

INTRODUCED: May 8, 2023

AN ORDINANCE No. 2023-156

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Deed of Lease between the City of Richmond and Ritchie Richmond, LLC, for the purpose of leasing the property located at 1904 North Hamilton Street for the use of the Department of Fire and Emergency Services for certain operations and storage.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

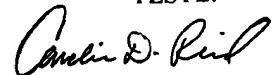
PUBLIC HEARING: JUN 12 2023 AT 6 P.M.

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 Deed of Lease between the City of Richmond and Ritchie Richmond, LLC for the purpose of leasing the property located at 1904 North Hamilton Street for the use of the Department of Fire and Emergency Services for certain operations and storage. The Deed of 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.

**A TRUE COPY:
TESTE:**


City Clerk

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 12 2023 REJECTED: _____ STRICKEN: _____



O&R REQUEST

DATE: April 19, 2023

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Lincoln Saunders, Chief Administrative Officer

THROUGH: Melvin Carter, Chief/ Richmond Fire and Emergency Services

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

FROM: Christopher Nizamis - Economic Development/Real Estate Strategies

RE: Lease of 1904 North Hamilton Street for Richmond Fire and Emergency Services.

ORD. OR RES. No. _____

PURPOSE: To authorize the Chief Administrative Officer to execute, for and on behalf of the City, a Deed of Lease (substantially in the form of the draft attached hereto) by and between the City and Ritchie Richmond, LLC, for the purpose of the City leasing, for use by Richmond Fire and Emergency Services, the approximately 1.28 acre parcel of real estate located at 1904 North Hamilton Street consisting of a free-standing building of 26,395± square feet of office and warehouse space.

REASON: Richmond Fire and Emergency Services desires to lease the building to accommodate and centrally consolidate operations and the logistics storage of nine different station locations to include fire apparatus, antiquities, and gear/equipment. The relocation includes functions of Logistics including but not limited to equipment storage and deployment, Fire Marshal's Office-Inspections, Permitting, and Investigations, and other operational needs.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: On March 26, 2008 the City of Richmond (on behalf of the Richmond Fire and Emergency Services) entered into a lease for 19,028 square feet of space at 201 E. Franklin Street for the departments headquarter and support operation staff. Throughout the years, they entered into subsequent renewal addendums to the lease. The current lease expiration date is May 31, 2023. Due to continued growth and building operational limitations, Richmond Fire and Emergency has determined the need to relocate and consolidate their logistics and personnel into a more functional and effective building. This proposed lease would enable the use of the entire 1.28 acre parcel of real estate located at 1904 Hamilton St. (Tax Map #: N0001939035; Zoning: M1 – Light Industrial; Council District: 2), including a free-standing building containing 26,395± square feet of office and warehouse space as well as approximately 55,576.8 sq. ft. of

paved parking area. The term of the lease will be for an initial fifteen (15) year period with two (2) five-year renewal options.

In support of the transition, certain staff and senior personnel will be relocating to the city-owned Theater Row building at 730 E. Broad Street. This simultaneous relocation will offset their need to renew their current lease at the 201 E. Franklin location.

FISCAL IMPACT / COST: Richmond Fire and Emergency Services will pay an annual rental rate of \$479,069.28/year 1 (\$39,922.44/month) on a “gross” lease structure with an annual escalation of three (3%) for subsequent years. Initial term of the lease is fifteen (15) years with two (2) 5-year renewal options.

FISCAL IMPLICATIONS: Richmond Fire and Emergency Services estimates that the annual base rent will increase by \$97,207.36 compared to the rent that would be paid based on the proposed renewal rate at their current 201 E. Franklin Street location. However, 1) they will be increasing their square foot allocation by 7,367 square feet and 2) will be able to eliminate over \$57,244.42 in annual parking fees at their current location and 3) such calculation does not consider the NNN pass-through charges (based on actual charges) at their current location which is determined and reconciled annually (TBD).

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: None

DESIRED EFFECTIVE DATE: Upon adoption of this ordinance

REQUESTED INTRODUCTION DATE: May 8, 2023

CITY COUNCIL PUBLIC HEARING DATE: May 22, 2023

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing & Transportation Standing Committee meeting.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: City Attorney’s Office and the Department of Public Utilities (at the Theater Row Building)

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS:

Draft Deed of Lease

Lease Rent Analysis – E. Franklin Street versus N. Hamilton Road

1904 N. Hamilton Road Building Profile including aerial images, Richmond Parcel Mapper, etc.

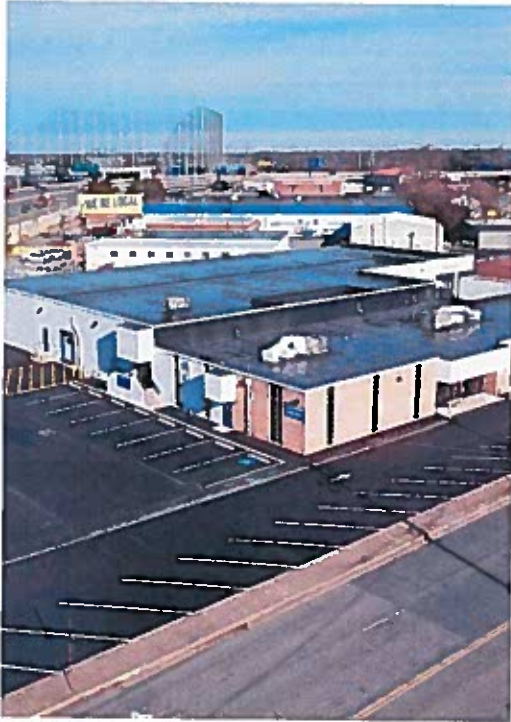
City of Richmond Parcel & Tax Assessor Information

STAFF:

Travis Ford, Assistant Fire Chief – Richmond Fire and Emergency Services

Matt Welch, Senior Policy Advisor – Planning & Economic Development Portfolio

Christopher Nizamis - Real Estate Manager/Real Estate Strategies



Ritchie Building

1904 N Hamilton St, Richmond, VA 23230

Tim Ritchie

Tim Ritchie

8704 Holly Hill Rd, Richmond, VA 23229

timritchie@gmail.com

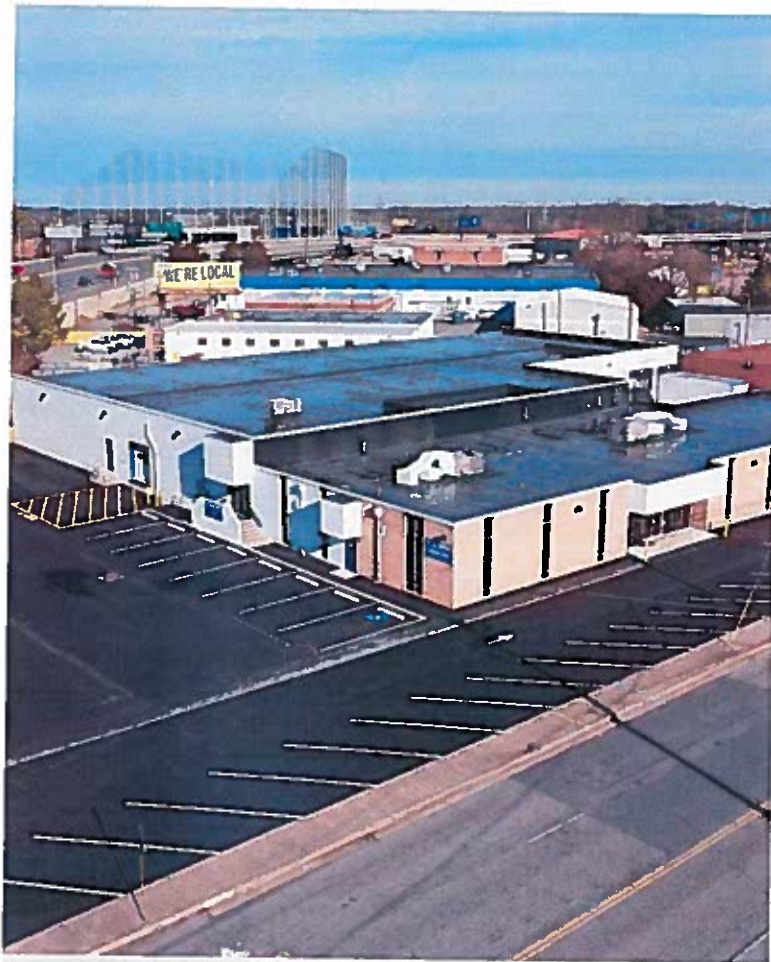
(804) 514-8446

Ritchie Building

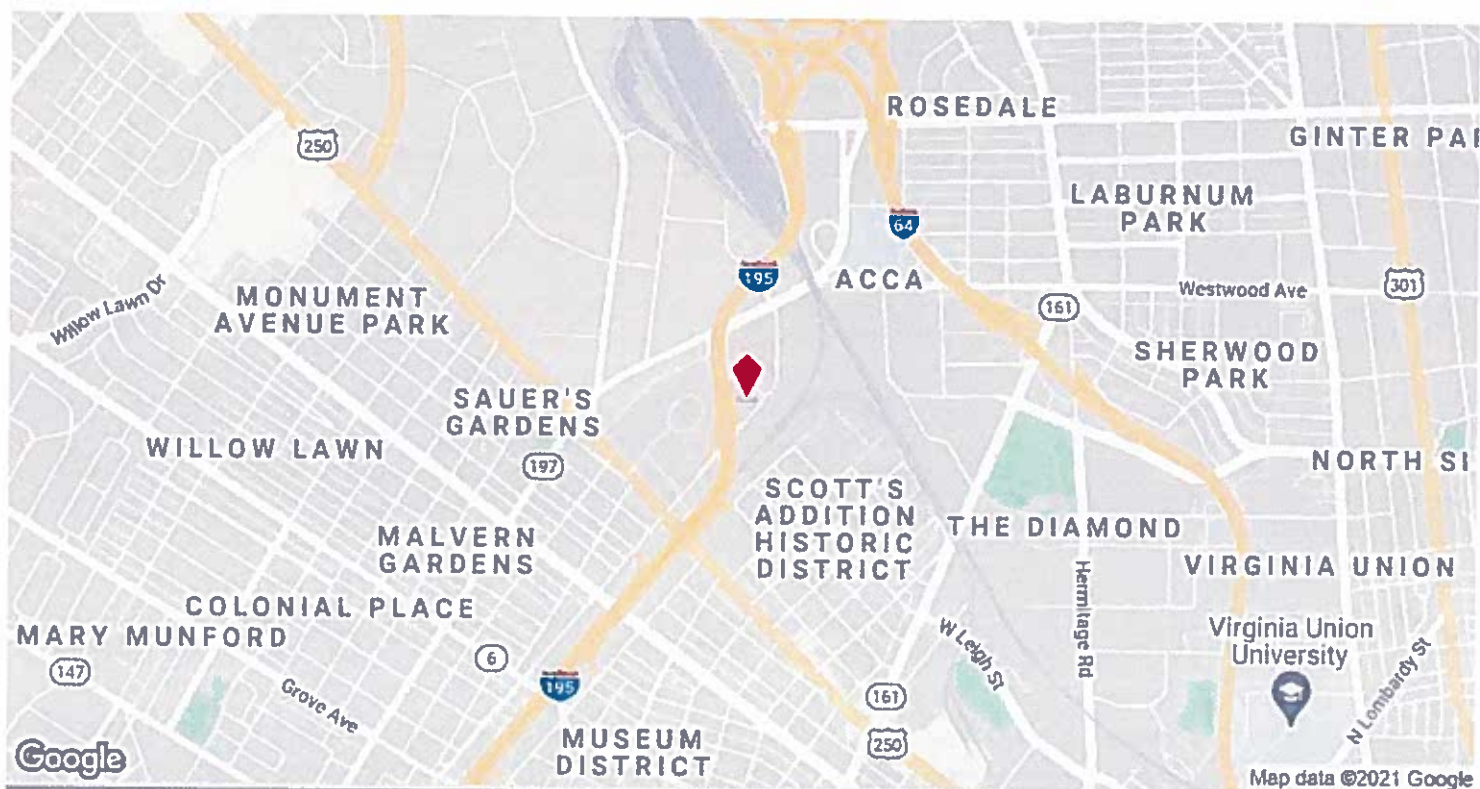
Upon Request

Former location of National HVAC Wholesaler. Excellent visibility and access to I95, I64 and I295 downtown expressway. Large parking lot and fenced dock area. Lots of recent upgrades including new EPDM roof, new rooftop HVAC units, new fire doors, new insulated dock doors, new dock shelters, new dock load levelers, freshly painted inside and outside. Property adjoins Interstate ramp for easy access. Warehouse area of 18,395 SF includes newly upgraded 2000 SF showroom/sales counter and new gas-fired unit heaters. Clear ceiling height is 13'. Approximately 4000 SF of finished space which includes offices, conference rooms, kitchen and approximately 4000 SF of clean flex space with A/C. Adjacent to Broad Street and growing Scott's Addition....

- Excellent location, immediate access to interstate, high visibility, lots of parking and recent upgrades.
- New water coolers, sealed concrete floors and new LED lighting.
- New Parking Lot with 50 Spaces



Rental Rate:	Upon Request
Property Type:	Industrial
Property Subtype:	Warehouse
Rentable Building Area:	26,395 SF
Year Built:	1964
Rental Rate Mo:	Upon Request



1904 N Hamilton St, Richmond, VA 23230

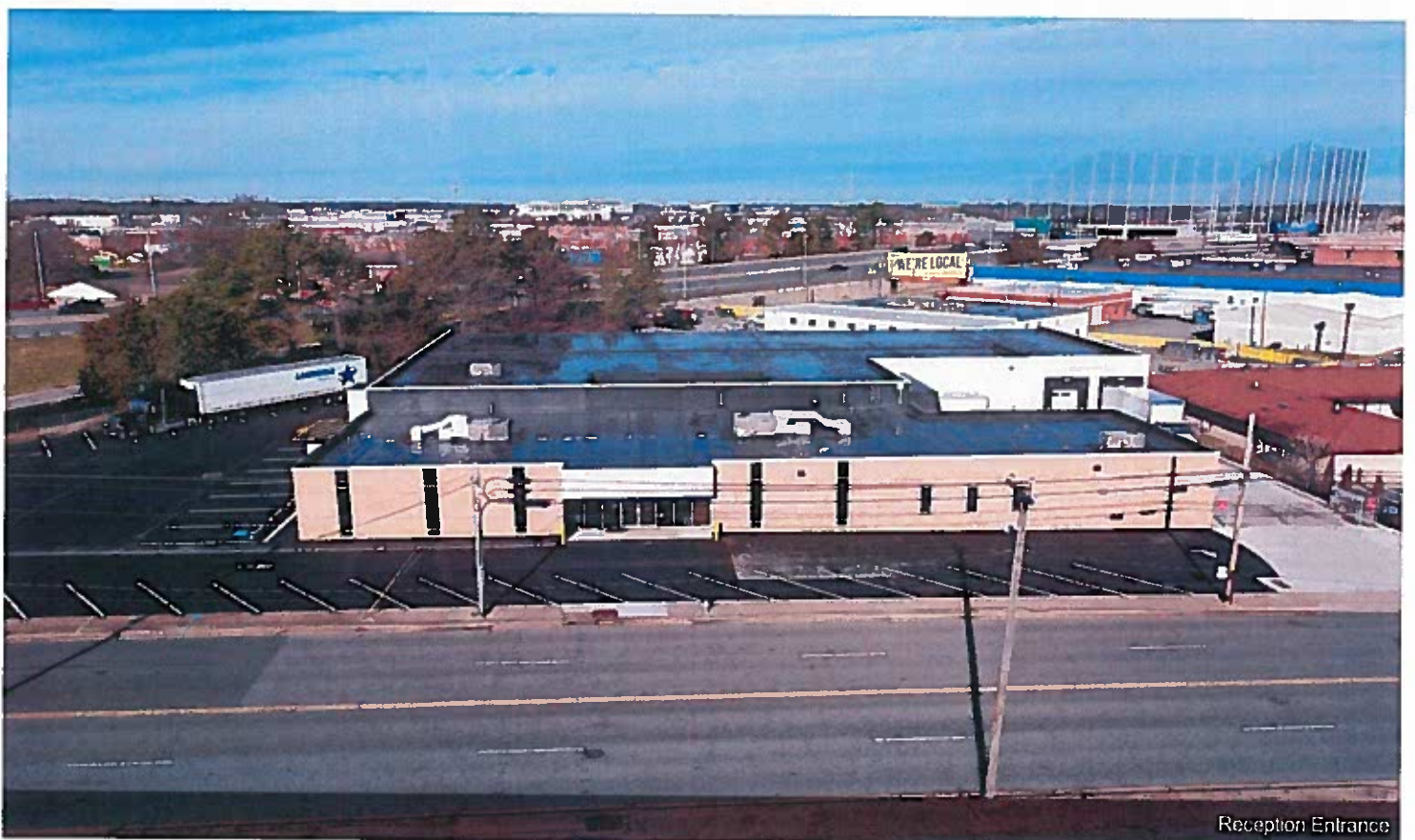
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Property Photos



Concrete Loading Pad



Reception Entrance

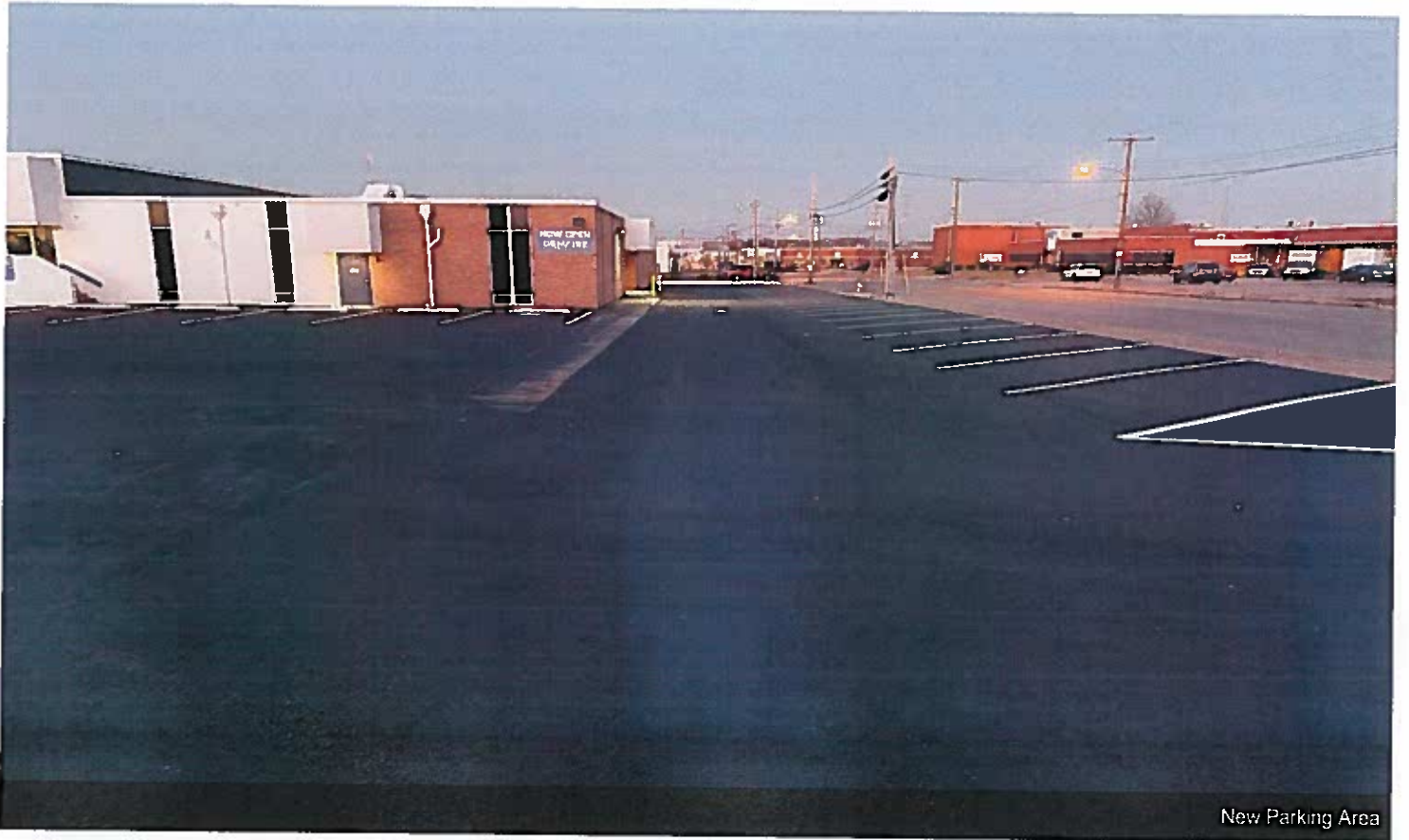
Property Photos



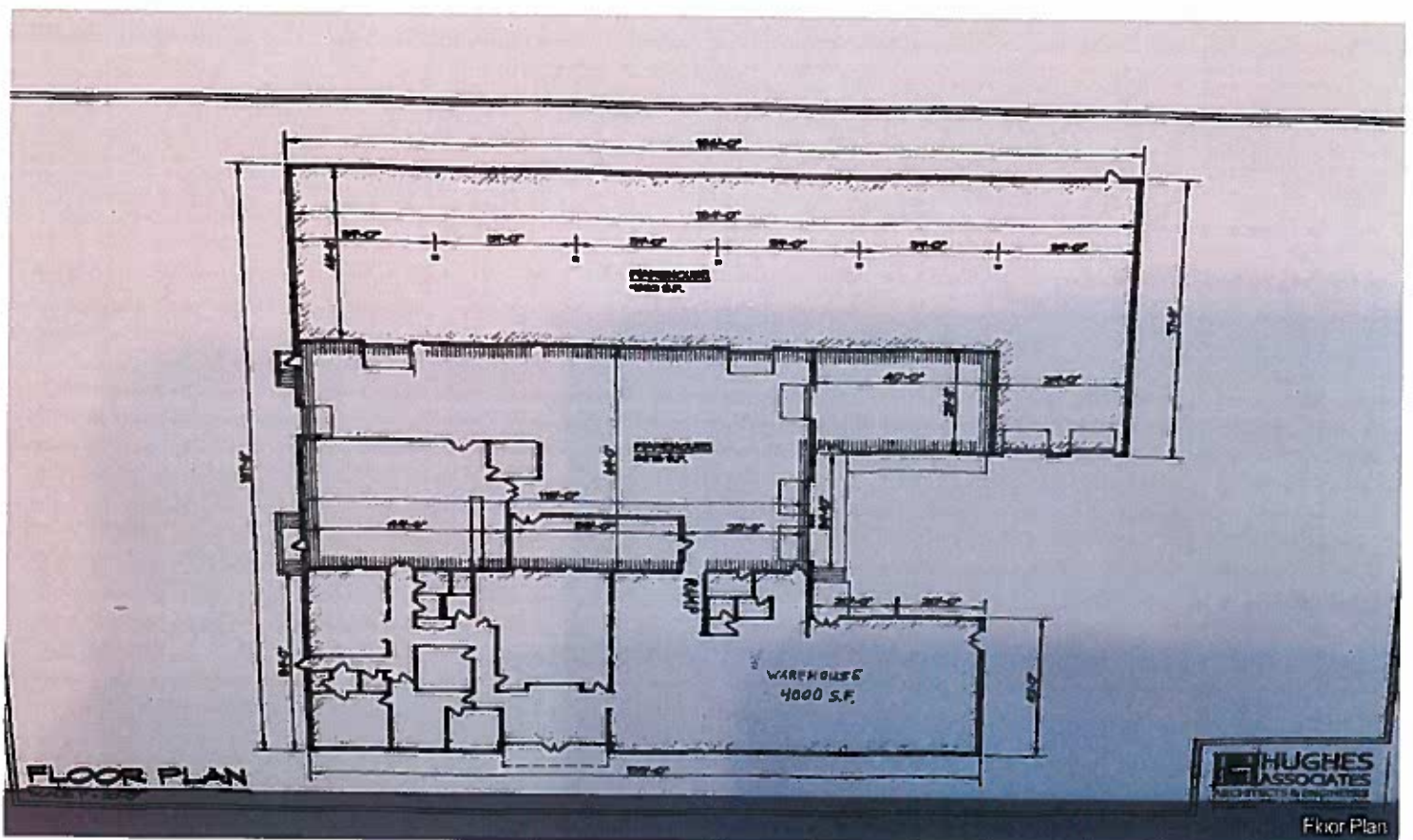
Property Photos



Property Photos



New Parking Area



Property Photos



Property Photos



Property Photos



Warehouse w/AC



Office Area

Property Photos



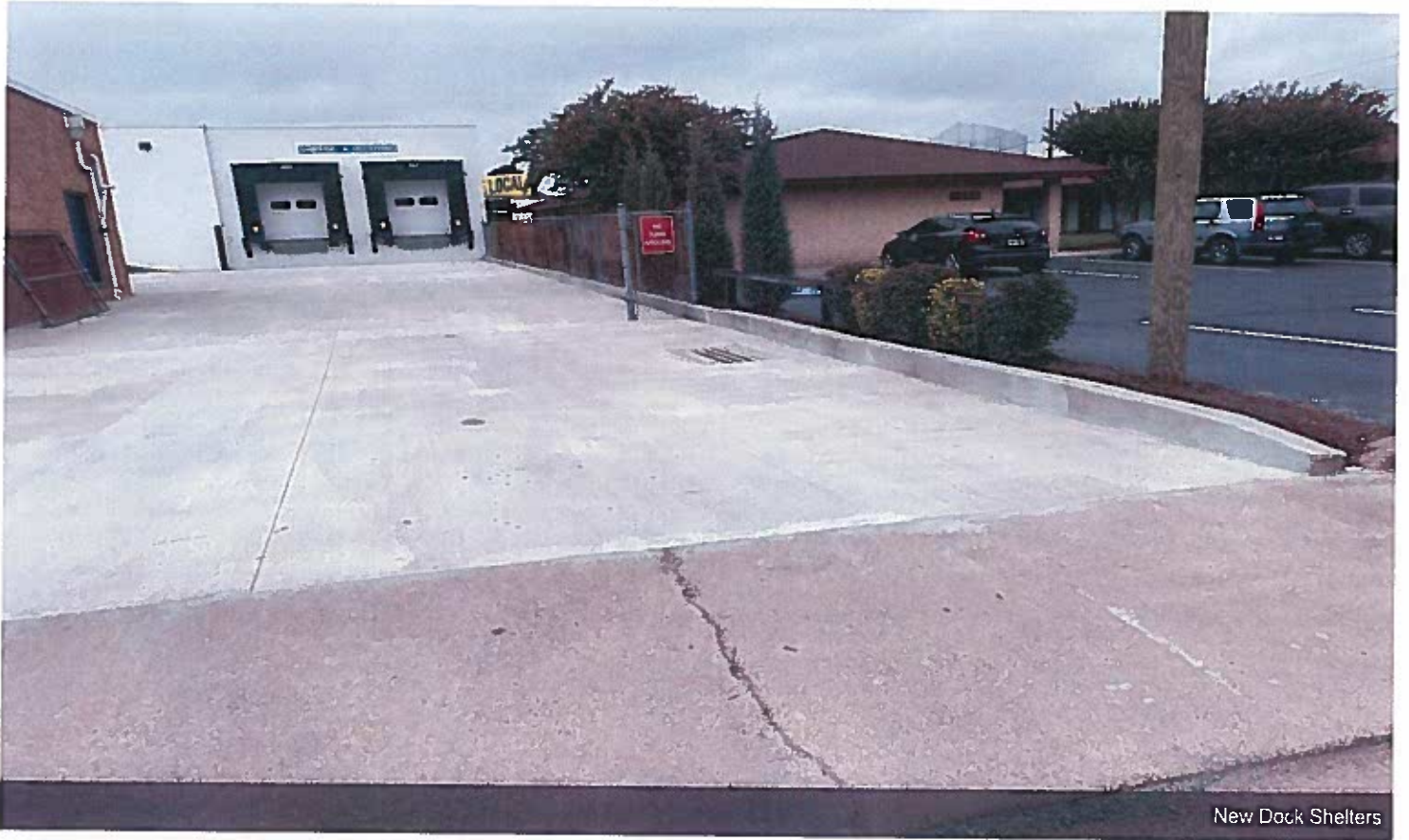
Property Photos



Property Photos



Property Photos

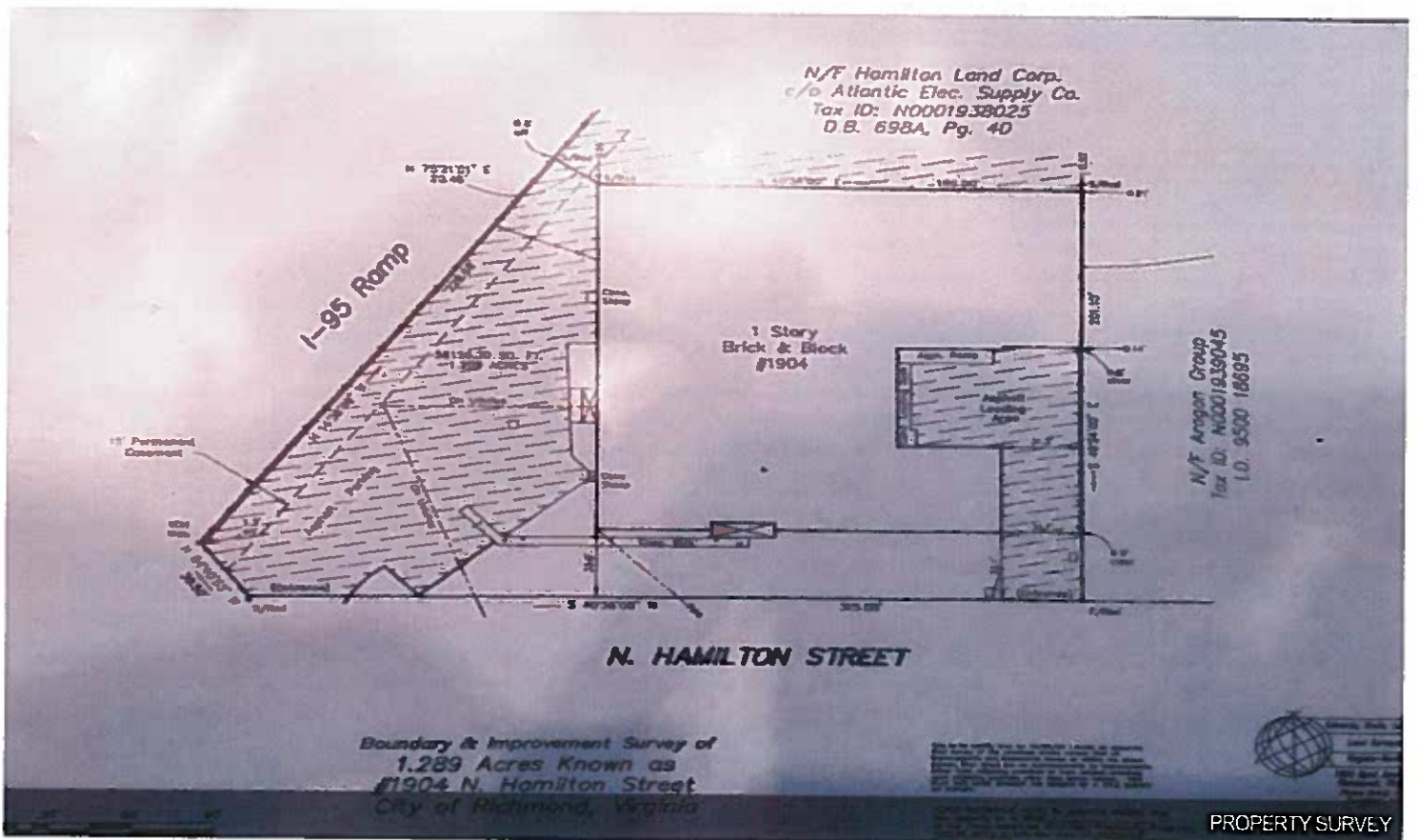
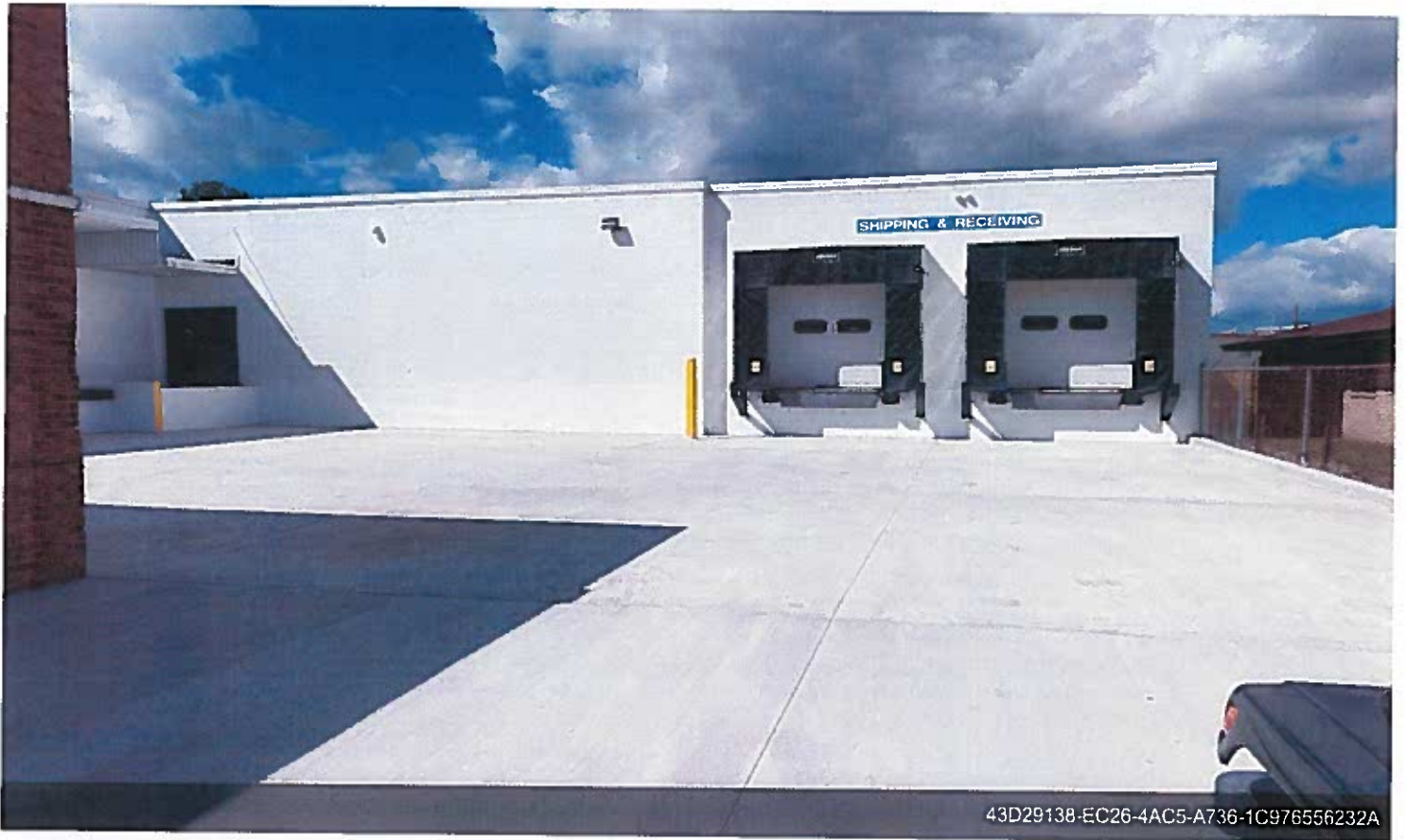


New Dock Shelters



Multiple Loading Docks

Property Photos



THIS DEED OF LEASE (this “Lease”) is made by and between **RITCHIE RICHMOND, LLC**, a Virginia limited liability company (“Landlord”), and **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (“Tenant”), effective as of _____, 2023 (“Effective Date”).

1. Basic Lease Terms and Definitions.

(a) **Premises:** The approximately 1.28 acre parcel of real estate referred to in the records of the Richmond City Assessor as City of Richmond Tax Parcel No. N0001939035 and located at 1904 N. Hamilton Street, Richmond, Virginia (the “Premises”), which includes one commercial warehouse building of approximately 26,395 square feet (the “Building”) as well as approximately 55,576.8 square feet of paved parking area.

(b) **Term:** One hundred eighty (180) months (unless extended pursuant to Section 27).

(c) **Commencement Date:** June 1, 2023

(d) **Expiration Date:** May 31, 2038, unless extended pursuant to Section 27.

(e) **Annual Rent:** Payable in monthly installments as follows:

Lease Period (Full Calendar Months)	\$/SF	Total Annual Obligation	Total Monthly Obligation
1 – 12	\$ 18.15	\$ 479,069.28	\$ 39,922.44
13 – 24	\$ 18.69	\$ 493,441.32	\$ 41,120.11
25 – 36	\$ 19.26	\$ 508,244.52	\$ 42,353.71
37 – 48	\$ 19.83	\$ 523,491.96	\$ 43,624.33
49 – 60	\$ 20.43	\$ 539,196.72	\$ 44,933.06
61 – 72	\$ 21.04	\$ 555,372.60	\$ 46,281.05
73 – 84	\$ 21.67	\$ 572,033.76	\$ 47,669.48
85 – 96	\$ 22.32	\$ 589,194.72	\$ 49,099.56
97 – 108	\$ 22.99	\$ 606,870.60	\$ 50,572.55
109 – 120	\$ 23.68	\$ 625,076.76	\$ 52,089.73
121 – 132	\$ 24.39	\$ 643,829.04	\$ 53,652.42
133 – 144	\$ 25.12	\$ 663,143.88	\$ 55,261.99
145 – 156	\$ 25.88	\$ 683,038.20	\$ 56,919.85
157 – 168	\$ 26.65	\$ 703,529.40	\$ 58,627.45
169 – 180	\$ 27.45	\$ 724,635.24	\$ 60,386.27

(f) **Use:** Any lawful purpose including, but not limited to, warehouse, office, parking of commercial vehicles, trucks, equipment and other vehicles, including overnight parking.

(g) **Addresses For Notices:**

Landlord: Ritchie Richmond, LLC
P. O. Box 11395
Richmond, Va. 23230
Attn: Tim Ritchie

With a copy to: Deskevich, Gavin & Harris, PC
1409 Eastridge Road

Richmond, Va. 23229
Attn: Duane A. Deskevich, Esq.

Tenant: City of Richmond
Department of Economic Development (Real Estate Strategies)
900 E Broad Street, Room 1603
Richmond, VA 23219
Attn: Christopher Nizamis

With a Copy to: City Attorney's Office

City Attorney
City of Richmond, Virginia
900 East Broad Street; Suite 400
Richmond, VA 23219

(h) **Additional Defined Terms:** See Rider 1 for the definitions of other capitalized terms.

(i) **Contents:** The following are attached to and made a part of this Lease:

Rider 1 – Additional Definitions

2. **Premises.** Landlord leases to Tenant and Tenant leases from Landlord the Premises. Tenant accepts the Premises "AS IS", without relying on any representation, covenant or warranty by Landlord other than as expressly set forth in this Lease. Landlord represents and warrants that as of the Effective Date, (i) the Building and the Premises Systems are in good working order and (ii) Landlord has no knowledge that the Premises are in violation of any Laws or Environmental Laws.

3. **Quiet Enjoyment.** Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, while paying the rental and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord subject to the terms and provisions of this Lease.

4. **Term; Possession.** The Term of this Lease shall commence on the Commencement Date and shall end at 11:59 p.m. on the Expiration Date, unless sooner terminated in accordance with this Lease. Landlord shall deliver Tenant possession of the Premises on the Commencement Date, provided, however, at Tenant's election Tenant may procure early possession of the Premises as of the date that this Lease is fully executed by all parties and the advance payment of \$1287.00 per day from the date of such early possession until the Commencement Date.

5. **Rent.** Tenant agrees to pay to Landlord, without demand, Annual Rent for the Term. Tenant shall pay the Annual Rent in monthly installments, in advance, on the first day of each calendar month during the Term, at Landlord's address designated in Section 1 above unless Landlord designates otherwise. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within seven (7) days after the applicable due date, then Tenant shall pay to Landlord a per month late charge equal to five percent (5%) of such overdue amount.

6. **Taxes and Utilities.**

(a) During the Term Landlord shall pay all taxes and assessments imposed on the Premises by any lawful authority.

(b) Landlord shall pay all fees and charges levied on the Premises in relation to stormwater pursuant to Article VIII the City Code of the City of Richmond, as the same may be amended or recodified, and shall be responsible for stormwater management at the Premises.

(c) Tenant shall pay for water, wastewater, gas, electricity, heat, power, telephone and other communication services and any other utilities supplied to the Premises. Tenant shall obtain service in its own name and timely pay all charges directly to the provider. Any wiring, cabling or other equipment necessary to connect Tenant's telecommunications equipment shall be Tenant's responsibility. Tenant shall have the right to install utilities, at Tenant's expense, and to improve present utilities on the Premises, provided, however, in the event that utilities are installed or improved, and notwithstanding any other provisions herein to the contrary, Tenant then becomes responsible for all repair, maintenance and replacement of such installed or improved utilities.

(d) During the Term, Tenant shall pay prior to delinquency all taxes assessed against and levied upon Tenant's business and operation as well as any Alterations, Tenant installations, trade fixtures, furnishings, equipment and all other of Tenant's personal property contained in the Premises. Tenant shall cause any Alterations and Tenant's trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the Premises. If any Alterations or any of Tenant's personal property shall be assessed with the Premises, Tenant shall pay Landlord the taxes attributable to Tenant within thirty (30) days after receipt of a written statement setting forth the taxes applicable to the Alterations or Tenant's personal property.

7. Insurance; Waivers; Indemnification.

(a) Landlord, at its sole cost and expense, agrees to obtain and maintain in effect throughout the Term the following insurance policies:

(i) For all portions of the Premises, a broad form commercial general liability insurance policy on an occurrence basis with coverages and limits of liability not less than a \$1,000,000 combined single limit with a \$5,000,000 general aggregate limit (which general aggregate limit may be satisfied by an umbrella liability policy) for bodily injury or property damage; however, such limits shall not limit Tenant's liability hereunder. Such policy shall provide that it shall not be cancelable or reduced without at least thirty (30) days prior notice to Landlord. Landlord shall also ensure any party entering the Premises in accordance with Landlord's right of entry described in Section 13 below possesses insurance coverage that meets or exceeds the insurance coverage requirements described in this paragraph, and Landlord shall provide Tenant proof of such coverage upon request.

(ii) A policy insuring against loss or damage to the Building and the Premises with coverage for perils as set forth under the "Causes of Loss-Special Form" policy of property insurance with additional flood coverage in an amount equal to at least the full insurable replacement cost of the Buildings (excluding coverage of Tenant's personal property, Tenant installations and any Alterations by Tenant) and without a coinsurance feature. Such policy shall include coverage for (i) any additional costs resulting from debris removal and (ii) reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged sections of the Premises required to be demolished or removed, as the result of a covered loss, by reason of enforcement of the Laws.

(iii) Such additional insurance, including rent loss coverage, as Landlord may reasonably deem appropriate or as any Mortgagee may require.

Such policies shall insure Landlord and shall be issued by a company duly authorized or permitted to conduct business in the Commonwealth of Virginia and having a Best's Key Rating of at least A: VII. Upon request, Landlord agrees to provide Tenant a certificate of insurance demonstrating Landlord is maintaining the insurance requirements of this subsection (a).

(b) Tenant, at its expense, shall keep in effect coverage for Tenant's personal property, Tenant installations and any Alterations by Tenant as well as commercial general liability insurance, including blanket contractual liability insurance, covering Tenant's use of the Premises, with coverages and limits of liability not less

than a \$1,000,000 combined single limit with a \$5,000,000 general aggregate limit (which general aggregate limit may be satisfied by an umbrella liability policy) for bodily injury or property damage. The policy shall name Landlord and any other associated or affiliated entity as their interests may appear and at Landlord's request, any Mortgagee(s), as additional insureds, shall be written on an "occurrence" basis and not on a "claims made" basis and to provide that it shall not be cancelable or reduced without at least thirty (30) days prior notice to Landlord. The insurer shall be authorized to issue such insurance, licensed to do business and admitted in the state in which the Premises is located and rated at least A VII in the most current edition of Best's Insurance Reports. Tenant shall deliver to Landlord on or before the Commencement Date or any earlier date on which Tenant accesses the Premises, and at least thirty (30) days prior to the date of each policy renewal, a certificate of insurance evidencing such coverage.

(c) Notwithstanding any terms of this Section 7 to the contrary, Landlord agrees that Tenant may satisfy any of the insurance requirements of this Lease through any plan or program of self-insurance in which Tenant participates so long as Tenant provides Landlord with a certificate of insurance confirming it can provide all the coverages required to be carried by Tenant pursuant to this Section 7. Landlord shall have no obligation to insure Tenant's personal property, Alterations, or Tenant installations.

8. Maintenance and Repairs.

a. The interior of the Building shall be kept by Tenant in good order, condition, and repair at all times and at its own expense. Tenant's obligations to keep and Maintain the Premises in good repair shall include but not be limited to repair, maintenance and servicing of all of Tenant personal property, Alterations and Tenant installations, the plumbing, sewage, electrical systems, fixtures and equipment, elevators and escalators (if any), and floor and wall covering located in the Premises, irrespective of the ownership of any of these items of equipment, the parking lot, and snow removal. Tenant, in keeping the Premises in good order, condition, repair and replacement shall exercise and perform good maintenance practices and provide or procure its own janitorial services; interior repair, replacement and maintenance of items such as light bulb replacement, restroom products, etc.

b. Landlord shall, at its sole expense except as otherwise set forth herein and in accordance with the Laws, keep and Maintain the following in good condition and repair: heat, air conditioning and ventilating systems ("HVAC"), the structural and exterior portions of the Premises, (exclusive of the parking lot, snow removal and any Alterations and Tenant installations), but including roofing, foundations, exterior walls, and stormwater drainage facilities and all existing underground water and sewer pipes and conduits, excluding any repair, maintenance and replacement of any Tenant installed or improved utilities. Landlord shall keep in force or maintain a contract for semi-annual inspections and all maintenance and repair of the HVAC systems and auxiliary heating system at the Premises with a licensed commercial HVAC contractor of Landlord's selection and Tenant's prior approval. Tenant shall reimburse Landlord the actual cost of necessary repair, maintenance and servicing of the HVAC, upon submission of an invoice by Landlord to Tenant for such actual and necessary cost. Tenant will have no obligation to pay any overhead, administrative fees, services fees, or similar charges by the HVAC contractor or the Landlord for such repair, maintenance and servicing. If Tenant becomes aware of any condition that is Landlord's responsibility to Maintain, Tenant shall promptly notify Landlord of the condition, and Landlord shall complete Maintenance necessary to correct such condition within ten (10) days from Tenant's provision of notice, or, within a reasonable number of days thereafter if Landlord demonstrates completion of the Maintenance would reasonably require more than ten (10) days and Landlord is using Reasonable Efforts while pursuing completion of the Maintenance. If Landlord fails to timely comply with any of its obligations under this subsection (b), then Tenant, at its sole option and by written notice to Landlord, may proceed to make or cause to be made the repair or replacement at Landlord's expense and Tenant may deduct the cost thus incurred in fulfilling Landlord's obligations from future payments of Annual Rent or if at the expiration of the Term, Landlord shall pay to Tenant such amount within thirty (30) days after reasonable request therefor accompanied with supporting documentation. If Tenant, in its reasonable discretion, determines a condition that is Landlord's responsibility to Maintain must be Maintained or partially Maintained due to an emergency or imminent occurrence of an emergency prior to expiration of the period by which Landlord must remedy such condition, and provided that Tenant has given notice to Landlord of such condition and Landlord has not commenced such

Maintenance, Tenant may, but shall not be obligated to, perform whatever Maintenance it deems necessary to ensure continuity in its operations on the Premises ("Emergency Maintenance"). Tenant shall have no liability in relation to any Emergency Maintenance it performs except for Tenant's negligence (subject to Section 32 below) or willful misconduct, and Tenant's performance of such Emergency Maintenance shall (i) be at no cost to Landlord and (ii) not derogate from Landlord's obligations in this Lease. Regardless of who bears responsibility for any Maintenance, Tenant shall promptly notify Landlord if Tenant becomes aware of any areas of water intrusion or mold growth in or about the Premises.

c. Notwithstanding any provision herein to the contrary, Tenant's maintenance and repair obligations shall include the repair or replacement of any damage to the Premises occasioned by the installation, maintenance or removal of Tenant's trade fixtures, furnishings, equipment, Alterations and/or Tenant installations as well as for any damage to the roof caused by Tenant or its Agents.

9. Compliance.

(a) Tenant and Landlord will, at each party's own expense, promptly comply with all Laws, including Environmental Laws, and covenants and conditions of record (of which both parties have actual knowledge) now or subsequently pertaining to the Premises or Tenant's use or occupancy or Landlord's ownership of the Premises, as applicable. Neither Tenant nor its Agents shall use the Premises in any manner that under any Law would require Landlord to make any Alteration to or in the Building, except that Landlord shall not unreasonably withhold, condition, or delay consent for Tenant to make such Alterations as may be necessary for Tenant to lawfully engage in the Use (without limiting the foregoing, Tenant shall not use the Premises in any manner that would cause the Premises to be deemed a "place of public accommodation" under the ADA if such use would require any such Alteration).

(b) Tenant agrees that (i) no activity will be conducted on the Premises that will use or produce any Hazardous Materials, except for activities which are part of the ordinary course of Tenant's business and are conducted in accordance with all Environmental Laws ("Permitted Activities"); (ii) the Premises will not be used for storage of any Hazardous Materials, except for materials used in the Permitted Activities which are properly stored in a manner and location complying with all Environmental Laws; (iii) no portion of the Premises will be used by Tenant or Tenant's Agents for disposal of Hazardous Materials; (iv) Tenant will deliver to Landlord copies of all Material Safety Data Sheets and other written information prepared by manufacturers, importers or suppliers of any chemical; and (v) Tenant will immediately notify Landlord of any violation by Tenant or Tenant's Agents of any Environmental Laws or the release or suspected release of Hazardous Materials in, under or about the Premises, and Tenant shall immediately deliver to Landlord a copy of any notice, filing or permit sent or received by Tenant with respect to the foregoing. If at any time during or after the Term, Tenant or any of Tenant's Agents is found to have contaminated any portion of the Premises in violation of any Environmental Law, Landlord shall have the right to direct reasonable remediation activities, all of which shall be performed at Tenant's cost. Tenant's obligations pursuant to this subsection shall survive the expiration or termination of this Lease.

10. Signs. Tenant shall maintain all signs installed by Tenant in good condition and in compliance with all Laws. Tenant shall remove its signs at the termination of this Lease, shall repair any resulting damage, and shall restore the Premises to its condition existing prior to the installation of Tenant's signs.

11. Alterations. Tenant shall not make or permit any Alterations in or to the Premises that (i) exceed \$10,000, (ii) are visible from the exterior of the Premises, (iii) affect any Premises System or the structural strength of the Building, (iv) require puncturing, penetrating, relocating or removing any portion or all of the roof, floor, ceiling or existing bearing walls, and/or (v) involve storing, mounting or attaching items to the roof or require work within the bearing walls, below the floor or above the ceiling without first obtaining Landlord's consent, which consent shall not be unreasonably withheld, conditioned, or delayed. In the event Landlord fails to respond in writing to any written request from Tenant for approval of an Alteration within thirty days of such request, the requested Alteration shall be deemed approved. Any Alteration by Tenant shall be the property of Tenant until the expiration or termination of this Lease; at that time without payment by Landlord the Alteration shall remain on the Premises and become the property

of Landlord unless Landlord gives notice to Tenant to remove it, in which event Tenant will remove it, will repair any resulting damage and will restore the Premises to the condition existing prior to Tenant's Alteration. Upon the Expiration Date or earlier termination of this Lease, Landlord shall have sole responsibility for any of Tenant's Alterations that remain on the Premises. At Tenant's request prior to Tenant making any Alterations, Landlord will notify Tenant whether Tenant is required to remove the Alterations at the expiration or termination of this Lease. Tenant may install and remove its trade fixtures, furniture, and equipment in and from the Premises, provided that Tenant shall repair at its sole cost any damage to any portion of the Premises, any Premises System, or any other equipment or facilities serving the Buildings, that Tenant causes by such installation or removal. Any Alterations or installations by Tenant during the term of this Lease shall be done in a good and workmanlike manner, with good and sufficient materials, and in compliance with all Laws.

12. Mechanics' Liens. Neither Tenant nor Landlord has authority to encumber the Premises with any materialmen's or mechanic's lien, nor shall either suffer or permit any such lien to exist. Should any such lien hereafter be filed as a result of either party's actions or failure to act, such party shall at its sole cost within thirty (30) days after the lien is filed, discharge the lien or post a bond in the amount of the lien.

13. Landlord's Right of Entry. Tenant shall permit Landlord and its Agents to enter the Premises during the last twelve (12) months of the Term, to exhibit the Premises to any prospective tenant. Landlord shall not unreasonably inconvenience Tenant in exercising such rights. In advance of any entry onto the Premises by Landlord, Landlord shall reasonably coordinate with Tenant to ensure minimal interruption to Tenant's operations and Landlord shall not be liable for any interference with Tenant's occupancy that results from Landlord's entry, except to the extent such entry prevents Tenant from reasonably or safely engaging in any element of the Use.

14. Damage by Fire or Other Casualty.

Definitions.

i. *"Premises Partial Damage"* shall mean damage or destruction to the improvements on the Premises, the repair cost of which damage or destruction is less than 40% of the then Replacement Cost of the Premises immediately prior to such damage or destruction, excluding from such calculation the value of the land and Tenant owned alterations and installations.

ii. *"Premises Total Destruction"* shall mean damage or destruction to the Premises the repair cost of which damage or destruction is 40% or more of the then Replacement Cost of the Premises immediately prior to such damage or destruction, excluding from such calculation the value of the land and Tenant owned alterations and installations.

iii. *"Replacement Cost"* shall mean the cost to repair or rebuild the Premises at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of applicable building codes, ordinances or laws, and without deduction for depreciation.

iv. *"Hazardous Substance Condition"* shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance in, on, or under the Premises.

b. **Partial Damage.** If a Premises Partial Damage then Landlord shall, with Reasonable Efforts, at Landlord's expense, repair such damage (including damage, without limitation, to: (1) all mechanical, electrical, and plumbing systems serving the Premises; (2) the heating, ventilation, and air conditioning systems serving the Premises; (3) the roof, foundation, and interior and exterior windows and walls of the Premises; and (4) to any alterations and installations constructed by Landlord and Tenant shall have the right to terminate the Lease without penalty of any kind by providing Landlord notice of its intent to so terminate within thirty (30) days of the date the damage is sustained. Landlord shall commence and diligently pursue completion of such repair with Reasonable Efforts and in a commercially reasonable time and manner.

c. **Total Destruction.** If Premises Total Destruction, Tenant may at its option, within thirty (30) days after the date of occurrence of such damage, either (i) terminate this Lease effective the date of occurrence of such damage by giving written notice to the Landlord, or (ii) require that Landlord, with Reasonable Efforts, at Landlord's expense, commence repair of such damage (including damage, without limitation, to: (1) all

mechanical, electrical, and plumbing systems serving the Premises; (2) the heating, ventilation, and air conditioning systems serving the Premises; (3) the roof, foundation, and interior and exterior windows and walls of the Premises; and (4) to any alterations and installations constructed by Landlord within thirty (30) days of the occurrence of such damage and proceed promptly to completion of such repair. If such repair cannot be fully and completely accomplished for any reason within three hundred sixty-five (365) days of commencement, Tenant may at that time terminate this Lease upon thirty (30) days prior written notice to Landlord. If Tenant elects to terminate this Lease as provided in this paragraph, no obligation shall accrue under this Lease after the effective date of such termination.

d. Damage Near End of Term. If at any time during the last six (6) months of the original Term, or a renewal Term, as the case may be, of this Lease there is damage for which the cost to repair exceeds two (2) months' Rent, Landlord may, at Landlord's option, terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving written notice to Tenant of the election to do so within thirty (30) days after the date of occurrence of such damage. Provided, however, if Tenant at that time has an exercisable option to extend this Lease, then Tenant may preserve this Lease by, within thirty (30) days following the occurrence of the damage, or before the expiration of the time provided in such option for its exercise, whichever is earlier ("Exercise Period"), exercising such option. If Tenant duly exercises such option during said Exercise Period, Landlord shall, with Reasonable Efforts, at Landlord's expense commence repair of such damage within thirty (30) days of Tenant's exercise of such option and complete such repair within three hundred sixty-five (365) days of commencement. If Tenant fails to exercise such option, then Landlord may at Landlord's option terminate this Lease as of the expiration of said sixty (60) day period following the occurrence of such damage by giving written notice to Tenant of Landlord's election to do so within ten (10) days after the expiration of the Exercise Period, notwithstanding any term or provision in the grant of option to the contrary.

e. Abatement of Rents. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition, for which Tenant is not responsible under this Lease, whether or not Landlord or Tenant repairs or restores the Premises, the Rent and other charges, if any, payable by Tenant hereunder for the period during which such damage, its repair or the restoration continues shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired. Except for abatement of Rent and other charges, if any, as aforesaid, all other obligations of Tenant hereunder shall be performed by Tenant.

f. Access and Use. If, due to no fault of Tenant, all or a substantial portion of the Premises are rendered unusable or inaccessible for Tenant's use for sixty (60) consecutive days as a result of an event of Force Majeure as defined by Section 29 of this Lease, Tenant shall have the right, in addition to any other rights or remedies it may have under this Lease, upon thirty (30) days' prior notice to Landlord, to terminate this Lease. In such event, this Lease shall terminate on the thirtieth (30th) day after receipt by Landlord of such notice, unless said access and use of the Premises have been fully restored within said thirty (30) day period for the customary conduct of Tenant's use as permitted under this Lease.

15. Condemnation. Landlord shall give prompt notice to Tenant of any discussions, offers, negotiations, or proceedings with any party regarding a Taking of any portion of the Premises. If (a) all of the Premises are Taken, or (b) any part of the Premises is Taken and the remainder is insufficient in Tenant's reasonable opinion for the reasonable operation of Tenant's business, then this Lease shall terminate as of the date the condemning authority takes title or possession, whichever occurs first. If this Lease is not terminated, then as of the date the condemning authority takes title or possession, whichever occurs first, this Lease shall terminate as to the part of the Premises Taken, and the Annual Rent shall be reduced in proportion to the leasable square foot area of the Premises that remains. Further, (i) Landlord shall restore the Premises, including the Building, to a condition as near as reasonably possible to the condition prior to the Taking, (ii) before and during such restoration, the Annual Rent shall be abated for the period of time all or a part of the Premises is untenable in proportion to the square foot area untenable, and (iii) this Lease shall be amended appropriately. Tenant shall be entitled to all awards and compensation for the reasonable removal and relocation costs, any Tenant Alteration taken or damaged and for the loss and damage to any such property that Tenant elects or is required not to remove, and for the loss of use of the Premises by Tenant, including without limitation the leasehold value of this Lease and the loss of business, provided that if the

condemning authority makes any payments to Landlord that include amounts to which Tenant is entitled under this Lease or applicable law, Landlord shall hold the same in trust for Tenant and shall forthwith make payment to Tenant of the award to which it is entitled. It is agreed that Tenant shall have the right to participate in any settlement proceedings and that Landlord shall not enter into any binding settlement agreement without the prior written consent of Tenant, which consent shall not be unreasonably withheld.

16. Assignment and Subletting. Tenant shall not enter into nor permit any Transfer voluntarily or by operation of law, without the prior consent of Landlord, which consent shall not be unreasonably withheld. In the event Landlord fails to respond in writing to any written request from Tenant for approval of a Transfer within thirty days of such request, the requested Transfer shall be deemed approved.

17. Title. Landlord represents and warrants to Tenant that as of the Commencement Date, (i) Landlord is seized of good and sufficient title and interest to the Premises and has full authority to enter into and execute this Lease, and (ii) Landlord has no knowledge of any suit, action, proceeding, judgment, investigation, or claim pending or threatened which could reasonably be expected to disturb Landlord's ownership of the Premises. Landlord further states that to the best of Landlord's knowledge there are no liens, judgments, or impediments of title on the Premises and that there are no covenants, easements, or restrictions which prevent or adversely affect the Use or Tenant's occupancy of the Premises.

18. Subordination; Mortgagee's Rights. Tenant accepts this Lease subject and subordinate to any Mortgage now or in the future affecting the Premises, provided that any Mortgagee shall (i) recognize the validity of this Lease in the event of foreclosure of Landlord's interest or the termination of such Mortgage and (ii) recognize Tenant's right to remain in possession of and have access to the Premises in accordance with this Lease, so long as Tenant is not in default under this Lease. In the event the Premises is encumbered by a Mortgage, Landlord shall obtain and furnish Tenant with a non-disturbance and attornment agreement in recordable form and reasonably acceptable to Tenant for each such Mortgage. Within fifteen (15) Business Days after request, Tenant shall execute and deliver such non-disturbance and attornment agreement and any further instruments of attornment and instruments confirming the subordination of this Lease that the Mortgagee may reasonably request.

19. Transfer of Landlord's Interest. Landlord shall notify Tenant in writing at least thirty (30) days in advance of any Transfer Event and assign its rights and obligations under this Lease to the person or entity which would be able to comply with Landlord's obligations under this Lease following such Transfer Event. Landlord agrees that any Transfer Event shall not affect, terminate, or disturb Tenant's right to quiet enjoyment and possession of the Premises under the terms of this Lease or any of Tenant's other rights under this Lease.

20. Surrender.

(a) On the date on which this Lease expires or terminates, Tenant shall return possession of the Premises to Landlord in the same condition as when delivered to Tenant, except for ordinary wear and tear, and except for casualty damage or other conditions that Tenant is not required to remedy under this Lease. Any of Tenant's personal property or Alterations not removed as required shall be deemed abandoned, and Landlord, at Tenant's expense, may remove, store, sell, recycle or otherwise dispose of such items in such manner as Landlord may see fit or Landlord may retain such items or sale proceeds as Landlord's asset.

(b) In the event of a Tenant holdover, then Tenant shall be deemed a month-to-month tenant and the Lease shall be terminable by either party upon thirty (30) days prior written notice, but subject to all of the terms, covenants and conditions of this Lease and the Rent payable from and after the time of the expiration of this Lease shall be increased to one hundred fifty percent (150%) of the Rent applicable during the month immediately preceding such expiration. Tenant's payment of any holdover Rent shall not limit Landlord's efforts or rights to recover immediate possession of the Premises.

21. Defaults – Remedies.

(a) It shall be an Event of Default:

(i) If Tenant does not pay in full when due any and all Rent and, except as provided in Section 21(d) below, Tenant fails to cure such default on or before the date that is ten (10) days after Landlord gives Tenant notice of default;

(ii) If Tenant enters into or permits any Transfer in violation of Section 16 above;

(iii) If Tenant fails to observe and perform or otherwise breaches any other provision of this Lease, and, except as provided in Section 21(d) below, Tenant fails to cure the default on or before the date that is thirty (30) days after Landlord gives Tenant notice of default; except that if the term, condition, covenant or obligation to be performed by Tenant is of such nature that the same cannot reasonably be performed within said thirty (30) day period, such default shall be deemed to have been cured if Tenant commences such performance within said thirty (30) day period and thereafter makes Reasonable Efforts to complete the same and does so complete the same within a reasonable period following receipt of Tenant's notice.

(iv) If Tenant becomes insolvent or makes a general assignment for the benefit of creditors or offers a settlement to creditors, or if a petition in bankruptcy or for reorganization or for an arrangement with creditors under any federal or state law is filed by or against Tenant, or a bill in equity or other proceeding for the appointment of a receiver for any of Tenant's assets is commenced; provided that any proceeding brought by anyone other than Landlord or Tenant under any bankruptcy, insolvency, receivership or similar law shall not constitute an Event of Default until such proceeding has continued unstayed for more than sixty (60) consecutive days.

(v) If Tenant abandons this Lease (i.e. vacates the Premises and ceases to pay Rent).

(b) If an Event of Default occurs other than Tenant's abandonment of this Lease, Landlord shall have the following rights and remedies:

(i) Landlord, without any obligation to do so, may elect to cure the default on behalf of Tenant, in which event Tenant shall reimburse Landlord upon demand for any reasonable sums paid or costs actually incurred by Landlord in curing the default; and

(ii) To terminate this Lease and the Term without any right on the part of Tenant to save the forfeiture by payment of any sum due or by other performance of any condition, term or covenant broken.

(c) If Tenant abandons this Lease, Landlord shall have not only the rights and remedies described in subsection 21(b) above but also the following rights and remedies:

(i) To enter and repossess the Premises, by breaking open locked doors if necessary, and remove all persons and all or any property, by action at law or otherwise; and

(ii) To accelerate the whole or any part of the Rent for the balance of the Term, and declare the same to be immediately due and payable.

(d) Any provision to the contrary in this Section 21 notwithstanding, (i) Landlord shall not be required to give Tenant the notice and opportunity to cure provided in Section 21(a) above more than three (3) times in any consecutive 12-month period, and thereafter Landlord may declare an Event of Default without affording Tenant any of the notice and cure rights provided under this Lease, and (ii) Landlord shall not be required to give such notice prior to exercising its rights under Section 21(b)(i) if Tenant fails to reasonably comply in an emergency.

(e) No waiver by Landlord of any breach by Tenant shall be a waiver of any subsequent breach, nor shall any forbearance by Landlord to seek a remedy for any breach by Tenant be a waiver by Landlord of any rights and remedies with respect to such or any subsequent breach. Efforts by Landlord to mitigate the damages caused by Tenant's default shall not constitute a waiver of Landlord's right to recover damages hereunder. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy provided

herein or by law, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the total amount due Landlord under this Lease shall be deemed to be other than on account, nor shall any endorsement or statement on any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of Rent due, or Landlord's right to pursue any other available remedy.

22. Landlord Default; Liability of Landlord.

(a) Landlord Default.

(i) It shall be a default and a breach of this Lease by Landlord (a "Landlord Default") if any covenant or obligation required to be performed or observed by it under this Lease is not so performed or observed for a period of thirty (30) days after written notice thereof from Tenant; provided, however, that if the term, condition, covenant or obligation to be performed by Landlord is of such nature that the same cannot reasonably be performed within said thirty (30) day period, such default shall be deemed to have been cured if Landlord commences such performance within said thirty (30) day period and thereafter makes Reasonable Efforts to complete the same and does so complete the same within a reasonable period following receipt of Tenant's notice.

(ii) Upon the occurrence of any Landlord Default, Tenant may sue for injunctive relief or to recover damages for any loss resulting from the breach, or Tenant, without limiting its exercise of any right or remedy which it may have by reason of such default, may terminate this Lease and pursue any remedy now or hereafter available to it under the Laws or the judicial decisions of the Commonwealth of Virginia, but Tenant shall not be entitled to withhold or abate any Rent due hereunder except as specifically provided in this Lease. In addition, Tenant shall have the right, in addition to Tenant's other rights and remedies hereunder, at law and in equity, to cure or attempt to cure a Landlord Default. If Tenant elects to cure such noncompliance by Landlord, all reasonable costs actually incurred by Tenant in curing such noncompliance shall be paid by Landlord within thirty (30) days after written demand therefor with reasonable evidence of such costs.

(iii) No waiver by Tenant of any breach by Landlord shall be a waiver of any subsequent breach, nor shall any forbearance by Tenant to seek a remedy for any breach by Landlord be a waiver by Tenant of any rights and remedies with respect to such or any subsequent breach. Efforts by Tenant to mitigate the damages caused by Landlord's default shall not constitute a waiver of Tenant's right to recover damages hereunder. No right or remedy conferred upon or reserved to Tenant under this Lease is intended to be exclusive of any other right or remedy provided under this Lease or by law, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity. No payment by Landlord or receipt or acceptance by Tenant of a lesser amount than the total amount due Tenant under this Lease shall be deemed to be other than on account, nor shall any endorsement or statement on any check or payment be deemed an accord and satisfaction, and Tenant may accept such check or payment without prejudice to Tenant's right to recover the balance due, or Tenant's right to pursue any other available remedy.

(b) The word "**Landlord**" in this Lease includes the Landlord executing this Lease as well as its successors and assigns, each of which shall have the same rights, remedies, powers, authorities, privileges, and obligations as it would have had it originally signed this Lease as Landlord. Any such person or entity, whether or not named in this Lease, shall have no liability under this Lease after it ceases to hold title to the Premises except for obligations and liabilities already accrued or attributable to the period during which it held title. In no event shall either Landlord be liable to Tenant or Tenant liable to Landlord for any loss of business or profits of the other or for consequential, punitive or special damages of any kind.

23. Tenant's Authority. Tenant represents and warrants to Landlord that: (a) Tenant is duly formed, validly existing and in good standing under the laws of the state under which Tenant is organized, and qualified to do business in the state in which the Premises is located, and (b) the person(s) signing this Lease are duly authorized to execute and deliver this Lease on behalf of Tenant.

24. Miscellaneous.

(a) The captions in this Lease are for convenience only, are not a part of this Lease and do not in any way define, limit, describe or amplify the terms of this Lease.

(b) This Lease represents the entire agreement between the parties hereto and there are no collateral or oral agreements or understandings between Landlord and Tenant with respect to the Premises. No rights, easements or licenses are acquired in the Premises or any land adjacent to the Premises by Tenant by implication or otherwise except as expressly set forth in this Lease. This Lease shall not be modified in any manner except by an instrument in writing executed by the parties. The masculine (or neuter) pronoun and the singular number shall include the masculine, feminine and neuter genders and the singular and plural number. The word "including" followed by any specific item(s) is deemed to refer to examples rather than to be words of limitation. The word "person" includes a natural person, a partnership, a corporation, a limited liability company, an association and any other form of business association or entity. An obligation to do something "promptly" means an obligation to do so as soon as the circumstances reasonably permit, avoiding any delay. Both parties having participated fully and equally in the negotiation and preparation of this Lease, this Lease shall not be more strictly construed, nor any ambiguities in this Lease resolved, against either Landlord or Tenant.

(c) Each covenant, agreement, obligation, term, condition or other provision contained in this Lease shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Lease unless otherwise expressly provided. All of the terms and conditions set forth in this Lease shall apply throughout the Term unless otherwise expressly set forth herein, and upon expiration of the Term or termination of this Lease, the parties shall have no further obligations under this Lease except for those provisions in this Lease which expressly survive expiration or termination of this Lease.

(d) If any provisions of this Lease shall be declared unenforceable in any respect, such unenforceability shall not affect any other provision of this Lease, and each such provision shall be deemed to be modified, if possible, in such a manner as to render it enforceable and to preserve to the extent possible the intent of the parties as set forth herein.

(e) All issues and questions concerning the construction, enforcement, interpretation and validity of this Lease, or the rights and obligations of Tenant or Landlord in connection with this Lease, 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. Any and all disputes, claims and causes of action arising out of or in connection with this Lease, 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. Except as otherwise set forth herein, each party shall be responsible for its own attorneys' fees in the event of any litigation or other proceeding arising from this Lease.

(f) This Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives and permitted successors and assigns.

(g) This Lease may be amended, modified, and supplemented only by the written consent of Tenant and Landlord preceded by all formalities required as prerequisites to the signature by each party of this Lease, unless otherwise permitted by this Lease.

(h) Neither the execution of this Lease nor the performance of any act or acts pursuant to the provisions of this Lease shall be deemed to have the effect of creating between Tenant and Landlord, or any of them, any relationship of principal and agent, partnership, or relationship other than the relationship established by this Lease.

(i) No director, officer, employee or agent of Tenant or Landlord shall be personally liable to another party to this Lease or any successor in interest in the event of any default or breach under this Lease or on any obligation incurred under the terms of this Lease.

(j) Notwithstanding any other provision of this Lease, Tenant and Landlord hereby agree that: (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Lease; (ii) the provisions of this Lease are not intended to be for the benefit of any individual or entity other than Tenant and Landlord; (iii) no individual or entity shall obtain any right to make any claim against Tenant and Landlord under the provisions of this Lease; and (iv) no provision of this Lease shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this paragraph, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, contractors, subcontractors, vendors, subvendors, assignees, licensors and sublicensors, regardless of whether such individual or entity is named in this Lease.

(k) This Lease is signed when a party's signature is delivered by facsimile, email, or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures. This Lease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same Lease.

25. Notices. Any notice, consent or other communication under this Lease shall be in writing and addressed to Landlord or Tenant at their respective addresses specified in Section 1 above (or to such other address as either may designate by notice to the other) with a copy to any Mortgagee or other party designated by Landlord. Each notice or other communication shall be deemed given if sent by prepaid overnight delivery service or by certified mail, return receipt requested, postage prepaid, or in any other manner, with delivery in any case evidenced by a receipt, and shall be deemed to have been given on the day of actual delivery to the intended recipient or on the business day delivery is refused. The giving of notice by Landlord's attorneys, representatives and agents under this Section 28 shall be deemed to be the acts of Landlord.

26. Broker: Recognition. Tenant and Landlord each represents and warrants to the other that it has had no dealings with any person, firm, broker, or finder in connection with this Lease, and that no one is entitled to any commission or finder's fee in connection herewith.

27. Option to Extend Term. Tenant shall have the right and option to extend the Term for two (2) additional periods of sixty (60) months, exercisable by giving Landlord prior written notice, at least twelve (12) months in advance of the Expiration Date. Such extension shall be under the same terms and conditions as provided in this Lease except as follows:

(a) the additional period(s) shall begin on the Expiration Date and thereafter the Expiration Date shall be deemed to be sixty (60) months thereafter;

(b) there shall be no further options to extend; and

(c) the Annual Rent payable by Tenant during the additional renewal periods shall be equal to the lesser of (i) the fair market rental, as agreed to in writing by Landlord and Tenant, and (ii) one hundred five percent (105%) of the Annual Rent for the last month of the Term and increasing by five percent (5%) over the prior Lease Year each Lease Year thereafter. In the event Landlord and Tenant fail to reach an agreement on the fair market rental rate within forty-five (45) days after Tenant's notice, then Tenant's exercise of the renewal option shall be deemed withdrawn and the Lease shall terminate on the Expiration Date.

28. Memorandum of Lease. Landlord and Tenant agree, following the execution of this Lease, to execute the short form Memorandum of Lease, in a form suitable for recording. Tenant may record the Memorandum of Lease in the land records for the City of Richmond, Virginia at Tenant's cost. The date set forth in the

Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or payment of Rent.

29. Force Majeure. Except for the payment of any financial obligation hereunder, in the event that either party shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of acts of God (including, but not limited to, wind, lightning, rain, ice, earthquake, flood, or rising water); aircraft or vehicle damage or other casualty; unforeseen soil conditions; acts of third parties who are not employees, agents, or contractors of either party; strikes; lock-outs; labor troubles; inability to procure material; failure of power; governmental actions, laws, or regulations; riots; insurrection; war; or other reasons beyond its control (collectively, "Force Majeure"), then the performance of such act shall be excused for the period of delay, and the period for performance of any such act shall be extended for a period equivalent to the period of such delay.

30. Availability of Funds for Tenant's Performance. All payments and other performances by Tenant under this Lease are subject to annual appropriations by the City Council. It is understood and agreed between the parties that Tenant will be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Lease. Under no circumstances shall Tenant's total liability under this Lease exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of Tenant.

31. Authorization to Act. The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof is authorized to act on behalf of Tenant under this Lease, including exercise of Tenant's option to extend the Term.

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

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, as authorized by Ordinance No. _____ approved by the Richmond City Council on _____, 2023, this Lease has been entered into as of the Effective Date by duly authorized officers of the parties.

Landlord:

RITCHIE RICHMOND, LLC
a Virginia limited liability company

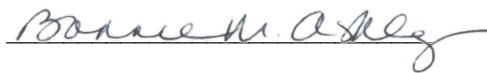
By: _____
Name: Tim Ritchie
Title: Member-Manager

Tenant:

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

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM



APPROVED AS TO TERMS

Manager, Real Estate Strategies

Rider 1 to Lease Agreement

ADDITIONAL DEFINITIONS

“ADA” means the Americans With Disabilities Act of 1990 (42 U.S.C. § 1201 et seq.), as amended and supplemented from time to time.

“Agents” of a party means such party’s employees, agents, representatives, contractors, licensees or invitees.

“Alteration” means any addition, alteration or improvement to the Premises, as the case may be, made by Tenant but does not mean installation of Tenant’s trade fixtures.

“Building” means the approximately 26,395 sq. foot commercial warehouse building located on, and is a part of, the Premises.

“Business Day(s)” means that day that is neither a Saturday, a Sunday nor a day observed as a legal holiday by the City of Richmond, Virginia, the Commonwealth of Virginia or the United States government.

“City Council” means the City Council of the City of Richmond, Virginia.

“Environmental Laws” means all present or future federal, state or local laws, ordinances, rules or regulations (including the rules and regulations of the federal Environmental Protection Agency and comparable state agency) relating to the protection of human health or the environment.

“Event of Default” means a default described in Section 21 of this Lease.

“Hazardous Materials” means pollutants, contaminants, toxic or hazardous wastes or other materials the removal of which is required or the use of which is regulated, restricted, or prohibited by any Environmental Law.

“Laws” means all laws, ordinances, rules, orders, regulations, guidelines, and other requirements of federal, state or local governmental authorities or of any private association or contained in any restrictive covenants or other declarations or agreements, now or subsequently pertaining to the parties to this Lease, the Premises, or the use and occupation of the Premises.

“Lease Year” means the period from the Commencement Date through the succeeding 12 full calendar months (including for the first Lease Year any partial month from the Commencement Date until the first day of the first full calendar month) and each successive 12-month period thereafter during the Term.

“Maintain” means to provide such maintenance, repair and, to the extent necessary or appropriate, replacement, as may be needed to keep the subject property in good condition and repair.

“Maintenance” means the act of maintenance, repair, or replacement as needed to Maintain the Premises and also includes utilizing such Building or Premises Systems-performance assessment tools or optimizing practices that Landlord in its discretion reasonably deems necessary or appropriate for planning, designing, installing, testing, operating and maintaining the Building, including the Premises Systems in a sustainable, energy efficient manner and providing a safe and comfortable work environment, with a view toward achieving improved overall performance and minimizing impact on the environment.

“Monthly Rent” means the monthly installment of Annual Rent.

“Mortgage” means any mortgage, deed of trust or other lien or encumbrance on Landlord’s interest in the Premises or any portion thereof, including without limitation any ground or master lease if Landlord’s interest is or becomes a leasehold estate.

“Mortgagee” means the holder of any Mortgage, including any ground or master landlord if Landlord’s interest is or becomes a leasehold estate.

“Premises” means the approximately 1.28 acre parcel of real estate referred to in the records of the Richmond City Assessor as City of Richmond Tax Parcel No. N0001939035 and located at 1904 N. Hamilton Street, Richmond, Virginia, including the Building and all other appearances thereto.

“Premises Systems” means any electrical, mechanical, structural, plumbing, heating, ventilating, air conditioning, sprinkler, life safety and security (including alarm system and all site lighting and fencing) systems serving the Premises.

“Reasonable Efforts” means with respect to a given goal, the efforts a reasonable person in the position of the party obligated to perform would use so as to achieve that goal as expeditiously as possible. Such efforts shall not include any actions that would, individually or in the aggregate, cause the party obligated to perform to suffer a detriment out of reasonable proportion to the benefits to such person under this Lease, including an incurrence of unreasonable costs.

“Rent” means the Annual Rent and any other amounts payable by Tenant to Landlord under this Lease.

“Taken” or “Taking” means acquisition by a public authority having the power of eminent domain by condemnation or conveyance in lieu of condemnation.

“Transfer” means (i) any assignment, transfer, pledge or other encumbrance of all or a portion of Tenant’s interest in this Lease, (ii) any sublease, license or concession of all or a portion of Tenant’s interest in the Premises, or (iii) any transfer of a controlling interest in Tenant.

“Transfer Event” means any instance in which ownership of the Premises is transferred.

Property: 1904 N Hamilton St **Parcel ID:** N0001939035

Parcel

Street Address: 1904 N Hamilton St Richmond, VA 23230-
Owner: RITCHIE RICHMOND LLC
Mailing Address: PO BOX 11395, RICHMOND, VA 2323000000
Subdivision Name : NONE
Parent Parcel ID:
Assessment Area: 435 - Scotts Addition
Property Class: 533 - B Storage Warehouse
Zoning District: M-1 - Light Industrial
Exemption Code: -

Current Assessment

Effective Date: 01/01/2023
Land Value: \$865,000
Improvement Value: \$883,000
Total Value: \$1,748,000
Area Tax: \$0
Special Assessment District: None

Land Description

Parcel Square Feet: 55756.8
Acreage: 1.28
Property Description 1: 0315.58X0164.23 IRG0001.289 AC
State Plane Coords(?): X= 11779708.999999 Y= 3734152.938891
Latitude: 37.57384069 , **Longitude:** -77.47577369

Description

Land Type: Commercial S5
Topology:
Front Size: 315
Rear Size: 164
Parcel Square Feet: 55756.8
Acreage: 1.28
Property Description 1: 0315.58X0164.23 IRG0001.289 AC
Subdivision Name : NONE
State Plane Coords(?): X= 11779708.999999 Y= 3734152.938891
Latitude: 37.57384069 , **Longitude:** -77.47577369

Other

Street improvement:
Sidewalk:

Assessments

Assessment Year	Land Value	Improvement Value	Total Value	Reason
2023	\$865,000	\$883,000	\$1,748,000	Reassessment
2022	\$865,000	\$853,000	\$1,718,000	Office Review
2021	\$613,000	\$769,000	\$1,382,000	Reassessment
2020	\$613,000	\$769,000	\$1,382,000	Reassessment
2019	\$613,000	\$733,000	\$1,346,000	Reassessment
2018	\$558,000	\$711,000	\$1,269,000	Reassessment
2017	\$418,000	\$765,000	\$1,183,000	Reassessment
2016	\$418,000	\$745,000	\$1,163,000	Reassessment
2015	\$344,000	\$745,000	\$1,089,000	Reassessment
2014	\$344,000	\$745,000	\$1,089,000	Reassessment
2013	\$344,000	\$745,000	\$1,089,000	Reassessment
2012	\$344,000	\$745,000	\$1,089,000	Reassessment
2011	\$307,000	\$745,000	\$1,052,000	CarryOver
2010	\$307,000	\$745,000	\$1,052,000	Reassessment
2009	\$307,100	\$745,000	\$1,052,100	Reassessment
2008	\$307,100	\$745,000	\$1,052,100	Reassessment
2007	\$292,500	\$709,500	\$1,002,000	Reassessment
2006	\$284,000	\$645,000	\$929,000	Reassessment
2005	\$249,500	\$657,400	\$906,900	Reassessment
2004	\$226,800	\$587,000	\$813,800	Reassessment
2003	\$197,200	\$533,600	\$730,800	Reassessment
2002	\$197,200	\$533,600	\$730,800	Reassessment

Transfers

Transfer Date	Consideration Amount	Grantor Name	Deed Reference	Verified Market Sale Description
11/06/2017	\$0	RITCHIE TIMOTHY LEE	ID2017-23288	2 - INVALID SALE-Relation Between Buyer/Seller
01/03/2006	\$950,000	HAMILTON LAND CORP	ID2006-115	
07/22/1975	\$0	Not Available	00698-A0040	

Planning

Master Plan Future Land Use: IND
Zoning District: M-1 - Light Industrial
Planning District: Near West
Traffic Zone: 1010
City Neighborhood Code: SCOT
City Neighborhood Name: Scott's Addition
Civic Code:
Civic Association Name:
Subdivision Name: NONE
City Old and Historic District:
National historic District:
Neighborhoods in Bloom:
Redevelopment Conservation Area:

Economic Development

Care Area: -
Enterprise Zone: III

Environment

100 YEAR Flood Plain Flag: Contact the Water Resources Division at 646-7586.
500 YEAR Flood Plain Flag: N
Resource Protection Flag: Contact the Water Resources Division at 646-7586.
Wetland Flag: N

Census

Census Year	Block	Block Group	Tract
2000	1002	0501001	050100
1990	102	0501981	050198

Schools

Elementary School: Carver
Middle School: Hill
High School: Jefferson

Public Safety

Police Precinct: 4
Police Sector: 412
Fire District: 18
Dispatch Zone: 064A

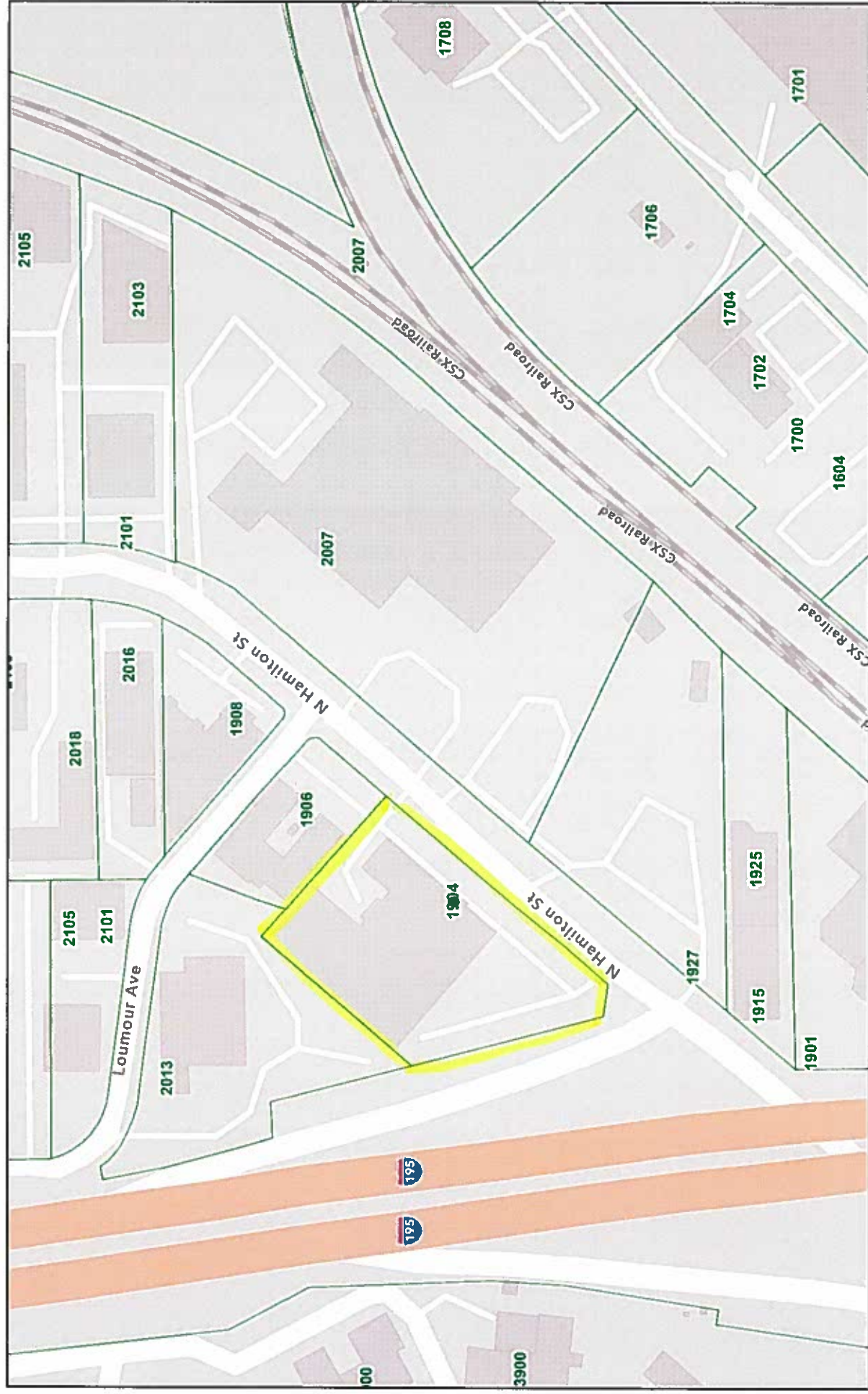
Public Works Schedules

Street Sweep: TBD
Leaf Collection: TBD
Refuse Collection: Monday
Bulk Collection: TBD


Government Districts

Council District: 2
Voter Precinct: 215
State House District: 78
State Senate District: 14
Congressional District: 4

Richmond Parcel Map



4/17/2023, 8:26:22 AM

 CityBoundary  Parcels

CityBoundary

Parcels

1:2,257

0	0.01	0.03	0.06 mi
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Distance (km)	0	0.02	0.04	0.09 km
0				
0.02				
0.04				
0.09				

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Lease Analysis - Franklin Street vs Hamilton Rd

1904 N. Hamilton Road:

Tenant	Space	SF	\$/sf	Monthly Rent	Annual Rent	
CORFD	Bldg	26,395	\$18.15	\$39,922.44	\$479,069.28	year 1
				\$39,922.44	\$479,069.28	TOTAL

Notes:
Assumes 3% annual rent increases.
Gross Lease structure

201 East Franklin Street Building:

Tenant	Space	SF	\$/sf	Monthly Rent	Annual Rent	
CORFD	Bldg	19,028	\$17.06	\$27,051.47	\$324,617.68	year 1 renewal - 6/1/23
CORFD	Parking	38	\$77.29	\$2,937.02	\$35,244.24	year 1 renewal - 6/1/23
CORFD	Garage Parking	TBD	TBD	-	\$22,000.00	
CORFD	NNN Pass-through charges	TBD	TBD	-	TBD	
				\$29,988.49	\$381,861.92	TOTAL

Notes:
Assumes 2% annual rent increases
Assumes 2% annual parking increases
Calculations based on year 1 of the renewal period commencing on 6/1/23 rates
NNN Pass-through charges to be based on actual expenses (TBD)

Estimated rental differential between properties:	\$9,933.95	\$97,207.36
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