

INTRODUCED: January 22, 2024

AN ORDINANCE No. 2024-028

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement and Purchase Option between the City of Richmond and The Salvation Army for the purpose of funding the construction of The Salvation Army’s long-term shelter operation to be known as the “Center of Hope” located at 1900 Chamberlayne Avenue.

Patrons – Mayor Stoney and Vice President Lambert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 12 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement and Purchase Option between the City of Richmond and The Salvation Army for the purpose of funding the construction of The Salvation Army’s long-term shelter operation to be known as the “Center of Hope” located at 1900 Chamberlayne Avenue. The Grant Agreement and Purchase Option shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

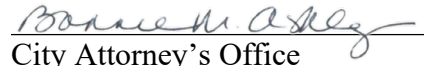
AYES: 7 NOES: 0 ABSTAIN:

ADOPTED: FEB 12 2024 REJECTED: STRICKEN:

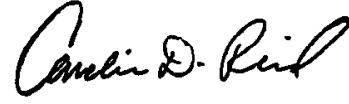
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§ 2. This ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:


City Attorney's Office

**A TRUE COPY:
TESTE:**


City Clerk



City of Richmond

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

Master

File Number: Admin-2024-0044

File ID: Admin-2024-0044 Type: Request for Ordinance or Resolution Status: Regular Agenda

Version: 1 Reference: In Control: City Clerk Waiting Room

Department: Cost: File Created: 01/17/2024

Subject: Final Action:

Title:

Internal Notes:

Code Sections: Agenda Date: 01/22/2024

Indexes: Agenda Number:

Patron(s): Enactment Date:

Attachments: Admin-2024-0044 Grant Contract - Shelter - Salvation Army - TSA Executed 1.5.24 (AATF).pdf, Admin-2024-0044 WD - Chamberlayne Shelter - Grant Contract AATF.pdf, Admin-2024-0044 WD - Chamberlayne Shelter - Lease (BA review) AATF.pdf, Admin-2024-0044 WD - Chamberlayne Shelter - Performance Grant Agmt (BA review) AATF.pdf, Admin-2024-0044 Construction Grant with Purchase Option - TSA Executed 1.5.24 (2).pdf, Admin-2024-0044 Resource Center Lease - 1900 Chamberlayne- TSA Executed 1.5.24 (2).pdf

Enactment Number:

Contact: Introduction Date:

Drafter: dominic.barrett@rva.gov Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	1/17/2024	Traci DeShazor	Approve	1/18/2024
1	2	1/18/2024	Meghan Brown	Approve	1/19/2024
1	3	1/18/2024	Jeff Gray	Approve	1/19/2024
1	4	1/18/2024	Lincoln Saunders	Approve	1/22/2024
1	5	1/18/2024	Mayor Stoney	Approve	1/24/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2024-0044

O&R Transmittal

DATE: January 17, 2024

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

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

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Interim Director of Budget and Strategic Planning

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

FROM: Dominic Barrett, Strategic Projects and Grants Advisor - Office of Human Services

RE: To establish an Inclement Weather Shelter and Year-Round Emergency Shelter at 1900 Chamberlayne Ave.

ORD. OR RES. No.

PURPOSE: This request speaks to the multiple ordinances necessary to establish an Inclement Weather Shelter and Year-Round Emergency Shelter at 1900 Chamberlayne Ave:

- 1) To authorize the Chief Administrative Officer to execute a grant contract between the City of Richmond and The Salvation Army for the purpose of funding an Emergency Shelter and Inclement Weather Shelter at 1900 Chamberlayne Ave.
- 2) To authorize the Chief Administrative Officer to execute, for and on behalf of the City, a Deed of Lease between the City and The Salvation Army., for the purpose of the City leasing, for use as a Resource Center, space located in the eastern most portion of the building at 1900 Chamberlayne Ave along Chamberlayne Avenue and consisting of eight (8) contiguous rooms accessible by separate exterior door and five (5) rooms for flexible use
- 3) To authorize the Chief Administrative Officer to execute a Performance Grant Agreement between the City of Richmond and The Salvation Army for the purpose of funding construction of the “Center of Hope” as a permanent solution to the unhoused population crisis facing the City.

BACKGROUND: In April of 2023 Mayor Levar Stoney and City Council declared a housing crisis

in the City of Richmond. Emergency shelters for persons without housing serve as a safety net of last resort for this vulnerable population. In its 2020-2030 strategic plan to end homelessness, the City identified a 150 bed shortage in emergency shelter beds. This O&R request supports one component of the strategy to meet the urgent need for more emergency shelter capacity. The Salvation Army, a member of the Greater Richmond Continuum of Care (GRCoC), has agreed to help in expanding capacity to serve more single adults experiencing homelessness.

Further, Salvation Army agrees to provide services and a permanent location for inclement weather shelter (IWS) at a building owned by them at 1900 Chamberlayne Ave. For years, the City has faced a challenge every winter in finding providers and locations for IWS. Locations and providers have changed frequently, an unpredictable resource for unsheltered persons at physical risk in extreme weather.

On December 1, 2023, the Salvation Army began operations of a 150-bed IWS at 1900 Chamberlayne Avenue with funding and a City contract approved by City Council. The contract and shelter operations extend through April 15, 2024.

This O&R request covers three documents to meet the urgent need for more emergency shelter capacity for single adults. As a result, 50 of the 150 IWS beds will continue to operate year-round, increasing the region's current 117-bed capacity to serve single adults year-round to 167 beds. Next winter and beyond, IWS capacity would be 100 beds at 1900 Chamberlayne Ave. This O&R seeks authorization to achieve the following:

- 1) An operating grant between the City and Salvation Army, an experienced emergency shelter provider since 1984. The amount of the grant is \$404,703.91 for FY 24 and \$2,263,733.83 for FY 25. (FY 24: \$145,208 for one-time equipment, supplies and retrofits, \$231,854.31 for year-round emergency shelter the last months of FY 24, and \$27,641.60 for up to 5 days and 100 beds for extreme weather. FY 25: \$705,976.05 for 100 IWS beds for 150 days, \$1,391,908.18 for year-round emergency shelter, and \$165,849.60 for up to 30 days and 100 beds for extreme weather other than the IWS period.)

The initial operating agreement runs through June 30, 2025, with a one-year extension. The FY24 operating contract costs will come from FY24 General Fund dollars in the Office of the Deputy Chief Administrative Officer for Human Services that were appropriated in the FY24 General Fund budget for shelter expenses. Funding for FY 25 and future years is subject to Council appropriation.

Salvation Army agrees to run a 100-bed IWS for single adults for 150 days from November 16 through April 15 for each year covered by the contract. The space will remain available throughout the year, to be used for severe weather emergencies in non-winter months. Guests will be admitted on a first-come, first-serve basis.

Salvation Army will also begin operation of a year-round emergency shelter, beginning May 1, 2024. That shelter, with a full array of rehousing services, will run continuously for the grant

period. Guests with the most urgent and serious needs will be admitted to that shelter according to GRCoC prioritized and coordinated policies.

- 2) A lease between the City and Salvation Army for space in 1900 Chamberlayne Ave to locate a City-operated, resource center. There is no separate lease charge.
- 3) A performance grant agreement between the City and Salvation Army for construction of their Center of Hope, a long-term shelter operation planned for 1900 Chamberlayne Ave. The Center of Hope will be the permanent site for their regional offices and 50 year-round shelter beds relocated from their building on 2 W. Grace St. It will also permanently house the 50 additional year-round shelter beds and 100 IWS beds they agreed to provide under the operating agreement noted above. Also, Salvation Army must provide space in the Center of Hope for the City-operated resource center.

When the Center of Hope is completed, Salvation Army will pay the full costs of the year-round 100-bed shelter operations. The City would pay only the incremental added costs of the 100-bed IWS operations, which would require a new operating agreement.

Under the performance grant agreement, the City will provide \$7 million toward construction of the Center of Hope. City funds will not be disbursed unless and until Salvation Army has secured \$8,275,950 from other sources for their total capital campaign, currently estimated at \$15.3 million. Salvation Army must raise its portion of those funds by January 1, 2027. If they do not succeed by that date, the City has the option to purchase 1900 Chamberlayne Ave with all improvements for the appraised market value at the time of sale. (Current assessed value for City tax purposes is \$3,195,000.)

COMMUNITY ENGAGEMENT: Administration presentations at public meetings with public comment including: City Council's Organizational Development Committee on 9/5/23, Public Safety Committee on 9/26/23, and Education and Human Services Committee on 9/14/23 and 10/12/23; site visits and meetings with members of City Council in September and October; Administration presentation to October meeting of Chamberlayne Industrial Center Association and Edgehill Chamberlayne Court Civic Association. The attached Ordinances are also heavily informed by the Strategic Plan to End Homelessness 2020-2030 which was released in May of 2020 and involved extensive community engagement including Advisory Board leadership, public surveys, and public meetings.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: RES. 2023-R019, which was adopted 4/10/23, declared a housing crisis; Strategic Plan to End Homeless 2020-2030: Finalized May 8, 2020.

FISCAL IMPACT: \$404,703.91 in FY 24 costs. \$2,263,733.83 in FY 25 costs and all other future costs are subject to Council appropriation.

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: January 22nd, 2024

CITY COUNCIL PUBLIC HEARING DATE: February 12th, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Education and Human Services

AFFECTED AGENCIES: Budget and Strategic Planning, Finance, Human Services, Housing and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2023-325

ATTACHMENTS: Lease, Grant Contract, Performance Grant Agreement

STAFF: Stephen Harms, Senior Policy Advisor - Office of Chief Administrative Officer, 646-0043
Dominic Barrett, Strategic Projects and Grants Advisor - Office of Human Services, 646-5861

GRANT AGREEMENT AND PURCHASE OPTION

This **GRANT AGREEMENT AND PURCHASE OPTION** (the “**Agreement**”) is made and entered this ____ day of ____, 2023 (the “**Effective Date**”), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation and political subdivision of the Commonwealth of Virginia (the “**City**”), and **THE SALVATION ARMY**, a Georgia corporation (the “**Recipient**”).

RECITALS

- A. The Recipient owns that certain real property with building improvements located at 1900 Chamberlayne Avenue, Richmond, Virginia, and shown on the tax map for the city of Richmond, Virginia as Tax Parcel No. N0000478031 (the building improvements, “**Building**”) (the Building and such real property together with all improvements thereon, fixtures, equipment, and appurtenances thereto shall be collectively referred to herein as the “**Property**”).
- B. The City and the Recipient are parties to that certain Grant Contract dated as of November 14, 2023, authorized by Ordinance No. 2023-325 adopted on November 13, 2023 by the City Council of the city of Richmond, Virginia (together with any requirements of such grant and ordinance, and any and all modifications of, extensions of, amendments to, and replacements of the same, now or hereafter existing, the “**Interim Operating Grant**”). Pursuant to the Interim Operating Grant, the City provided funds to the Recipient for the purpose of operating a shelter at the Property, which serves unsheltered individuals in the city of Richmond, Virginia, through and including April 15, 2024, as more particularly set forth therein. The City and the Recipient intend to enter into that certain Grant Contract authorized by Ordinance No. _____ adopted on _____, 2024 by the City Council of the city of Richmond, Virginia (together with any requirements of such grant and ordinance, and any and all modifications of, extensions of, amendments to, and replacements of the same, now or hereafter existing, the “**Operating Grant**”). Pursuant to the Operating Grant, the City will pay funds to the Recipient for the purpose of operating a shelter at the Property on both a temporary basis during inclement weather and on a year-round basis, which will serve unsheltered individuals in the city of Richmond, Virginia, with surge capacity for inclement weather commencing April 16, 2024, as more particularly set forth therein. The shelter to be operated pursuant to the Interim Operating Grant, the Operating Grant, either or both, shall be referred to herein as the “**Existing Shelter**”). Each the Interim Operating Grant and the Operating Grant, whichever is then in effect, shall be referred to herein as the “**Grant**”).
- C. In connection with the Existing Shelter, the City, as “**Tenant**”, and the Recipient, as “**Landlord**”, entered into that certain Lease Agreement dated as of _____, 2024 (together with any and all modifications to, extensions of, amendments to and replacements of the same, now or hereafter existing, the “**RC Lease**”), pursuant to which the City leases from the Recipient, and the Recipient leases to the City, the Leased Premises (as defined in the RC Lease) for the purpose of establishing and operating a “**Resource**”

Center” providing resources and services (the “**Existing RC**”), which compliments the Existing Shelter.

- D. The Recipient desires to construct the Project (as hereinafter defined) on the Property. “**Project**” means construction of the “Center of Hope” at the Property to replace, upgrade and expand the Existing Shelter, to contain at least one hundred (100) year-round beds for emergency shelter of unhoused individuals (the “**Emergency Shelter**”) with surge capacity for at least one hundred (100) additional beds for shelter for unhoused individuals during periods of inclement weather (the “**Inclement Weather Shelter**”, and together with the Emergency Shelter, the “**Minimum Capacity**”), together with related amenities and facilities, to be operated in accordance with the Operating Grant, and to include new, turn-key premises for the Existing RC (the “**New RC**”), all as more particularly set forth herein.
- E. The City has determined that the Project will result in a more permanent solution to the unhoused population crisis facing the City, will provide substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- F. In order to construct the Project, the Recipient will conduct a capital campaign to raise construction funds for the Project, in an amount of not less than Eight Million Two Hundred Seventy-Five Thousand Nine Hundred Fifty and No/100 Dollars (\$8,275,950.00) (the “**Capital Campaign Goal**”).
- G. If the Recipient is successful in timely raising the Capital Campaign Goal and satisfies the other Conditions Precedent (pursuant to Section 2.2 below), all as more particularly set forth herein, then the City agrees fund a monetary grant in the amount of Seven Million and No/100 Dollars (\$7,000,000.00) (the “**Construction Grant**”) to the Recipient for the purpose of contributing to the hard and soft construction costs for the Project, subject to the terms and conditions of this Agreement.
- H. In the event of the Construction Grant Expiration (as defined below), then the Recipient agrees that the City shall have an option to purchase the Property, all as more particularly set forth herein.
- I. The City is authorized by the Ordinance, Section 15.2-953 of the Code of Virginia and other laws and other laws to perform the activities contemplated in this Agreement.
- J. This Agreement sets forth the understanding of the parties concerning the Recipient’s obligations and the City’s obligations as to the Construction Grant and the Purchase Option.

AGREEMENT

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

Section 1. Incorporation of Recitals. The foregoing recitals are incorporated herein by reference.

Section 2. Recipient's Obligations Prior to the Construction Grant Deadline.

2.1 Capital Campaign. Commencing on the date hereof, the Recipient shall use commercially reasonable, good faith and diligent efforts to raise funds for hard and soft construction costs of the Project that meet or exceed the amount of the Capital Campaign Goal on or before January 1, 2027 (the "**Construction Grant Deadline**"). From and after the date hereof, the Recipient shall provide the City with written summaries as to the status of the Capital Campaign fund raising within thirty (30) days after the end of each quarter during each calendar year until the Capital Campaign Deadline (each, a "**Quarterly Fundraising Update**"), certified as provided herein, and Recipient shall provide such supporting documentation as the City may reasonably request in connection with each such update.

The Recipient acknowledges and agrees that it shall have successfully raised funds in at least the amount of the Capital Campaign Goal when the Recipient has received at least thirty three percent (33%) of the Capital Campaign Goal in cash (the "**Cash In Hand Requirement**") and has received pledges and commitments for the balance of the Capital Campaign Goal. At such time, the Recipient shall provide: (i) a balance sheet, account statement or other writing reasonably satisfactory to the City reflecting that the Recipient has received immediately available funds in a separate, dedicated account in an amount which meets or exceeds the Cash In Hand Requirement to be used for construction of the Project as provided herein; and (ii) a written certification, financial assurance and agreement, in a form reasonably satisfactory to City, to pay the balance of the Capital Campaign Construction Goal (less the amount of the Cash In Hand Requirement) (the "**Cash Infusion Requirement**") (subsections (i) and (ii) together, the "**Proof of Funds**"). From funds satisfying the Cash In Hand Requirement and as part of the Cash Infusion Requirement, the Recipient shall agree to pay the invoices of the Project's architects, contractors and suppliers as and when due, and in any event prior to delinquency, up to and including the full amount of the Capital Campaign Goal, regardless of whether pledges and commitments are ultimately received by Recipient. In addition, upon written request of City (but no more than once a quarter during each calendar year), the Recipient shall provide the City with a written accounting of invoices and costs paid toward the Project in accordance with the Cash Infusion Requirement, certified to be true, correct and complete in all material respects by the preparing party, and Recipient shall provide such supporting documentation as the City may reasonably request in connection with each such accounting so as to allow the City to verify compliance with the Cash Infusion Requirement.

2.2 Conditions to Payment of Construction Grant. Both of the following shall be conditions precedent to the City's obligation to fund the Construction Grant which must be satisfied on or before the Construction Grant Deadline (each, a "**Condition Precedent**" and together, the "**Conditions Precedent**"):

- (1) The Recipient shall have the Proof of Funds; and
- (2) The Recipient shall not be in default beyond applicable notice and cure periods under the Operating Grant or the RC Lease, or both.

The foregoing conditions in favor of the City may only be waived by the City, in writing, in its sole and absolute discretion. Notwithstanding anything to the contrary contained in this Agreement, the City shall have no obligation to fund the Construction Grant unless both of the Conditions Precedent shall be satisfied on or before the Construction Grant Deadline. If either of the Conditions

Precedents shall not be timely satisfied and the City shall not elect to waive such unsatisfied Condition Precedent(s), or if the Recipient shall be in default under the Operating Grant or the RC Lease beyond applicable notice and cure periods, then the City's obligation to provide the Construction Grant pursuant to the terms and conditions of this Agreement shall expire as of the earlier of: (i) the Construction Grant Deadline or (ii) date for cure of any such default expires. Any expiration in accordance with the foregoing shall be automatic and thereafter the Construction Grant obligation on behalf of the City hereunder shall be null and void and of no further force and effect, without the need for additional writing from either party (the "**Construction Grant Expiration**").

Section 3. Purchase Option. In the event of the Construction Grant Expiration, the Recipient hereby grants and conveys to the City the option to Purchase the Property (the "**Purchase Option**") for the purchase price equal to Fair Market Value (as hereinafter defined) less the then-current value of any and all physical improvements to the Property which have been paid for with funds received by the Recipient under the Grant (the "**Purchase Price**"). In the event the City may wish to exercise the Purchase Option in accordance with Section 3.1 below, then within thirty (30) days after the Construction Grant Expiration, the City shall notify the Recipient in writing. In such event, each of the Parties shall promptly engage, at such Party's sole cost and expense, a qualified, reputable commercial real estate appraiser, licensed in the Commonwealth of Virginia, with at least five (5) years of experience with assets similar to the Property in the greater Richmond, Virginia area (each, an "**Appraiser**") to determine the fair market value of the Property. Together, the Parties' Appraisers, in the mutual, reasonable discretion of such Appraisers, shall select a third (3rd) Appraiser, who the Parties shall jointly engage to determine the fair market value of the Property; each of the Parties shall pay one-half (1/2) of the fee of the third (3rd) Appraiser. For purposes of this Agreement, "Fair Market Value" shall mean the average of the fair market value determinations by each of the three (3) Appraisers.

3.1 Exercise. The City shall have sixty (60) days after the determination of Fair Market Value in accordance with the foregoing Section 3 to provide written notice to the Recipient that the City desires to exercise the Purchase Option. If the City does not timely provide such written notice of its desire to exercise the Purchase Option, then the City shall be deemed to have waived the Purchase Option, and the Purchase Option shall expire, automatically, and shall be null and void and of no further force and effect, without the need for additional writing from either party.

3.2 Purchase and Sale Agreement. If the City shall timely provide such written notice of its desire to exercise of the Purchase Option, then the parties shall diligently and in good faith negotiate the terms of a reasonable and customary purchase and sale agreement (the "**PSA**"), to be entered into within one hundred twenty (120) days after the date of the City's written exercise notice. The PSA shall include representations and warranties in favor of the City that, to the best of the Recipient's actual knowledge, (i) there are no unrecorded leases or service or maintenance contracts or other agreements affecting the Property other than as provided to the City; (ii) the Property is not in violation of any applicable laws, and the Recipient has not received any written notice of any violations of laws affecting the Property; (iii) Recipient has not declared bankruptcy or taken a similar debtor protection measure; and (iv) no condemnation proceedings are pending or threatened against the Property.

3.3 Due Diligence Period. The PSA shall include a ninety (90) day diligence period in favor of the City during which the City, at the City's sole cost and expense, may perform inspections on and access the Property for the purpose of evaluating the feasibility of the Property for the City's

use (the “**Due Diligence Period**”). Within five (5) business days after the commencement of the Due Diligence Period, the Recipient shall provide the City with copies of any and all title policies, title commitments, supporting title documents, plats and surveys, environmental reports, property condition reports, maintenance and service contracts, leases, warranties and other non-confidential third-party reports for the Property. During the Due Diligence Period, the City may identify any title and survey issues for correction or removal by the Recipient (the “**Objections**”), and the Recipient shall use good faith, diligent efforts to so correct or remove any such issues prior to the Closing (as hereinafter defined). The City shall have the right to terminate its exercise of the Purchase Option during the Due Diligence Period upon written notice to the Recipient for any reason or no reason at all, in which event the parties shall have no further obligations to each other as to the Purchase Agreement.

3.4 Closing. If the City does not elect to terminate the PSA during the Due Diligence Period, then the parties shall proceed to closing on a mutually agreed date within sixty (60) days after the expiration of the Due Diligence Period (the “**Closing**”). Notwithstanding the foregoing, if the Recipient has not corrected or removed the Objections prior to Closing, the City may terminate its exercise of the Purchase Agreement upon written notice to the Recipient, and the parties shall have no further obligations to each other as to the Purchase Agreement. The Recipient shall convey the Property to the City at Closing via special warranty deed, lien free, other than real estate taxes not yet due and payable, and subject to usual and customary utility easements and other matters of record which do not restrict the use of the Property (the “**Deed**”). In addition to the Deed, the Recipient shall deliver a customary owner’s affidavit, a bill of sale as to any personal property owned by the Recipient and used in connection with the Existing Shelter located at the Property (free of liens), an assignment of leases, contracts and warranties as to any agreements the City does not elect for the Recipient to terminate effective as of Closing during the Due Diligence Period, standard tax documents and resolutions or consents authorizing the Recipient’s conveyance of the Property, all in forms reasonably acceptable to the City and its title company. Closing costs shall be allocated as follows:

(i) The City shall pay for the cost of the City’s Due Diligence, any title report or commitment the City orders, the cost of any survey the City orders, title insurance premiums for the City’s title policy, the cost of recording the Deed (if not exempt, and including any transfer and recordation taxes other than Grantor’s Tax, if any), its own attorneys’ fees, and the settlement fees of the settlement agent selected by the City, together with any additional costs customarily paid by a purchaser, at or in connection with Closing.

(ii) The Recipient shall pay the Grantee’s tax for recording the Deed (if not exempt), its own attorneys’ fees, and any additional costs customarily paid by a seller (as to the Edmunds Parcels), at or in connection with Closing.

3.5 Termination. In the event that the Conditions Precedent to the Construction Grant are timely satisfied as provided herein, the Purchase Option shall expire upon the expiration of the Construction Grant Deadline, automatically, and shall be null and void and of no further force and effect, without the need for additional writing from either party.

3.6 Memorandum. The City, at its cost and expense, may prepare and record in the land records for the Property a short form memorandum of the Purchase Option to be approved by Recipient in its reasonable discretion, to be executed and notarized by the Recipient, in substantially

the form attached hereto as Exhibit A.

Section 4. Disbursement of the Construction Grant. In the event of satisfaction of the Conditions Precedent prior to the Construction Grant Deadline, the City shall submit the Construction Grant to the City's annual budget process to occur at the beginning of the calendar year in 2027. Subject to appropriations as provided herein, and if approved as part of the applicable annual budget, the City agrees to fund the Construction Grant on or before July 1, 2027. Subject to the foregoing, the City shall disburse the Construction Grant to Recipient with a one-time, lump sum payment to the Recipient by wire transfer of immediately available funds to an escrow account set up by the Recipient for the sole purpose of receiving the Construction Grant (the "**Construction Grant Escrow**"). The Recipient agrees to use the Construction Grant solely for the purpose of funding hard and soft costs of construction of the Project.

Notwithstanding anything to the contrary herein, Recipient shall not have the right to grant to a lender a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by a lender providing funds for the construction of the Project or secured by the Property, and any action taken by such lender to realize on such security interest or assignment and performance thereafter shall be deemed unpermitted under this Agreement.

Section 5. Recipient's Obligations After the Construction Grant Deadline.

5.1 Construction Grant Escrow. Prior to receipt of the Construction Grant, the Recipient shall enter into an escrow agreement, in a form acceptable to the parties in their reasonable discretion, in favor of the City for the Construction Grant Escrow which provides that the Construction Grant shall only be used for the payment of invoices from the GC for hard and soft costs of construction of the Project. Upon written request of the City, the Recipient will provide a detailed accounting of the application of the Construction Grant funds to the Project, certified by the preparer as being true, correct and complete in all material respects to the knowledge of the preparer.

5.2 Project Plans and Specs.

(A) Preparation of Preliminary Plans & Specs. No later than sixty (60) days after the Construction Grant Deadline, the Recipient, at Recipient's sole cost and expense, shall engage an architect to prepare preliminary plans and specifications for the Project which must include the Minimum Capacity and the New RC. The New RC shall contain a minimum of one thousand (1,000) useable square feet excluding any common areas (but in no event shall the New RC contain less than five (5) dedicated offices), shall be separated from the balance of the Center of Hope by demising walls and an interior door, shall include interior and exterior signage (which the City may install and maintain, at the City's sole cost and expense), and shall be configured in a manner that meets the reasonable needs of the City for use as a "Resource Center" (collectively, the "**New RC Minimum Requirements**"). The New RC shall have access to bathrooms designated for use by Recipient's employees, which bathrooms shall not be the same bathrooms designated for use by Emergency Shelter and Inclement Weather Shelter residents and guests. In addition, the New RC shall have the non-exclusive right to use the waiting / reception area for the Center of Hope, in common with the Recipient. Notwithstanding the foregoing, so long as the location of the New RC within the Center of Hope is compatible with the intended purpose of the New RC (taking into account the prior use of the Existing RC), the City and the Recipient acknowledge and agree that

the City shall not have approval rights over the location of the New RC within the Center of Hope.

(B) Process for Review and Approval of Plans & Specs as to the New RC. No later than six (6) months after the Construction Grant Deadline, the Recipient shall provide the preliminary, draft plans and specifications for the New RC to the City. The City shall have a period of fifteen (15) business days to respond with approval or with any comments, in its reasonable discretion. Upon the receipt of any such comments, the Recipient shall cause its architect to prepare revised and updated draft plans and specifications for the New HC incorporating any reasonable comments of the City which are acceptable to the Recipient, in the Recipient's reasonable, good faith judgement, which shall be resubmitted to the City within a reasonable period of time, not to exceed (30) days after receipt of the City's comments. The foregoing comment and resubmittal process shall repeat as necessary. For the avoidance of doubt, the City's right of review and comment to such plans and specifications shall not extend beyond the New RC to the balance of the Project. The Recipient shall be under no obligation to accept a requested modification to the plans and specifications for the New RC that, in the reasonable discretion of Recipient, conflicts with the Recipient's mission, safety frameworks, or policies, so long as the New RC Minimum Requirements are met.

(C) Final Project Plans & Specs. The Recipient shall finalize the Project Plans & Specs no later than nine (9) months the Construction Grant Deadline; provided, however, in the event that the City shall fail to timely respond within any thirty (30) day period pursuant to Section 5.2(B) above, that such deadline shall be extended by the number of days the City's response exceeded the thirty (30) day period(s). For purposes this Agreement, the term "**Project Plans & Specs**" shall mean the final architectural construction documents, plans and specifications for the Project as approved by the Recipient as well as the City (as to the New RC only), and otherwise in accordance with this Agreement, which are capable of being circulated to general contractors for bidding and selection.

5.3 Construction of Project.

(A) Construction Contract. Within sixty (60) days after the Projects Plans & Specs are finalized, the Recipient shall (i) enter into a construction contract with a general contractor (the "**GC**") to complete the Project in accordance with the Project Plans & Specs and (ii) submit and diligently pursue all necessary and required applications, approvals, and building and other permits for the GC to construct the Project in accordance with the Project Plans & Specs.

(B) Construction Timeline. Within ninety (90) days after the Project Plans & Specs are finalized, Recipient shall deliver a proposed construction timeline for the Project to the City's for the City's review, comment and reasonable approval (the "**Construction Timeline**"). The Construction Timeline shall provide that construction will not commence earlier than is reasonably necessary for the City for the make the determination described in Section 5.4 below, in its sole and absolute discretion, as to the location of operations of the Existing Shelter and the Existing RC during the period of construction and, if applicable, to identify a temporary location to relocate the inclement weather component of the Existing Shelter. In proposing the Construction Timeline, the Recipient shall use commercially reasonable efforts to schedule the timing of construction to coincide with not greater than one (1) season of operation of the inclement weather component of the Existing Shelter. The parties acknowledge and agree that construction of the Project is estimated to take no longer than a year and a half from commencement to completion (the "**Construction**

Completion Target”), which shall also be reflected in the Construction Timeline.

(C) Completion of Construction. The Recipient shall authorize commencement of construction of the Project by the GC in accordance with the approved Construction Timeline, and thereafter shall diligently pursue the Project construction in accordance with the Project Plans & Specs. The Recipient shall use commercially reasonable efforts to cause the diligent completion of the Project and issuance of a certificate of occupancy on or before the Construction Completion Target. Notwithstanding anything to the contrary contained in this Agreement and in addition to any and all other remedies set forth herein, (i) in the event that the Project construction is not complete within six (6) months after the Construction Completion Target, the Recipient shall refund Five Hundred Thousand and No/100 Dollars (\$500,000.00) of the Construction Grant to the City within thirty (30) days of the City’s written demand therefor; and (ii) in the event that the Project construction is not complete within one (1) year after the Construction Completion Target, the Recipient shall refund One Million and No/100 Dollars (\$1,000,000.00) of the Construction Grant to the City within thirty (30) days of the City’s written demand therefor.

(D) Opening of the Center of Hope. The Recipient shall open the Project to the public as soon as reasonably practicable after substantial completion of construction (such completed Project, the **“Center of Hope”**), but no later than one hundred twenty (120) days after such substantial completion.

(E) Force Majeure. The foregoing deadlines shall be extended by any force majeure events lasting longer than fifteen (15) continuous days. For purposes of the foregoing, “force majeure events” shall mean extraordinary or catastrophic acts, events or crises beyond the reasonable control of the applicable Party which result in the suspension of such Party’s performance of its obligations hereunder, by way of illustration, but not limited to, natural disasters, outbreaks of hostilities, and widespread strikes. For the avoidance of doubt, in no event shall supply chain issues or the delay or unavailability of construction supplies or materials be deemed “force majeure events” for purposes of the foregoing if reasonably suitable alternative construction supplies or materials are available.

5.4 Existing Shelter Operations during Project Construction. As part of the Construction Timeline approval process, the Recipient shall provide the City with a good faith estimate of the cost to stage construction of the Project so as to allow continued operations of the Existing Shelter and the Existing RC throughout the construction process (the **“Staging Cost”**). In its sole and absolute discretion, the City may elect to either: (i) pay the Staging Cost to the Recipient (in which event, the Recipient shall operate the inclement weather component of the Existing Shelter throughout construction of the Project, using commercially reasonable efforts to minimize disruption); or (ii) identify a temporary location for the inclement weather component of the Existing Shelter and the Existing RC, in which event, the Recipient shall relocate the inclement weather component of the Existing Shelter and operate at said temporary location in accordance with the terms and conditions of the Operating Grant; provided, however, that any cost of relocation and fit up, if any, of the inclement weather component of the Existing Shelter in such relocated premises shall be at the sole cost and expense of the City.

5.5 Center of Hope Operations. After opening the Project to the public in accordance with the foregoing, (a) the Recipient shall operate the Emergency Shelter within the Center of Hope as a housing-first shelter with case management for a period of a least ten (10) years without

material interruption (the “**Operations Period**”); and (b) if the parties enter into the Center of Hope IWS Grant (as hereinafter defined), then the Recipient shall operate the Inclement Weather Shelter within the Center of Hope in accordance with the terms of the Center of Hope IWS Grant until the earlier of: (i) the expiration of the Operations Period or (ii) the expiration or termination of the Center of Hope IWS Grant (the foregoing subsections (a) and (b) together, the “**Operations Covenant**”). The parties acknowledge and agree that the City shall be under no obligation to provide an operating grant for Emergency Shelter, the Inclement Weather Shelter, either or both, within the Center of Hope during the Operations Period (or beyond), that the foregoing obligation of the Recipient to operate the Emergency Shelter within Center of Hope shall be independent of any operating grant provided by the City (if any), and any operating grant for the Emergency Shelter shall be subject to appropriations as provided in this Agreement. Notwithstanding the foregoing, the parties further acknowledge and agree that the while the City does not intend to provide an operating grant as to the Emergency Shelter at the Center of Hope (and the Recipient agrees that it does not to anticipate receipt of such City grant funds and intends to fund operations of the Emergency Shelter with other funds), it is the City’s intent to provide an operations grant to cover the incremental increase in the cost increase attributable to the Inclement Weather Shelter (over the Emergency Shelter) at the Center of Hope throughout the Operations Period (any such grant, together with any requirements of such grant and related ordinance(s), and any and all modifications of, extensions of, amendments to, and replacements of the same, now or hereafter existing, the “**Center of Hope IWS Grant**”).

5.6 New RC Lease. On or prior to completion of construction of the New RC, the parties shall use good faith, diligent efforts to enter into a new lease for the New RC to replace the existing RC Lease (the “**New RC Lease**”). The New RC Lease shall have an initial term of ten (10) years (the “**Initial Term**”); after the Initial Term, the New RC Lease may be further extended upon mutual agreement by Recipient and the City. The New RC Lease shall be on substantially the form of the RC Lease with substantially the same terms, except as set forth in this Section 4.6. The New RC Lease shall modify the definition of the “Leased Premises” to reflect the New RC. Base rent under the New RC Lease for the Initial Term shall be free of charge for the duration of the Initial Term. In the event that the parties do not enter into a Center of Hope IWS Grant or upon the expiration or termination of any Center of Hope IWS Grant, the New RC Lease shall provide that the City shall pay to the Recipient, as monthly additional rent, one twelfth (1/12th) of the City’s pro rata share (based on square footage) of any utilities, routine maintenance charges, and insurance for the Building, as estimated on an annual basis by Recipient (collectively, “**CAM Charges**”); provided that the parties shall reconcile, and true-up, as applicable, the actually incurred CAM Charges within sixty (60) days after the expiration of each calendar year during the Initial Term. CAM Charges shall expressly exclude real estate taxes and assessments capital expenditures (which shall be the sole responsibility of the Recipient), and the parties may further negotiate the details of inclusions and exclusions for CAM Charges when entering into the New RC Lease. In the event that the parties do enter into a Center of Hope IWS Grant and for so long as such Center of Hope IWS Grant is in effect during the Initial Term, the New HRC Lease shall provide that the City shall not pay any CAM Charges to the Recipient; and the costs of any and all such CAM Charges during such period shall be borne by the Recipient. The New RC lease shall provide parking equal to or greater than the parking allocated to the City under the RC Lease.

Section 6. Representations of the Parties.

As of the Effective Date, the Recipient hereby represents and warrants to the City as follows:

6.1 The Recipient has the power and is duly authorized to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

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

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

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

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

6.6 Each Quarterly Fundraising Update and the Proof of Funds shall be true and correct in all material respects to the best of the knowledge of the preparer, and each shall be certified as such by the preparer as evidenced by such preparer's signature and date on the face of the applicable document.

As of the Effective Date, the City hereby represents and warrants to the Recipient as follows:

6.7 The City has the power and is duly authorized to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

6.8 Any and all actions necessary to enable the City to enter into this Agreement, and to be bound hereby, have been duly taken.

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

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

For purposes of this Agreement, (i) the foregoing representations on behalf of the Recipient are made to the best of the actual knowledge, without duty of inquiry, of Major Samuel Kim, the Area Commander of the Recipient, and (ii) the foregoing representations on behalf of the City are made to the best of the actual knowledge, without duty of inquiry, of Tracy DeShazor, the Deputy Chief Administrative Officer of Human Services of the City.

Section 7. Default.

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

7.1.1 Failure by the Recipient to maintain its corporate existence, the declaration of bankruptcy by the Recipient, or default of Recipient beyond applicable notice and cure periods under any loan secured by the Property;

7.1.2 The failure of either party to timely comply with the terms and agreements of this Agreement, and the continuance of such failure after written notice from the non-defaulting party and the expiration of a thirty (30) day period during which the party may cure such failure;

7.1.3 Breach of a representation hereunder; and

7.1.4 In the event of satisfaction of the Conditions Precedent prior to the Construction Grant Deadline, the failure of the City to fund the Construction Grant, which failure is not due to the Recipient's Default or the non-appropriation of funds by City Council pursuant to Section 10.5 below.

7.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the parties shall have all rights and remedies at law and in equity; provided, however, that in no event shall either party shall be liable for the other party's attorney's fees.

7.3 Restitution of Construction Grant. In addition to the foregoing, in the event that the City funds the Construction Grant hereunder: (i) if the Recipient's Default is (a) the failure to make a payment pursuant to the Cash Infusion Requirement, (b) the failure to complete construction on the Center of Hope, or (c) the failure to timely open the Center of Hope to the public, after written notice from the City and the expiration of a thirty (30) day period during which Recipient may cure such failure by opening to the public, then the Recipient shall refund the entire amount of the Construction Grant to the City within sixty (60) days of written demand therefor; or (ii) if the Recipient completes construction on the Center of Hope and opens the Center of Hope to the Public, but the Recipient's Default is failure to operate throughout the Operations Period, then the Recipient shall refund the entire amount of the Construction Grant to the City, less Five Hundred Thousand Dollars (\$500,000) for each full calendar year of operation completed prior to the early cessation of operations, to the City within thirty (30) days of written demand therefor.

Section 8. Recipient Reporting.

Upon written request of the City, but no more than once a month, (i) during construction of the Project, the Recipient shall provide detailed updates and verification reasonably satisfactory to the City of Recipient's progress regarding completion of Project construction in accordance with the Project Plans and Specs, and (ii) following Project construction, the Recipient shall certify that the Recipient is in continued compliance with the Operations Covenant.

Section 9. Notices.

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

if to the Recipient, to:

The Salvation Army
2 West Grace Street
Richmond, VA 23220
Attn: Area Commander

with a copy to:

The Salvation Army
1424 Northeast Expressway
Brookhaven, GA 30329
Attn: Legal Department
E-mail: USSTHQ.Legal@uss.salvationarmy.org

if to the City, to:

Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street Suite 201
Richmond, VA 23219

with a copy to:

City Attorney's Office
City of Richmond, Virginia
900 East Broad Street Suite 400
Richmond, VA 23219
Attn:

Section 10. General Terms and Conditions.

10.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Agreement or any of the rights, benefits, duties, or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent either party may withhold in its sole and absolute discretion.

10.2 Governing Law; Venue. This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

10.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

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

10.5 Subject-to-Appropriations. The Parties acknowledge and agree that payments and

other performances by the City under this Agreement, including, without limitation, the Operating Grant, the Construction Grant, the Center of Hope IWS Grant, and payment of the Purchase Price, are subject to City Council approval and annual appropriations by the City Council of the city of Richmond, Virginia (the "**City Council**"). The Parties acknowledge and agree among the parties that the City shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

10.6 Public Disclosure. The parties to this Agreement acknowledge that records maintained by or in the custody of the City is subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

10.7 No Waiver. Neither failure on the part of the City to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City to enforce the same right in the event of any subsequent default.

10.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by City Council.

10.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

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

10.11 Signature Authority. Except as specifically otherwise set forth in this Agreement, the Chief Administrative Officer of the City, or the designee thereof, (i) may provide any authorization, approvals, and notices contemplated herein on behalf of the City, and (ii) is authorized to act on behalf of the City, respectively, under this Agreement.

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

10.13 Limitation of Liability. No director, officer, employee, contractor, deputy, agent

or representative of either party shall be personally liable to another party to this Agreement or any successor in interest under this Agreement or on any obligation incurred under the terms of this Agreement. This Section shall survive the expiration or earlier termination of this Agreement.

SIGNATURE PAGE(S) TO FOLLOW

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

CITY:

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

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

Authorized by Ordinance No. _____

Approved as to Form:

By: Irindany b. Chen
City Attorney's Office

Approved as to Terms:

Alphe W. Harris

RECIPIENT:

THE SALVATION ARMY,
a Georgia corporation

By:  01/05/2024
Date: _____
Deborah Sedlar

Name: _____

Title: _____ VICE PRESIDENT

EXHIBIT A

FORM OF MEMORANDUM OF PURCHASE OPTION

Prepared by and when recorded return to:

Richmond City Attorney's Office
900 East Broad Street, Suite 400
Richmond, Virginia 23219
Attn: Lindsey D. Chase, Esq.

Tax Parcel No: N0000478031
Consideration: \$0.00

MEMORANDUM OF OPTION TO PURCHASE

THIS MEMORANDUM OF OPTION TO PURCHASE (this "**Memorandum**") is made this ____ day of _____, 20____, by and between **THE SALVATION ARMY**, a Georgia corporation (the "**Army**"), and **CITY OF RICHMOND, VIRGINIA**, a municipal corporation and political subdivision of the Commonwealth of Virginia (the "**City**").

WHEREAS, pursuant to that certain Grant Agreement and Purchase Option dated _____, 20____, by and between the City and the Army (collectively with any modifications of or amendments to the same, now or hereafter existing, the "**Agreement**"), the Army has granted and conveyed to the City an option to purchase that certain real property located at 1900 Chamberlayne Avenue, Richmond, Virginia, identified as Tax Parcel No. N0000478031, and more particularly described on Exhibit A attached hereto and by this reference incorporated herein (together with all improvements thereon, fixtures, equipment, and appurtenances thereto, the "**Property**"), all as more particularly set forth in the Agreement (the "**Purchase Option**"); and

NOW, THEREFORE, for good and valuable consideration, including, without limitation, the agreements and covenants set forth in the Agreement, the receipt and sufficiency of which are hereby acknowledged and agreed, the City and the Army hereby provide public notice of the City's Purchase Option as to the Property pursuant to the Agreement. Upon the expiration or earlier termination of the Purchase Option in accordance with the terms and conditions of the Agreement, and upon the written request of the Army, the City agrees to countersign a termination instrument confirming such expiration or termination of the Purchase Option (the "**Termination Instrument**"). The Termination Instrument shall be prepared and recorded by the Army, at its sole cost and expense, to release this Memorandum of record in the Clerk's Office for the Circuit Court of the City of Richmond, Virginia.

[Remainder of page intentionally left blank; signatures to follow on next page(s).]

IN WITNESS WHEREOF, the City and the Army have executed this Memorandum effective as of the date written above (which shall be the last date this is Memorandum is executed by the City or the Army, as applicable).

ARMY:

THE SALVATION ARMY,
a Georgia corporation

(SEAL)

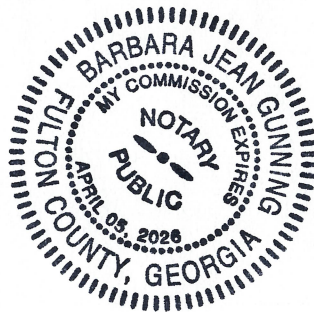
By: [Signature]
Name: Deborah Sedlar
Title: VICE PRESIDENT
Date: 01/05/2024

STATE/Commonwealth of Georgia,
CITY/COUNTY OF FULTON, to wit:

The foregoing instrument was acknowledged before me this 5th day of January 2024 by _____, the _____ of The Salvation Army, a Georgia corporation, on behalf of the corporation.

My commission expires April 5, 2026.

Barbara Jean Gunning
Notary Public



SIGNATURE PAGE TO MEMORANDUM OF PURCHASE OPTION

CITY:

CITY OF RICHMOND, a Municipal
Corporation and Political Subdivision of the
Commonwealth of Virginia

(SEAL)

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

Date: _____


COMMONWEALTH OF VIRGINIA,
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____ 2023 by J.E. Lincoln Saunders, the Chief Administrative Officer, on behalf of the City of Richmond, Virginia, a Municipal Corporation and Political Subdivision of the Commonwealth of Virginia.

My commission expires _____.

Notary Public

APPROVED AS TO FORM:



Lindsey D. Chase
Senior Assistant City Attorney

EXHIBIT A

Legal Description of the Property

Parcel A

All that certain Lot, piece or parcel of land, with all improvements thereon and appurtenances thereunto belonging, lying and being in the City of Richmond, Virginia, at the northeast corner of the Intersection of the eastern right-of-way line of Sledd Street and the northern right-of-way line of School Street, more particularly shown as Lot 2 (2.315 acres) on the subdivision plat dated April 3, 2001, last revised February 25, 2002, recorded April 8, 2002, in the Clerk's Office, Circuit Court, City of Richmond, Virginia, as Instrument No. 02-010560 and as Plat Book 02, page 19-21, prepared by Balzer and Associates, Inc., styled "CHAMBER PARK SUBDIVISION", reference to which subdivision plat is hereby made for a more complete description.

Parcel B

(survey legal description of Parcel A)

All that certain lot, piece or parcel of land, lying and being in the City of Richmond, Virginia, and more particularly shown as Lot 2 and described herein: Commencing at an iron rod in the northern right-of-way line of School Street and the eastern right-of-way line of Sledd Street and being the point of beginning thence running with Sledd Street N 01°09'31" E a distance of 328.55' to an iron rod, thence departing Sledd Street and heading S 86°05'43" E a distance of 311.46' to an iron rod in the western right-of-way of Chamberlayne Ave, thence running with Chamberlayne Ave along the arc of a curve to the right a distance of 217.25' and having a radius of 1860.08' to a concrete monument, thence heading S 0°01'30" W a distance of 18.73' to an iron rod, thence departing Chamberlayne Ave and heading N 89°58'30" W a distance of 54.43' to an iron rod, thence S 0°01'30" W a distance of 20.76' to a chiseled X, thence S 89°58'31" W a distance of 35.23' to a nail, thence S 74°06'18" W a distance of 51.72' to a nail, thence N 86°19'04" W a distance of 36.80' to a nail, thence S 3°40'56" W a distance of 124.05' to an iron rod in the northern right-of-way of School Street, thence running with School Street along the arc of a curve to the right a distance of 169.73' and having a radius of 424.13' to an iron rod and being the point of beginning.

ALL BEING the property conveyed to The Salvation Army, a Georgia corporation, as Grantee, by Sharon Wood and Wilson Merchant, III, Trustees of the Eternity Church, as Grantors, pursuant to that certain Deed dated March 30, 2020, and recorded in the Clerk's Office, Circuit Court, City of Richmond, Virginia on March 31, 2020 as Instrument No. 200006827.