the terms of this Lease. For the purposes of this Lease, the term Premises shall include the Improvements.

2. INITIAL TERM OF LEASE:

The Premises are	leased to Lessee for a period of Forty (40) years (the "Initial Term"), beginn	ning
on the day of_	, 2015 (the "Commencement Date") and terminating on the da	y of
	_, 2055 (the "Termination Date").	

2. RENT:

Lessee has remitted to Lessor, the sum of Forty Dollars (\$40.00), rent for the entire Initial Term.

3. OPTIONS TO RENEW:

So long as Lessee is not then in default under the terms of this Lease beyond any applicable cure periods provided for herein and the Lease is in full force and effect, Lessee shall have the right to renew this Lease for four (4) additional, consecutive periods of five (5) years, except that the rent for each such renewal period shall be One (1) Dollar per year payable in advance for the entire renewal term or on the commencement date of such renewal term each under the same terms and conditions hereunder (each a "Renewal Term"). To exercise the renewal right provided herein with respect to each such renewal period, Lessee must provide to Lessor prior written notice thereof at least one (1) year prior to the expiration of the Lease's term, as such term may have been previously extended. The Initial Term and any Renewal Term are collectively referred to herein as "Term".

4. TRIPLE NET LEASE; ADDITIONAL RENT:

- (A) This Lease shall be deemed and construed to be a triple net lease so that all costs relative to the possession, operation and maintenance of the Premises shall be borne by Lessee. Lessee shall pay the Rent and all other payments required under this Lease free of all deductions, diminutions, defenses, claims or other deductions whatsoever.
- (B) Subject to Lessee's rights to contest such charges or levies, Lessee shall promptly pay all charges and other levies of any nature against the Premises and Improvements thereon, whether ordinary or extraordinary, foreseen or unforeseen, together with any interest or penalties thereon, including without limitation, all applicable real estate taxes and any payments or use charges in lieu thereof, assessments, service charges, water and sewer charges, utility charges, including storm water levies. To the extent not lawfully exempt therefrom, Lessee shall pay any and all applicable taxes levied upon or attributable to the operation of the Premises or any furniture, fixtures or other personal property of Lessee brought onto the Premises.
- (C) If Lessee shall fail to make any payment when due or perform any act required of it under this Lease, and such failure shall continue for ninety (90) business days after receipt of notice from Lessor of such failure, Lessor may (but shall be under no obligation to) make such payment or perform such act. All amounts paid by Lessor and all reasonable costs, fees and expenses so incurred as to such payment and performance shall be payable by Lessee as Additional Rent.

5. USE OF PREMISES:

(A) Lessee and its agents, employees, contractors, vendors, and invitees, may use the Premises for any lawful purpose in connection with the delivery of Lessee's services, programs and activities. When necessary to comply with the maintenance obligations and other obligations contained in this Lease or for the safety of Lessee and its agents, employees, contractors, vendors and invitees, Lessee may make alterations, additions, and improvements to the Premises without providing prior notice to Lessor and without prior consent from Lessor. Otherwise, Lessee may

make alterations additions and improvements to the Premises with prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall give written notice to Lessor of the alteration. Lessor must provide written approval or disapproval within 15 days of the notice, and if Lessor fails to do so, Lessee may make such alterations without Lessor's written consent. Lessor shall approve all Lessee alterations that are reasonable in scope or necessary for Lessee's operations on the Premises. Lessee further covenants and agrees that during the Term hereof, the Premises, and every part thereof, shall be kept by Tenant in a reasonably clean and sanitary condition, and that all local, state and federal health and safety ordinances, laws and regulations of every kind applicable shall, in all respects and at all times, be fully complied with by Lessee.

(B) Lessee shall not access or utilize the ground water during the Term of this Lease under any circumstances and Lessee understands and acknowledges that there is an absolute prohibition on the access to and use of the ground water by Lessee as provided in Paragraph 11.A. of this Lease.

6. PERSONAL PROPERTY:

All personal property placed in or kept on the Premises shall be at the sole risk of Lessee or the owner of such personal property and Lessor shall have no liability for loss, damage or deterioration of same for any reason.

7. ACCEPTANCE OF CONDITION OF PREMISES:

Lessee covenants that it has inspected the Premises and accepts the Premises "as is" without any representations or warranties by Lessor as to the condition or usefulness of the Premises for any purpose.

8. ASSIGNMENT AND SUBLETTING:

Lessee shall not assign or transfer this Lease, nor sublet any part of the Premises, without the prior written consent of Lessor, which consent Lessor shall not unreasonably withhold; except that Lessee may sublet or license the Premises or a part thereof without first obtaining Lessee's prior written consent in the following circumstances: (1) to any political subdivision of the Commonwealth of Virginia and (2) to any party for periods not to exceed 30 days.

9. ACCESS BY LANDLORD:

Upon notice to Lessee, Lessor and its representatives may enter the Premises at any time to make emergency repairs, preserve the Premises or to prevent or abate any nuisance, hazard, or unlawful conditions; provided Lessor does not interfere with Lessee's lawful use of the Premises.

10. MAINTENANCE, REPAIRS, UTILITIES AND OTHER COSTS:

All costs relating to the possession, operation and maintenance of the Premises shall be the responsibility of Lessee.

- (A) Lessee shall, at Lessee's sole cost and expense, take good care of the Premises, and, subject to reasonable wear and tear, keep the same in good order and condition, and make and be responsible for all repairs thereto, interior and exterior, structural and nonstructural, including the costs thereof. As used herein, the term "repairs" shall include all replacements and alterations, as well as the correction of construction defects in the improvements or any alteration, thereto. All repairs made by Lessee shall be substantially equivalent in quality and class to the original work.
- (B) Lessee shall at its sole cost and expense, maintain sidewalks, curbs, entrances and driveways on the Premises and improvements in good repair and in good and safe condition free from dirt, snow, ice, rubbish and other obstructions.
- (C) Lessee shall keep, repair and maintain, at Lessee's expense, the Premises, including all plumbing, lighting, heating, ventilation, air-conditioning, electrical and mechanical devices and appliances of every kind or nature located on the Premises in good working order and condition, and shall, if necessary, make such alterations, additions, and modifications to the Premises and all equipment, electrical and mechanical devices and appliances thereon or serving same so as to comply at all times with all applicable federal, state and local laws, ordinances, rules and regulations pertaining to health, safety, fire and public welfare.
- (D) Lessee shall pay all charges for utility services to the Premises, including, but not limited to, service charges, connection and disconnection charges, use charges and taxes. Lessee shall provide such heating as reasonably necessary to prevent freezing of pipes, plumbing and associated equipment.
- (E) Lessee shall pay all charges and other levies of any nature against the Premises and improvements thereon, whether ordinary or extraordinary, foreseen or unforeseen, including, without limitation, all applicable real estate taxes and any payments or use charges in lieu thereof, and assessments.

11. COMPLIANCE WITH LAWS, ORDINANCES, ETC:

- (A) Subject to the right of Lessee to contest the validity thereof, throughout the Term of this Lease will conform to, comply with and take any and all action necessary to avoid and eliminate any violation of, any present or future law, statue, order, rule, regulation or requirement of any federal or state government, department, commission, board or officers having jurisdiction, foreseen or unforeseen, ordinary as well as extraordinary, which shall be applicable to the Premises or the sidewalks, curbs, driveways and passageways and parking areas constituting part of the, or to the use or manner of use thereof by Lessee or occupants thereof whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements or interferes with the use and enjoyment of the Premises.
- (B) Lessee at is sole cost and expense, will procure and maintain all permits, licenses, signage and authorizations required for any use of the Premises, or any part thereof, then being made, and for the lawful operations and maintenance thereof.

12. MECHANIC'S LIENS:

Lessee shall not create, place or suffer the creation or filing of or permit any mechanic's or materialmen's lien to be filed against the interest of Lessor or Lessee in the Premises by reason of work, labor, services or materials supplied to Lessee or work provided at the request of Lessee, or of Lessee's agents or contractors, or any part of the Premises thereof and agrees to protect and defend Lessor against any such lien, with the understanding that Lessor is not subject to mechanic's liens.

13. INSURANCE:

For the duration of the Term, Lessee, at its sole cost and expense, shall carry and maintain a policy or policies of commercial general liability insurance or self-insurance insuring Lessee and Lessor against liability for injury to persons or property occurring in or about the Premises or arising out of the maintenance, use or occupancy thereof. The coverage shall not be less than Two Million Dollars (\$2,000,000.00) per occurrence. Such insurance or self-insurance shall be written or endorsed so as to preclude the exercise of the right of subrogation against Lessor and Lessee.

Nothing contained in this Lease shall be construed to impose liability upon Lessor or Lessee based on torts except as permitted by the Virginia Tort Claims_Act.

14. DAMAGE OR DESTRUCTION OF PREMISES:

- (A) If the Premises are damaged or destroyed by fire or other casualty, Lessee shall notify the Lessor as soon as practicable upon Lessee becoming aware of such damages.
- (B) If the Premises or the improvements thereon are damaged or destroyed by fire or other insurable casualty customarily insured against, Lessee, at its sole cost and expense, to the extent insurance proceeds are available to Lessee, shall have the option to either promptly restore such as nearly as possible to its condition prior to such damage or destruction, or to terminate this Lease. Lessee shall submit any restoration plans to Lessor for review before beginning restoration. To the extent that the restoration plans deviate from the Improvements destroyed, Lessee must obtain Lessor's approval prior to beginning the restoration; provided, however, if Lessor does not provide Lessee with written disapproval within 15 days of Lessee submitting the restoration plans to Lessor then the plans shall be deemed approved by Lessor.
- (C) All insurance proceeds received by Lessee pursuant to Paragraph 13 herein, less the cost, if any, of such recovery, shall be held by Lessee and applied to the payment of such restoration, as such restoration progresses. In the event such insurance proceeds are not sufficient to pay the full cost of repair or restoration, Lessee shall pay the deficiency. In the event Lessee informs Lessor it does not have sufficient funds to pay the deficiency. Lessor shall have the right, in addition to any other

remedy available at law or in equity, may provide Lessee with its intent to terminate this Lease. If Lessee does not obtain the necessary funding to restore the premises within 120 days of Lessor's notice of Lessor's intent to terminate, the Lease shall terminate.

15. EVENTS OF DEFAULT:

Each of the following events shall be deemed an Event of Default under this Lease:

- (A) If the Premises or any substantial portion thereof become vacant or deserted for a period of twenty-four (24) months.
- (B) If this Lease is assigned or sublet other than in accordance with the terms of this Lease and Lessor does not consent to such assignment or sublet, or the default is not cured within ninety (90) days after written notice thereof given by Lessor.
- (C) A failure by Lessor or Lessee to observe and perform any other provision of this Lease, where such failure continues for sixty (60) days, or the timeframe otherwise provided herein, after written notice thereof from the other party; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such sixty (60) day period, such party shall not be deemed to be in default if such party commences such cure and thereafter diligently prosecute the same to completion.

16. REMEDIES UPON DEFAULT:

(A) If either party gives the other notice of default pursuant to Paragraph 15 above, and such default is not cured within the specified period following notification, the notifying party shall give the defaulting party one additional written notice and this Lease shall automatically terminate five (5) days after delivery thereof as completely as if that were the date herein definitely fixed for the expiration of the term of this Lease. If Lessee is the defaulting party, then Lessee shall surrender the Premises thereon to Lessor at the end of aforesaid five (5) day period.

If this Lease shall be so terminated, it shall be lawful for Lessor, at its option, without formal demand or notice of any kind, to re-enter the Premises and by any unlawful detainer action or by any other means and to remove Lessee therefrom without being liable for any damages therefore. Upon the termination of this Lease, as herein provided, Lessor shall have the right, at Lessor's election, to terminate any sublease then in effect, without the consent of the sublessee.

(B) Failure by either party to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any permitted right or remedy consequent upon a default therein, or acceptance of payment of full or partial Rent or Additional Rent by Lessor during the continuance of any such default shall not constitute a waiver of such default or of such covenant, agreement, term or condition.

(C) No right or remedy herein conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law. Either party shall be entitled to injunctive relief in case of the violation, or attempted or threatened violation, of any covenant, agreement, condition or provision of this Lease, or to a decree compelling performance of any covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed by law or in equity.

17. **QUIET ENJOYMENT:**

So long as Lessee observes and keeps all covenants, agreements and conditions of this Lease, Lessor covenants and warrants that Lessee shall have quiet and peaceful use and enjoyment of the Premises throughout the Term of this Lease subject, however, to the exceptions, reservations and conditions of this Lease.

18. ACCEPTANCE OF CONDITION OF PREMISES:

Lessee covenants that it has inspected and is fully familiar with the condition of the Premises.

- (A) Lessee shall comply with all requirements of Commonwealth of Virginia Voluntary Remediation Program Certification of Satisfactory Completion of Remediation recorded in the Clerk's Office in City of Richmond, Virginia as Instrument #07-3075, January 26, 2007, and attached hereto as Exhibit C and made a part of this Lease.
- (B) Lessee shall be responsible for any environmental claims resulting from Lessee's operations or the acts of employees, agents, contractors and/or customers.
- (C) Upon becoming aware of the same, Lessee immediately will notify Lessor about the release of hazardous materials resulting from Lessee's operations or the acts of employees, agents, contractors or customers and provide information regarding its remediation as soon as practicable. All costs to remediate the premises caused through the gross negligence of Lessee shall be at Lessee's expense.

19. TERMINATION:

(A) Upon expiration of this Lease at the end of the Term or upon the termination of this Lease, Lessee shall remove all Lessee's possessions, at Lessee's sole cost, and surrender the Premises to Lessor in good order and condition, reasonable wear and tear excepted. Upon any termination of this Lease, Lessee shall restore the Premises to good condition, clear and free of any hazardous substances or materials which were introduced due to the affirmative acts or gross negligence of Lessee on or after the Commencement Date of this Lease. This provision shall survive termination of the Lease.

- (B) This Lease may be terminated by Lessee at any time upon written notice to Lessor by certified or registered mail, return receipt requested, with at least one (1) year's written notice.
- (C) If the Premises are not used for its intended use for a period of twenty-four (24) consecutive months, Lessor may provide written notice of its intent to terminate the Lease to Lessec. If the Premises are not used for 90 days following Lessor's notice, the Lease shall terminate.

20. TITLE TO IMPROVEMENTS:

- (A) Title to all improvements and alterations as made, constructed, installed or placed upon the Premises prior to or subsequent to the commencement of the Lease shall be and remain in the name of Lessee for the duration of the Term (Lessor shall take any steps necessary to effect transfer of title to the existing Improvements); and thereafter or at the point of any termination of the Lease, title to such improvements and alterations, in the condition in which Lessee has agreed to maintain them pursuant to the provisions of this Lease, shall, pass to, vest in, and belong to Lessor unless Lessor and Lessee agree in writing to waive such requirement and for Lessee to maintain title of such improvements. Unless otherwise agreed to by the parties, in writing, Lessee shall execute any documents required to transfer title back to Lessor.
- (B) Lessor shall have no obligations to pay any expense or incur any liability with respect to any improvements. Upon termination or expiration of this Lease, Lessor shall own the land and all improvements and alterations on the land without any encumbrance. Lessee is solely responsible for satisfying any outstanding debt or payment Lessee incurs with respect to any improvements or use of the Premises.

21. BINDING EFFECT; AMENDMENTS:

The covenants, agreements, and rights contained in this Lease shall bind and inure to the respective heirs, personal representatives, successors and assigns of Lessor and Lessee. This Lease constitutes the entire, full and complete understanding and agreement between Lessor and Lessee, and all representations, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are expressly merged into this Lease and shall be null, void and without legal effect. Neither party, nor any agent of either party, has any authority to alter, amend or modify any of the terms of this Lease, unless the amendment is in writing and executed by all parties to this Lease with the same formality as this Lease. This Lease and any amendments hereto shall not be effective or binding unless and until signed by all parties.

22. NOTICES:

(A) Any and all notices affecting this Lease may be served by the parties hereto, or by their duly authorized agents, as effectively as if same were served by any officer authorized by law to serve such notices. The return of such party, or its duly authorized agent, showing the time, place and manner of service of such notice shall

have the same force and effect in any legal proceedings based thereon as a return of service by any officer authorized by law to serve such notice.

(B) All notices required by law to be served upon, and all notices permitted by this Lease to be mailed to a party to this Lease shall be served upon or mailed to, as the case may be, the following agents for each party who are hereby appointed and designated as such for the purpose of receiving all such notices:

(1) Lessor:

VCU Director, Real Estate Services 700 West Grace Street, P.O. Box 843075 Richmond, Virginia 23284-3075

(2) Lessee:

City of Richmond
Attention: Department of Economic and
Community Development
Main Street Station
1500 East Main St.
Richmond, VA 23219

with copies to:

City of Richmond Attention: City Attorney 900 East Broad Street City Hall, Room 300 Richmond, VA 23219

Each party shall immediately notify the other party, in writing, of any change of agents, and no change of agents shall be effective until such notice is given.

- (C) Where, under the terms of this Lease, a notice is sent by certified U.S. mail, postage prepaid, return receipt requested, such notice shall be deemed to have been given as of the date of mailing such notice. Each party to this Lease shall notify the other party of any new address at which to mail notices, which notice shall be given in the manner provided above, and unless and until such notice of a new address is given, notices to a party hereto shall be sufficient if mailed to such party's address as specified in this Paragraph.
- (D) Where, under the terms of this Lease, a notice is required or permitted to be mailed by certified or registered mail, return receipt requested, and such notice is not mailed in such manner, the notice shall be effective if actually received by the party, or its appointed agent, to whom the notice is directed.

23. CONDEMNATION:

In the event all or any portion of the Premises shall be taken as a result of, in lieu of, or in anticipation of the exercise of eminent domain, condemnation, nationalization, seizure.

confiscation or requisition pursuant to any law, general or special, by any government authority, civil, military or other person legally possessing the power of eminent domain (or by any deed in lieu thereof), this Lease shall cease and terminate only as to the portion taken as of the date title to the Premises has vested in the condemning or purchasing party. Proceeds of any such taking shall be divided on a pro rata basis between Lessor and Lessee based upon the amounts contributed to the acquisition of the Improvements, construction of improvements, and the Premises so taken. Provided that it does not reduce the compensation or award payable to Lessor, Lessee shall have the right to maintain a separate action against the condemning authority to compensate Lessee for any loss or taking of Lessee's personal property, for any moving expenses incurred by Lessee as a result of such taking and for such other compensation to Lessee then provided by law.

24. DISCLOSURES; NON-WAIVER, APPROPRIATIONS:

- (A) Sovereign Immunity. Lessee understands and acknowledges that the Lessor is an institution of the Commonwealth of Virginia and with respect to tort liability for acts or occurrences on or about the Premises, including product liability, the Commonwealth and Lessor are either (i) constitutionally immune (or partially immune) from suit, judgment or liability, (ii) insured, or (iii) covered by a financial plan of risk management that is in the nature of self-insurance, all as determined by applicable laws, government policies and practices.
- (B) Lessor and Lessee understand and acknowledge that Lessee has not agreed to provide any indemnification or save harmless agreements running to the other party. No provision, covenant or agreement contained in this Lease shall be deemed to be a waiver of the sovereign immunity of the Commonwealth of Virginia, or of the Lessee, from tort or other liability. No provision, covenant or agreement contained in this Lease shall be deemed to be a waiver of the sovereign immunity of Lessee, as a political subdivision of the Commonwealth of Virginia, or of Lessor, from tort or other liability.
- (C) No Indemnification. Neither party hereunder shall indemnify, hold harmless, or defend the other party in any action whatsoever related to this Lease.
- (D) Choice of Law. This Lease and the rights of the parties hereunder shall be governed by, and construed according to the laws of the Commonwealth of Virginia. The parties choose the City of Richmond, Virginia as the venue for any action instituted pursuant to the terms of this Lease.
- (E) Dissolution or Restructuring of Lessee. Notwithstanding any other provision of this Lease, if Lessee shall cease to exist, and is not replaced by a successor entity with similar powers and purposes, or its powers and authority are limited so as to not permit the continued use of the Premises for its intended purpose and use, then Lessee shall have the right to withdraw from this Lease, and the Lease shall terminate. In such event, Lessee will endeavor to give as much notice as is reasonably possible of the event triggering the reduction and the anticipated date by which Lessee will completely vacate the Premises.

(E) All payments and other performance by the Lessee under the Lease are subject to annual appropriations by the City Council for the City of Richmond; consequently, this Lease shall bind the Lessee only to the extent that the City Council appropriates sufficient funds for the Lessee to perform its obligations hereunder.

25. SIGNATURE AUTHORITY:

The Chief Administrative Officer shall have the authority to execute this Lease of behalf of the Lessee, and, the Chief Administrative Officer and her designee shall have the authority to provide any notices or authorizations contemplated under this lease on behalf of Lessee, including, but not limited to, the rights conferred upon Lessee by Section 8 of this Lease.

26. ENTIRE AGREEMENT:

This Deed of Ground Lease constitutes the entire, full and complete understanding and agreement of the parties, and all representations, conditions, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are hereby expressly merged into this written Deed of Ground Lease and shall be null, void and without legal effect.

27. MODIFICATION:

This Deed of Ground Lease shall not be modified, altered or amended except by written agreement executed by the parties hereto with the same formality as this agreement.

28. SEPARABILITY:

Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be found to be invalid and unenforceable by a court of competent jurisdiction, the remainder of this Lease or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

29. PARAGRAPH HEADINGS:

Headings to the paragraphs are mere catchwords and are illustrative only; they do not form a part of this Lease nor are they intended to be used in construing same.

30. EXECUTION:

This Deed of Ground Lease shall not be effective or binding unless and until signed by all parties hereto

31. RECORDATION:

Either party hereto may, at its sole cost and expense, prepare and cause to be recorded in the Clerk's Office of the Circuit Court of the City of Richmond, a memorandum of this Lease.

33. COUNTERPARTS:

This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[Signature pages follow.]

In WITNESS WHEREOF, the parties have affixed their signatures and seals.

	LESSOR:	COMMONWEALTH OF VIRGINIA, VIRGINIA COMMONWEALTH UNIVERSITY
	By:Willi	am R. Decatur Senior Vice President for
		Finance and Administration
CITY/COUNTY OF		, to-wit:
in his capacity as Senior	Vice President	vas acknowledged before me by William R. Decatur acting for Finance and Administration on behalf of Virginia he Commonwealth of Virginia
		, 20, in the jurisdiction aforesaid.
		Notary Public
APPROVED AS TO FOR	M:	
Special Assistant Attorney	General	
COMMONWEALTH OF	VIRGINIA,	
VIRGINIA COMMONWE	ALTH UNIVE	RSITY

1	LESSEE:	CITY OF RICHMOND, VIRGINIA
F	3y:	
	Seler	na Cuffee-Glenn
		f Administrative Officer
	Pursu	ant to the authority granted by Ord. No
COMMONWEALTH OF VIRO	GINIA	
CITY/COUNTY OF		to-wit
The foregoing Deed of Lease A	greement w	as acknowledged before me by
on the day of	20), in the jurisdiction aforesaid.
My commission expires		, in the jurisdiction aforesaid.
,		
	Matau	Dir
	Notary	y Public
APPROVED AS TO TERMS:		
Department of Economic and Co	mmunity D	evelopment
APPROVED AS TO FORM:		
Assistant City Attorney		



Prepared by: Matthew A. Welch (VSB 81075) Richmond City Attorney's Office Richmond, VA 23219

Tax Map Parcel No.: E0000452072

Consideration: \$

THIS DEED FOR IMPROVEMENTS ("Deed") is made as of ______, 2015, by and between the <u>COMMONWEALTH OF VIRGINIA</u>, <u>VIRGINIA</u>, <u>COMMONWEALTH UNIVERSITY (as "Grantor"); and <u>CITY OF RICHMOND</u>, <u>VIRGINA</u>, a municipal corporation and political subdivision of the Commonwealth of Virginia (as "Grantee").</u>

WITNESSETH:

That for and in consideration of the sum of \$10.00, cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby grant and convey, with Special Warranty, unto the Grantee, the existing buildings, structures. footings, foundations, building fixtures and equipment, columns, piles, installation, and other improvements existing as of the date of this Deed (collectively, the "Improvements") on the following described property in the City of Richmond, Virginia (the "Property"):

See Exhibit A attached hereto

Grantor, as ground lessor, and Grantee, as ground lessee, are entering into that certain Deed of Ground Lease for the Property simultaneously with this Deed. It is Grantor's and Grantee's intent to vest title to the Improvements, and only the Improvements, in the Grantee pursuant to this Deed. This conveyance is made subject to easements, conditions, and restrictions of record insofar as they may lawfully affect the Improvements.

[SIGNATURE ON FOLLOWING PAGES]

WITNESS the following signature and seal:

GRANIOR:	COMMONWEALTH OF VIRGINIA. VIRGINIA COMMONWEALTH UNIVERSITY
	A WOUNTY COMMONWEALTH ONLYERS ITY
Ву:	
William	m R. Decatur Senior Vice President for
	Finance and Administration
ģ.	
	a ·
CITY/COUNTY OF	, to-wit:
capacity as Senior Vice President for Finance	owledged before me by William R. Decatur acting in his and Administration on behalf of Virginia Commonwealth
University, an institution of the Commonwealth	of Virginia
on the day of, 20	
My commission expires:	
	Notary Public
APPROVED AS TO FORM:	
Special Assistant Attorney General	
opening thorney ocheral	
COMMONWEALTH OF VIRGINIA,	
·	
VIRGINIA COMMONWEALTH UNIVERSITY	

CITY OF RICHMOND, VIRGINIA

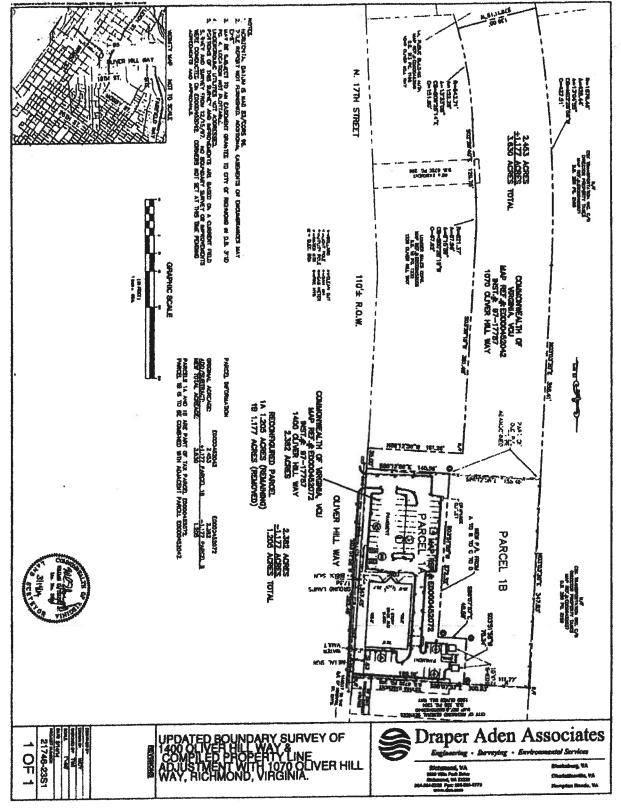
GRANTEE:

Assistant City Attorney

EXHIBIT A

All that certain lot, piece or parcel of land located at 1400 Oliver Hill Parkway belonging, lying and being in the City of Richmond, Virginia being a portion of Tax Parcel # E0000452072 and containing 1.205 acres, more or less, as shown on a plat by Draper Aden Associates dated March 14, 2014, identified as Reconfigured Parcel 1A, plat entitled "Updated Boundary Survey of 1400 Oliver Hill Way & Compiled Property Line Adjustment with 1070 Oliver Hill Way, Richmond, Virginia", an original of which is attached hereto

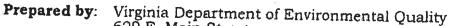




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03075

EXHIBIT



629 E. Main Street

Richmond, Virginia 23219

(804) 698-4000

Grantor: Grantee: Virginia Commonwealth University Virginia Commonwealth University

COMMONWEALTH OF VIRGINIA **VOLUNTARY REMEDIATION PROGRAM** CERTIFICATION OF SATISFACTORY COMPLETION OF REMEDIATION

Program Participant[s]:

Virginia Commonwealth University

Site Owner:

Virginia Commonwealth University

Site Name:

VCU - Social Services Parcel

Site Location: (plat attached)

1400 Oliver Hill Parkway Richmond, Virginia

Voluntary Remediation Program

Site ID Number:

VRP00395

Deed Book and Page Number of

Site Owner's Title:

Deed Book No. 287

Deed Book Page 301

County of Record:

City of Richmond

Description of Property:

± 2.38 Acres of land situated along the West line of Oliver Hill Parkway (North 17th Street). City of Richmond Tax

Map E000-452-42

Current Zoning:

M-2 Heavy Industrial (Typically City zoning does not apply to State owned property. In this case however, a Special Use permit was issued by the City of Richmond in September 2004, to allow the use of the Site for construction of a building for social

service delivery.)

Proposed Use of Property:

Proposed use is for the construction of a facility for social services delivery

Page 2 of 8

Re: Certification of Satisfactory Completion of Remediation

VCU Social Services Parcel, VRP 00395

use for a free meals program, a culinary training program, health screenings, job fairs, meal storage, and transfer, civic and community group meetings, and as a City wide emergency and natural disaster shelter.

Conditions of Issuance (if any):

Institutional Controls - deed restrictions incorporated in the Declaration of Restrictive Covenants that: (1) The groundwater beneath the property shall not be used for any purpose other than environmental monitoring and testing and; (2) the Site shall not be used for residential purposes or for children's (under the age of 16) daycare facilities, schools, or playground purposes (although hotels and motels are not prohibited).

Other Encumbrances on Site:

There is no Deed of Trust on the Property. (See attached Exhibit A; Deed of Ground Lease between Virginia Commonwealth University and the Freedom House for use restrictions) (See Exhibit B; survey plat by Draper Aden Associates for utility and roadway easements)

AUTHORITY

PURSUANT to Code of Virginia §§ 10.1-1230 et seq., and the Voluntary Remediation Regulations (9 Virginia Administrative Code 20-160-10 et seq. (VAC)), the Participant submitted an application on July 16, 2004, to enroll the Participant and the Site in the Voluntary Remediation Program (Program). By letter dated September 15, 2004, the Waste Management Board, acting through the Director of the Department of Environmental Quality (Director) deemed the Participant and Site eligible and notified the Participant that the Site was enrolled in the Program. The Program provides for the Participant's voluntary remediation of releases of hazardous substances, hazardous waste, solid waste, or petroleum from the Site that is the subject of this Certification of Satisfactory Completion of Remediation (Certificate), issued under 9 VAC 20-160-110.

DETERMINATION

Page 3 of 8

Re: Certification of Satisfactory Completion of Remediation VCU Social Services Parcel, VRP 00395

Pursuant to the authority granted under Va. Code § 10.1-1230 et seq., the Director, or his designee, has reviewed the Voluntary Remediation Report (Report), concurs with all work submitted, as set forth in 9 VAC 20-160-80, has determined that the environmental impacts identified at the Site do not present an unacceptable risk to human health and the environment [if the institutional controls mentioned above are implemented] and hereby issues this Certificate. No further action is required at the Site, except for monitoring and the imposition of institutional controls as noted above.

As a result of the issuance of this Certificate, the Participant, current and future Site owners, and their successors-in-interest are afforded immunity from an enforcement action under the Virginia Waste Management Act (§§ 10.1-1400 et seq.), the State Water Control Law (§§ 62.1-44.2 et seq.), the Air Pollution Control Law (§§ 10.1-1300 et seq.), or other applicable Virginia law. The immunity accorded by the Certificate shall apply to the Participant, current and future owners of the Site and their successors-in-interest, and shall run with the land identified as the Site.

RESERVATION OF RIGHTS

The immunity granted by issuance of this Certificate shall be limited to Site conditions at the time of issuance as those conditions are described in the information submitted by the Participant pursuant to participation in the Program. The immunity is further conditioned upon satisfactory performance by the Participant of all obligations required by the Director under the Program and upon the veracity, accuracy, and completeness of the information submitted to the Director by the Participant relating to the Site.

The immunity provided for under this Certificate does not pertain to any matter other than that expressly specified in the section above entitled "Determination." The Director reserves, and this immunity is without prejudice to, the right to revoke or modify the Certificate (1) in the event conditions at the Site, unknown at the time of issuance of the Certificate, pose a risk to human health or the environment; or (2) in the event that the Certificate was based on information that was false, inaccurate, or misleading. The Director further reserves, and this Certificate and immunity is without prejudice to, the right to pursue any and all claims for liability for failure to meet a requirement of the Program, criminal liability, or liability arising from future activities at the Site which may cause contamination by pollutants. By issuance of this Certificate, the Director does not waive sovereign immunity.

This Certificate is not and shall not be interpreted to be a permit or a modification of an existing permit or administrative order issued pursuant to state law, nor shall it in any way relieve the Participant of its obligation to comply with any other federal or state law, regulation, or administrative order. Any new permit or administrative order, or modification of an existing permit or administrative order must be accomplished in accordance with

Page 4 of 8

Re: Certification of Satisfactory Completion of Remediation

VCU Social Services Parcel, VRP 00395

applicable federal and/or state laws and regulations.

DISCUSSION OF RELEVANT INFORMATION

The Site is located within an area that was historically used as a railroad yard. Portions of the Site appear to have been peripherally associated with the railroad yard, whereas much of the property (areas along 17th Street) appears to have remained residential through that period. Prior environmental studies that included the subject property (as performed by Virginia Geotechnical Services, 1991, 2001) revealed several recognized environmental conditions:

- semi-volatile organic compounds and certain metals (arsenic, lead) in stockpiled soils (berm) at the back of the property;
- semi-volatile organic compounds and certain metals (arsenic, lead) in soils underlying the property;
- · volatile organic compounds in groundwater.

In September 2004, a Supplemental Site Characterization and Risk Assessment were prepared to expand on prior environmental studies in order to assess the potential risk to human health as may be attributed to the presence of regulated substances in soil and groundwater. This investigation confirmed the presence of arsenic in on-site stockpiled soils, and in both on-site in-situ and off-site in-situ soils in concentrations that appear to exceed the EPA Risk-Based Concentration for arsenic in soils in an industrial setting. The investigation did not detect any man-made volatile or semi-volatile organic constituents in groundwater samples.

The potential health effects attributed to exposure to soil and groundwater were evaluated in accordance with the Voluntary Remediation Regulations (9 VAC 20-160-10 et seq.) and the Voluntary Remediation Program Risk Assessment Guidance, prepared by the Virginia Department of Environmental Quality, Voluntary Remediation Program.

The Risk Assessment concluded that the contamination in the soil and groundwater at the Site does not present an unacceptable risk to human health or the environment provided that the following institutional controls are recorded on the property deed: (1) groundwater beneath the Site shall not be used for any purpose other than environmental monitoring or for non-potable industrial use; (2) the Site shall not be used for residential purposes or for children's (under the age of 16) daycare facilities, schools, or playground purposes (although hotels and motels are not prohibited.

The required Public Notice was completed in accordance with the Regulations. On October 23, 2005, the Public Notice was published in the Richmond Times Dispatch and all adjacent property owners and appropriate governmental agencies were notified and comments solicited.

Page 5 of 8

Re: Certification of Satisfactory Completion of Remediation VCU Social Services Parcel, VRP 00395

In consideration of the above, the Director has accepted the conclusions of the Report.

This Certificate is conditioned upon its being signed by the Participant and owner, and recorded within 90 calendar days of its issuance, in the land records of Richmond, Virginia. A certified copy of the Certificate as recorded must be submitted to the Department of Environmental Quality, P.O. Box 10009, Richmond, VA 23240-0009, ATTN: Voluntary Remediation Program.

David K. Paylor, Director Department of Environmental Quality
BY: Chris M. Evans, Office Director Office of Remediation Programs
Richmond
was acknowledged before me this 12-6-06
Jane 31, 2010
BY: Name of owner Paul P. Jez
y of Richmond
was acknowledged before me this 12-14-06 by
•

Page 6 of 8

Re: Certification of Satisfactory Completion of Remediation VCU Social Services Parcel, VRP 00395

by William Bergeron West

My Commission expires: February 39, 2008

Page 7 of 8

Re: Certification of Satisfactory Completion of Remediation VCU Social Services Parcel, VRP 00395

DECLARATION OF RESTRICTIVE COVENANTS

This Declaration of Restrictive Covenants made as of this ____ day of _____, under the authority of Virginia Code Section 10.1-1230 et seq. and 9 VAC 20-160-110 by Virginia Commonwealth University, owner of the fee simple title to the property hereinafter described, GRANTOR, as follows:

ALL THAT certain tract, piece or parcel of land containing a total 2.38 acres, situated along the West line of Oliver Hill Parkway (North 17th Street) and being in the City of Richmond, Virginia, and as shown on Exhibit B; the plat dated December 19, 1997.

WHEREAS, Virginia Commonwealth University is the fee simple owner of the said property (see deed recorded in Deed Book 287, page 301; and

WHEREAS, in consideration of certain concessions made by the Director of the Virginia Department of Environmental Quality, the Grantor has agreed to establish certain irrevocable restrictive covenants limiting the use of certain portions of said property in order to protect human health and the environment;

NOW THEREFORE, for the consideration referred to above, the receipt and legal sufficiency of which is hereby acknowledged by the undersigned, and in order to protect human health and the environment, the undersigned do hereby irrevocably, dedicate, declare and impose the following restrictive covenants to run with the land on the above described property as follows:

1. The groundwater beneath the property shall not be used for any purpose other than environmental monitoring and testing.

2. The Site shall not be used for residential purposes or for children's (under the age of 16) daycare facilities, schools, or playground purposes (although hotels and motels are not prohibited).

Page 8 of 8
Re: Certification of Satisfactory Completion of Remediation
VCU Social Services Parcel, VRP 00395

This Declaration of Restrictive Coven with the consent of the Director of the upon a showing of changed circumsta	e Department of Environmental Q	uality,
Given under my hand and seal at	, Virginia, on the	_ day
	By:	
State of, City of The foregoing instrument was acknow		by
by My Commission expires:		

DEED OF GROUND LEASE

This DEED OF GROUND LEASE (the "Lease"), is dated this 12th day of November 2004, by and between the COMMONWEALTH OF VIRGINIA, VIRGINIA COMMONWEALTH UNIVERSITY (the "Lessor") and the FREEDOM HOUSE, a Virginia nonprofit organization (the "Lessee").

WITNESSETH

For and in consideration of the rents, and subject to the terms, conditions, covenants, promises and agreements herein made, Lessor hereby leases and demises unto Lessee and Lessee takes and hires from the Lessor the following described real property and all rights pertaining thereto, subject however to all easements, restrictions and covenants of record to the extent the same lawfully affect such real property (the "Premises"):

All that certain lot, piece or parcel of land located at 1400 Oliver Hill Parkway belonging, lying and being in the City of Richmond, Virginia containing 2.38 acres, more or less, as shown on a plat by Draper Aden Associates dated December 15, 1997, titled "Plat Showing 2.38 Acres of Land Situated Along the West Line of 17th Street, Owned by Virginia Commonwealth University", a copy of which is attached hereto as Appendix A.

1. INITIAL TERM OF LEASE:

The Premises are leased to Lessee for a period of Forty (40) years (the "Initial Term"), beginning on the 10th day of December, 2004 (the "Commencement Date") and terminating on the 9th day of December, 2044 (the "Termination Date").

2. RENT:

Lessee has remitted to the Lessor, the sum of Forty Dollars (\$40.00), rent for the entire Initial Term.

3. OPTIONS TO RENEW:

So long as Lessee is not then in default under the terms of this Lease beyond any applicable cure periods provided for herein and the Lease is in full force and effect, Lessee shall have the right to renew this Lease for four (4) additional, consecutive periods of five (5) years, except that the rent for each such renewal period shall be One (1) Dollar per year payable in advance for the entire renewal term or the commencement date of such renewal term each under the same terms and conditions hereunder. To exercise the renewal right provided herein with respect to each such renewal period, Lessee must provide to Lessor prior written notice thereof at least one (1) year prior to the expiration of the Lease's term, as such term may have been previously extended.

4. TRIPLE NET LEASE: ADDITIONAL RENT

(A) This Lease shall be deemed and construed to be a triple net lease so that all costs relative to the possession, operation and maintenance of the Premises shall be borne by the Lessee. The Lessee shall pay the Rent and all other payments required under this Lease free of all deductions, diminutions, defenses, claims or other deductions whatsoever.

Subject to the Lessee's rights to contest such charges or levies, Lessee shall promptly pay all charges and other levies of any nature against the Premises and improvements thereon, whether ordinary or extraordinary, foreseen or unforeseen, together with any interest or penalties thereon, including without limitation, all applicable real estate taxes and any payments or use charges in lieu thereof, assessments, service charges, water and sewer charges, and utility charges. To the extent not lawfully exempt therefrom, Lessee shall pay any and all applicable taxes levied upon or attributable to the operation of the Premises or any furniture, fixtures or other personal property of Lessee brought onto the Premises. Under no circumstances shall the Lessee have access of or utilitize the ground water.

(B) If the Lessee shall fail to make any payment when due or perform any act required of it under this Lease, and such failure shall continue for ten (10) business days after receipt of notice from Lessor of such failure, the Lessor may (but shall be under no obligation to) make such payment or perform such act. All amounts paid by the Lessor and all reasonable costs, fees and expenses so incurred as to such payment and performance shall be payable by Lessee as Additional Rent, and if not paid within 10 days of receipt of a written demand therefore from Lessor, shall bear interest at the then existing prime rate as established by the Wall Street Journal, from the date expended by the Lessor until the date actually paid by the Lessee.

5. USE OF PREMISES:

- (A) Lessee shall have the right, at its own cost and expense to construct on any part of the Premises, at any time and from time to time and in accordance with the terms of this Lease, such improvements as Lessee shall from time to time determine, if Lessee has satisfied the other provisions of this Lease. Lessee may at its option and at its own cost and expense, at any time and from time to time, make alterations, changes, replacements, improvements and additions in and to the Premises (the "Improvements"), as it may deem desirable, provided Lessee has satisfied the other provisions of this Lease.
- (B) The Improvements to be constructed on the Premises shall be used solely for activities related to providing services for Richmond's homeless and at risk poor such as a free meals program, culinary training program, health screening, job fairs, meal storage and transfer and civic community group meeting space. Any other use requires the prior written consent of Lessor, which consent Lessor reserves the

right to withhold in Lessor's sole and absolute discretion. Under no circumstances shall the Premises be designated for residential use. For purposes of this Deed of Lease restriction, residential use is defined as stays exceeding 250 days per year per occurrence.

6. CONSTRUCTION OF IMPROVEMENTS:

- (A) Lessee, at Lessee's sole expense, shall seek and obtain all required state and governmental approvals for construction of any Improvements on Premises prior to the initiation of the project. In the event any condition shall be imposed by governmental authorities with respect to the granting of any and all said approvals which are required for Improvements to be constructed on the Premises, then Lessee shall comply, at Lessee's expense, with said condition.
- (B) Lessee, at Lessee's sole cost and expense, shall cause an architect or engineer, as appropriate, to prepare a graphic plan of the Premises, preliminary plans, sections, elevations and other materials including but not limited to the Site Plan (herein collectively called "Preliminary Plans") with respect to the proposed Improvements, which shall be executed by an architect or engineer, as appropriate, licensed to practice in the Commonwealth of Virginia, disclosing the matters and details of the project. Lessor shall have the right to approve the Preliminary Plans, which approval shall not be unreasonably withheld or delayed. If Lessor fails to approve or reject the Preliminary Plan within thirty (30) days of receipt thereof from Lessee, such approval shall be deemed granted.
- (C) Lessee, at Lessee's sole cost and expense, shall cause actual working drawings and specifications with respect to the proposed Improvements (herein called "Final Plans") which shall be logical extensions of the approved Preliminary Plans, to be prepared and shall submit same to Lessor, for Lessor's information and approval, which approval shall not be unreasonably withheld or delayed. If Lessor fails to approve the Final Plan within thirty (30) days of receipt thereof from Lessee, such approval shall be deemed granted.
- (D) Lessor hereby grants Lessee permission, and Lessee, at Lessee's sole cost and expense, shall construct the Improvements upon the Premises substantially in accordance with the Final Plans and shall install therein fixtures, equipment and apparatus to be used in connection with the operation and maintenance thereof.
- (E) Lessee covenants and agrees that, except as shown on the Final Plans, no additional building or other structure or improvement shall be commenced, erected or maintained on the Premises without first obtaining Lessor's written approval, which shall not be unreasonably withheld. No change, alteration or addition (hereinafter "Alterations") in or to the Improvements or such additional building or other structure or improvement shall be commenced, erected or maintained on the Premises without first obtaining Lessor's written approval, which shall not be

unreasonably withheld, except for interior changes, alterations and additions which do not affect the exterior of the structure or the Premises (which Lessee shall be permitted to make without Lessor's approval).

- (F) All Improvements and Alterations prior to occupancy shall be constructed and completed by Lessee, without expense to Lessor, in a good, first class and workmanlike manner and substantially in compliance with the approved Final Plans therefor and all applicable permits and authorizations and building and zoning laws and with all other applicable laws, ordinances, orders, rules, regulations and other requirements of all federal, state, and local governments, departments, commissions, boards, and officers, and in compliance with the terms and conditions of this Lease.
- (G) The cost of the Improvements and Alterations shall be paid by Lessee so that the Premises, Improvements and Alterations shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Premises, Improvements and Alterations.
- (H) Upon completion of the construction of each Alteration in accordance with the provisions hereof, each such Alteration shall be deemed to be and shall constitute part of the Improvements for all purposes of this Lease.
- (I) Promptly upon completion of the Improvements and each Alteration, Lessee shall deliver to Lessor one print set of "as-built" drawings thereof.
- (J) If Lessee, for any reason, fails to contract with a contractor and begin construction of the Improvements within two (2) years of the later to occur (i) final approval by applicable governmental authorities of the Site Plan, or (ii) approval of Lessor of the Final Plans or in the event such construction is not completed within five (5) years following, the later to occur of (a) final approval by applicable governmental authorities of the Site Plan, or (b) approval of Lessor of the Final Plans, Lessor reserves and has the right to cancel this Lease without any further cost or obligation to Lessee or Lessor.

7. REPAIRS AND MAINTENANCE:

(A) Subject to the right of the Lessee to contest the validity thereof, throughout the Initial Term of this Lesse and any renewals thereof, Lessee covenants to keep, repair and maintain, at Lessee's sole cost and expense, the Premises and all Improvements thereto so as to conform to and comply with any present or future laws, ordinances, codes, rules, regulations or requirements of any federal, state or municipal government, department, commission, board or officers having jurisdiction, foreseen or unforeseen, ordinary as well as extraordinary, whether or not such laws, ordinances, codes, rules, regulations or requirements shall necessitate structural changes or improvements or interferes with the use and

enjoyment of the Premises or the Improvements or Alterations, and to take any and all actions necessary to avoid or eliminate any violation.

(B) Throughout the Initial Term of this Lease and any renewals thereof, Lessee shall, at Lessee's sole cost and expense, take good care of the Premises and the Improvements, and, subject to reasonable wear and tear, will keep the same in good order and condition, and make all repairs thereto, interior and exterior, structural and nonstructural. As used herein, the term "repairs" shall include all reasonable replacements and alterations, as well as the correction of construction defects in the Improvements or any alteration, thereto. All repairs made by Lessee shall be substantially equivalent in quality and class to the original work.

Throughout the Initial Term of this Lease and any renewals thereof, Lessee shall at its sole cost and expense, maintain sidewalks, curbs, entrances and driveways on or serving the Premises in good repair and in good and safe condition free from dirt, snow, ice, rubbish and other obstructions.

COMPLIANCE WITH LAWS, ORDINANCES, ETC.

- (A) Subject to the right of the Lessee to contest the validity thereof, throughout the Initial Term of this Lease and any renewals thereof, Lessee will conform to, comply with and take any and all action necessary to avoid and eliminate any violation of, any present or future law, statue, order, rule, regulation or requirement of any federal or state government, department, commission, board or officers having jurisdiction, foreseen or unforeseen, ordinary as well as extraordinary, which shall be applicable to the Premises, Improvements, Alterations or the sidewalks, curbs, driveways and passageways and parking areas constituting part of the Premises or the Improvements or Alterations, or to the use or manner of use thereof by Lessee or occupants thereof whether or not such law, ordinance, order, rule, regulations or requirement shall necessitate structural changes or improvements or interferes with the use and enjoyment of the Premises or the Improvements or Alterations.
- (B) Throughout the Initial Term of this Lease and any renewals thereof, Leasee at is sole cost and expense, will procure and maintain all permits, licenses and authorizations required for any use of the Premises and the Improvements, or any part thereof, then being made, and for the lawful operations and maintenance thereof.

9. MECHANIC'S LIENS

Lessee shall not suffer or permit any mechanic's lien to be filed against the interest of Lessor or Lessee in the Premises or Improvements by reason of work, labor, services or materials supplied to Lessee, the Premises, or the Improvements or Alterations, or any part thereof and agrees to

protect and defend Lessor against any such lien, with the understanding that Lessor is not subject to mechanic's liens.

10. INSURANCE:

- (A) From the date on which any construction is commenced, and continuing through the construction of any Improvements or any Alterations until the date of completion thereof, Lessee shall effect and maintain, at Lessee's sole cost and expense, or cause Lessee's contractor to affect and maintain, builder's all risk and extended coverage insurance covering liability for any claim that may arise in connection with respect to any Improvements or Alterations being constructed, to one hundred percent (100%) of the insurable value thereof, such insurance to include coverage of items of labor and materials connected therewith, whether in or adjacent thereto, and materials and equipment in place or to be used as part of the permanent construction thereof. This insurance shall provide coverage against any claims arising out of the work performed by or on behalf of Lessee pursuant to section 6(D) of this Lesse.
- (B) From and after the Commencement Date of this Lease and thereafter during the Initial Term and any renewals thereof, Lessee shall keep in force at its own expense in companies and form acceptable reasonably to Lessor insurance covering Lessor and Lessee as named insureds with such limits as may reasonably be requested by Lessor from time to time, but not less than One Million Dollars (\$1,000,000,000) for bodily injuries to or death of one person and Three Million Dollars (\$3,000,000,000,000) for bodily injuries to or death of more than one person as a result of any one accident or disaster, and property damage insurance with limits of One Hundred Thousand Dollars (\$100,000,00); and Lessee shall deliver to Lessor upon request a certificate of insurance showing the same to be in force and effect. The parties hereto may agree, by written modification of this Lease, as provided in Paragraph 22, to alternative insurance provisions, including without limitation the use of insurance provided by or through the Lessor.
- (C) Following the completion of construction, Lessee shall at all times during the term of this Lesse maintain fire and extended coverage insurance in amounts sufficient to prevent Lessor and Lessee from becoming co-insurers within the terms of the applicable policies, and in any event, in an amount not less than 80% of the then full insurable value, naming Lessor and Lessee as insureds. Lessee shall furnish Lessor with copies of all such insurance policies and any renewals or replacements thereof.
- (D) Each policy or certification therefore obtained by Lessee pursuant to this Paragraph B shall contain an express agreement by the insurer that such policy shall not be canceled or modified without at least thirty (30) days' prior written notice to Lessor.

11. DAMAGE OR DESTRUCTION OF PREMISES:

- If the Improvements are damaged or destroyed by fire or other insurable casualty customarily insured against, the Lessee, at its sole cost and expense, to the extent insurance proceeds are available to Lessee, shall promptly restore such Improvements as nearly as possible to their condition prior to such damage or destruction; provided, however, that, with the consent of the Lessor, the Lessee may in lieu of restoration in whole or part utilize insurance proceeds to pay off all or part of any Indebtedness incurred by the Lessee to fund the original construction thereof. All insurance proceeds received by the Lessor and Lesses pursuant to Paragraph 10(B) herein, less the cost, if any, of such recovery, shall be held by Lessee and applied to the payment of such restoration, as such restoration progresses. In the event such insurance proceeds are not sufficient to pay the full cost of repair or restoration, the Lessee shall pay the deficiency. In the event the Lessee does not have sufficient funds to pay the deficiency, the Lessor shall have the right, in addition to any other remedy available at law or in equity, may immediately declare this Lease null and void from its inception and of no force and effect, without notice.
- (B) All personal property of Lessee, its agents, employees, independent contractors, licensees and invitees brought upon the Premises or any parts thereof shall be at the sole risk of Lessee, and Lessor shall not be liable for any damage thereto or theft thereof, except to the extent such damage is caused by the negligence or willful misconduct of Lessor or Lessor's agents, employees or contractors.

12. EVENTS OF DEFAULT:

Each of the following events shall be deemed an Event of Default under this Lease:

- (A) If the Improvements on the Premises or any substantial portion thereof become vacant or deserted for a period of two (2) years.
- (B) If this Lease shall be assigned or the Improvements on the Premises sublet other than in accordance with the terms of this Lease and such default is not cured within thirty (30) days after written notice thereof given by Lessor.

13. LESSOR'S REMEDIES UPON DEFAULT:

(A) If Lessor shall give notice of default pursuant to Paragraph 12 above, and such default is not cured within the specified period following notification, then at the expiration of such period, Lessor shall give Lessee one additional written notice and this Lease shall automatically terminate effective five (5) days after delivery thereof as completely as if that were the date herein definitely fixed for the expiration of the term of this Lease, and the Lessee shall then surrender the Premises there on to the Lessor and all Improvements placed on the Premises shall be removed by the Lessee, at Lessee's sole cost, if Lessee has failed to cure such

default with such five (5) day period. If this Lease shall be so terminated, it shall be lawful for the Lessor, at its option, without formal demand or notice of any kind, to re-enter the Premises and Improvements by any unlawful detainer action or by any other means and to remove the Lessee therefrom without being liable for any damages therefore. Upon the termination of this Lease, as herein provided, the Lessor shall have the right, at the Lessor's election, to terminate any sublease then in effect, without the consent of the sublessee. Upon Lessor's exercise of such termination, Lessee hereby agrees and covenants to pay any and all of Lessor's reasonable costs and expenses in thus effecting Lessee's and sublessee's compliance with Lessee's and sublessee's obligations under this Lease, including, without limitation, Lessor's fees and court costs, and this provision shall survive termination of the Lease.

- (B) Failure by Lessor to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any permitted right or remedy consequent upon a default therein, and /or acceptance of payment of full or partial Rent or Additional Rant by Lessor during the continuance of any such default shall not constitute a waiver of such default or of such covenant, agreement, term or condition.
- (C) No right or remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law. Lessor shall be entitled to injunctive relief in case of the violation, or attempted or threatened violation, of any covenant, agreement, condition or provision of this Lesse, or to a decree compelling performance of any covenants, agreements, conditions or provisions of this Lesse, or to any other remedy allowed by law or in equity.

14. QUIET ENJOYMENT:

So long as Lessee observes and keeps all covenants, agreements and conditions of this Lesse, Lessor covenants and warrants that Lessee shall have quiet and peaceful use and enjoyment of the Premises throughout the Initial Term of this Lesse and any renewals thereof, subject, however, to the exceptions, reservations and conditions of this Lesse.

15. ACCEPTANCE OF CONDITION OF PREMISES:

Lessee covenants that it has inspected and is fully familiar with the condition of the Premises.

The Lessor shall perform and/or pay the cost of any and all environmental remediation necessary to ready the site for new construction in compliance with the Voluntary Remediation Program administered by the Commonwealth of Virginia, Department of Environmental Quality.

Upon completion of the Voluntary Remediation Program by Lessor, Lessee shall indemnify the Lessor for any environmental claims resulting from the Lessee's operations or the acts of employees, agents, contractors and/or customers.

The Lessee will immediately notify the Lessor about the release of hazardous materials resulting from the Lessee's operations or the acts of employees, agents, contractors and/or customers and provide information regarding its remediation. All costs to remediate the premises caused through the negligence of the Lessee shall be at Lessee's expense.

16. TERMINATION:

- Upon expiration of this Lease at the end of the Initial Term or any extension (A) thereof, Lessee shall remove all Improvements and Alterations placed on the Premises, and any of its possessions, at Lessee's sole cost, and surrender the Premises to Lessor in good order and condition, reasonable wear and tear In the event the Improvements are substantially destroyed by uninsurable casualty (an uninsurable casualty shall mean a casualty which is not customarily insured against), Lessee, at its option, may terminate this Lease provided (1) Lessee gives written notice of termination to Lessor within ninety (90) days after the occurrence of such substantial destruction and (2) Lessee removes any and all of the remaining Improvements together with any debris or rubble, and fills, compacts, landscapes and otherwise restores the Premises as nearly as practicable to its original condition within one hundred eighty (180) days of said termination. Upon any termination of this Lease, Lessee shall restore the Premises to good condition, clear and free of any hazardous substances or materials which were introduced on or after the Commencement Date of this Lease. This provision shall survive termination of the Lease. This Lease may be terminated by Lessee at any time upon written notice to the Lessor by certified or registered mail, return receipt requested, with at least one (1) year's written notice.
- (B) If the property is not used for its intended use for a period of twenty-four (24) consecutive months, the Lessor may declare by written notice to the Lessee, the Lease terminated. If the Lease is terminated or if it is six (6) months prior to the expiration of this Lease, Lessor, in its sole discretion, shall notify Lessee in writing to demolish the Improvements and restore the Land to its condition at the inception of this Lease, at Lessee's sole cost and expense.

17. TITLE TO IMPROVEMENTS:

Title to all Improvements and Alterations when made, erected, constructed, installed or placed upon the Premises shall be and remain in the Lease until the expiration of the term hereof, unless this Lease is sooner terminated as herein provided, and upon such expiration or termination, title to such Improvements and Alterations, in the condition in which Lessee has agreed to maintain them pursuant to the provision of this Lease, shall at Lessor's option, upon written notice to

Lessee, pass to, vest in, and belong to Lessor, and Lessee, upon request by Lessor, shall execute such reasonable assurances and conveyances as are reasonably necessary or advisable to vest Lessor's title in such Improvements and Alterations. All Improvements and Alterations placed on the Premises upon the termination of this Lease shall be required to be removed by Lessee at Lessee's cost.

18. NOTICE:

- (A) Any and all notices affecting this Lease may be served by the parties hereto, or by their duly authorized agents, as effectively as if same were served by any officer authorized by law to serve such notices. The return of such party, or its duly authorized agent, showing the time, place and manner of service of such notice shall have the same force and effect in any legal proceedings based thereon as a return of service by any officer authorized by law to serve such notice.
- (B) All notices required by law to be served upon, and all notices permitted by this Lease to be mailed to a party to this Lease shall be served upon or mailed to, as the case may be, the following agents for each party who are hereby appointed and designated as such for the purpose of receiving all such notices:

(1) Lessor's agent shall be:

Leasing Coordinator, Real Estate and

Foundation Services

700 West Grace Street, P.O. Box 843075

Richmond, Virginia 23284-3075

(2) Lessee's agent shall be:

Executive Director, Freedom House

1201 Hull Street Road Richmond, Virginia 23224

Each party shall immediately notify the other party, in writing, of any change of agents, and no change of agents shall be effective until such notice is given.

Where under the terms of this Lease a notice is required or permitted to be mailed by certified or registered mail, return receipt requested, and such notice is not mailed in such manner, the notice shall be effective if actually received by the party, or its appointed agent, to whom the notice is directed.

19. CONDEMNATION:

In the event all or any portion of the Premises shall be taken as a result of, in lieu of, or in anticipation of the exercise of eminent domain, condemnation, nationalization, seizure, confiscation or requisition pursuant to any law, general or special, by any government authority, civil, military or other person legally possessing the power of eminent domain (or by any deed in lieu thereof), this Lease shall cease and terminate only as to the portion taken as of the date title to the Premises has vested in the condemning or purchasing party. Proceeds of any such taking

shall be divided on a pro rata basis between Lessor and Lessee based upon the amounts contributed to the construction of Improvements and the Premises so taken. Provided that it does not reduce the compensation or award payable to Lessor, Lessee shall have the right to maintain a separate action against the condemning authority to compensate Lessee for any loss or taking of Lessee's personal property, for any moving expenses incurred by Lessee as a result of such taking and for such other compensation to Lessee then provided by law.

20. GOVERNING LAW:

This Lease and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia.

21. ENTIRE AGREEMENT:

This Deed of Ground Lease constitutes the entire, full and complete understanding and agreement of the parties, and all representations, conditions, statements, warranties, covenants, promises or agreements previously made or given by either party to the other are hereby expressly merged into this written Deed of Ground Lease and shall be null, void and without legal effect.

22. MODIFICATION:

This Deed of Ground Lease shall not be modified, altered or amended except by written agreement executed by the parties hereto with the same formality as this agreement.

23. SEPARABILITY

Each covenant and agreement contained in this Lease shall be construed to be a separate and independent covenant and agreement. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be found to be invalid and unenforceable by a court of competent jurisdiction, the remainder of this Lease or the application of such term or provision to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

24. PARAGRAPH HEADINGS:

Headings to the paragraphs are mere catchwords and are illustrative only; they do not form a part of this Lease nor are they intended to be used in construing same.

25. EXECUTION:

This Deed of Ground Lease shall not be effective or binding unless and until signed by all parties hereto

26. RECORDATION:

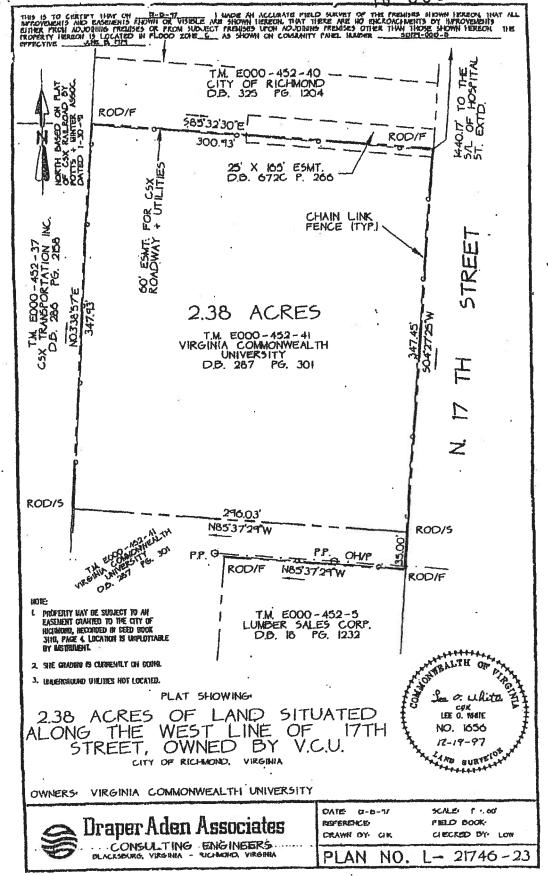
Either party hereto may, at its sole cost and expense, prepare and cause to be recorded in the Clerk's Office of the Circuit Court of the City of Richmond, a memorandum of this Lease.

27. ASSIGNMENT/SUBLETTING:

Lessee shall have the right, without consent of Lessor, to assign this Lease or sublet all or a portion of the Premises to the Greater Richmond Healing Center, a Virginia nonprofit organization. In the event of such an assignment or subletting, the Greater Richmond Healing Center shall have the right, without the consent of the Lessor, to re-assign or re-sublet a portion of the Premises to Lessee. If the Lessee assigns or sublets, this does not relieve the Lessee from their responsibilities under this Lease.

In WITNESS WHEREOF, the parties have affixed their signatures and seals.

LESSOR:	COMMONWEALTH OF VIRGINIA
	VIRGINIA COMMONWEALTH UNIVERSITY
Ву:	Paul P. Jez, Associate Vice President for Business Services and Treasurer
	, and the state of
LESSEE:	FREEDOM HOUSE
Ву: У	upadipps
•	Melba Gibbs, Executive Director Freedom House
	ricedom riouse
APPROVED AS TO FORM: Sugar	J. Dernuson
	Special Assistant Attorney General
COMMONWEALTH OF VIRGINIA	· .
CITY/ COUNTY OF <u>Sections</u>	
The foregoing Deed of Lease Agreement was	to-wit:
on the Was day of Chambin	2004, in the jurisdiction aforesaid.
My commission expires:	
	8005 Pis MA
malan	St. Whail
N	otary Public
COMMONWEALTH OF VIRGINIA	
CITY/COUNTY OF Ridon	to-wit:
The foregoing Deed of Lease Agreement was ac	knowledged hefers make D. 10 T
on the 10 day of December 2004	in the jurisdiction aforesaid
My commission expires: February	29 2008
Vickey De	region West- ary Public
() Note	ary Laidic



INSTRUMENT# 07 - 3075
RECORDED IN THE CLERK'S OFFICE OF
CITY OF RICHMOND ON

LAN 2 6 2007 AT /2-0/

EVILL M. DEAN, CLERK

DEPUTY BLEED

JAN 2 6 2007 AT /2-0/

DEPUTY BLERK